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# Multilateral Fund for the Implementation of the Montreal Protocol

## ***PHASE-OUT PLANS AND PROJECTS*** (As at July 2023)

*The Multilateral Fund Secretariat*

Note: Some Article 5 countries have changed their name after the related Executive Committee decisions were adopted and agreements concluded. This document lists countries by their name as at July 2023, without changing the name in the original text of decisions and agreements.

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**AFGHANISTAN****National phase-out plan for Afghanistan**

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national phase-out plan for Afghanistan, at the amount of US \$1,065,806 plus agency support costs of US \$138,555 for the Government of Germany and UNEP;
- (b) to approve the draft agreement between the Government of Afghanistan and the Executive Committee attached to the present report; and
- (c) to approve funding for the first tranche of the phase-out plan at the amount of US \$118,438 plus support costs of US \$15,397 for the Government of Germany and US \$305,000, plus support costs of US \$39,650 for UNEP.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/40, para. 147).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex VIII).*

**Agreement between the Government of Afghanistan and the Executive Committee for the implementation of the national phase-out plan**

1. This Agreement represents the understanding of the Government of Afghanistan (the “Country”) and the Executive Committee with respect to the complete phase out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol in accordance with the annual phase out targets set out in Appendix 2-A and Appendix 2-B (the “Targets, and Funding”) and this Agreement. The annual phase out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances as described in the NPP document.
3. Subject to compliance with the following paragraphs 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 11 of Appendix 2 A and Appendix 2 B (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 Substance as indicated in Appendix 2-A and Appendix 2 B. It will also accept independent verification by the relevant Bilateral Agency/Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing subsectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the “Lead IA”) has agreed to be the lead implementing agency and GTZ (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in Appendix 2-A and Appendix 2 B.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12
Annex B:	Group II	CTC

### Appendix 2-A: The targets, and funding Annex-A Group-I (CFC)

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	190.0	190.0	57.0	57.0	57.0	0.0	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)	179.7	179.7	57.0	41.0	30.0	0.0	
3. Reduction from ongoing projects							
4. New reduction under plan	0.0	122.7	16.0	11.0	30.0	0.0	179.7
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.0	122.7	16.0	11.0	30.0	0.0	179.7
6. UNEP agreed funding (US \$)	305,000	0					305,000
7. GTZ agreed funding (US \$)	118,438	602,368					720,806
8. Total agreed funding (US \$)	423,438	602,368					1,025,806
9. UNEP support costs (US \$)	39,650	-					39,650
10. GTZ support cost (US \$)	15,391	78,304					93,705
11. Total agency support costs (US \$)	55,041	78,304					133,355

### Appendix 2-B: Targets, and Funding Annex B Group-II (CTC)

	2005	2006	2007	2008	2009	2010	Total
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1. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	0.12	0.12	0.12	0.12	0.12	0.00	
2. Maximum agreed total consumption of Annex B Group II substances (ODP tonnes)	0.12	0.12	0.00	0.00	0.00	0.00	
3. Reduction from ongoing projects							
4. New reduction under plan	0.00	0.12	0.00	0.00	0.00	0.00	0.12
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.00	0.12	0.00	0.00	0.00	0.00	0.12
6. UNEP agreed funding (US \$)							
7. GTZ agreed funding (US \$)		40,000					40,000
8. Total agreed funding (US \$)		40,000					40,000
9. UNEP support costs (US \$)							
10. GTZ support cost (US \$)		5,200					5,200
11. Total agency support costs (US \$)		5,200					5,200

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the 47th and the 48th Executive Committee Meetings.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						

Grand total						
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#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

- All the monitoring activities will be coordinated and managed through the National Ozone Unit.
- 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 NPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring and controlling illegal ODS imports into the country.
- The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.
- Each of the different projects within the NPP will need a different monitoring sub programme suited to the objectives of the project.

#### Verification and reporting

- The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

- Based on the discussion with UNEP, the Government of Afghanistan should select the independent organization (auditing) to carry out the verification of the NPP results and the monitoring programme.

#### Frequency of verification and reporting

- The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

#### Appendix 6-A: Role of the Lead IA

- The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:
  - 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;
  - providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
  - assisting the Country in preparation of the Annual Implementation Programme;

- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2005 to be prepared and submitted in year 2006;
- (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) coordinating the activities of the Coordinating IAs, if any;
- (k) ensuring that disbursements are made to the Country in a timely and effective manner; and
- (l) providing assistance with policy, management and technical support when required.

**Appendix 6-B: Role of Cooperating IA**

1. GTZ as cooperating implementing agency, will:
  - (a) assist the Government of Afghanistan in the implementation and verification of the activities to be undertaken by UNEP as funded in rows 9 and 10 of Appendix 2-A and Appendix 2-B;
  - (b) ensuring that disbursements are made to the Country in a timely and effective manner;
  - (c) reporting to the lead IA on these activities; and
  - (d) provide assistance relating to the activities being undertaken when required.

**Appendix 7-A: Reductions in funding for failure to comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$9,150 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/40, para. 147).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/61, Annex VIII).*



**ALBANIA****National ODS phase-out plan for Albania**

The Thirty-ninth Meeting of the Executive Committee decided to approve the national ODS phase-out plan for Albania on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance and in accordance with the agreement between the Government of Albania and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/43, para. 81).*

*(Supporting document: UNEP/OzL.Pro/ExCom/39/43, Annex X).*

**Agreement for the national phase-out plan for Albania**

1. The Executive Committee has noted that the Parties decided at their 14th Meeting (Decision XIV/18 – non-compliance with the Montreal Protocol by Albania), inter alia:
  - (a) "to request that Albania submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance...."; and
  - (b) "...to the degree that Albania is working towards meeting the specific control measures, it should continue to be treated in the same manner as a Party in good standing and should continue to receive international assistance to enable it to return to compliance...".
2. The Executive Committee has also noted that pursuant to Decision XIV/18, Albania has submitted to the Ozone Secretariat for the consideration by the Implementation Committee a terminal phase-out plan that would achieve compliance CFC freeze in 2005 and the 50% reduction in 2006.
3. In order to provide immediate assistance to facilitate a return to compliance; and without prejudice to the operations of the Montreal Protocol's mechanism dealing with non-compliance, on an exceptional basis, the Executive Committee has entered into an Agreement with the Government of Albania with respect to the complete phase-out of the ozone depleting substances (ODSs) of Annex A Group I, Annex B Group II and Annex E used in Albania.
4. Albania agrees to phase-out the production and consumption of all controlled uses of all ODSs in accordance with the annual consumption limits set out in Table 1, and this Agreement. Albania accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it will not apply for or receive further funding from the Multilateral Fund in respect to all controlled ODSs.

**Table 1: Annual consumption limits for ODSs in Albania**

Year	ODP tonnes
2003	68.0
2004	61.2
2005	36.2
2006	15.2
2007	6.2
2008	2.2
2009	0

5. Subject to compliance by Albania with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide a total of US \$653,125, excluding agency support costs and funding for institutional strengthening, as the total funding for Albania for the complete phase-out of production and consumption of all ODSs, in accordance with the funding disbursement schedule presented in Table 2. The funding for 2003 will be provided at the time of approval of this Agreement; thereafter, the Executive Committee will endeavor to provide the indicated funds at the first meeting of the year.

**Table 2: Funding disbursement schedule (US\$)**

Funding	2003	2004	2005	2006	2007	2008	2009
Component I (UNEP)	118,125	0	0	0	0	0	0
Component II (UNIDO)	181,068	172,322	72,322	42,322	22,322	22,322	22,322
Agency fees (UNEP)	15,356	0	0	0	0	0	0
Agency fees UNIDO)	13,580	12,924	5,424	3,174	1,674	1,674	1,674
Total (UNEP)	133,482	0	0	0	0	0	0
Total (UNIDO)	194,648	185,246	77,746	45,496	23,996	23,996	23,996
Total cost to the MF	328,130	185,246	77,746	45,496	23,996	23,996	23,996

6. Albania will meet the consumption limits for all ODSs as indicated in Table 1. It will also accept independent verification of achievement of these consumption limits by UNIDO, as the lead Implementing Agency, as described in paragraph 11 of this Agreement.
7. The Executive Committee will not provide the funding in accordance with the funding disbursement

schedule indicated in Table 2 unless Albania satisfies the following conditions prior to the Executive Committee Meeting where funding is requested for the subsequent implementation programme:

- (a) Albania has met the phase-out targets for the applicable year as indicated in Table 1, and these targets have been independently verified as described in paragraph 11;
- (b) Albania has substantially completed all actions set out in the last annual implementation programme; and
- (c) Albania has submitted and received approval from the Executive Committee for an annual implementation programme in respect of the year for which funding is being requested.

8. Albania will ensure that it conducts accurate monitoring of its activities under this Agreement. The Steering Committee of the National Phase-out Plan of Albania, chaired by the National Ozone Unit will monitor and report on that monitoring in accordance with the following roles and responsibilities set out in the National Phase-out Plan. This monitoring will also be subject to independent verification as described in paragraph 11:

- (a) administration matters relating to the National Phase-out Plan;
- (b) preparation of annual implementation programmes, based on the regional national phase-out plan to be prepared by the regional inspectors;
- (c) coordination of all activities and actions identified in the National Phase-out Plan and the monitor of their implementation; and
- (d) coordination with the National Ozone Unit concerning the preparation and submission of annual reports to the Multilateral Fund Secretariat on the progress of implementation of the National Phase-out Plan and to the Ozone Secretariat on ODS consumption in Albania under Article 7 of the Montreal Protocol.

9. While the funding was determined on the basis of estimates of the needs of Albania to carry out its obligations under this Agreement, the Executive Committee agrees that Albania may have the flexibility to reallocate the funds agreed in principle, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations which are considered as major changes should be identified in annual implementation programmes, reviewed by the Executive Committee, and accounted for in the verification report.

10. Albania 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 fulfill the obligations under this Agreement. UNIDO has agreed to be the lead Implementing Agency and UNEP has agreed to be the co-operating Implementing Agency under the lead of UNIDO.

11. Specifically, UNIDO will be responsible for carrying out the following activities:

- (a) ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the National Phase-out Plan;
- (b) reporting annually on the implementation of the annual implementation programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by UNIDO are carried-out by appropriate independent technical experts;
- (e) assisting Albania in the preparation of annual implementation programmes, which will incorporate achievements of previous annual programmes;
- (f) carrying-out required supervision missions;
- (g) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (h) ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
- (i) providing policy development assistance when required.

12. UNEP, as co-operating Implementing Agency, will be responsible for carrying out the following activities:
- (a) assisting Albania in the implementation and verification of the activities under UNEP's responsibility;
  - (b) providing reports to UNIDO on these activities, for inclusion in consolidated reports;
  - (c) ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
  - (d) providing policy development assistance when required.
13. The Executive Committee agrees, in principle, to provide UNIDO and UNEP with the agency support costs set out in Table 2.
14. Albania also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. Should Albania, for any reason, not meet the targets for the elimination of all ODSs or otherwise does not comply with this Agreement, then Albania agrees that it will not be entitled to the funding in accordance with the funding disbursement schedule indicated in Table 2. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding disbursement schedule determined by the Executive Committee after Albania has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next installment of funding under the funding disbursement schedule.
15. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect any other related activities in Albania.
16. Albania will comply with any reasonable request of the Executive Committee and UNIDO to facilitate implementation of this Agreement. In particular, it will provide access by UNIDO and UNEP to information necessary to verify compliance with this Agreement.
17. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/43, para. 81).*

*(Supporting document: UNEP/OzL.Pro/ExCom/39/43, Annex X).*

**ALGERIA****National ODS phase-out plan for Algeria**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Algeria and the Executive Committee for the national phase-out plan contained attached to the present report at a total amount in principle of US \$921,500 plus agency support costs of US \$69,113 for UNIDO and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (b), para. 88 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex IV).*

**Agreement between Algeria and the Executive Committee for the phase out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Algeria (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 4, 6, 8, and 10 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 11 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 12 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
Annex A:	Group II	Halons
Annex B	Group I	Other fully halogenated hydrocarbons
Annex B	Group II	CTC
Annex B	Group III	Methyl chloroform

### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	318	318	318	0	
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	200	150	100	0	
3	Montreal Protocol consumption limits of Annex A, Group II substances (ODP tonnes)	118.6	118.6	118.6	0	
4	Max allowable total consumption of Annex A Group II substances (ODP tonnes)	80	70	50	0	
5	Montreal Protocol consumption limits of Annex B, Group I substances (ODP tonnes)	0.15	0.15	0.15	0	
6	Max allowable total consumption of Annex B Group I substances (ODP tonnes)	0.1	0.1	0.1	0	
7	Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	3.1	3.1	3.1	0	
8	Max allowable total consumption of Annex B Group II substances (ODP tonnes)	2.0	2.0	1.0	0	
9	Montreal Protocol consumption limits of Annex B, Group III substances (ODP tonnes)	4	4	4	1.7	

		2007	2008	2009	2010	Total
10	Max allowable total consumption of Annex B Group, III substances (ODP tonnes)	4.0	3.5	2.0	1.5	
11	Lead Agency Agreed Funding (US\$)	723,500	0	198,000		921,500
12	Lead Agency (UNIDO) support costs @7.5% (US \$)	54,263	0	14,850		69,113
13	Total agreed costs (US \$)	777,763	0	212,850		990,613

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of the year of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	



Others	
--------	--

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed by the NOU and UNIDO through the project funding, which is included within this NPP.
2. UNIDO will play a key 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 NPP. UNIDO in cooperation NOU, national agencies and relevant Government Authorities will monitor the illegal ODS imports and exports.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Algeria for related auditing. Based on discussion with the Lead IA, Algeria should select the independent organization (auditing) to carry out the verification of the NPP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

1. The Lead IA (UNIDO) 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 Annual Implementation Programme;
  - (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Algeria consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
  - (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
  - (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for annual implementation programme for 2009 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 Annual Implementation Programme and accurate data reporting;
  - (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
  - (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Moldova, Rep in the implementation and assessment of the activities funded for by the

Cooperating IA; and

- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (b), para. 88 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex V).*

## ANTIGUA AND BARBUDA

**National CFC phase-out plan for Antigua and Barbuda**

The Forty-fourth Meeting of the Executive Committee decided:

(a) to approve the phase-out plan in principle with the understanding that:

- (i) the total level of funding of the CFC phase-out management plan for Antigua and Barbuda was US \$97,300 plus support costs to the World Bank of US \$8,757 to be disbursed in two tranches. That was the total funding that would be available to the Government of Antigua and Barbuda from the Multilateral Fund for the complete elimination of all CFCs in Antigua and Barbuda;
- (ii) the Government of Antigua and Barbuda committed itself to the phased reduction and complete phase-out of the consumption of CFCs in Antigua and Barbuda, according to the following phase out schedule, which was at a minimum consistent with the Montreal Protocol's control measures:

Year	2005	2006	2007	2008	2009	2010
Annual CFC (ODP tonnes)	1.8	1.4	1.0	0.5	0	0

- (iii) the second tranche would be requested at the last meeting in 2006. The Executive Committee would not be obliged to approve the second tranche unless Antigua and Barbuda had met the targets specified under subparagraph (a)(ii), and had presented a report concerning activities undertaken as well as a work plan for the implementation of the remaining phase-out;
  - (iv) the Government of Antigua and Barbuda agreed that no additional resources would be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of CFCs. The Executive Committee agreed to provide Antigua and Barbuda with flexibility in using the agreed funds consistent with operational procedures as agreed between Antigua and Barbuda and the World Bank in the CFC phase-out management plan;
  - (v) the Government of Antigua and Barbuda agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
  - (vi) the World Bank would be responsible for reporting annually on the implementation of activities funded under the CFC phase-out management plan for Antigua and Barbuda and would provide a report, including customs data, to the Executive Committee annually on the reduction of CFC consumption; and
- (b) the Executive Committee approved US \$69,400 plus support costs of US \$6,246 for the World Bank for the first biannual implementation programme.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/47, para. 188).

**ARGENTINA****Phase-out of the use of methyl bromide in Argentina**

The Thirtieth Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in strawberry, protected vegetables and cut flower production in Argentina, and the thirty-sixth Meeting of the Executive Committee also decided to approve the project for the phase-out of methyl bromide for soil fumigation in tobacco and non-protected vegetable seed-beds, with the agreed conditions attached to the present report.

NOTE: This agreement was subsequently modified at the 45th Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/30/41, Decision 30/48, para. 74).*

*(UNEP/OzL.Pro/ExCom/36/36, Decision 36/45, para. 86).*

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the request to change the phase-out schedule for the project for the complete phase-out of methyl bromide used in the strawberry, protected vegetables and cut flowers sectors, submitted by the Government of Argentina;
- (b) to approve the revisions to the agreement between the Government of Argentina and the Executive Committee as attached to the present report, which would include a revised completion date of 2015;
- (c) to note that, before the end of 2010, UNIDO and Argentina would submit a full report on the implementation of the phase-out plan, together with a status report on the alternatives to methyl bromide in the strawberry sector available in that country; and, at that time, Argentina would consider the possibility of completing the phase-out of methyl bromide earlier than 2015.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/13, para. 76 (a, b, c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex VI).*

**Agreed conditions for funding methyl bromide phase-out project in Argentina**
**1. The Executive Committee:**

- (a) at its 30th Meeting, approved US \$3,183,390 as the total funds that will be available to Argentina to achieve the complete phase-out of methyl bromide (MB) used in strawberries, flowers and protected vegetables (331 ODP tonnes);
- (b) at its 36th Meeting, approved in principle, an additional US \$3,588,000 as the total funds that will be available to Argentina to achieve the complete phase-out of MB used in tobacco and non-protected vegetable seedbeds, excluding quarantine and pre-shipment applications (additional 178.8 ODP tonnes); and
- (c) at its 45th Meeting, approved a revised schedule to achieve the phase-out of 192 ODP tonnes of MB representing the remaining consumption used in strawberries, flowers and protected vegetables, on the understanding that no additional funding will be requested from the Multilateral Fund to phase out the 59.6 ODP tonnes of MB representing the increase in MB consumption since the phase-out project (331 ODP tonnes) had been approved by the Executive Committee at its 30th Meeting.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Argentina is 411.3 ODP tonnes, and the MB consumption in 1998 was 505 ODP tonnes, excluding about 31 ODP tonnes which Argentina states that it uses for quarantine and pre-shipment applications. Accordingly, Argentina must reduce its consumption of MB to 411.3 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to 329 ODP tonnes to achieve compliance with the Protocol's 20 per cent reduction in 2005.

3. Reductions resulting from the implementation of this project, together with reductions agreed in the approved project in strawberry, protected vegetables and cut flowers production (30th Meeting of the Executive Committee), will ensure that Argentina will meet the reduction schedule listed below. In this regard, Argentina commits, through the implementation of these projects, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	MB phased out per year (ODP tonnes)			Maximum remaining national MB consumption excluding QPS applications (ODP tonnes) (c)
	Strawberries, flowers, vegetables (UNIDO)(a)	Tobacco, non-protected vegetables (UNDP) (b)	Total phased out per year	
				505.0
2001	33.2		33.2	471.8
2002	66.2	29.0	95.2	376.6
2003	99.2	21.0	120.2	256.4
2004		16.0	16.0	354.8(d)
2005		33.5	33.5	321.3
2006		56.5	56.5	264.8
2007	-	22.8	22.8	242.0
2009	57.6		57.6	184.4
2014			184.4	184.4
2015	134.4		(e)	0.0

(a) 59.6 ODP tonnes to be phased out without the assistance from the Multilateral Fund.

(b) 22.8 ODP tonnes to be phased out without the assistance from the Multilateral Fund.

(c) 18 ODP tonnes is used for post-harvest fumigation of cotton and citrus.

(d) This amount includes: 192 ODP tonnes in the strawberry and greenhouse sector; 112.8 ODP tonnes in the tobacco sector (including 22.8 ODP tonnes to be eliminated without the assistance from the Multilateral Fund), 32 ODP tonnes for stocks and 18 ODP tonnes for cotton and citrus post-harvest sector.

(e) This amount includes: 32 ODP tonnes for stocks and 18 ODP tonnes for cotton and citrus post-harvest sector.

4. The projects will phase-out all remaining soil uses of MB in strawberries, flowers, tobacco and vegetables in Argentina, excluding quarantine and pre-shipment applications. Argentina commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary. UNDP and UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the MB reductions required in the strawberries, flowers, tobacco and vegetables sectors.

5. In the context of the extensive training that is being carried out in the implementation of the project on strawberries, flowers and vegetable crops, UNIDO agrees to educate related farmers on ways to limit the use of metam sodium through the enhanced use of IPM techniques. UNIDO shall also report back to the Executive Committee on annual costs related to metam sodium and the use of the steam boilers being purchased with the project funds.

6. Funding for the projects will be disbursed by UNIDO and UNDP in line with the following yearly budget breakdown:

Year	Level of funding (US \$)		
	Strawberries/vegetables/flowers	Tobacco	Total level of funding
2001	1,050,500	220,000	1,270,500
2002	1,050,500	1,500,000	2,550,500
2003	1,082,390	467,000	1,549,390
2004		467,000	467,000
2005		467,000	467,000
2006		467,000	467,000

7. The Government of Argentina has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption (in these sectors) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government. The remaining consumption of 18 ODP tonnes which figures in the reduction schedule listed above, is used for post-harvest fumigation of cotton and citrus. This remaining consumption, if eligible, will be addressed through a separate, future phase-out project.

8. The Government of Argentina, in agreement with UNDP and UNIDO, will have the flexibility in organizing and implementing the projects' components which it deems more important in order to meet MB phase-out commitments noted above. UNDP and UNIDO agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. UNDP and UNIDO shall also report back to the Executive Committee annually on the progress in meeting the reductions required by these projects.

9. These agreed conditions between the Government of Argentina and the Executive Committee have taken into account the already approved methyl bromide phase-out projects in strawberries, flowers and protected vegetable crops. Subsequently, they supersede the conditions agreed at the 30th Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/30/41, Decision 30/48, para. 74).*

*(Supporting document: UNEP/OzL.Pro/ExCom/30/41 Annex III).*

*(UNEP/OzL.Pro/ExCom/36/36, Decision 36/45, para. 86).*

*(Supporting document: UNEP/OzL.Pro/ExCom/36/36 Annex IX).*

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/13, para. 76 (a, b, c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex VI).*

**Argentina's CFC production sector**

The Thirty-first Meeting of the Executive Committee decided to request the World Bank to develop a draft phase-out agreement that would set out optional scenarios based on both the consultants' audit report of the Argentina CFC production sector and on the related concerns of Argentina, for use in negotiations at the next meeting of the Subgroup.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/47, para. 75(d)).

(Supporting document: UNEP/OzL.Pro/ExCom/31/56).

The Thirty-eighth Meeting of the Executive Committee decided to approve the Agreement for the Argentina Production Sector, attached to the present report, at a funding level of US \$8.3 million.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/74, para. 136).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex XV).

The Fifty-second Meeting of the Executive Committee decided:

- (a) to approve in principle US \$2.3 million for closing down CFC production in Argentina by the end of 2007, two years ahead of the existing phase-out schedule;
- (b) to request the Secretariat and the World Bank to prepare a draft agreement for accelerating the CFC production project, including the necessary steps for completing the dismantling activities required and the verification to confirm that production closure and dismantling had taken place;
- (c) to request the Secretariat to circulate intersessionally the draft agreement, and other necessary documents to the members of the informal contact group (Canada, China, Guinea, Italy, Mexico, Sweden, Uruguay and the United States of America) for clearance; and
- (d) to request the Secretariat to circulate the draft agreement intersessionally to the members of the Executive Committee for approval upon the clearance of the draft agreement by the informal contact group.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/47, para. 192).

(Supporting document: UNEP/OzL.Pro/ExCom/52/Inf.3).

The Fifty-third Meeting of the Executive Committee decided to approve:

- (a) The agreement for the accelerated phase-out of CFC-11 and CFC-12 production in Argentina attached to the present report; and
- (b) The disbursement of US \$2.3 million and the amount of US \$172,500 in agency support costs for the World Bank.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/33, para. 158).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXVI).

**Agreement for the Argentina production sector**

1. The Executive Committee decides to approve in principle a total of \$8.3 million in funding for the phased reduction and closure of the entire CFC production capacity in Argentina. This is broken down with \$7 million to production closure, \$800,000 for labour compensation and \$500,000 for the project management unit.
2. This is the total funding that would be available to Argentina from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of Group I Annex A and Group I Annex B CFCs, and/or the development of capacity to produce alternatives to these CFCs.
3. The agreed level of funding would be paid out in installments in the exact amounts specified in Table 1, and on the basis of the following understanding:
  - (a) by this approval, Argentina agrees that in exchange for the funding level specified in Table 1, it will reduce its total Group I Annex A and Group I Annex B substances production in accordance with the allowable production in the same table:

**Table 1**

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Max, allowable production (metric tonnes)	3,020	3,020	3,020	1,647	1,647	686	686	686	0*	
MLF funding \$ million	0.5	3.5	0	0.3	2	0	1	1		8.3
Agency fees (\$ million)	0.02	0.11	0.09	0.12	0.10	0.12	0.12	0.047		0.727

(\*) save for any CFC production that may be agreed by the Parties to meet essential uses for Argentina

The Executive Committee has also agreed in principle that it will continue to provide funds on the basis of annual programmes submitted in accordance with the schedule indicated above. The funds are to be approved at the first meeting each year. The World Bank will disburse the funds following its rules for procurement;

- (b) Argentina agrees to ensure accurate monitoring of the phase-out, and to report regularly, consistent with their obligations under the Montreal Protocol and this Agreement. Argentina also agrees to allow for independent technical audits administered by the Implementing Agency, and in addition, as may be directed by the Executive Committee to verify annual CFC production levels agreed in Table 1 and plant dismantling or destruction;
- (c) the Executive Committee wishes to provide Argentina with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in paragraph (a). Accordingly, while Argentina's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this Agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this Agreement and the mode of implementation included in the Argentina project proposal, the funds provided to Argentina pursuant to this Agreement may be used in any manner that Argentina believes will achieve the smoothest possible CFC production phase-out.
- (d) Argentina agrees that the funds being agreed in principle by the Executive Committee at its 38th Meeting for complete closure of its CFC production capacity is the total funding that will be available to it to enable its full compliance with the CFC production phase-out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in paragraph (f) below and reflected in Table 1, Argentina, the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- (e) Argentina understands that if the Executive Committee meets its obligations under this Agreement, but Argentina does not meet the reduction requirements outlined in paragraph (a), and the other requirements



outlined in this document, the Implementing Agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in Table 1 until the required reduction has been met or the required dismantling has been completed. In addition, Argentina understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of \$1,000 per ODP tonnes of reductions not achieved in any year of this Agreement. It is clearly understood that the fulfillment of this Agreement depends on satisfactory performance of obligations by both Argentina and the Executive Committee.

- (f) the World Bank has agreed to be the Implementing Agency for this project. The fee for the project will be at 9 per cent for project investment and labour costs \* distributed during that time period, while 5 per cent fee will be applied to the project management unit. As the Implementing Agency during that time period, the World Bank agrees to be responsible for:
- (i) ensuring/providing independent verification to the Executive Committee that the phase-out targets and associated activities have been met;
  - (ii) ensuring that technical reviews undertaken by World Bank are undertaken by the appropriate independent technical experts such as the OORG;
  - (iii) assisting Argentina in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - (iv) carrying out supervision missions as required;
  - (v) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (vi) incorporating its work into the existing agreement between Argentina and the World Bank;
  - (vii) ensuring that disbursements are made to Argentina based on agreed performance targets in the project, and the provisions of this Agreement;
  - (viii) independently verifying for the Executive Committee that dismantling of CFC production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.
- (g) the funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector or any related activity.

\*(3 per cent of this amount will be provided to the local financial agent).

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/74, para. 136).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1, Annex XV).

**Agreement for the Argentina accelerated CFC production phase-out**

1. This Agreement supplements the Agreement between the Executive Committee and Argentina entered into at the 38th Meeting for the phase-out of CFC production in Argentina (the “Existing Agreement”). This Agreement represents the understanding of Argentina (“the Country”) and the Executive Committee with respect to the Accelerated phase-out of the production of ozone depleting substances (“the substances”) by 1 January 2008, as set out in paragraph 2 of the existing agreement.

2. The Country agrees to phase-out the production of the Substances by January 1, 2008, as described in row 3 of Table 1 in Appendix 1 of this Agreement. The other conditions in the existing agreement on phase-out of the Substances in Argentina will not be changed with the following exception: Paragraph 3(f)(viii) of the Existing Agreement is amended as follows.

Paragraph 3(f)(viii). Independently verifying for the Executive Committee that dismantling of CFC production lines is done appropriately by ensuring that the control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.

3. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 2, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the phase-out of the production of CFCs. Paragraph 3(d) of the Existing Agreement is amended as follows:

Paragraph 3(d). Argentina agrees that the funds being agreed in principle by the Executive Committee at its 38th and 52nd Meetings for complete closure of its CFC production capacity is the total funding that will be available to it to enable its full compliance with the CFC production phase out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in Table 2 of Appendix 1 below, Argentina, the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.

4. 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 of Table 2 in Appendix 1 (the “Funding”) to the Country. The Executive Committee will provide the funding tranche associated to the new accelerated phase-out at the 53rd Executive Committee meeting. For the subsequent tranches in 2008 and 2009, the releases of these tranches will follow the terms and conditions stipulated in the original Agreement between Argentina and the Executive Committee.

5. The Country will meet the production limits as indicated in row 3 of Table 1 in Appendix 1. It will also accept independent verification by the World Bank of achievement of the production limit and the completion of the necessary dismantling activities as described in paragraph 3(f) of the Existing Agreement.

6. 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 fulfill the obligations under this Agreement. The Country also agrees to establish policies or enforcement mechanisms to control illegal ODS related activities as set out in Appendix 2.

7. Should the Country, for any reason, not meet the Targets for the elimination of the Substances or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement Schedule. In addition, Argentina understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of US \$1,000 per ODP tonnes of reductions not achieved in this Agreement.

8. 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 production sector projects or any other related

activities in the Country.

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

10. 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 Protocol unless otherwise defined herein.

#### Appendix 1. The targets and the funding.

Table 1. Production targets

Description	Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Target under current agreement	3,020	3,020	3,020	1,647	1,647	686	686	686	0
2. Verified production	3,015	3,018	3,016	1,645	1,645	-	-	-	-
3. Proposed production under APP						686	0	0	0

Table 2. Funding

Description	Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Funding under current agreement	0.5	3.5	0.0	0.3	2.0	0.0	1.0	1.0	0.0
2. Support costs under Existing Agreement	0.020	0.110	0.090	0.120	0.100	0.120 <sup>(1)</sup>	0.120	0.047	0.0
3. Total adjusted funding for the APP						2.3 <sup>(2)</sup>	1.0	1.0	0.0
4. Programme support costs for the APP						0.173 <sup>(3)</sup>	0.0	0.0	0.0
5. Total funds to be released to the country and I.A.						2.593	1.12	1.047	0.0

Notes:

(1) The programme support cost of \$0.12 million for 2007 will be released as part of the 2007 work program.

(2) Adjusted funding for the APP is equal to \$2.3 million for not producing 1372 Mt of CFCs in 2008 and 2009. This funding amount will be released in full by the ExCom at the 53rd Meeting. For the remaining tranches for 2008 and 2009, funds will be released at the first meeting of the year as per the terms and conditions stipulated in the original Agreement between Argentina and the ExCom.

(3) Programme support costs are equal to 7.5% of the \$2.3 million.

#### Appendix 2. Enforcement and penalties related to illegal production.

Year of effectiveness	Actions
January 1, 2008	Argentina will continue on-site monitoring of the production of CFC until 2010 as currently implemented under the CFC production sector plan. The World Bank will continue to conduct independent verifications of the plant in 2008 and 2009 to confirm the sustained production closure. The 2007 verification report along with the verification of plant closure will be submitted to the first meeting of the ExCom in 2008. The 2008 verification report will be submitted to the first meeting of the ExCom in 2009.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/33, para. 158).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67, Annex XXVI).

**Argentina solvent sector phase-out plan**

The Forty-first Meeting of the Executive Committee decided:

- (a) the Government of Argentina commits itself to phasing out the consumption of CTC, TCA and CFC-113 through implementation of the ODS phase-out plan in the solvent sector in Argentina according to the following phase-out schedule:

ODS	Maximum allowable consumption (ODP tonnes)						
	2004	2005	2006	2007	2008	2009	2010
CTC	30.5	8.0	6.0	4.0	2.0	1.0	0.0
TCA	31.0	22.0	16.0	11.0	7.0	5.0	0.0
CFC-113	27.5	17.5	10.5	5.5	2.5	1.0	0.0
Total	89.0	47.5	32.5	20.5	11.5	7.0	0.0

- (b) the Government of Argentina agrees that no additional Multilateral Fund resources would be requested for activities in the solvent sector, except for the phase-out of bromochloromethane (BCM). A future proposal might be submitted, consistent with Multilateral Fund rules in effect at the time, for a level of consumption not exceeding 1.405 ODP tonnes of BCM;
- (c) the Executive Committee agrees to provide Argentina with flexibility in using the agreed funds consistent with operational procedures, as agreed between the Government of Argentina and UNIDO in the phase-out plan in the solvent sector;
- (d) the Government of Argentina agrees that appropriate legislation will be put in place by 2005;
- (e) the Government of Argentina agrees to ensure accurate monitoring of the phase-out and to provide annual reports on the verified level of consumption of CTC, TCA and CFC-113; and
- (f) UNIDO will be responsible, inter alia, for the following:
- reporting annually on the implementation of all activities funded under the sector plan; and
  - providing verification to the Executive Committee annually that ODS consumption phase-out in the solvent sector has been completed based on the schedules listed in the table above.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/72, para. 108).

(Supporting document: UNEP/OzL.Pro/ExCom/41/23 and Corr.1 and Add.1).

**National CFC phase-out plan for Argentina**

The Forty-second Meeting of the Executive Committee decided:

- (a) to approve, in principle, the project proposal for a national phase-out plan for Argentina at a total level of funding of US \$7,360,850 plus agency support costs of US \$552,064 for UNIDO;
- (b) also to approve the agreement between the Government of Argentina and the Executive Committee attached to the present report; and
- (c) further to approve US \$2,740,000 plus support costs of US \$205,500 for UNIDO for the implementation of the first tranche of the national phase-out plan.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/25, para. 100).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex IX).*

**Agreement between Argentina and the Executive Committee for the phase-out of ODS**

1. This Agreement represents the understanding of Argentina (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the country set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances of the country in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances, other than funding for the MDI sector which is not considered in this Agreement. The Country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs 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 7 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.
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 (the “Lead IA”) has agreed to be the lead Implementing Agency in respect of the Country’s activities

under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 the reductions in consumption (as measured according to Article 7 of the Protocol) not achieved in any one year.

11. 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 or production sector projects or any other related activities in the Country.

12. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

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

## Appendices

### Appendix 1-A: The substances

The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### Appendix 2-A: The targets, and funding

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	4,697.2	2,348.6	2,348.6	704.6	704.6	704.6	0.0
1. Max allowable total consumption of CFCs <sup>2</sup> (ODP tonnes)	3,220.0	2,047.0	1,997.0	686.0	636.0	586.0	0.0
2. Total demand of CFCs <sup>1</sup> (ODP tonnes)	2,429.5	2,189.7	1,668.0	1,268.0	868.0	518.0	158.5 <sup>3</sup>
3. Reduction from on-going projects (ODP tonnes)	149.1	139.8	317.7	0.0	0.0	0.0	0.0
4. New reduction under plan <sup>4</sup> (ODP tonnes)	0.0	100.0	200.0	400.0	400.0	350.0	359.5
5. Total annual reduction (ODP tonnes)	149.1	239.8	521.7	400.0	400.0	350.0	359.5
6. Stockpile <sup>5</sup> (ODP tonnes)	2,421.2	2,278.5	2,607.5	2,025.5	1,793.5	1,861.5	1,703.0
7. Lead I.A. agreed funding <sup>6</sup>	2,740,000	2,350,000	1,103,500	1,167,350			
8. Lead I.A. support costs	205,500	176,250	82,763	87,551			
9. Total agreed funding (US \$ million)	2,945,500	2,526,250	1,186,263	1,254,901			

1 Estimated.

2 Article 7 data (production – export + import) constitute the target under this Agreement.

3 Save for essential uses.

4 Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

5 For information purposes

6 Funding for CFC reduction activities of eligible consumption in all sectors except the MDI sector. Funding for the MDI sector will be considered in the future in line with the prevailing eligibility and funding criteria.

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the first meeting in the year of the annual plan.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	



## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The National Ozone Unit (OPROZ) monitors the consumption data of all ODS. Inspections at converted companies are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.
2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Argentina.
3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.
4. Monitoring activity will be done by:
  - (a) establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
  - (b) setting up adequate office facilities including a computer system to collect and analyse the data;
  - (c) regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
  - (d) occasional visits to service workshops, recycling and reclamation centres.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

#### CFC quantity

- number of appliances subjected to refrigerant recovery and type (commercial, MAC, domestic etc.) of these appliances at every service workshop;
- amount of recovered CFC refrigerants at every workshop;
- amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- amount of recovered CFC refrigerants stored at every workshop;
- amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- amount of virgin refrigerant by type consumed in workshops and its application;
- amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

#### Cost information

- cost of recovery at every service workshop and parties who bear the cost;
  - cost of recycling at every recycling centre and parties who bear the cost;
  - price of recycled CFC refrigerants;
  - cost of reclaiming at every reclamation centre and parties who bear the cost;
  - price of reclaimed CFC refrigerants;
  - other financial information relevant to monitoring the recovery recycling and reclamation scheme.
6. Data and information collected will be analysed to check the adequate operations of the scheme.
  7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.
  8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

### Appendix 6-A: Role of the lead Implementing Agency

1. The Lead IA will be responsible for:
  - (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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
  - (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
  - (j) ensuring that disbursements are made to the Country in a timely and effective manner;
  - (k) providing assistance with policy, management and technical support when required.

#### **Appendix 7-A: Reductions in funding for failure to comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$9,840 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/25, para. 100).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex IX).*

**BAHAMAS****Terminal phase-out management plan for Bahamas**

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to approve the Terminal phase-out management plan for Bahamas, in accordance with the agreement between the Government of the Bahamas and the Executive Committee (attached);
- (b) to express its appreciation to the Government of the Bahamas and the World Bank for the initiative taken in promoting the elaboration of the terminal phase-out management plan.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/52, para. 87).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/67, Annex IV).*

**Agreement for the terminal CFC phase-out management plan for the Bahamas**

1. The Executive Committee approves a total of US \$560,000 in funding for the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in the Bahamas. This is the total funding that would be available to the Bahamas from the Multilateral Fund for the total elimination of CFC use in the Bahamas. The agreed level of funding would be paid out in installments for two-year periods in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this agreement.
2. By this agreement, the Bahamas commits that in exchange for the funding level specified below, it will eliminate its total CFC consumption in accordance with the annual consumption limits given in Table 1 below in the manufacturing, installation and servicing of refrigeration and air conditioning equipment.

**Table 1: Annex A, Group I (CFCs) ODP tonnes**

	Baseline 2000	2001	2002	2003	2004	2005	2006	2007	2008- 2009	Total
Maximum allowable Annex A, Group I consumption	66	66	58	48	36	25	14	0	0	66
Agreed funding for annual programmes* US \$'000		240		200		120				560
Agency support costs US \$'000		31.2		26		15.6				72.8

\* The funding for the annual programmes to be released are given in paragraph 3.

3. The Executive Committee also agrees in principle that the funds will be provided at the last meeting of the Executive Committee in 2001, 2003 and 2005 for two-year periods in accordance with the above table for the exact amounts listed in the table and on the basis of an annual implementation plan for the following two-year period, subject to the performance requirements contained in this agreement. On this basis, the payment indicated in year 2001 will be for activities to be undertaken in the following two years, 2002 and 2003, and so on.
4. Payments noted in Table 1, other than the 2002-2003 implementation programme, will be released based on confirmation that the agreed phase-out amounts targets noted in the Table 1 for the previous year have been achieved and it has been verified that the activities planned for the previous year were undertaken in accordance with the annual implementation plan. Payment in 2003 for the 2004 – 2005 implementation plan would be released based on confirmation that the 2002 consumption target had been met and all 2002 – 2003 implementation plan activities had been completed: and so on for future years.
5. The Government of the Bahamas agrees to ensure accurate monitoring of the phase-out. The Government of the Bahamas will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this agreement will be consistent with the Bahamas reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.
6. The Government of the Bahamas also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1 and that implementation of the sector plan as scheduled and agreed in annual implementation programmes.
7. The Bahamas Terminal CFC Phase-out Management Plan, which supports this Agreement, the Bahamas Country Programme and other related documentation, may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide the Bahamas with maximum flexibility in using the agreed funds to meet the consumption limits agreed in the Table 1. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to the Bahamas pursuant to this Agreement may be used in any manner that the Bahamas believes will achieve the smoothest possible CFC refrigeration sector phase-out, consistent with operational procedures as agreed between the Government of the Bahamas and the World Bank in the Terminal Phase-out Management Plan and as indicated in the bi-annual implementation programmes.
8. The Government of the Bahamas agrees that the funds being agreed in principle by the Executive Committee at its 35<sup>th</sup> Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to the Bahamas to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will

be forthcoming for any related activities. It is also understood that aside from the agency fee referred to in paragraph 10 below, the Government of the Bahamas, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment to the total phase-out of CFC in the refrigeration sector.

9. The Government of the Bahamas agrees that if the Executive Committee meets its obligations under this Agreement, but the Government of the Bahamas does not meet the reduction requirements outlined in paragraph 2, and other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this agreement depends on the satisfactory performance of its obligations by both the Government of the Bahamas and the Executive Committee. In addition, the Bahamas understands that regarding all calendar year targets beginning with 2002, in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for CFC-11, CFC-12 and CFC-115 phase-out in the refrigeration sector on the basis of US\$ 15,000 per ODP tonnes of reduction not achieved in any year.

10. The World Bank has agreed to be the Implementing Agency for the implementation of this Sector Plan, which will be completed in 2007. A fee of a total of 13% of the annual funds has been agreed in accordance with provisions of this Agreement and distributed as shown in Table 1. As the Implementing Agency, the World Bank would be responsible for the following:

- (a) ensuring performance and financial verification in accordance with specific World Bank procedures and requirements as specified in the Bahamas Terminal CFC Phase-out Management Plan;
- (b) reporting annually on the implementation of the bi-annual implementation programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by the World Bank are undertaken by appropriate independent technical experts;
- (e) assisting the Bahamas in preparation of bi-annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (h) verification for the Executive Committee that CFC consumption for the refrigeration sector has been completed based on the schedule listed in Table 1;
- (i) ensuring that disbursement are made to the Bahamas based on agreed performance targets in the project; and provisions in this Agreement;
- (j) provide policy development assistance when required.

11. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/52, para. 87).

(Supporting document: UNEP/OzL.Pro/ExCom/35/67, Annex IV).

**BAHRAIN****Terminal phase-out management plan for Bahrain**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Bahrain and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$642,500 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15(b) para. 86 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62, Annex IV).*

**Agreement between Bahrain and the Executive Committee for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of Bahrain (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the TPMP document.
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 5 of Appendix 2 A (the “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 by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 6 and 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Appendix 1-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 instalment 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	67.721	20.316	20.316	20.316	0	
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	58.71	20.316	20.316	20.316	0	
3 Lead IA (UNEP) agreed funding (US \$)	210,000		120,000			330,000
4. Cooperating IA (UNDP) agreed funding (US\$)	272,500		40,000			312,500
5. Total agreed funding (US\$)	482,500		160,000			642,500
6. Lead IA (UNEP) support costs (US\$)	27,300		15,600			42,900
7. Cooperating IA (UNDP) support costs (US\$)	20,437.5		3,000			23,437
8. Total support costs (US\$)	47,737.5		18,600			66,337
9. Total agreed costs (US\$)	530,237.5		178,600			708,837

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the second meeting in 2008.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	



Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed by the National Ozone Unit (NOU) and the Lead IA and the Cooperating IA through the project funding, which is included within this TPMP.
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 TPMP. 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.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Bahrain for related auditing. Based on discussion with the Lead IA, Bahrain should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.
4. The monitoring reports will be produced and verified each year, previous to the third meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5 A. In case the Executive Committee selects the Bahrain TPMP consistent with paragraph (d) of decision 45/54 separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2007 annual implementation programme combined with the report on the 2006 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist the Bahrain NOU in the implementation and verification of the activities funded; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (b) para. 86(b)).

(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex IV).

**BANGLADESH**

**National ODS phase-out plan for Bangladesh**

The Forty-second Meeting of the Executive Committee decided:

- (a) to approve, in principle, the project proposal for a national ODS phase-out plan for Bangladesh at a total level of funding of US \$1,355,000 plus US \$119,775 in agency support costs;
- (b) also to approve the agreement between the Government of Bangladesh and the Executive Committee attached to the present report; and
- (c) further to approve a first tranche of US \$155,000 plus support costs of US \$11,625 for UNDP and US \$90,500 plus support costs of US \$11,765 for UNEP for the first annual implementation programme.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/19, para. 82).

(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex VIII).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the progress report on the implementation of the first tranche of the national ODS phase-out plan in Bangladesh, including the efforts of Bangladesh to effectively reduce its consumption of CFCs in the refrigeration servicing sector;
- (b) to take note of the verification report on 2004-2007 CFC consumption;
- (c) to apply the penalty clause in the Agreement between the Government of Bangladesh and the Executive Committee calculated, on an exceptional basis, at 5 per cent of the amount for each of the second, third and fourth tranches being submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis of the following considerations that:
  - (i) the levels of CFCs used in the refrigeration servicing sector alone had been reduced from 232.1 ODP tonnes in 2004 to 59.9 ODP tonnes in 2008;
  - (ii) the status of non-compliance by Bangladesh with its Agreement was attributable to a large extent to the CFC consumption associated with the manufacturing of CFC metered-dose inhalers (MDIs), for which a phase-out project had only been approved by the Executive Committee at its 52nd Meeting, in 2007;
- (d) using the method outlined in sub-paragraph (c) above, to apply a total penalty of US \$44,575 for the second, third and fourth tranches of the national ODS phase out plan for Bangladesh;
- (e) to approve the second, third and fourth tranches of the national ODS phase-out plan for Bangladesh at a total funding level of US \$669,750, plus agency support costs of US \$50,231 for UNDP, and US \$177,175, plus agency support costs of US \$23,033, for UNEP, which took into account the penalty using the method outlined in sub-paragraph (c) above;
- (f) to note that the maximum level of CFC consumption for both the refrigeration servicing and the pharmaceutical sub-sectors in 2009 was 53.0 ODP tonnes as stipulated in the Agreement, and if this amount was exceeded the Executive Committee might consider applying paragraph 10 of the Agreement on reductions in funding in full, for failure to comply;
- (g) to request the Government of Bangladesh and UNDP to submit a progress report on the implementation of the national ODS phase-out plan for Bangladesh and the project for the phase-out of CFCs in the MDI sector to the 60th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/28, para. 154).

The Sixtieth Meeting of the Executive Committee decided:

- (a) to take note of the progress report on the implementation of the second to fourth tranches of the national ODS phase-out plan (NPP) for Bangladesh, and the verification report on 2008 CFC consumption, as contained in document UNEP/OzL.Pro/ExCom/60/21;
- (b) to note the fast track implementation of the project for the phase-out of CFCs used for the manufacture of metered dose inhalers (MDIs) approved by the Executive Committee at its 52nd Meeting, which had so far resulted in the reduction of 46 ODP tonnes of CFCs;
- (c) to apply the penalty clause in the Agreement between the Government of Bangladesh and the Executive Committee, calculated, at 50 per cent of the amount for each of the fifth and sixth tranches being

submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis that no sufficient and timely regulatory controls on imports of CFCs for the refrigeration servicing sector had been applied to curtail consumption in the sector;

- (d) Using the method outlined in sub-paragraph (c) above, to apply a total penalty of US \$81,500 for the fifth and sixth tranches of the NPP for Bangladesh;
- (e) to approve the fifth and sixth tranches of the NPP for Bangladesh at a total funding level of US \$55,000, plus agency support costs of US \$4,125 for UNDP, and US \$26,500, plus agency support costs of US \$3,445 for UNEP, which took into account the penalty using the method outlined in sub-paragraph (c) above;
- (f) to request the Government of Bangladesh and UNDP to submit to the 61st Meeting a detailed progress report on the implementation of the NPP for Bangladesh and a comprehensive plan of action associated with the seventh and last tranche of the NPP to sustain compliance with the Montreal Protocol targets in 2010 and beyond, including extension of activities to address HCFC controls and reductions; and
- (g) to note that the maximum level of CFC consumption from 1 January 2010 was zero, as stipulated in the Agreement, except for any essential uses of CFCs that the Parties might approve for Bangladesh for the production of MDIs.

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/35, para. 153).*

**Agreement between Bangladesh and the Executive Committee for the national phase-out of Annex A (Group I) substances and Annex B (Groups II and III) substances**

1. This Agreement represents the understanding of the Peoples Republic of Bangladesh (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 2 and 7 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 12 of Appendix 2 A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing subsectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the “Lead IA”) has agreed to be the lead Implementing Agency and UNEP (the “Cooperating IA”) has agreed to be cooperating Implementing Agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 13 and 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol 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 Disbursement Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

11. 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.

12. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## **Appendices**

### **Appendix 1-A: The Substances**

Annex A:	Group I	CFC-11, CFC-12, and CFC-115
Annex B:	Group II	CTC
	Group III	TCA

### **Appendix 2-A: The Targets, and Funding**

	2004	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	580.4	290.2	290.2	87.1	87.1	87.1	0	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)(*)	328.7	289.7	207.2	87.1	71.0	53.0	0	
3. Reduction from ongoing projects (RMP)	3.0	5.0	11.6	11.6	11.6	11.6	0	54.4
4. New reduction under plan	36.0	77.5	108.5	3.3	6.4	28.8	0	260.5
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	39.0	82.5	120.1	14.9	18.0	40.4	0	314.9
6. Max allowable total consumption of Annex B Groups II and III substances (ODP tonnes)	6.6	1.5	1.5	1.5	1.5	1.5		
7. Maximum agreed total consumption of Annex B Groups II and III substances (ODP tonnes)	6.6	1.5	1.5	1.5	1.5	1.5	0	

	2004	2005	2006	2007	2008	2009	2010	Total
8. New reduction under plan		7.1					0	7.1
9. Total annual reduction of Annex B Groups II and III substances (ODP tonnes)		7.1						7.1
10. UNDP agreed funding (US \$)	155,000	516,000	134,000	55,000	55,000	55,000	55,000	1,025,000
11. UNEP agreed funding (US \$)	90,500	125,500	30,500	30,500	30,500	22,500		330,000
12. Total agreed funding (US \$)	245,500	641,500	164,500	85,500	85,500	77,500	55,000	1,355,000
13. UNDP support costs (US \$)	11,625	38,700	10,050	4,125	4,125	4,125	4,125	76,875
14. UNEP support cost (US \$)	11,765	16,315	3,965	3,965	3,965	2,925		42,900
15. Total agency support costs (US \$)	23,390	55,015	14,015	8,090	8,090	7,050	4,125	119,775

(\*) Of the 328.7 ODP tonnes of CFCs, 194 ODP tonnes are eligible for funding by the Multilateral Fund

### Appendix 3-A: Funding Disbursement Schedule

Funding will be submitted for approval at the first meeting of the year for activities to be completed in that year. Seven submissions for funding are being proposed. The schedule of submissions for funding will be:

Year	Milestone	Disbursement (US \$)
March 2004	Approval of the programme	245,500
March 2005	36.0 ODP Phase-out from NPP + 3.0 ODP phase-out from ongoing RMP, code of practice ready, certification of technicians started, 4,000 technicians trained, 1,000 fridges retrofitted, TA seminar for large commercial R&AC users completed, customs training started, solvent workshop completed, PMU in place	641,500
March 2006	77.5 ODP Phase-out from NPP + 5.0 ODP phase-out from ongoing RMP, 4,000 technicians trained, 1,500 fridges and 125 cars retrofitted + 7.05 ODP tonnes phase-out in the Solvent sector	164,500
March 2007	108.5 ODP phase-out from NPP + 11.60 ODP Phase-out from ongoing RMP, another 3,000 technicians trained, 1,500 fridges and 125 cars retrofitted	85,500
March 2008	3.25 ODP phase-out from NPP + 11.60 ODP phase-out from ongoing RMP, another 3,000 technicians trained	85,500
March 2009	6.4 ODP phase-out from NPP + 11.60 ODP phase-out from ongoing RMP, another 3,000 technicians trained	77,500
March 2010	41.38 ODP phase-out from NPP + 11.60 ODP phase-out from ongoing RMP, another 4,000 technicians trained	55,000

Note: NPP = national phase-out plan; PMU = project management unit; TA = technical assistance

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			

	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this NPP.
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 NPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring and controlling illegal ODS imports into the country.
3. The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.
4. Each of the different projects within the NPP will need a different monitoring sub programme suited to the objectives of the project.



Verification and reporting

5. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

Institution for conducting the verification

6. The Government of Bangladesh wishes to designate UNDP as the independent organization to carry out the verification of the NPP results and the monitoring programme.

Frequency of verification and reporting

7. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

**Appendix 6-A: Role of the lead Implementing Agency**

1. The Lead IA will be responsible for:
  - (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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in year 2005;
  - (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
  - (j) coordinating the activities of the Coordinating IAs, if any;
  - (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.

**Appendix 7-A: Reductions in funding for failure to comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,480 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/19, para. 82).

(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex VIII).

**BELIZE****Terminal phase-out management plan for Belize**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Belize and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$295,000 plus agency support costs of US \$30,590 (US \$13,130 for UNEP and US \$17,460 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (c), para. 88 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex VI).*

**Agreement between Belize and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Belize (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	3.7	3.7	3.7	0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	3.7	3.7	3.7	0	
3	New reduction under plan (ODP tonnes)	0.0	0.0	3.7	0.0	3.7
4	Lead IA agreed funding (US \$)	53,000		48,000		101,000
5	Cooperating IA agreed funding (US \$)	122,000		72,000		194,000
6	Total agreed funding (US \$)	175,000		120,000		295,000
7	Lead IA support costs (US \$)	6,890		6,240		13,130
8	Cooperating IA support cost (US \$)	10,980		6,480		17,460
9	Total agency support costs (US \$)	17,870		12,720		30,590
10	Grand total agreed funding (US \$)	192,870		132,720		325,590

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Belize for related auditing. Based on discussion with the Lead IA, Belize should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Belize consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Belize in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (c), para. 88 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex VI).

**BENIN****Terminal phase-out management plan for Benin**

The Fifty-fifth Meeting of the Executive Committee decided to approve the agreement between the Government of Benin and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$325,000 plus agency support costs of US \$35,250 (US \$19,500 for UNEP and US \$15,750 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/15 (b), para.95 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex V).*

**Agreement between Benin and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Benin (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113,CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	9	9	0	0
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	7.9	4	0	0
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	3.9	4.0	0	7.9
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	3.9	4.0	0	7.9
7	Lead IA agreed funding (US \$)	85,000	65,000	0	150,000
8	Cooperating IA agreed funding (US \$)	106,000	69,000	0	175,000
9	Total agreed funding (US \$)	191,000	134,000	0	325,000
10	Lead IA support costs (US \$)	11,050	8,450	0	19,500
11	Cooperating IA support costs (US \$)	9,540	6,210	0	15,750
12	Total agreed support costs (US \$)	20,590	14,660	0	35,250
13	Grand total agreed funding (US \$)	211,590	148,660	0	360,250

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Benin for related auditing. Based on discussion with the Lead IA, Benin should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Benin in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Benin consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Benin in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by

US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.  
(UNEP/OzL.Pro/ExCom/55/53, Decision 55/14 (b), para.95 (b)).  
(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex V).

**BHUTAN****Terminal phase-out management plan for Bhutan**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Bhutan and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report at a total amount of US \$75,000 plus agency support costs for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (b), para. 115 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex III).*

**Agreement between Bhutan and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of Bhutan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

CFCs	2007	2008	2009	2010	Total
1 Montreal Protocol consumption limits of CFCs (ODP tonnes)	0.0	0.0	0.0	0.0	n/a
2 Max. allowable total consumption of CFCs (ODP tonnes)	0.03	0.03	0.03	0.0	n/a
3 Reduction from on-going projects (ODP tonnes)	0.0	0.0	0.0	0.0	n/a
4 New reduction under plan (ODP tonnes)	0.03	0.0	0.03	0.0	0.06
5 Unfunded reductions (ODP tonnes)	0.0	0.0	0.0	0.0	n/a
6 Total annual reduction (ODP tonnes)	0.03	0.0	0.03	0.0	0.06
7 Lead IA agreed funding (US \$)	40,000	-	-	-	40,000
8 Cooperating IA agreed funding (US \$)	35,000	-	-	-	35,000
9 Total agreed funding (US \$)	75,000	-	-	-	75,000
10 Lead IA support costs (US \$)	5,200	-	-	-	5,200
11 Cooperating IA support costs (US \$)	3,150	-	-	-	3,150
12 Total agreed support costs (US \$)	8,350	-	-	-	8,350
13 Grand total agreed funding (US \$)	83,350	-	-	-	83,350

The “Montreal Protocol consumption limits” figures are presented to one decimal place in accordance with the guidance of the

Eighteenth Meeting of the Parties; however, the actual level of CFC consumption for the years 2007-2009 in the country is higher than zero. All other figures are presented as exact calculated values, for consistency with the agreed maximum allowable consumption levels.

### Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the second meeting of the year of the Annual Implementation Programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget



Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

#### Monitoring

1. 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 under implementation in the country. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Bhutan Bureau of Standards and Metrology) with assistance from UNDP and UNEP Regional Offices in Bangkok.

2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Bhutan for related auditing. Based on discussion with the Lead IA, Bhutan should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Bhutan consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Bhutan in the implementation and assessment of the activities funded for by the Cooperating IA;  
and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (b), para. 115 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex III).*

**BOLIVIA (PLURINATIONAL STATE OF)****Phase-out of the use of methyl bromide in Bolivia**

The Thirty-fifth Meeting of the Executive Committee decided to approve the terminal methyl bromide phase-out (excluding QPS) in Bolivia the agreed conditions attached to the present report.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/42, para. 77).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/67 Annex VII).*

**Agreed conditions for phase-out of methyl bromide in Bolivia**

1. The Executive Committee agrees to approve, in principle, US \$221,032 as the total funds that will be available to achieve the phase-out of methyl bromide (MB) used for all purposes in Bolivia, excluding quarantine and pre-shipment applications, subject to the following understandings and considerations.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Bolivia is 0.6 ODP tonnes and the consumption reported in 2000 was 0.41 ODP tonnes of controlled use. However, the average consumption of MB in the 12 months preceding project preparation (July 2000-July 2001) was 1.5 ODP tonnes of controlled use. Bolivia will therefore, have to reduce its consumption of MB by at least 0.92 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and by at least 1 ODP tonne to achieve compliance with the Protocol's 20 per cent reduction in 2005.
3. However, the Government of Bolivia commits to stabilizing consumption at the freeze level no later than 2003 through import restrictions and other policies deemed necessary to control its MB consumption and achieve a complete phase-out by 2004. Thus, the Government of Bolivia commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following level:

2001	1.5 ODP tonnes
2002	1.5 ODP tonnes
2003	0.6 ODP tonnes
2004	0.0 ODP tonnes
4. The Government of Bolivia has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
5. The Government of Bolivia will have flexibility in organizing and implementing the project components which it deems more important in order to meet its phase-out commitment noted above. UNDP agrees to manage the funding for this project in a manner designed to ensure the achievement of the specific MB reductions agreed for the sector.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/42, para. 77).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/67 Annex VII).*

**Terminal phase-out management plan for Bolivia**

The Fifty-first Meeting of the Executive Committee decided to approve the agreement between the Government of Bolivia and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan (TPMP) attached to the present report at a total amount in principle of US \$540,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/17 para. 104 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/51/46 Annex VIII).*

The Sixty-eighth Meeting of the Executive Committee decided to approve:

- (i) The transfer of the balance of US \$5,000 of the second tranche of the TPMP from the Government of Canada to UNDP;
- (ii) The transfer of US \$375 for agency support costs from Canada to UNDP and the return of US \$275 from the Government of Canada to the Multilateral Fund;
- (iii) The revised Agreement between the Government of the Plurinational State of Bolivia and the Executive Committee contained in Annex II to the present report;

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/2(d) para. 29 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/68/53 Annex II).*

**Revised agreement between the Government of the Plurinational State of Bolivia and the Executive Committee for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of the Plurinational State of Bolivia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol as set out in rows 2 and 4 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the project document.
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 7 of Appendix 2 A (the “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 by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programme”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) The technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and

- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management 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 fulfill the obligations under this Agreement. Canada has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6 A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 8 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

14. This revised Agreement supersedes the Agreement reached between the Government of the Plurinational State of Bolivia and the Executive Committee at the 51st meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-115
Annex B:	Group II	CTC

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

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	37.8	11.4	11.4	11.4	0.00	
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	26.7	11.4	11.4	11.4	0.00	
3. Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	0.0	0.0	0.0	0.0	0.00	
4. Maximum allowable consumption of Annex B, Group II substances (ODP tonnes)	0.2	0.1	0.0	0.0	0.00	
5. Lead IA agreed funding (US \$)		79,000	83,000			162,000
6. Cooperating IA agreed funding (US \$)		151,000	227,000			378,000
7. Total agreed funding (US \$)		230,000	310,000	-	-	540,000

8. Lead IA support costs (US \$)		10,270	10,790	-	-	21,060
9. Cooperating IA support costs (US \$)		11,325	17,025	-	-	28,350
10. Total agreed support costs (US \$)		21,595	27,815	-	-	49,410
Grand total agreed funding (US \$)		251,595	337,815			589,410

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

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME****1. Data**

Country \_\_\_\_\_  
Year of plan \_\_\_\_\_  
# of years completed \_\_\_\_\_  
# of years remaining under the plan \_\_\_\_\_  
Target ODS consumption of the preceding year \_\_\_\_\_  
Target ODS consumption of the year of plan \_\_\_\_\_  
Level of funding requested \_\_\_\_\_  
Lead implementing agency \_\_\_\_\_  
Cooperating agency(ies) \_\_\_\_\_

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) – (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity:  
Objective:  
Target Group:



Impact:

## 5. Government Action

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

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

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 TPMP. 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.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects the Plurinational State of Bolivia for related auditing. Based on discussion with the Lead IA, the Plurinational State of Bolivia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### 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 Annual Implementation Programme;
  - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Plurinational State of Bolivia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
  - (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
  - (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
  - (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 Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (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.

#### **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
- (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **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 \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/ (d) para. 29(d)).  
(Supporting document: UNEP/OzL.Pro/ExCom/68/53 Annex II).*

**BOSNIA AND HERZEGOVINA****Phase-out of the use of methyl bromide in Bosnia and Herzegovina**

The Forty-first Meeting of the Executive Committee decided to approve the phase-out of methyl bromide in tobacco seedling vegetables and flower production sector in Bosnia and Herzegovina, with the agreed conditions attached to the present report.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/45, para. 80).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex IX).*

**Agreed conditions for phase-out of methyl bromide in Bosnia and Herzegovina**

1. The Executive Committee agrees to approve in principle US \$229,000 as the total funds that will be available to achieve commitments stipulated in this document for the phase-out of the use of methyl bromide in Bosnia and Herzegovina, subject to the following understandings and considerations.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Bosnia and Herzegovina is 3.5 ODP tonnes, and the methyl bromide consumption for 2002 is 11.8 ODP tonnes. Therefore, Bosnia and Herzegovina will not be able to meet the 2002 methyl bromide freeze. However, the Government of Bosnia and Herzegovina commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following levels:
  - 11.8 ODP tonnes in 2002
  - 5.6 ODP tonnes in 2005 and 2006 (reduction of 6.2 ODP tonnes).
  - 0.0 ODP tonnes in 1 January 2007 (reduction of 5.6 ODP tonnes).
3. In addition, Bosnia and Herzegovina commits to sustain the phase-out of methyl bromide by banning its use as a soil fumigant in tobacco seedlings, horticulture, cut flowers and other crops. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Bosnia and Herzegovina exceeds subsequent phase-out requirements of the Montreal Protocol.
4. The Government of Bosnia and Herzegovina has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should further MB consumption in addition to that indicated in paragraph 2 above (11.8 ODP tonnes) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
5. The Government of Bosnia and Herzegovina will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment noted above.
6. UNIDO shall report annually to the Executive Committee on progress achieved in meeting the reductions required by this project. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/45, para. 80).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex IX).*

**National ODS phase-out plan for Bosnia and Herzegovina**

The Forty-first Meeting of the Executive Committee decided:

- (a) to approve in principle the national ODS phase-out plan for Bosnia and Herzegovina at a total cost of US \$864,160 plus agency support costs of US \$64,812 for UNIDO, on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance issues and was in accordance with the Agreement between the Government of Bosnia and Herzegovina and the Executive Committee attached to the present report; and
- (b) to allocate US \$265,300 plus support costs of US \$19,898 to UNIDO for the first annual implementation programme.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/50, para. 85).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/24, Corr.1 and Add.1, Corr.2).*

The Fifty-second Meeting of the Executive Committee decided:

- (a) to approve funds for the third tranche of the national phase-out plan for Bosnia and Herzegovina, at the amount of US \$303,000 plus agency support costs of US \$22,725 for UNIDO, as indicated below, with disbursement contingent on the Fund Secretariat determining, based on reports from UNIDO, that the following conditions had been fulfilled:
  - (i) release of US \$90,900 upon acceptance of a Government-supported action plan targeted to achieve the phase-out objectives in the shortest possible time frame;
  - (ii) release of US \$60,600 upon acceptance of a brief report that at least two training courses for customs officers had been carried out, and after reaching the milestone mentioned under subparagraph (i) above;
  - (iii) release of US \$75,750 upon acceptance of a report on the establishment of the regulations necessary for the full implementation of the ozone legislation and for a licensing system for import of ozone-depleting substances (ODS) and ODS containing equipment, and after reaching the milestone mentioned under subparagraph (ii) above;
  - (iv) release of the remaining funds upon acceptance of an implementation report describing the completion of the activities from previous annual plans, in particular training of refrigeration technicians, provision of tools and other measures in the refrigeration service sector, and after reaching the milestone mentioned under subparagraph (ii) above; and
- (b) to request UNIDO to provide a status report to the 54th Meeting on the progress made in preparing an action plan, training customs officers, and completing activities in previous annual plans, and on the progress made in fully implementing the ozone legislation.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/37, para. 162).*

**Agreement between Bosnia and Herzegovina and the Executive Committee for the national ODS phase-out plan**

1. This Agreement represents the understanding of Bosnia and Herzegovina (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 31 December 2007.
2. The Country agrees to phase out the controlled use of the Substances in the refrigeration, foam and solvent sectors in accordance with the annual phase-out targets set out in rows 1A and 5 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the action plan approved by the Fifteenth Meeting of the Parties to the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 9 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9; and
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the implementation of the activities in the refrigeration servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved, and would be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the recovery and recycling programme should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-

ODS refrigerants are similar.

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 fulfill the obligations under this Agreement. UNIDO (the "Lead IA") has agreed to be the lead Implementing Agency in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in refrigeration, foam and solvent Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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.

11. 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.

12. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12
Annex B:	Group III	TCA

### Appendix 2-A: The Targets, and Funding

	2003(*)	2004	2005	2006	2007	2008	2009	2010
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	24.2	24.2	12.1	12.1	3.6	3.6	3.6	0
1A. Max agreed total consumption of Annex A Group I substances (ODP tonnes)	235.3	167.0	102.1	33.0	3.0	0	0	0
2. Reduction from ongoing projects		68.3	47.0	0	0	0	0	0
3. New reduction under plan		0	17.9	69.1	30.0	3.0	0	0
4. Total annual reduction of Annex A Group I substances (ODP tonnes)		68.3	64.9	69.1	30.0	3.0	0	0
5. Max allowable total consumption of Annex B Group III substances (ODP tonnes)	1.7	1.7	1.1	0	0	0	0	0
6. Reduction from ongoing projects	-	0.6	0	0	0	0	0	0
7. New reduction under plan	-	0	1.1	0	0	0	0	0
8. Total annual reduction of Annex B Group III substance (ODP tonnes)	-	0.6	1.1	0	0	0	0	0
9. Lead I.A. agreed funding (US \$)	265,300	295,860	303,000	0	0	0	0	0
10. Lead I.A. support costs (US \$)	19,898	22,190	22,725	0	0	0	0	0
11. Total agreed funding (US \$)	285,198	318,050	325,725	0	0	0	0	0

(\*) Estimated consumption figure

### Appendix 3-A: Funding Disbursement Schedule

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	



## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

#### Organization of the NPP management, roles and responsibilities of stakeholders

Description	Role and responsibilities for implementation	
Initiation and preparation of the Environmental Legislation Framework	Operational activities	Consideration and adoption
Law on Environmental Protection	- State Ministry of Foreign Trade and Economic Relations (MoFTER). - Entity Ministries of Environment (EMoE).	- State Government (Council of Ministers). - State Parliament
Monitoring and ODS consumption control system	- National Ozone Unit (NOU). - MoFTER	- Entity Governments - Council of Ministers
ODS License and Quota system	- NOU - EMoE - MoFTER	- MoFTER - Council of Ministers
Regulation on import and export of equipment containing the ODSs	- NOU - EMoE - MoFTER	- MoFTER - Council of Ministers - Entity Parliaments - State Parliament
Preparation and implementation of ODS phase-out investment projects	- NOU - Projects beneficiaries - International Implementing Agency (UNIDO)	- Council of Ministers - Executive Committee of the Multilateral Fund (Ex-Com)
Implementation of refrigerant management plan project	- NOU - Projects beneficiaries - EMoE - UNIDO	
Awareness development	- NOU - EMoE - MoFTER - Cantonal Ministries of Environment	
Reporting on ODS consumption and implementation of the Montreal Protocol and NPP	- NOU on behalf of the BiH State	- National Sub-committee for Ozone Layer Protection - National Ozone Focal Point - National Steering Committee for Environment and Sustainable Development (information)

#### Monitoring and evaluation

1. The above table provides a clear description of the management structure for the implementation of the NPP and tasks/responsibilities of each institutional and organizational unit (department or division of the government administration at all levels - State, Entities, Brcko District, Cantons - Regions) in Bosnia and Herzegovina and the type of reporting, as well as provision of independent evaluation/confirmation of the achievement of performance targets/goals specified in the NPP for Bosnia and Herzegovina - local and international evaluations and confirmations proposed.

2. For the refrigeration servicing sector programme, the following information will be collected from recycling centers and workshops. Data and information collected will be analyzed to check the adequate operations of the scheme.

#### CFC quantity

1. number of appliances subjected to refrigerant recovery and type of appliances at every service workshop
2. amount of recovered CFC refrigerants at every workshop
3. amount of recovered CFC refrigerants sent to the recycling centers at every workshop
4. amount of recovered CFC refrigerants stored at every workshop
5. amount of recovered CFC refrigerants received from service workshops at every recycling centre
6. amount of recycled CFC refrigerants at recycling centres

7. amount of recycled CFC refrigerants returned (sold) to workshops
8. amount of recycled CFC refrigerants used in workshops and its application
9. amount of CFC refrigerants, which cannot be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad)
10. other data relevant for monitoring the scheme (amount of imported CFC refrigerants).

#### Cost information

11. cost of recovery at every service workshop and parties who bear the cost
12. cost of recycling at every recycling centre and parties who bear the cost
13. price of recycled CFC refrigerants
14. other financial information relevant for monitoring the recovery and recycling scheme

#### **Appendix 6-A: Role of the Lead IA**

UNIDO will be responsible for a range of activities specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,010 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/50, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex X).

**BOTSWANA****Phase-out of the use of methyl bromide in Botswana**

The Forty-fifth Meeting of the Executive Committee decided to note that the Government of Botswana, with assistance from UNIDO, had completed the demonstration project on three alternatives to the use of methyl bromide, which had resulted in the complete phase-out of controlled uses of methyl bromide in Botswana.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/13, para. 76 (d)).*

**Terminal phase-out management plan for Botswana**

The Fifty-seventh Meeting of the Executive Committee decided to approve the Agreement between the Government of Botswana and the Executive Committee for the terminal phase-out management plan (TPMP), attached to the present report, at a total amount in principle of US \$205,000, plus agency support costs of US \$26,650 for the Government of Germany, and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/16 (c), para. 111 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/69 Annex X).*

**Agreement between Botswana and the Executive Committee for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of Botswana (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 4 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and

- (c) the 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. Germany has agreed to be the lead implementing agency (Lead IA) in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 5 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-115
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### Appendix 2-A: The Targets and Funding

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	1.0	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	1.0	0.0	
3	New reduction under plan (ODP tonnes)	1.0	0.0	1.0
4	Lead IA agreed funding (US \$)	155,000	50,000	205,000
5	Lead IA support costs (US \$)	20,150	6,500	26,650
6	Grand total agreed funding (US \$)	175,150	56,500	231,650

### Appendix 3-A: Funding disbursement schedule

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	

Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase-out plan. This organization 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 Unit.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Botswana for related auditing. Based on discussion with the Lead IA, Botswana should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Botswana in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Botswana consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/16 (c), para. 111 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/69 Annex X).*

**BRAZIL****Phase-out of the use of methyl bromide in Brazil**

The Forty-sixth Meeting of the Executive Committee decided to approve the project for the total phase-out of methyl bromide used in tobacco, flowers, ornamental plants, strawberries and other uses, in accordance with the Agreement between the Government of Brazil and the Executive Committee attached to the present report, and on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of controlled uses of methyl bromide in Brazil.

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/30, para. 121).*

*(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex VI).*



**Agreed conditions for phase-out of methyl bromide in Brazil**

1. The Executive Committee at its 46th Meeting approved US \$2,030,641 (US \$1,450,251 for UNIDO and US \$580,390 for the Government of Spain) plus agency support costs of US \$184,220 (US \$108,769 for UNIDO and US \$75,451 for the Government of Spain) as the total funds that will be available to Brazil to phase out 218.6 ODP tonnes of methyl bromide (MB) used for soil fumigation in strawberries, flowers and ornamental plants and other uses representing the total consumption of MB excluding quarantine and pre-shipment applications.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Brazil has been established at 711.6 ODP tonnes. Brazil has also reported a MB consumption of 218.6 ODP tonnes for the year 2003, excluding quarantine and pre-shipment applications. Accordingly, Brazil is in compliance with the 2005 Montreal Protocol 20 per cent reduction.
3. Reductions in accordance with the terms of this project and other commitments presented in the project document will ensure that Brazil will apply and enforce administrative measures to comply the reduction schedule listed below. In this regard, Brazil will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2006	84.0
2007	0.0

Note: A total of 134.6 ODP tonnes of MB will be eliminated in 2005.
4. The Government of Brazil has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
5. Funding disbursement for the project will be conditional upon that project achieving its milestones and the individual reduction schedule listed above. In case of unjustified delays, UNIDO and the Government of Spain will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the projects may be cancelled.
6. The Government of Brazil, in agreement with UNIDO and the Government of Spain will have the flexibility in organizing and implementing all project components which it deems more important in order to meet MB phase-out commitments noted above. UNIDO and the Government of Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. UNIDO and the Government of Spain shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/30, para. 121).

(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex VI).

**National CFC phase-out plan for Brazil**

The Thirty-seventh Meeting of the Executive Committee decided to approve the national CFC phase-out plan for Brazil in principle at a total cost of US \$26.7 million, excluding agency support costs, in accordance with the agreement between the Government of Brazil and the Executive Committee (attached).

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/33, para. 62 and Decision 37/54, para. 85 (a)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/71, Annex IV).*

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) to note the progress report on implementation of the national CFC phase out plan (seventh tranche) in Brazil during 2008 and the verification report for 2008;
- (b) to approve:
  - (i) the implementation plan for 2010;
  - (ii) funding of US \$100,000 and US \$5,000 as support costs for UNDP for the eighth and final tranche (2010) for the national CFC phase-out plan for Brazil;
- (c) to request UNDP:
  - (i) not to commence disbursement of the funding approved by the present decision or any funding remaining after implementation of approved activities until the Executive Committee had approved, at a future Meeting, an implementation plan covering activities related to the remaining funds, including their timing;
  - (ii) to continue preparing annual reports on activities and expenditures according to the established formats;
  - (iii) to provide on an annual basis a verification of the national CFC phase-out plan for Brazil, until verification of the 2010 consumption had been submitted; and
- (d) to request the Secretariat to inform the Executive Committee at its 60th Meeting of the progress achieved in planning use of the unallocated funds.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/40, para. 194).*

The Sixty-sixth Meeting of the Executive Committee decided:

- (a) (i) To take note of the 2010 verification report and the 2011 tranche implementation report of the national phase-out plan (NPP) for Brazil;
- (ii) To approve the tranche implementation plan for 2012;
- (iii) To request UNDP to continue reporting progress on the implementation of the NPP for Brazil until its completion, while providing further such reports in a format and according to the schedule consistent with that in the relevant Agreement or with decision 66/16; and
- (iv) To request the Government of Brazil and UNDP, on completion of the NPP, to submit a project completion report in accordance with the format agreed at the 65th meeting;

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15(a), para. 73(a)).*

**Agreement for the total phase-out of Annex A Group I substances (CFCs) in Brazil**

1. The Executive Committee approves in principle a total of US \$26.7 million in funding for the phased reduction and complete phase-out of consumption of Annex A Group I substances in Brazil by 2010 (CFCs - 11, -12, -113, -114 and -115). This is the total funding that will be available to Brazil from the Multilateral Fund for the total elimination of CFC use in the refrigeration sector in Brazil as well as for all other sectors using these substances, (e.g., foams, aerosols, solvents, sterilants, MDIs etc.). The agreed level of funding will be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.
2. By this Agreement, Brazil commits that, in exchange for the funding specified in Table 1 below, it will eliminate its total consumption of Annex A, Group I substances in accordance with the consumption targets also indicated in Table 1 below. To achieve this goal Brazil will meet the total annual reduction targets specified in Table 1. Ongoing approved projects will be completed and phase-out achieved according to the implementation schedules approved for each project and subject to established Fund rules and procedures.

Table 1 National Control Targets for Annex A Group 1 CFC consumption in ODP tonnes

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Max allowable total consumption of Annex A Group 1 substances (ODP tonnes)	9,276	(9,276)	8,280	6,967	5,020	3,070	2050	1000	424	74	0
Total annual reduction (ODP tonnes)	-	-	996	1,313	1,947	1,950	1,020	1,050	576	350	74
Reduction from ongoing projects	-	-	745	313	1210	1207	0	0	0	0	0
New reduction under plan	-	-	251	1000	737	743	1,020	1,050	576	350	74
Total agreed funding (US \$ million)			9.5	6.42	5.27	3.10	1.19	0.87	0.25	0.10	
Agency support costs (US \$ million)			0.8353	0.563	0.4595	0.2642	0.0923	0.0635	0.0125	0.005	

3. In order to facilitate early establishment of Brazil's implementation and monitoring unit, achievement of Brazil's 2002 and 2003 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Table 1, the Executive Committee decides at its 37th Meeting to provide US \$9.5 million plus agency support costs to Brazil.
4. The Executive Committee also agrees in principle to payments in 2003 and subsequent years in the exact amount listed in Table 1, subject to:
  - (a) achievement of the consumption limits specified in the first row of Table 1 and the other performance requirements contained in this agreement; and
  - (b) consideration of an annual implementation plan for the following year.

Thus, for example, the payment indicated in year 2003 will be for activities to be implemented in 2004, and so on. The Executive Committee will strive to provide the specified funding at the last meeting of the year concerned.
5. Payments noted in Table 1, other than the initial payment in 2002, will be released based on confirmation that: the agreed maximum consumption targets noted in Table 1 for the previous year have been achieved; it has been verified that CFC phase-out has taken place, and that a substantial proportion of the activities planned for the previous year were undertaken in accordance with the annual implementation plan.
6. For example, payment in 2003 for the 2004 implementation programme will be conditional on satisfactory verification that Brazil has, as a minimum: met its consumption targets for 2002 as specified in Table 1; achieved at least one third of the reductions in consumption for 2003 as also indicated in Table 1, and; completed the 2002 implementation plan activities and the 2003 activities planned for completion before the

2003 reporting date. Payment in 2004 for the 2005 implementation plan will be released based on confirmation that the 2003 consumption targets have been met, and so on for future years.

7. The Government of Brazil agrees to ensure accurate monitoring of the phase-out. The Government of Brazil will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement will be, as a minimum, consistent with Brazil's compliance with the Montreal Protocol regarding Annex A Group I CFCs and will be reported to the Ozone Secretariat pursuant to Article 7 of the Montreal Protocol.

8. The Government of Brazil also agrees to allow independent verification audits as provided for in this Agreement, a biennial verification to be implemented as part of the relevant annual work programme of monitoring and evaluation of the Multilateral Fund and; in addition, such external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1 and that implementation of the national CFC phase-out plan proceeds as scheduled and agreed in annual implementation programmes.

9. The National CFC Phase-out Plan for Brazil, the Brazilian Country Programme and other related documentation may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Brazil with maximum flexibility in using the agreed funds to meet the reduction targets and the consumption limits agreed in Table 1. The Executive Committee understands that during implementation, the funds provided to Brazil pursuant to this Agreement may be used in any manner consistent with this Agreement that Brazil believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between Brazil and UNDP as the lead Implementing Agency in the National CFC Phase-out Plan for Brazil as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to Brazil to achieve a complete CFC phase-out, it is noted that Brazil is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 1 of this Agreement.

10. The Government of Brazil agrees that the funding agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of consumption of Annex A Group I substances is the total funding that will be available to Brazil to allow its full compliance with the reductions in consumption and the phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any additional activities related to phase-out of Annex A Group I substances. It is also understood that aside from the agency fee referred to in paragraph 12 below, the Government of Brazil, the Multilateral Fund, and its implementing and bilateral agencies will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of Annex A Group I substances.

11. The Government of Brazil agrees that if the Executive Committee meets its obligations under this Agreement, but Brazil does not meet the reduction requirements outlined in Table 1, or other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in Table 1 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on satisfactory performance by both the Government of Brazil and the Executive Committee of their obligations. In addition, Brazil understands that with respect to all calendar year targets beginning with 2002, as set out in Table 1 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for phase-out of Annex A Group I substances in the amount of US \$9,200 per ODP tonne of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

12. UNDP has agreed to be the lead Implementing Agency for the implementation of this national CFC phase-out plan which will be completed in 2010. A fee of 5 per cent of the annual funding for project implementation and monitoring and 9 per cent of the annual funding for all other activities has been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1. As the lead Implementing Agency, UNDP will be responsible for the following:

- (a) ensuring performance and financial verification in accordance with this agreement and with specific UNDP procedures and requirements as specified in the National CFC Phase-out Plan for Brazil, as revised;

- (b) providing verification to the executive committee that the consumption targets listed in table 1 and the associated annual activities have been met;
- (c) assisting brazil in preparation of annual implementation programmes,
- (d) ensuring that achievements in previous annual programmes are reflected in future programmes;
- (e) reporting on the implementation of the annual implementation programmes commencing with the submission for the 2004 annual implementation programme to be prepared and submitted in 2003;
- (f) ensuring that technical reviews undertaken by UNDP are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (i) verification for the executive committee that national annex a group i consumption for brazil has been completed based on the schedules listed in table 1;
- (j) ensuring that disbursements are made to brazil based on agreed performance targets in the project and provisions in this agreement;
- (k) providing policy development assistance when required.

13. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/33, para. 62 and Decision 37/54, para. 85 (a)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/71, Annex IV).*

**BURKINA FASO****Terminal phase-out management plan for Burkina Faso**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Burkina Faso and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs and the first tranche for the project.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15(c) para.86 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex V).

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to approve the second tranche of the terminal phase-out management plan for Burkina Faso at the amount of US \$79,100 plus agency support costs of US \$10,283 for UNEP, and US \$66,500 plus agency support costs of US \$8,645 for the Government of Canada; and
- (b) to authorize use of the funding remaining from the refrigerant management plan project for Burkina Faso at the amount of US \$23,000 plus agency support costs of US \$2,990 for UNEP, and US \$20,000 plus agency support costs of US \$2,600 for the Government of Canada.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/32, para. 149).

The Sixty-six Meeting of the Executive Committee decided:

- (b) (i) To take note of the report on the verification of the CFC consumption for Burkina Faso and the country's compliance with its phase-out obligations for CFC consumption; and
- (ii) To further note with appreciation that Burkina Faso had reported zero consumption of CFCs under Article 7 of the Montreal Protocol since 2008;

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15(b) , para. 73(b)).

**Agreement between Burkina Faso and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of Burkina Faso (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the TPMP document.
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 5 of Appendix 2 A (the “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. If requested by the Executive Committee pursuant to paragraph (d) of decision 45/54, it will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the previous annual implementation programmes; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for one or more annual implementation programmes in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year or years for which funding is being requested.
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”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring may also be subject to independent verification as described in paragraph 9.
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, and within the limits provided by decision 46/37. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration sub-sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management 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 the Government of Canada 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification, should one be requested by the Executive Committee. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 6 and 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	18.133	5.44	5.44	5.44	0	
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	7.41	5.44	5.44	5.44	0	
3. UNEP agreed funding (US \$)	100,900	0	79,100	0	0	180,000
4. Canada agreed funding (US \$)	98,500	0	66,500	0	0	165,000
5. Total agreed funding (US \$)	199,400	0	145,600	0	0	345,000
6. UNEP support costs (US \$)	13,117	0	10,283	0	0	23,400
7. Canada support costs (US \$)	12,805	0	8,645	0	0	21,450
8. Total agency support costs (US \$)	25,922	0	18,928	0	0	44,850

### Appendix 3-A: Funding disbursement schedule

Funding for the second tranche will be considered for approval at the first meeting of 2008. In case the Executive Committee requires verification of the achievements of the Targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____



# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed by the National Ozone Unit (NOU) and the Lead IA and the Cooperating IA through the project funding, which is included within this TPMP.
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 TPMP. 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.

#### Verification and reporting

3. The Executive Committee reserves the right for requesting through the Lead IA an independent verification of the activities that have been implemented under the TPMP for Burkina Faso, as per decision 45/54. In this case, the Government of Burkina Faso in consultation with the Lead IA would select the independent organization (auditing) to carry out the verification of the TPMP.
4. Prior to requesting the second tranche of funding, the Lead IA will carry out an assessment to determine:
  - (a) whether the 2006 maximum allowable consumption has been met; and
  - (b) the status of implementation of the TPMP activities and their relative success.
5. The Lead IA, together with the Government of Burkina Faso and the Cooperating IA, will decide together on the parameters and procedures for this assessment.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) if requested by the Executive Committee, providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead IA;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist the Government in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (c) para. 86(c)).

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex V).*

**BURUNDI****Terminal phase-out management plan for Burundi**

The Fifty-fifth Meeting of the Executive Committee decided to approve the agreement between the Government of Burundi and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$244,000 plus agency support costs of US \$26,560 (US \$14,950 for UNEP and US \$11,610 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/15 (c), para.95 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VI).*

**Agreement between Burundi and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Burundi (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	8.9	8.9	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	3.1	3.1	0.0	
3	New reduction under plan (OPD tonnes)	0.0	3.1	0.0	3.1
4	Lead IA agreed funding (US \$)	74,000	41,000	0	115,000
5	Cooperating IA agreed funding (US \$)	76,000	53,000	0	129,000
6	Total agreed funding (US \$)	150,000	94,000	0	244,000
7	Lead IA support costs (US \$)	9,620	5,330	0	14,950
8	Cooperating IA support costs (US \$)	6,840	4,770	0	11,610
9	Total agreed support costs (US \$)	16,460	10,100	0	26,560
10	Grand total agreed funding (US \$)	166,460	104,100	0	270,560

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Burundi for related auditing. Based on discussion with the Lead IA, Burundi should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Burundi in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Burundi consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Burundi in the implementation and assessment of the activities funded for by the Cooperating IA;
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/14 (c), para.95 (c)).  
(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VI).



**CABO VERDE****Terminal phase-out management plan for Cape Verde**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of Cape Verde and the Executive Committee for the terminal phase-out management plan for CFCs attached to the present report at a total amount in principle of US \$100,000 plus agency support costs of US \$13,000 for UNEP and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (b), para. 100 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/16 Annex VIII).*

**Agreement between Cape Verde and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Cape Verde (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 7 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	0.3	0.3	0	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	0	0	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	0	0.3	0	0.3
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	0.3	0	0.3
7	Lead IA agreed funding (US \$)	70,000	30,000	0	100,000
8	Lead IA support costs (US \$)	9,100	3,900	0	13,000
9	Grand total agreed funding (US \$)	79,100	33,900	0	113,000

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data \_\_\_\_\_  
Country \_\_\_\_\_

Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

Verification and reporting

2. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Cape Verde for related auditing. Based on discussion with the Lead IA, Cape Verde should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Cape Verde consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (b), para. 100 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/15 Annex VII).*

**CAMBODIA****Terminal phase-out management plan for Cambodia**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Cambodia and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$450,000 plus agency support costs of US \$43,100 (US \$22,100 for UNEP and US \$21,100 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (d), para. 88 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex VII).*

**Agreement between Cambodia and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Cambodia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in row 12 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex I, Group I substances (ODP tonnes)	14.14	14.14	14.14	0	n/a
2	Max. allowable total consumption of Annex I, Group I substances (ODP tonnes)	13.50	10.00	7.00	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0	n/a
4	New reduction under plan (ODP tonnes)	3.50	3.00	7.00	0	13.50
5	Unfunded reductions (ODP tonnes)	0	0	0	0	0
6	Total annual reduction (ODP tonnes)	3.50	3.00	7.00	0	13.50
7	Lead IA agreed funding (US \$)	120,000	0	50,000	0	170,000
8	Cooperating IA agreed funding (US \$)	195,000	0	85,000	0	280,000
9	Total agreed funding (US \$)	315,000	0	135,000	0	450,000
10	Lead IA support costs (US \$)	15,600	0	6,500	0	22,100
11	Cooperating IA support costs (US \$)	14,625	0	6,375	0	21,000
12	Total agreed support costs (US \$)	30,225	0	12,875	0	43,100
13	Grand total agreed funding (US \$)	345,225	0	147,875	0	493,100



**Appendix 3-A: Funding Approval Schedule**

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
- |  |       |
|--|-------|
| Country                                      | _____ |
| Year of plan                                 | _____ |
| # of years completed                         | _____ |
| # of years remaining under the plan          | _____ |
| Target ODS consumption of the preceding year | _____ |
| Target ODS consumption of the year of plan   | _____ |
| Level of funding requested                   | _____ |
| Lead Implementing Agency                     | _____ |

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. 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 terminal phase-out management plan. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Cambodia Department of Pollution Control, Ministry of Environment) with assistance from UNDP and UNEP Regional Offices in Bangkok.
2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Cambodia for related auditing. Based on discussion with the Lead IA, Cambodia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Cambodia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Cambodia in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (d), para. 88 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex VII).*

**CAMEROON****Phase-out of the use of methyl bromide in Cameroon**

The Forty-fifth Meeting of the Executive Committee decided to note that the Government of Cameroon, with assistance from UNIDO, had completed the demonstration project on two alternatives to the use of methyl bromide, which had resulted in the complete phase-out of controlled uses of methyl bromide as a soil fumigant in the tobacco sector.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/13, para. 76 (e)).*

The Fifty-second Meeting of the Executive Committee decided:

- (a) to approve the project for the phase out of methyl bromide used in grain fumigation at a total cost of US \$259,713, plus agency support costs of US \$33,763 for the Government of Italy, on the understanding that no additional funding would be provided for Cameroon for the phase-out of controlled uses of methyl bromide in the country; and
- (b) to approve the agreement between the Government of Cameroon and the Executive Committee for the phase-out of controlled uses of methyl bromide attached to the present report.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/36, para. 158).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XV)*

**Agreed conditions to phase out methyl bromide in Cameroon**

1. The Executive Committee agrees to approve in principle US \$259,713 as the total funds that will be available to achieve commitments stipulated in this document for the complete phase-out of the controlled uses of use of methyl bromide in Cameroon, excluding quarantine and pre-shipment applications, subject to the following understandings and considerations.
2. As reported to the Ozone Secretariat, the methyl bromide baseline for compliance for Cameroon is 18.1 ODP tonnes; the 2005 methyl bromide consumption was 9.7 ODP tonnes. Accordingly, Cameroon has achieved compliance with the Montreal Protocol's 2002 freeze obligation and it is in compliance with the Protocol's 20 per cent reduction in 2005.
3. Reductions in accordance with the terms of the above-mentioned project and other commitments presented in the project document will ensure that Cameroon meets the reduction schedule presented below. In this regard, Cameroon will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	(ODP tonnes)	
	Amount to be phased out	Remaining consumption*
2007	0.0	14.5
2008	0.0	14.5
2009	9.0	5.5
2010	5.5	0.0
<b>Total</b>	14.5	

\* Controlled uses of methyl bromide.

4. Cameroon commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.
5. The Government of Cameroon has reviewed the consumption data identified in the grain fumigation project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
6. The Government of Cameroon, in agreement with UNIDO on behalf of the Government of Italy, will have flexibility in organizing and implementing the projects' components that it deems more important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon.
7. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in the commodity fumigation sector, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/36, para. 158).

(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XV)

**Terminal phase-out management plan for Cameroon**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Cameroon and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$800,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15(d) para.86 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex VI).*

**Agreement between Cameroon and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of Cameroon (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) and Annex B (Group III) of the Montreal Protocol as set out in rows 2 and 7 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the TPMP document.
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 11 of Appendix 2 A (the “Funding”) to the Country, commencing with the entry into force of the import/export licensing system to monitor and control trade in ozone depleting substances. 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 by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions

41/100 and 49/6 during the implementation of the technical assistance programme for the refrigeration servicing sub sectors.

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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 12 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
Annex B:	Group III	TCA

### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
5. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	128.445	38.534	38.534	38.534	0.00	
6. Max agreed total consumption of Annex A Group I substances (ODP tonnes)	120.00	38.00	20.00	10.00	0.00	-
7. Reduction from ongoing projects	-	70.0	5.1	-	-	75.1
8. New reduction under plan	-	12.0	11.9	11.0	10.0	44.9
9. Total annual reduction of Annex A Group I substances (ODP tonnes)	-	82.0	17.0	11.0	10.0	120.0
10. Max allowable total consumption of Annex B Group III substances (ODP tonnes)	5.717	5.717	5.717	5.717	2.450	
11. Max agreed total consumption of Annex B Group III substances (ODP tonnes)	5.70	5.00	3.00	3.00	0.00	-
12. Reduction from ongoing projects	0.00	0.00	0.00	0.00	0.00	
13. New reduction under plan	0.00	0.70	2.00	0.00	3.00	5.70
14. Total annual reduction of Annex B Group III substances (ODP tonnes)	0.00	0.70	2.00	0.00	3.00	5.70
15. Lead IA agreed funding (US \$)	600,000	0	105,000	95,000	0	800,000
16. Lead IA support costs (US \$)	45,000	0	7,875	7,125	0	60,000
17. Total agreed funding (US \$)	645,000	0	112,875	102,125	0	860,000

### Appendix 3-A: Funding disbursement schedule



Funding will be considered for approval at the second meeting of the year prior to the year of the Annual Implementation Programme except the funding in the first tranche, which is considered at the last meeting in 2006.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)

Total	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The monitoring of the TPMP results and CFC consumption will be carried out within the project “TPMP Implementation, Monitoring, and Control”, with the general oversight of UNIDO as Lead IA.
2. The monitoring activities will be based on three key elements: (a) well designed forms for data collection, evaluation and reporting, (b) program of regular monitoring visits, and (c) appropriate cross-checking of information from different sources.
3. The monitoring reports will be produced, verified and acted upon every quarter, for the purpose of project monitoring and control. The quarterly reports will be consolidated each year, previous to the first meeting of the Executive Committee. These reports will be used as input for the annual implementation reports required by the Executive Committee.

#### Verification and reporting

4. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Cameroon for related auditing Based on discussion with the Lead IA, Cameroon should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead IA;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

### Appendix 6-B: Role of Cooperating IA

Non applicable.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$12,720 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (d) para. 86(d)).

(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex VI)

**CENTRAL AFRICAN REPUBLIC****Terminal phase-out management plan for Central African Republic**

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan for the Central African Republic, at the amount of US \$105,000 plus agency support costs of US \$13,650 for UNEP and US \$100,000 plus support costs of US \$13,000 for the Government of France on the condition that the funds for the Government of France be disbursed only when the remaining balance from the RMP had been returned to the Multilateral Fund;
- (b) to approve the agreement between the Government of the Central African Republic and the Executive Committee for implementation of the terminal phase-out management plan as attached to the present report;
- (c) to urge UNEP and the Government of France to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during implementation of the terminal phase-out management plan; and
- (d) to approve the first tranche of the plan.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/36, para. 159).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XII).*

**Agreement between Central African Republic and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Central African Republic (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and France 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113,CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	1.7	1.7	0	0
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	1.3	0.6	0	0
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	0.7	0.6	0	1.3
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0.7	0.6	0	1.3
7	Lead IA agreed funding (US \$)	60,000	45,000	0	105,000
8	Cooperating IA agreed funding (US \$)	55,000	45,000	0	100,000
9	Total agreed funding (US \$)	115,000	90,000	0	205,000
10	Lead IA support costs (US \$)	7,800	5,850	0	13,650
11	Cooperating IA support costs (US \$)	7,150	5,850	0	13,000
12	Total agreed support costs (US \$)	14,950	11,700	0	26,650
13	Grand total agreed funding (US \$)	129,950	101,700	0	231,650

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Central African Republic for related auditing. Based on discussion with the Lead IA, Central African Republic should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Central African Republic in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Central African Republic consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Central African Republic in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/36, para.159).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XII).*



**CHAD****Terminal phase-out management plan for Chad**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Chad and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs of US \$37,890 (US \$22,230 for UNEP and US \$15,660 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (e), para. 88 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex VIII).*

**Agreement between Chad and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Chad (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal protocol consumption limits of Annex A, Group I substances (ODP tonnes)	5.2	5.2	5.2	0.0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	5.2	5.2	5.2	0.0	
3	New reduction under the plan (ODP tonnes)			5.2	0.0	5.2
4	Lead IA agreed funding (US \$)	94,000	0	77,000		171,000
5	Cooperating IA agreed funding (US \$)	92,000	0	82,000		174,000
6	Total agreed funding (US \$)	186,000	0	159,000		345,000
7	Lead IA support costs (US \$)	12,220	0	10,010		22,230
8	Cooperating IA support cost(US \$)	8,280	0	7,380		15,660
9	Total agency support costs (US \$)	20,500	0	17,390		37,890
10	Grand total agreed funding (US \$)	206,500	0	176,390		382,890

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit

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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Chad for related auditing. Based on discussion with the Lead IA, Chad should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Chad consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Chad in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (e), para. 88 (e)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex VIII).

## CHILE

**Phase-out of the use of methyl bromide in Chile**

The Thirty-second Meeting of the Executive Committee decided to approve the demonstration and phase-out project for methyl bromide soil fumigation for fruit tree production and replant in Chile, with the agreed conditions as attached to the present report.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/55, para. 68).

NOTE: This agreement was subsequently modified at the 45th and 48th Meetings of the Executive Committee.

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the strategy and plan of action for Chile for returning to compliance, submitted by the Government of Chile;
- (b) to approve in principle the project for the phase-out of all remaining uses of methyl bromide in soil applications at a total level of funding of US \$2,547,156, plus agency support costs of US \$191,037 for the World Bank;
- (c) to approve the revised agreement between the Government of Chile and the Executive Committee for the phase-out of methyl bromide used in soil applications in Chile attached 6 to the present report; and
- (d) to approve US \$691,703, plus support costs of US \$51,878 for the World Bank, for the implementation of the 2005 work programme for the phase out of all remaining uses of methyl bromide in soil applications in Chile.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/39, para. 136).

The Forty-eighth Meeting of the Executive Committee decided to approve the request by the Government of Chile for cancellation of the project for the phase-out of all remaining uses of methyl bromide in soil application pest control; to request the World Bank to return to the Multilateral Fund at the 49th Meeting of the Executive Committee US \$691,703 plus agency support costs of US \$51,878 associated with the tranche of the project already funded; to approve the revisions to the agreement between the Government of Chile and the Executive Committee attached to the present report; and to request UNDP to continue implementing the project for the phase-out of methyl bromide in the fruit tree nursery and replant sector and to submit a progress report to the 51st Meeting.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/16 (b (i)), para. 97).

The Sixtieth Meeting of the Executive Committee decided:

- (a) to approve in principle the terminal project for the national phase-out plan (NPP) for methyl bromide (MB) for Chile, at a total cost of US \$1,657,917, plus agency support costs of US \$124,344 for UNIDO, and US \$73,000, plus agency support costs of US \$9,490 for UNEP, on the understanding that no additional funding would be provided to Chile for the phase-out of controlled uses of MB in the country;
- (b) to approve the Agreement between the Government of Chile and the Executive Committee for the phase-out of controlled uses of MB attached to the present report; and
- (c) to approve the first tranche of the NPP for MB at a total cost of US \$1,100,000, plus agency support costs of US \$82,500 for UNIDO, and US \$73,000, plus agency support costs of US \$9,490 for UNEP.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/34, para. 147).

(Supporting document UNEP/OzL.Pro/ExCom/60/54 Annex VI).

**Agreed conditions for phase-out of methyl bromide in Chile**

## 1. The Executive Committee:

- (a) at its 32nd Meeting, approved US \$805,000 as the total funds that will be available to Chile to achieve the complete phase-out of methyl bromide (MB) used in the fruit replanting and nursery sectors (76.2 ODP tonnes), to be implemented by UNDP;
- (b) at its 45th Meeting, approved in principle an additional US \$2,547,156 as the total funds available to Chile to achieve the complete phase-out of MB used in the remaining soil fumigation sectors, excluding quarantine and pre-shipment applications (additional 136.3 ODP tonnes), to be implemented by the World Bank;
- (c) at its 48th Meeting, noted the cancellation by the Government of Chile of the project for the complete phase-out of MB used in the remaining soil fumigation sectors, excluding quarantine and pre-shipment applications approved at its 45th Meeting.; and
- (d) at its 60th Meeting, approved an additional US \$1,730,916 as the total funds that will be available to Chile to achieve the complete phase-out of MB used in the horticultural sector (additional 164.4 ODP tonnes), to be implemented by UNIDO and UNEP.

2. As reported to the Ozone Secretariat, MB consumption in 2008 was 164.4 ODP tonnes, excluding MB that was used in quarantine and pre-shipment applications. The MB baseline for compliance is 212.5 ODP tonnes. Chile has achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005.

3. Through implementation of the above projects, Chile commits to achieve the total phase out of all controlled uses of MB by 1 January 2015, thus ensuring compliance with the Protocol's targets. Chile also commits to the use of import restrictions and other policies it may deem necessary to meet the complete phase-out of MB.

4. Disbursement of the funding approved for UNIDO and UNEP for the horticultural sector will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	Total funding (US\$) *		
	UNIDO	UNEP	Total
2010	1,100,000	73,000	1,173,000
2013	557,917		557,917
Total	1,657,917	73,000	1,730,917

\* Excluding agencies' support costs.

5. The Government of Chile is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

6. The Government of Chile, in agreement with UNIDO and UNEP, will have flexibility in organizing and implementing the components of the project which it deems more important to meet the MB phase-out commitments. UNIDO and UNEP agree to manage the funding for the project in a manner designed to ensure the achievement of the MB phase-out agreed upon. UNIDO and UNEP shall report back annually to the Executive Committee on the progress achieved in putting in place mechanisms to achieve and maintain compliance with the Montreal Protocol schedule.

7. These agreed conditions between the Government of Chile and the Executive Committee supersede the agreement reached between the Government of Chile and the Executive Committee at the 48th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/55, para. 68).

(Supporting document: UNEP/OzL.Pro/ExCom/32/44 Annex IX).

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/39, para. 136).

(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex IX).

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/16(b(i)) para. 97).

(Supporting document: UNEP/OzL.Pro/ExCom/48/45 Annex VI).

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/34, para. 147).

(Supporting document UNEP/OzL.Pro/ExCom/60/54 Annex VI).

**Terminal phase-out management plan for Chile**

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the servicing sector terminal CFC phase-out plan for Chile, at the amount of US \$437,500 plus agency support costs of US \$56,875 for the Government of Canada, on the understanding that approval of the project would not set a precedent;
- (b) To approve the agreement between the Government of Chile and the Executive Committee for the implementation of the servicing sector terminal CFC phase-out plan attached to the present report;
- (c) To urge the Government of Canada to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during implementation of the servicing sector terminal CFC phase-out plan; and
- (d) To approve the first tranche of the servicing sector terminal CFC phase-out plan.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/37, para. 161).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XIII).*



**Agreement between Chile and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Chile (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the Country and the implementing agency 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 fulfill the obligations under this Agreement. The Government of Canada has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	124.3	124.3	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	124.3	124.3	0.0	
3	Reduction from on-going projects (ODP tonnes)		91.4	0.0	91.4
4	New reduction under plan (ODP tonnes)		32.9	0.0	32.9
5	Total annual reduction (ODP tonnes)		124.3	0.0	124.3
6	Lead IA agreed funding (US \$)	176,000	261,500	0	437,500
7	Lead IA support costs (US \$)	22,880	33,995	0	56,875
8	Grand total agreed funding (US \$)	198,880	295,495	0	494,375

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	

# of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, the records of which will be used as a crosschecking reference in all the monitoring programmes for the different projects within the servicing sector terminal CFC phase-out plan. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; a regular programme of monitoring visits; and appropriate cross-checking of information from

different sources.

#### Verification and reporting

2. The outcome of the different elements of the servicing sector terminal CFC phase-out plan and of the monitoring activities will be verified independently by an external organization. Based on discussions with the Lead IA, the Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme. The monitoring reports will be produced and verified each year. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Chile in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for annual implementation programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

Not applicable.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/37, para.161).

(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XIII).

## CHINA

**Foam sector phase-out plan in China**

The Twenty-eighth Meeting of the Executive Committee decided to request UNIDO to refine the strategy plan for ODS phase-out from production of the extruded polyethylene and polystyrene foam sub-sectors of China, and resubmit it to the Executive Committee. In the revised strategy, the total capacity of the enterprises for which funding for conversion would be sought would correspond to the existing level of production of the sub-sector indicated in the strategy, including those projects already approved.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/46, para. 78).

(Supporting document: UNEP/OzL.Pro/ExCom/28/49).

The Thirty-fifth Meeting of the Executive Committee decided to approve the draft agreement for CFC phase-out in the polyurethane foam sector in China (attached to this report).

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/48, para. 43).

(Supporting document: UNEP/OzL.Pro/ExCom/35/67 Annex XI).

The Thirty-eighth Meeting of the Executive Committee decided that China be requested to report its Article 7 data, as much as possible, on time (i.e. by 30 September of each reporting year) and endeavor also to report its consumption broken down by substance to the Fund Secretariat to enable verification of CFC-11 consumption both at the national and sectoral level as required under the Agreement.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/58, para. 94(b)).

The Fifty-second Meeting of the Executive Committee decided:

- (a) to approve the annual implementation programme for 2007; and
- (b) to authorize using the flexibility provided for under the agreement between China and the Executive Committee of the Multilateral Fund for CFC phase-out in the polyurethane foam sector, approved by Executive Committee decision 35/48, to allow funds to be directed to enterprises established between 25 July 1995 and 7 December 2001, on the understanding that that would not change existing Executive Committee guidelines for determining eligible incremental costs for consumption and production.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/34, para. 154).

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to continue monitoring activities and the utilization of project balances beyond the end of the agreement with the Executive Committee, with the following simplified procedures:
  - (i) China would submit a final work plan providing a list of activities and the associated budget for each activity to be carried out in 2009 and beyond. China would use those work plans as a basis for implementation of work in 2009 and beyond with the understanding that China had flexibility to make necessary adjustments to those plans. With this flexibility, China would not be required to submit any additional work plans unless there were major changes made to them;
  - (ii) China would continue to have independent financial audits conducted of the account of the sector plan. The financial audit reports based on the format used in the previous years would be provided to the Executive Committee on an annual basis from 2009 and beyond. China would provide the necessary information for the project completion reports;
  - (iii) the World Bank would facilitate the review and submission of any adjustments to the work plans and financial audit reports to the Executive Committee, and submit the related project completion reports upon the final expenditure of funds;
- (b) to note that the Executive Committee was approving work plans beyond 2009 for the halon and CFC production and the related accelerated phase-out sector plans in China; and
- (c) to request China to resubmit the work plan for activities beyond 2009 for the foam sector to the 57th Meeting.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/13, para. 77). *Tex of the decisión has been adjusted for this plan*

The Fifty-sixth Meeting of the Executive Committee also decided to approve the 2009 programme of the plan for phasing-out CFCs in the polyurethane foam sector in China and the associated tranche at a funding level of US \$1,767,000 plus support costs of US \$159,030 for the World Bank, on the understanding that funding for activities beyond 2009 would be released by the World Bank only after the work plan to be submitted to the 57th Meeting had been approved.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/52, para. 203).

The Fifty-ninth Meeting of the Executive Committee decided:

- (i) to note the submission of the independent financial audit of the account for the sector plan for phase-out of CFC-11 in the foam sector;
- (ii) to approve the reporting format used for future reporting for the foam sector plan under decision 56/13. (UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. 51 (b) (I,ii)).

The Sixty-fifth Meeting of the Executive Committee decided:

- (i) (i) To note the status report on the implementation of the approved annual programmes for 2009 up to June 2011 in the polyurethane foam sector plan, submitted by the World Bank on behalf of the Government of China;
- (ii) To request the Government of China and the World Bank to report to the Fund Secretariat at the 66th meeting on the status of the legal issue with respect to the transportation of halons from dismantled fire protection equipment and systems, in the context of additional status reports under the agenda item on the status of delays and compliance;
- (iii) To note the submission of four reports by the World Bank, on behalf of the Government of China, related to production and consumption of ODS in process agent uses; and
- (iv) To request the World Bank:
  - a. To provide an independent verification of consumption and production of CTC for controlled uses in 2010, which should, as a minimum, verify the set-up of the monitoring system and the quality of the information provided through the system;
  - b. To carry out site visits to the relevant enterprises not yet visited and revisit a sample of those already visited in order to gather the necessary data for the verification report; and
  - c. To submit the related report no later than eight weeks prior to the 67th meeting;

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/10, para. 58 (i)).

### Agreement for CFC phase-out in the polyurethane foam sector in China

1. The Executive Committee approves in principle a total of US \$53,846,000 (including US \$2 million for technical assistance) in funding for the phased reduction and complete phase-out in the consumption of CFC-11 used in the polyurethane foam sector in China. This is the total funding that would be available to China from the Multilateral Fund for the total elimination of CFC use in the polyurethane foam sector in China. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this agreement.
2. By this agreement, China commits that in exchange for the funding level specified below, it will eliminate its total CFC consumption in the manufacturing of polyurethane foam in accordance with the phase-out target and CFC-11 consumption limits as indicated in the Table 1 below. CFC consumption phase-out achieved in the polyurethane foam sector in excess of the specified target for a given year will contribute to achievement of the phase-out targets in subsequent years.

**Table 1. Control targets for CFC-11 consumption in the polyurethane foam sector in China (ODP tonnes) and equivalent funding (US \$'000)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Annual national CFC-11 consumption limit (ODP tonnes)	17,200	15,500	13,100	10,400	7,700	4,130	3,800	300	0	
Annual CFC-11 consumption limit in PU foam sector (ODP tonnes)*	14,143	13,830	10,520	9,000	7,000	400	0	0	0	
Annual CFC-11 phase-out targets in PU foam sector (ODP tonnes)	0	313	3,330	1,500	2,000	6,600	400			14,143
Total annual funding	9,940	12,570	10,903	10,903	3,320	2,676	1,767	1,767		53,846
Programme support cost	886.6	1,115.3	961.27	961.27	282.8	240.84	159.03	159.03		4,766.14
Total cost to the Multilateral Fund	10,826.6	13,685.3	11,864.27	11,864.27	3,602.8	2,916.84	1,926.03	1,926.03		58,612.14

\* Modified at the 44th Meeting of the Executive Committee in accordance with the agreement for accelerated phase-out of CFC, CTC and halon 1301 in China.

3. The Executive Committee also agrees in principle that the funds for the implementation of the annual programme for any given year will be provided at the last meeting of the Executive Committee in the preceding year, in accordance with the above table for the exact amount listed in the table for that year and on the basis of the implementation programme for the year, subject to the performance requirements contained in this agreement. On this basis, the payment indicated in year 2003 will be provided at the last meeting in 2002, and so on.
4. Payments noted in Table 1, other than the 2002 implementation programme, will be released based on confirmation that: all agreed phase-out targets and consumption limits in Table 1 for the previous year have been achieved; it has been verified that the activities planned for the previous year were undertaken in accordance with the annual implementation programme, and CFC phase-out contracts had been signed amounting to at least 50% of the current year contract targets and 100% of the previous year contract targets. Verification would be contingent upon site inspection of a minimum of 15% of the conversion activities accounting for a minimum of 15% of the CFC consumption of the annual implementation programme to confirm performance. For example, payment in 2003 for the implementation of the 2004 implementation programme will be conditional on satisfactory verification that China had, as a minimum, met all phase-out targets and consumption limits for 2002 and signed phase-out contracts for 50% of the 2003 phase-out contract targets and 100% of the 2002 phase-out contract targets as specified in Table 1 and as provided in detail in the 2002 and 2003 implementation programmes. Payment in 2004 for the 2005 implementation programme would be released based on confirmation that the 2003 phase-out targets and consumption limits had been met, all 2004 implementation programme activities had been completed and phase-out contracts amounting to at least 50% of the 2004 annual programme contract targets and 100% of the 2003 annual programme contract targets had been signed; and so on for future years. In the event that there was a shortfall in the phase-out total of signed contracts against any of the contract targets for the given and previous years, funding equivalent to the

deficit would be held back and considered for release by the Executive Committee when all additional contracts had been signed and the targets met.

5. China acknowledges that approval and funding of this project will leave a residual amount of 18,441 ODP tonnes of national aggregate consumption of CFCs that are unfunded (29,092 ODP tonnes of CFC consumption after approved but unimplemented projects are netted out less 10,651 ODP tonnes funded through this project). In addition, China acknowledges that implementation and subtraction of related reductions from the already approved tobacco sector project, solvents sector project and commercial refrigeration sector phase-out projects in accordance with agreements covering those sectors will result in a total level of CFCs remaining unfunded of 6,604 ODP tonnes. (In the commercial refrigeration sector, it is assumed that agreed incremental cost for the remaining projects will be approved at the Thirty-sixth Meeting of the Executive Committee). Finally, China has acknowledged through this project that 1,859 ODP tonnes of current CFC consumption in the foams sector are ineligible for Fund assistance because related capacity was installed after July of 1995. Therefore, China acknowledges that fulfillment of this foam sector project, together with the other projects noted above will leave China with a maximum level of further assistance aimed at reducing a residual of 4,745 ODP tonnes of CFCs.

6. The Government of China agrees to ensure accurate monitoring of the phase-out. The Government of China will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this agreement will be consistent with China's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.

7. The Government of China also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1 and that implementation of the sector plan proceeds as scheduled and agreed in annual implementation programmes.

8. The Chinese polyurethane foam sector plan which supports this Agreement, Chinese Country Programme and other related documentation may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide China with flexibility in using the agreed funds to meet the consumption limits agreed in the Table 1. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to China pursuant to this Agreement may be used in the manner that China believes will achieve the smoothest possible CFC polyurethane foam sector phase-out, consistent with operational procedures as agreed between China and the World Bank in the polyurethane foam sector plan as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to China in achieving a complete CFC phase-out in the polyurethane foam sector, it is noted that China is committing to contribute the necessary level of resources for the implementation of the plan and for achieving the consumption limits in paragraph 2 of this agreement.

9. The Government of China agrees that the funds being agreed in principle by the Executive Committee at its 35<sup>th</sup> Meeting for the complete phase-out of CFC-11 consumption in the polyurethane foam sector are the total funding that will be available to China to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the polyurethane foam sector. It is also understood that aside from the agency fee referred to in paragraph 11 below, the Government of China, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment of the total phase-out of CFCs in the polyurethane foam sector.

10. The Government of China agrees that if the Executive Committee meets its obligations under this Agreement, but China does not meet the reduction requirements outlined in paragraph 2, and other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this agreement depends on the satisfactory performance of its obligations by both the Government of China and the Executive Committee. In addition, China understands that regarding all calendar year targets beginning with 2002, in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for CFC-11 phase-out in the polyurethane foam sector on the basis of US \$10,000 per ODP tonne of reduction not achieved in any year.



11. The World Bank has agreed to be the Implementing Agency for the implementation of this Sector Plan which will be completed in 2010. A fee of a total of 9 per cent of the value of investment activities and 5 percent of the value of the technical assistance and support activities has been agreed in accordance with provisions of this Agreement as indicated in Table 1. The technical assistance and support activities shall be identified in objects of expenditures as per the agreement between the World Bank and the Executive Committee. As the Implementing Agency, the World Bank would be responsible for the following:

- a) ensuring performance and financial verification in accordance with specific World Bank procedures and requirements as specified in the polyurethane foam sector plan, as revised;
- b) reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- c) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- d) ensuring that technical reviews undertaken by the World Bank are undertaken by appropriate independent technical experts;
- e) assisting China in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- f) carrying out required supervision missions;
- g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- h) verifying for the Executive Committee that CFC consumption phase-out in the polyurethane foam sector has been completed based on the schedules listed in Table 1;
- i) ensuring that disbursements are made to China based on agreed performance targets in the project and provisions in this Agreement;
- j) providing policy development assistance when required.

12. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/48, para. 83).

(Supporting document: UNEP/OzL.Pro/ExCom/35/67 Annex XI).

**Phase-out of the use of methyl bromide in China**

The Forty-fourth Meeting of the Executive Committee dec/ided:

- (a) to approve in principle the national plan for the phase-out of methyl bromide in the consumption sector in China at a total level of funding of US \$14,789,342 (US \$10,789,342 for UNIDO and US \$4,000,000 for the Government of Italy) plus agency support costs of US \$1,279,201 (US \$809,201 for UNIDO and US \$470,000 for the Government of Italy);
- (b) to note that the amount approved in principle included US \$4,086,600 plus agency support costs of US \$306,495 previously approved for UNIDO at the 41st Meeting to phase out 389 ODP tonnes of methyl bromide; and
- (c) to approve the Agreement between the Government of China and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/30, para. 142).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex VI).*

### Agreement between China and the Executive Committee for the national methyl bromide phase-out plan

1. At its 44th Meeting, the Executive Committee:
  - (a) approved in principle the national plan for the phase-out of methyl bromide in the consumption sector in China at a total level of funding of US \$14,789,342 (US \$10,789,342 for UNIDO and US \$4,000,000 for the Government of Italy) plus agency support costs of US \$1,279,201 (US \$809,201 for UNIDO and US \$470,000 for the Government of Italy); and
  - (b) noted that the amount approved in principle included US \$4,086,600 plus agency support costs of US \$306,495 that was previously approved for UNIDO at the 41st Meeting to phase-out of 389 ODP tonnes of methyl bromide as the first tranche of a future national plan for the phase-out of methyl bromide in the consumption sector in China.
2. As reported to the Ozone Secretariat and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline consumption for China is 1,102.1 ODP tonnes. China's methyl bromide consumption in 2002 was 1,087.8 ODP tonnes. Accordingly, China must reduce its consumption of methyl bromide in 2005 to no more than 881.7 ODP tonnes to achieve compliance with the Montreal Protocol's 20 per cent reduction in 2005.
3. Through the implementation of the national plan for the phase-out of methyl bromide in the consumption sector, the Government of China commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the levels indicated in Table 1:

**Table 1**

Year	Amount of methyl bromide to be phased-out (ODP tonnes)			Maximum allowable level of consumption (ODP tonnes)*
	Total	UNIDO	Italy	
2002	0.0	0.0	0.0	1,087.8
2003	0.0	0.0	0.0	1,087.8
2004	0.0	0.0	0.0	1,087.8
2005	207.8	207.8	0.0	880.0
2006	156.2	156.2	0.0	723.8
2007	153.2	65.2	88.0	570.6
2008	180.6	124.6	56.0	390.0
2009	140.0	0.0	140.0	250.0
2010	41.0	0.0	41.0	209.0
2011	33.0	0.0	33.0	176.0
2012	26.0	0.0	26.0	150.0
2013	50.0	0.0	50.0	100.0
2014	50.0	0.0	50.0	50.0
2015	50.0	0.0	50.0	0.0
Total	1,087.8	553.8	534.0	

\*Excluding any exemptions for quarantine and pre-shipment applications and critical uses.

4. The Government of China has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government of China.
5. China also commits to permanently sustain the consumption levels indicated above through import restrictions and other policies it may deem necessary. UNIDO and the Government of Italy shall report annually to the Executive Committee on the progress respectively achieved in meeting the reductions required by the project.
6. In exchange for the funding level specified in Table 2 below, China commits to eliminate its total national consumption of controlled uses of methyl bromide in accordance with the limits specified in Table 1 above, with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

**Table 2**

Year	Funding disbursement (US\$)						
	UNIDO		Italy		Total		
	Project cost	Support cost	Project cost	Support cost	Project cost	Support cost	Grand total
2003*	4,086,600	306,495			4,086,600	306,495	4,393,095
2004							
2005			4,000,000	470,000	4,000,000	470,000	4,470,000
2006							
2007	1,200,000	90,000			1,200,000	90,000	1,290,000
2008	1,800,000	135,000			1,800,000	135,000	1,935,000
2009	1,300,000	97,500			1,300,000	97,500	1,397,500
2010	600,000	45,000			600,000	45,000	645,000
2011	500,000	37,500			500,000	37,500	537,500
2012	500,000	37,500			500,000	37,500	537,500
2013	500,000	37,500			500,000	37,500	537,500
2014	302,742	22,706			302,742	22,706	325,448
Total	10,789,342	809,201	4,000,000	470,000	14,789,342	1,279,201	16,068,543

\* Fund approved at the 41st Meeting of the Executive Committee.

7. The Government of China, in agreement with UNIDO and the Government of Italy, will have the flexibility to organize and implement the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. UNIDO and the Government of Italy agree to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. UNIDO and the Government of Italy shall also report back to the Executive Committee annually on the progress in meeting the reductions required by this project.

8. The funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other methyl bromide consumption sector projects or any related activities in China.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/30, para. 142).

(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex VI).

### China's halon sector strategy

The Twenty-first Meeting of the Executive Committee, having considered the World Bank paper on "Sector based financing under the Multilateral Fund: list of issues requiring consideration by the Multilateral Fund" (UNEP/OzL.Pro/ExCom/21/24) and having heard the report of the Chairman of an ad hoc group set up during the Meeting to consider the issues involved, the Executive Committee decided:

- (a) to provide initial guidance, attached to this report, to allow further development by China and the World Bank of the halon sector approach pilot programme under an umbrella agreement. In doing so, it was agreed that the initial guidance did not preclude the Executive Committee from taking different or additional views when specific issues are presented in the context of a formal sector approach proposal from China;
- (b) that the guidance was for the purpose of further development of the halon sector approach pilot programme under an umbrella agreement in China only;
- (c) that the guidance would not be applied to any other country or sector until the Executive Committee had discussed and decided on the question of wider applicability; and
- (d) that the issue of wider applicability would be discussed and decided upon at the Twenty-second Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/32, para. 45).

(Supporting document: UNEP/OzL.Pro/ExCom/21/24).

On the question of wider applicability of the initial guidance on further development of the halon sector approach pilot programme, after a discussion among the members, the Twenty-second Meeting of the Executive Committee decided:

- (a) in order to enable an Article 5 country to comply with the provisions of the Montreal Protocol, the concerned Article 5 country may select a sector, project-by-project or any other approach agreeable to the Executive Committee for accessing the Multilateral Fund. Projects should be given the same priority, irrespective of the approach chosen. No approach should proceed without the express agreement of the Executive Committee and the concerned Article 5 country;
- (b) the development of projects based on a sector approach should take into account the specific circumstances of the concerned Article 5 country. to approve in principle US \$62 million in total funding for the implementation of the China Halon Sector Strategy. That funding would be paid out in annual increments in the specific amounts specified in paragraph (B) and on the basis of the following understanding:

(UNEP/OzL.Pro/ExCom/22/79/Rev.1, Decision 22/75, para. 107).

The Twenty-third Meeting of the Executive Committee decided to approve in principle US \$62 million in total funding for the implementation of the China Halon Sector Strategy. That funding would be paid out in annual increments in the specific amounts specified in paragraph (B) and on the basis of the understanding indicated in the attached annex.

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/11, para. 27).

(Supporting document: UNEP/OzL.Pro/ExCom/23/10/Add.1, paras. 7-15).

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to approve the 2000 annual work programme and a 10 per cent agency fee for the World Bank to administer the programme, including a technical audit;
- (b) to establish an additional indicator for cumulative consumption reductions at the enterprise level for the closure and conversion of fire extinguisher manufacturers, which would not be related to the overall calculated reduction in consumption at the country level. The target for the additional indicator up to and including the year 2000 would be 2,780.34 metric tonnes.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/58, para. 86).

(Supporting document: UNEP/OzL.Pro/ExCom/29/30).

The Thirty-eighth Meeting of the Executive Committee decided to approve the annual programme and support costs, noting that the support costs were calculated at a rate of 7.5 per cent, consistent with Decision 38/68.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/59, para. 95).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to approve the request for funding for the China halon phase-out work programme for 2008, at the amount of US \$300,000 plus support costs for the World Bank of US \$22,500; and
- (b) to request the Government of China and the World Bank to continue to report on the use of the remaining unused funds until 2010 and to report back to the Executive Committee by the last Meeting of 2008 on a feasible reporting system for the years beyond 2010.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/25, para. 132).

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to continue monitoring activities and the utilization of project balances beyond the end of the agreement with the Executive Committee, with the following simplified procedures:
  - (i) China would submit a final work plan providing a list of activities and the associated budget for each activity to be carried out in 2009 and beyond. China would use those work plans as a basis for implementation of work in 2009 and beyond with the understanding that China had flexibility to make necessary adjustments to those plans. With this flexibility, China would not be required to submit any additional work plans unless there were major changes made to them;
  - (ii) China would continue to have independent financial audits conducted of the account of the sector plan. The financial audit reports based on the format used in the previous years would be provided to the Executive Committee on an annual basis from 2009 and beyond. China would provide the necessary information for the project completion reports;
  - (iii) the World Bank would facilitate the review and submission of any adjustments to the work plans and financial audit reports to the Executive Committee, and submit the related project completion reports upon the final expenditure of funds.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/13, para. 77). *Tex of the decisión has been adjusted for this plan*

The Fifty-sixth Meeting of the Executive Committee, having resolved the issue with respect to post-2010 monitoring of the agreement (see decision 56/13), decided to approve the release of the final tranche of the China halon sector plan at the amount of US \$100,000 plus agency support costs of US \$7,500 for the World Bank.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/53, para. 204).

The Fifty-ninth Meeting of the Executive Committee decided to request the Government of China and the World Bank:

- a. to carry out, in an expeditious manner, a technical study to determine the level of halon 1301 emission through tail gas emissions resulting from the production of Friponil without incineration systems;
- b. to identify environmentally and economically sound measures to address such tail gas emissions;
- c. to report thereon to the Executive Committee at its 62nd Meeting.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. (51 (b)(iii))).

### **Initial guidance to allow further development by China and the World Bank of the halon sector approach pilot programme under an umbrella agreement**

The "sector approach" to financing ODS phase-out would be based on a programme submitted by a Beneficiary Party (a Government eligible for Multilateral Fund support) to completely phase-out all ODS consumption in a given sector (e.g., aerosol or halon). The programme would include an ODS phase-out schedule and the policy and other measures to achieve phase-out. The total funding level to be covered by the Multilateral Fund for the entire sector phase-out programme would be agreed up-front by the Executive Committee. These agreed costs should represent efficiency, as compared to the project-by-project approach, in the use of Multilateral Fund resources based on \$/kg of ODP which would be phased out. Funding tranches would be approved each year by the Executive Committee based on the agreed phase-out schedule, satisfactory progress reports, and actual ODS phase-out. National level phase-out would be independently verified. As long as the ODS phase-out schedule is met year-by-year, new funding tranches would continue to be approved in amounts which had been agreed up-front by the Executive Committee.

The sector approach programme for submission to the Executive Committee should contain the following:

- (a) baseline information on ODS production, consumption, imports and exports for the sector. This information should provide sufficient and representative data on enterprises (size, product mix, plant life, production capacity and actual production) for analysis of likely incremental costs of phase-out under a project-by-project funding approach. Any discrepancies between baseline information in the programme and information previously reported to either the Executive Committee or the Parties of the Protocol would be explained;
- (b) the ODS production and/or consumption phase-out schedule with explicit annual phase-out targets;
- (c) specific policy and other measures for achieving the phase-out schedule;
- (d) total funding request from the Multilateral Fund based on calculation of incremental costs (including clear and transparent explanation of methodology and assumptions used in calculations so that the costs can be independently verified) and annual grant funding requests to meet phase-out targets. Where the programme includes elements of industrial consolidation, these should be reflected in the cost calculations;
- (e) explanation of savings achieved through the sector approach as compared to the project-by-project approach. Any base-case analysis used to provide a cost comparison should take account of existing government policies, Montreal Protocol controls, and relevant Executive Committee policies and guidelines including Executive Committee decision 17/7, by which the Committee decided, in the light of technological advances, not to consider any projects to convert any ODS-based capacity installed after 25 July 1995. If possible, comparisons could also be made to incremental costs incurred by countries which have already completed phase-out.
- (f) work/action plan for first implementation phase (12-18 months to allow for start-up activities);
- (g) reporting provisions for monitoring and evaluation by different stakeholders of policy and other actions and ODS phase-out targets which at a minimum would include semi-annual progress reports on actions (e.g., plant closures, conversions, etc.) and phase-out achieved. Explanation of provisions to allow for external verification.

In making its recommendation on the sector approach programme, the Executive Committee may want to compare the cost-effectiveness of the sector approach programme to:

- (a) cost-effectiveness thresholds applicable to projects of the type included in the sector approach;
- (b) average cost-effectiveness for approved projects which are similar to the type included in the sector approach;
- (c) actual cost effectiveness of projects similar to the type included in the sector approach as reported in monitoring and evaluation reports.

Funds for implementation of sector approach programmes would be approved in two steps:

- (a) Step 1. Approval of the sector approach programme would be an agreement by the Executive Committee to approve future funding requests for implementation of the programme at the funding levels noted in the programme. Approval of the programme would bind the Beneficiary Party to its phase-out schedule as a precondition for future requests for Multilateral Fund funds for activities in that sector. Approval of the

programme would also limit the Multilateral Fund funds for which the Beneficiary Party could apply to the total funding level agreed in the programme. Approval of the programme would include approval of funds for implementation of the first implementation phase (12-18 month implementation plan to allow for start-up activities);

- (b) Step 2. Future annual funding requests would be made based on the amounts included in the approved programme and the annual action/work plan agreed with the Implementing Agency. The Executive Committee would approve such annual funding requests based on the programme's ODS phase-out schedule, satisfactory progress reports, and actual ODS phase-out. As such, funds for ODS phase-out in the second year would be based on satisfactory progress reports. Funding of the third year would be approved based on achievement of the first-year ODS phase-out target and satisfactory progress reports, and so on.

Funds approved under the sector approach programmes may be disbursed by the Implementing Agency and the Beneficiary Party based on performance targets in the programme, e.g., \$/kg of ODP phased out. Beneficiary Parties will have the flexibility to use grant funds in accordance with the umbrella agreement.

The Implementing Agency would be responsible for supervising implementation of annual action/work based on an agreed monitoring and evaluation framework. National level reductions in ODS production and consumption (as per programme targets) would be verified by a technical audit by. (terms of reference would be developed by ..).

(UNEP/OzL.Pro/ExCom/21/36, Decision 21/32, para. 45).

(Supporting document: UNEP/OzL.Pro/ExCom/21/24).



**Halon sector phase-out plan for China**

## General conditions

(A) by this approval, China agrees that in exchange for the funding level agreed in paragraph (B), it will be bound to reduce its production and consumption of halons to the following levels in accordance with the following schedule:

- (i) China will reduce its halon 1211 production (as defined in the Montreal Protocol) to the following levels in the following years: 7960 tonnes in 1998; 5970 tonnes in 1999; 3980 tonnes in 2000; 3317 tonnes in 2001; 2654 tonnes in 2002; 1990 tonnes in each of the years 2003 through 2005; and, to 0 tonnes in 2006.
- (ii) China will reduce its halon 1211 consumption (as defined in the Montreal Protocol) to the following levels in the following years: 7160 tonnes in 1998; 5370 tonnes in 1999; 3580 tonnes in 2000; 3117 tonnes in 2001; 2654 tonnes in 2002; 1890 tonnes in each of the years 2003 through 2005; and, to 0 tonnes in 2006.
- (iii) China will reduce its halon 1301 production (as defined in the Montreal Protocol) to: 618 tonnes in each of the years 1998 through 2001; 600 tonnes in each of the years 2002 through 2005, 150 tonnes in each of the years 2006 through 2009, and 0 tonnes in 2010.
- (iv) China will limit its halon 1301 consumption (as defined in the Montreal Protocol) to the following levels in the following years: 300 tonnes in each of the years 1998 through 2001; 150 tonnes in each of the years 2002 through 2005; 100 tonnes in each of the years 2006 through 2009; and 0 tonnes in 2010.

The above agreement assumes that 1211 and 1301 are the only halons produced in China, and that total halon production and consumption in China (including halon 2402, or any other halons that may be produced in the country) would be limited to the aggregate 1211/1301 levels listed above for the years given. Halon 1202, a by-product of halon production, will also be phased out.

(B) in order to facilitate China in meeting their first reduction targets in accordance with the above noted schedules, the Executive Committee decides at its Twenty-third Meeting to approve US \$12.4 million in funding for 1998. The Executive Committee has also agreed in principle that it will continue to provide funds on the basis of annual programmes submitted in accordance with the following schedule, subject to the conditions set out in paragraph (C).

Annual Programme	Actual amounts (US\$ millions) to be paid In the year prior to the annual programme
1998	12.4
1999	9.7
2000	10.6
2001	4.5
2002	3.7
2003	5.9
2004	1.2
2005	1.8
2006	11.4
2007	0.4
2008	0.3
2009	0.1
Total	62.0

(C) the payments in respect of each annual programme (other than the initial tranche for 1998) are conditional on:

- (i) adequate progress being maintained in phasing out halon in accordance with the schedule in paragraph (A) and the other requirements of the agreement;  
and in addition, from 2000 onwards,
- (ii) the Executive Committee receiving satisfactory confirmation that reductions have been made in accordance with the schedule in paragraph (A) and the requirements of paragraph (F) for the year two years prior to the year to which the annual programme relates (e.g. confirmation of the 1998 level to determine funding for the year 2000).

- (D) China agrees to establish a system to ensure accurate monitoring of the import, export and production (including in free trade zones), and to report regularly, consistent with the reporting and monitoring regime outlined in Part I, Chapter V of the proposal contained in UNEP/OzL.Pro/ExCom/23/11. China also agrees to allow for annual independent technical audits administered as directed by the Executive Committee to verify that annual halon production and consumption levels agreed in paragraphs (A), (E) and (F) are actually being met.
- (E) China agrees that it will use all funds provided to it by the Executive Committee through this decision to implement its halon sector strategy. In using the funds provided in this initial US \$12.4 million tranche being approved at the Twenty-third Meeting of the Executive Committee, and subsequent tranches China understands, consistent with Executive Committee rules, that it has a responsibility to ensure that it will not use Fund resources to build aggregate capacity for the production of substitute chemicals or substitute extinguishers that exceeds that capacity (for halon 1211, 17,800 tonnes; for halon 1301, 1000 tonnes; and for halon fire extinguisher production capacity of 7.71 million units). China also agrees that, after full conversion, that at least 3.59 million extinguishers<sup>1</sup> produced in China will, in 2005, be either CO<sub>2</sub> extinguishers or extinguishers using a technology that is at least as expensive. If that is not the case, funding will be requested to be refunded based on a rate of US \$3.08 per unit shortfall of CO<sub>2</sub> or equivalent fire extinguishers.
- (F) China agrees that if it does not meet an annual production reduction requirement it has agreed to meet in paragraph (A) above, it will decrease its following year's production allocation by an equivalent amount. If this should happen for a second year, in addition to reducing the subsequent year's production allocation by an equivalent amount, China understands that the Multilateral Fund will withhold the subsequent tranche of funding outlined in paragraph (B) until such time as the required reduction has been met. In addition, China understands that the Multilateral Fund will reduce the subsequent tranche and, therefore, total funding for the Halon Sector Strategy, on the basis of US \$5510/tonne for halon 1301 and US \$486/tonne for halon 1211 of reductions not achieved per year.
- (G) in light of the fact that this project is expected to fund an extensive recycling capability, and that related funds for such capability are being provided solely to allow China to meet its reduction obligations, China will endeavor to prevent export to developed countries of recovered/reclaimed halon.
- (H) in accordance with the strategy, China will propose technical assistance in its annual programme and agrees to carry out any technical assistance performed with Fund money in accordance with terms of reference as agreed with the Implementing Agency.

#### Special conditions

- (I) the Executive Committee wishes to provide China with maximum flexibility in using the agreed funds to meet China's reduction requirements and alternative fire safety needs. Accordingly, while the strategy included estimates of specific funds that may be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as expenditures are consistent with this agreement, the funds provided to China may be used in the way China believes will achieve the smoothest possible phase-out.
- (J) to carry out its responsibilities as outlined in Part I, Chapter V of UNEP/OzL.Pro/ExCom/23/11, the World Bank has agreed to be the Implementing Agency for this project at a fee of 10 per cent of project costs for 1998. The fee for future years will be agreed between the Executive Committee and the Implementing Agency. Funds for the independent technical audit will be approved separately from the agency fee.
- (K) China agrees that the funds being agreed in principle in paragraph (B) by the Executive Committee at its Twenty-third Meeting for implementation of the China Halon Sector Strategy is the total funding that will be available to China to enable its full compliance with the halon reduction requirements of the Montreal Protocol (as at the time of this agreement) and the undertakings as promised under the halon sector strategy. It is also understood that, aside from the agency fee referred to in paragraph (J) above, China and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund-related funding for the accomplishment of the total phase-out of halons in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for actions that China will take regarding conversions of fixed systems, any retrofits of any equipment using halons, and all technical assistance including training. As halon destruction is not part of the Protocol, it is not part of the

<sup>1</sup> 65 per cent of 1995 production of halon extinguishers plus 1995 production of CO<sub>2</sub> extinguishers.

programme.

Other conditions

- (L) if the Executive Committee determines that China has demonstrated a persistent delay in implementation of the agreed phase-out targets included in paragraph (A), China, at the call of the Executive Committee, agrees to repay any funds advanced to it in excess of US \$0.40/kg ODP production and consumption that has been verified as being eliminated. A call for repayment on the part of the Executive Committee would signal the end of obligations under this agreement.
- (M) the funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the halon sector.
- (N) the Executive Committee recalls its decision 22/75 and understands that this decision and the China Halon Sector Strategy embody a specific agreement with the Government of China. In the context of that agreement, several factors that are specific to China have been taken into account. In that regard, and while the Executive Committee welcomes this innovation for phasing out production and consumption of halons in China, the Executive Committee agrees that this agreement establishes no specific precedents (including audits and eligibility or ineligibility of funding for specific levels or specific items).

(UNEP/OzL.Pro/ExCom/23/68, Decision 23/11, para. 27).

(Supporting document: UNEP/OzL.Pro/ExCom/23/10/Add.1, paras. 7-15).

**China's CTC and process agents agreement**

The Thirty-eighth Meeting of the Executive Committee decided to approve the reformulated CTC and process agents sector plan, in accordance with the agreement between the Government of China and the Executive Committee, attached to the present report, on the understanding that, at its 39th Meeting, the Executive Committee will consider the distribution of the annual funding tranches for the project.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/60, para. 99).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex XIII).

The Forty-seventh Meeting of the Executive Committee decided:

- (c) to approve, in principle, the sector plan for phase-out of ODS process agent applications (phase II) and corresponding CTC production in China at a total level of funding of US \$46.5 million plus support costs of US \$3,487,500 for the World Bank, with the following provisos:
  - (i) that approval was without prejudice to determination by the Parties of maximum residual levels of emissions for process agent applications by Article 5 Parties;
  - (ii) that China would reduce the residual emissions from the process agent applications for production of chlorinated polypropylene (CP) and chlorinated ethylene-vinyl acetate (CEVA) addressed in the phase II CTC sector plans to levels that might be agreed in future by the Parties, without requesting additional assistance from the Multilateral Fund;
  - (iii) that the issue of the reduction of residue emissions from process agent applications from the production of chlorosulphonated polyolefin (CSM) addressed in the phase I CTC sector plan should be considered in finalizing the agreement of the phase II sector plan;
  - (iv) if, during implementation of the phase II CTC sector plan, or at any time thereafter, China discovered applications, tonnes of CTC and/or uses (including new process agent categories) of CTC not otherwise explicitly covered in the phase II CTC phase-out sector plan, China committed to phase them out in a manner consistent with the phase-out schedule included in the agreement (to be submitted to the 48th Meeting) at no additional cost to the Multilateral Fund;
  - (v) China would report to the Ozone Secretariat any CTC applications additional to those addressed by this project as soon as they became known to the Government of China; and
  - (vi) disposal of CTC by China would be undertaken in accordance with standards cited in applicable international conventions;
- (d) to approve funding of US \$15 million plus support costs of US \$1.125 million for the World Bank for the first tranche of the project;
- (e) to note that the proposed funding of the second and subsequent tranches would be worked out between the Secretariat and the World Bank and reflected in the draft agreement to be submitted to the 48th Meeting; and
- (f) to request the World Bank to submit a final draft agreement for the project to the 48th Meeting, together with an annual implementation plan for 2006.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/54, para. 209 (c to f)).

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to approve the agreement between China and the Executive Committee for the phase-out of ODS process agent applications (phase II), attached to the present report;
- (b) to approve the balance of the 2006 annual work programme of phase II of the sector plan at US \$10 million and US \$750,000 in support costs for the World Bank; and
- (c) to request the Chair of the Executive Committee to write a letter to the Parties, through the Ozone Secretariat, stating that, for the purposes of decision X/14(3)(b) of the Tenth Meeting of the Parties, the Executive Committee agreed that the emission levels of CTC from process agent use set out in the China phase II CTC process agent agreement were levels that met the criterion of being reasonably achievable in a cost-effective manner without undue abandonment of infrastructure. The letter should also state that the Executive Committee would report annually to the Parties in accordance with decision X/14(3)(b) on whether China had met the agreed emission reduction targets.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/26, para. 128).

(Supporting document: UNEP/OzL.Pro/ExCom/48/45 Annex XI).

The Fiftieth Meeting of the Executive Committee decided:

- (a) to take note of the maximum allowable CTC production and imports for controlled use as process agents under both phases I and II in China, and as feedstock for CFC production for 2006 at 28,618 ODP tonnes;
- (b) to amend the maximum allowed CTC production for consumption under the Montreal Protocol in row 1 of Appendix 2-A to the phase II Agreement as follows:

Maximum allowed CTC production for consumption under the Montreal Protocol	Baseline (2003)	2006	2007	2008	2009	2010
	29,367	7,341.7	7,341.7	7,341.7	7,341.7	4,471

- (c) to request the World Bank to continue monitoring the implementation of CSM projects under phase I and to provide an update in its 2008 work programme; and
- (d) to approve the 2007 work programme of the national phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I) on the understanding that the request for funding and support costs for the 2007 work programme would be submitted to the 51st Meeting together with a verification report on the implementation of the 2006 work programme.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/35 para. 153).

The Fiftieth Meeting of the Executive Committee also decided to approve the 2007 annual work programme of the sector plan for the phase-out of ODS process agent applications (phase II) and corresponding CTC production on the understanding that the seven applications from Table A-bis under decision XVII/8 of the Parties to the Montreal Protocol, which China had contested, should be included in the national annual CTC consumption control target for process agent applications, other than those in phases I and II, which had been set in the agreement at 14,300 ODP tonnes per year for 2006 and 2007.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/36 para. 155 (a)).

The Fifty-second Meeting of the Executive Committee decided:

- (a) to request China to re-examine the carbon tetrachloride (CTC) production and consumption data between 1998 and 2000 so as to reconstitute them as closely as possible and to submit the data for 1999 and 2000 with a clear breakdown as requested by the Ozone Secretariat for calculating the baseline data. That should be done with the following understanding in accordance with decision X/14 of the Tenth Meeting of the Parties:
  - (i) that as long as China achieved the emission reduction targets laid out in the agreements with the Executive Committee for Phase I and Phase II of the process agent sector plan, the CTC production and consumption associated with the process agent application in those agreements would not be included in the CTC production and consumption for the determination of the compliance status of China from 2002 with respect to those CTC applications covered by Phase I, and from 2005 with respect to those applications covered by Phase II onwards;
  - (ii) that since the CTC production and consumption covered in the two agreements of the sector plan should not be included in the calculation of production and consumption for the determination of compliance, any change in the baseline data did not call for a change to the agreements; and
- (b) to communicate the present decision to the Meeting of the Parties in the annual report of the Executive Committee, through the Ozone Secretariat.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/19, para. 104).

The Fifty-second Meeting of the Executive Committee also decided:

- (a) to take note of the verification of the carbon tetrachloride (CTC) consumption of Phase II of the CTC sector plan, and the additional data on the CTC production verification provided by the World Bank;
- (b) to request the World Bank and the Government of China to accelerate the contractual work and disburse the necessary compensation to the plants that were ready for closure in order to complete the dismantling work in a timely manner;
- (c) to request the Government of China to further tighten the control of CTC production and sales to reduce

the chance of unauthorized access to the controlled substance;

- (d) to approve the disbursement of US \$10 million and US \$750,000 as support costs for the implementation of the 2007 work programme of Phase II of the CTC sector plan; and
- (e) to defer to its 53rd Meeting consideration of the need to adjust the ceiling of 14,300 ODP tonnes of the Phase II agreement for CTC applications not covered by Phases I and II of the sector plan.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/38, para. 166).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to amend the maximum allowable amount of CTC used in process agent applications listed in the interim table A-bis of decision XVII/8 of the Seventeenth Meeting of the Parties, and in potential future process agent applications as identified and reported by the Government of China, from the 14,300 ODP tonnes currently included in the Agreement on Phase II of the sector plan to 6,600 ODP tonnes in 2008 and 2009;
- (b) to approve the 2008 annual work programme for Phase II of the sector plan for phasing out CTC production and consumption for process agents at US \$10 million, and the associated support costs of US \$750,000, with the understanding that the request for funding and support costs would be submitted by the World Bank to the 55th Meeting, together with a verification report on the implementation of the 2007 annual programme.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/32, para. 154).

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to take note of the proposed 2009 work programme of the China sector plan for phasing out the production and consumption of carbon tetrachloride (CTC) and the consumption of CFC-113 as a process agent (25 applications) under phase I;
- (b) to take note of the proposed plan to extend implementation of the CTC phase-out sector plan for both phase I and phase II beyond 2010 and the proposal to allocate the estimated unspent fund balance of US \$1.3 million; and
- (c) to approve the 2009 annual programme at US \$1.0 million and agency support costs of US \$75,000 for the World Bank for phase I of the sector plan, noting that the request for funding and support costs would be submitted by the World Bank to the Executive Committee at its 57th Meeting together with a verification report on the implementation of the 2008 annual programme.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/60, para. 220).

The Fifty-sixth Meeting of the Executive Committee decided to approve the 2009 annual work programme of phase II of the sector plan for phasing out CTC production and consumption for process agents and other non-identified uses (phase II) at US \$1.5 million, and agency support costs of US \$112,500 for the World Bank, with the understanding that the request for funding and support costs would be submitted by the World Bank to the Executive Committee at its 58th Meeting, together with a verification report on the implementation of the 2008 annual programme.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/61, para. 222).

**Agreement with China to phase out CTC and process agents (phase I)**

1. This Agreement represents the understanding of The Peoples Republic of China (China) and the Executive Committee with respect to the production and consumption of CTC and CFC-113 as given in Table 2 below.

**Table 1. Montreal Protocol Control Measures for CTC Consumption (ODP tonnes)**

	Baseline <sup>1</sup>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Allowable CTC consumption as per the Montreal Protocol control measures	25,359	N/A	N/A	N/A	N/A	3,804	3,804	3,804	3,804	3,804	0 <sup>2/</sup>

<sup>1/</sup> Baseline includes average CTC consumption over 1998-2000.

<sup>2/</sup> Except for production to meet continued use with minimized emissions as allowed in Decision X/14.

**Table 2. Allowable CTC production and consumption under this agreement (ODP tonnes)**

	Baseline <sup>1</sup>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1 Max allowable sum of production and imports of CTC	86,280	64,152	64,152	61,514	54,857	38,686	32,044	26,457	23,583	17,592	11,990
2 CTC feedstock	N/A	55,319	45,400	45,333	39,306	28,446	21,276	15,129	11,662	5,042	-
3 Max Allowable CTC consumption for other PA applications <sup>2/</sup>	N/A	N/A	7,389	7,832	8,302	8,800	9,328	9,888	10,481	11,110	11,997
4 Max allowable CTC consumption in the PA applications in Appendix 2	3,825	4,347	5,049	5,049	5,049	493	493	493	493	493	220
5 Other non identified uses	N/A	N/A	6,314	3,300	2,200	947	947	947	947	947	-
6 Max allowable CFC-113 consumption in the PA sector	17.2	17.2	17.2	17.2	14	14	10.8	8.4	0	0	0
7 Multilateral Fund support (in US\$ thousands)											Total \$
8 MLF Funding			2,000	20,000 <sup>3/</sup>	16,000 <sup>3/</sup>	2,000 <sup>3/</sup>	16,000 <sup>3/</sup>	5,000 <sup>3/</sup>	3,000 <sup>3/</sup>	1,000 <sup>3/</sup>	65,000
9 Agency support costs			150	1,500	1,200	150	1,200	375	225	75	4,875

<sup>1/</sup> Baseline includes average CTC consumption over 1998-2000.

<sup>2/</sup> Applications in Appendix IV.

<sup>3/</sup> Subject to consideration of the disbursement schedule at the 39<sup>th</sup> Meeting of the Executive Committee.

2. China agrees to reduce its CTC and CFC-113 consumption in accordance with the annual targets set out in Table 2 of this Agreement. The impact of this project would be 11,143 tonnes of CTC consumption and a minimum of 52,162 tonnes of CTC production. It is also agreed that so long as the Parties list related uses, China will be eligible and allowed to apply for and receive further funding for the candidate process agent applications identified in Table 2 and defined in Appendix IV that will be considered by the Parties. If the Parties agree to list the candidate applications as process agents, such applications, if they come forward to the Executive Committee would have to be consistent with Decision X/14 and other related decisions that the Parties may approve at their 14th Meeting or later. When any of these applications come forward for funding, they would be funded at a maximum level established consistent with the categorical baselines included in Appendix IV. However, when and if such projects are approved, the CTC consumption limit specified in Table 2 would be modified, specifically by reducing the levels listed in rows 1 and 3 which would be the baseline tonnes with assumed growth of 6% per year.

3. If, during the course of implementation of this Plan, or at any time thereafter, China discovers applications, tonnes of CTC, and/or uses, (including new process agent categories) of CTC not otherwise explicitly covered in this Agreement, China commits to phase-out these uses in a manner consistent with the phase-out schedule included in this Agreement at no additional cost to the Multilateral Fund.

4. The Executive Committee agrees, in principle, to provide the funding set out in row 8 of Table 2 to China to implement the Process Agent Sector Plan as submitted to the Executive Committee at its 37th meeting in July 2002 provided that China meets its obligations set out in this Agreement. The Executive Committee will strive to approve the disbursement of the annual tranches of the funding at the occasion of its first meeting of the year. In addition, the Executive Committee will pay the agency fee contemplated in row 9 of Table 2.

5. The World Bank will provide independent verification of the production or consumption limits set in rows 1,

4 and 6 of Table 2 as described in paragraph 10 of this Agreement.

6. The Executive Committee will provide the funding at the first meeting of the year, with the exception of the first amount that will be made available at this meeting, to which the funding apply, provided that the conditions of the previous years annual programme are fulfilled i.e.:

- a. that China has reduced to the allowable levels of production and consumption included in rows 1, 4 and 6 of Table 2 for each of the substances for each applicable year;
- b. that the meeting of these targets has been independently verified as described in paragraph 10;
- c. that the actions set out in the Annual Programme has been initiated accordingly; and
- d. that China has submitted an Annual Programme for the following year.

7. China agrees to ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in the project will implement the activities in accordance with the roles and responsibilities set out in the Process Agent Sector Plan.

8. The Executive Committee agrees that China would have the flexibility, to use the Multilateral Fund funding to achieve the overall objectives of this Sector Plan as well as other activities to meet its obligations to the Montreal Protocol. China also agrees that the use of funds would be consistent with the Annual Programme as submitted to the Executive Committee.

9. The Government of China has selected the World Bank as the Implementing Agency to carry out the activities as specified in the Sector Plan and as set forth in Appendix III. China also agrees that the project will be implemented consistent with its agreement with the World Bank.

10. Under this Agreement the World Bank will be responsible for carrying out the activities listed in Appendix I including but not limited to independent verification.

11. Should China, for any reason, not meet any or all performance targets set in rows 1, 4 and 6 in Table 2 or otherwise not fulfill the targets set in this Agreement, the following tranche of funding could be held back - fully or partially - as decided by Executive Committee.

12. China also agrees that the Executive Committee, may reduce the amount of the funding for the following year by US \$26,000 per tonnes for process agents and US \$5,000 per tonne for CTC production in case the country is in default of meeting the annual targets set out in rows 1, or 4, or 6 in Table 2.

13. The audit of CTC, as contracted for by the Secretariat, shall continue. If, on the basis of those final audits, it is found that CTC production or consumption is over 10% lower than the figures included in row 1 for year 2001 of Table 2, the amounts of funding included in row 8 will be reduced by a sum equivalent to the difference of tonnes between the Table 2 figure and the audited figure on the basis of \$1,000 per tonne.

14. The funding components and conditions relative to the funding of the reduction of production and consumption identified in Table 2 of this Agreement shall not be modified on the basis of any future Executive Committee decision that may affect the funding of any other future projects that would be approved for China by the Executive Committee.

15. The Government of China will co-operate with the Executive Committee and the World Bank to facilitate implementation of this Agreement. In particular, it will provide access to the World Bank to all information necessary to verify compliance with this Agreement.

16. This Agreement is executed and implemented within the context of the Montreal Protocol and do not extend obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

#### **Appendix I. Role of the Implementing Agency**

The Implementing agency will be responsible for a range of activities to be specified in the project document along the lines of the following:

- a. assisting China in preparation of the Annual Programme;
- b. verifying for the Executive Committee that consumption of the substances have been eliminated in accordance with the targets;
- c. providing a verification report to the Executive Committee bringing evidence that the targets have been



met and associated annual activities have been completed as indicated in the Annual Programme;

- d. ensuring that achievements in previous Annual Programme are reflected in future Annual Programmes and will serve as the progress report;
- e. reporting on the implementation of the 2003 activities will be included in the 2004 Annual Programme. After 2004, the annual programmes will include implementation status of all previous years' annual programmes.
- f. carrying out supervision missions;
- g. helping China to set up an operating mechanism to allow effective and transparent implementation of the Annual Programme. Accurate data reporting;
- h. coordinating the activities of the coordinating Implementing Agencies, if any;
- i. ensuring that disbursements made to China are based on the use of the indicators; and
- j. providing China with the necessary policy, management and technical support.

## Appendix II. Process agents applications covered by this Agreement

No.	Applications	1999 baseline	ODS
1	Chlorinated rubber	2,424	CTC
2	Chlorinated parafines	2,891	CTC
3	Chlorosulphonated polyolfin (CSM)	1,065	CTC
4	Ketotifen	19	CTC
5	Fluoropolymer resins (PTFE)	39	CTC

## Appendix III. Process agent sector plan

### CTC production, consumption data and performance indicators

The following contains the Montreal Protocol Control targets for China and the agreed performance indicators for this Sector Plan. The table include the following information:

**Baseline for CTC consumption:** The CTC consumption data has been reviewed based on the survey carried out for the preparation of the China PA sector plan. The plan was submitted to the 37<sup>th</sup> meeting and the update was provided to the Executive Committee for consideration at the 38<sup>th</sup> meeting. **Based on the survey, a revised (lower) baseline has been established and China will report accordingly to the Ozone Secretariat and request the changes in its baseline data.**

**CTC Production for CFC production:** The allowable CTC production is based on the need for feedstock for CFC production in accordance with the CFC phase-out schedule agreed for the Chinese CFC production sector plan. In addition, China is allowed to produce CTC for its solvent, process agent and other not yet identified uses. **Under this agreement, China will control its CTC production within the limits given in this Agreement and as given in row 2 in Table 2.**

**CTC consumption for the process applications listed by the Parties to the Montreal Protocol:** The Process Agent Sector Plan provides information on the use of CTC in China for the process agent applications listed by the Parties to the Montreal Protocol. The applications relevant to China are listed in Appendix to this Agreement. **Under this Agreement, China will phase-out the CTC consumption in the applications listed in Appendix II under this Agreement and as given in row 4 in Table 2.**

**CTC consumption for process applications under review by the Parties to the Montreal Protocol:** A number of process applications - outside the list of the 25 applications listed by the Parties - has been identified in China. China has requested the Parties to review and add those PA applications to the list of process agents. Based on the data available through the PA survey carried out, Table 2 assumes that the CTC consumption will grow at a rate of 6% for those PA applications. Under this Agreement, China would continue to use CTC for those applications (listed in Appendix IV) until the Parties decide on how to deal with those applications.

**Appendix IV. Applications to be considered by the Parties and could be considered in Phase II**

No	Application	Product	1999 Baseline	ODS
N1	Chlorinated polypropylene (CPP)	Painting ink, adhesive, coating material		CTC
N2	Chlorinated ethylene-Vinyl acetate (CEVA)	Painting ink, adhesive, coating material		CTC
<b>Total CTC consumption</b>			<b>1,650</b>	<b>CTC</b>
No	Application	Product	1999 Baseline	ODS
N3	3-Phenoxy-benzyldehyde	Pesticides/Agrochemical		CTC
N4	Imidacloprid and its intermediate (2-chloro-5-chloro-methylaniline)	Pesticides/Agrochemical		CTC
N5	Buprofenzin and its intermediate (Chloridized n-methyl aniline)	Pesticides/Agrochemical		CTC
N6	Mefenacet and its intermediate (1,3-dichloro-benzothiozole)	Pesticides/Agrochemical		CTC
N7	Oxadiazon	Pesticides/Agrochemical		CTC
N8	Methyl isocyanate derivative series pesticide	Pesticides/Agrochemical		CTC
<b>Total CTC consumption</b>			<b>3,574</b>	<b>CTC</b>

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/60, para. 97).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1, Annex XIII).

**Agreement between China and the Executive Committee for the phase out of ODS process agent applications (phase II)**

1. This Agreement represents the understanding of China (the country) and the Executive Committee with respect to the complete phase-out of production and consumption for controlled uses of the ozone depleting substances set out in Appendix 1-A (“The Substance and PA Applications”) prior to January 1 of 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the production and consumption for controlled uses of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) under this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the substances.
3. Subject to compliance with the following paragraphs 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 7 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. Consistent with paragraph 3 (b) of Decision X/14 of the Meeting of the Parties, the amounts of CTC used for process agents applications listed in Decision XVII/8, Table A-bis, for each of the years 2006 to 2009 indicated in line 6 of the table in appendix 2A are considered to result in emission levels that are reasonably achievable in a cost-effective manner without undue abandonment of infrastructure
5. In addition to meeting the emission limits for PA I and PA II provided in line 3 and 4 of the Table in Appendix 2A, China further agrees to limit emission levels from any reconfirmed PA applications in Table A-bis of Decision 17/8 and any new potential process agent applications which might be decided by the Parties to the levels indicated in line 6 of the table.
6. The Country will reduce the residual emissions from the process agent applications for the production of chlorinated polypropylene (CPP) and chlorinated ethylene-vinyl acetate (CEVA) addressed in the phase II CTC sector plan to levels that might be agreed in future by the Parties without requesting additional assistance from the Multilateral Fund and the Agreement is entered into without prejudice to the determination by the Parties of maximum residual levels of emissions for process agent applications by Article 5 Parties.
7. If, during implementation of the phase II CTC sector plan, or at any time thereafter, China discovers applications, tonnes of CTC and/or uses (including new process agent categories) of CTC not otherwise explicitly covered in the phase II CTC phase-out sector plan, China commits to phase them out in a manner consistent with the phase-out schedule included in this Agreement at no additional cost to the Multilateral Fund.
8. The Country will meet the production and consumption limits of CTC as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 12 of this Agreement. China also agrees to verify the annual amounts of CTC used for the process agent applications included in the interim Table A-bis of Decision XVII/8 and used as feedstock in the manufacture of non- ODS chemicals as part of its annual progress reporting, using the verification procedures endorsed by the Executive Committee at the 48th Meeting.
9. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 8 weeks prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of the Targets set in row 4 in table in Appendix 2-A has been independently verified as described in paragraph 12; and
  - (c) that the Country has substantially initiated all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an Annual Implementation Programme in the form of Appendix 4 A (“Format for Annual

Implementation Programmes”) in respect of the year for which funding is being requested.

10. 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 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 paragraph 12.

11. 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 annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 7 (d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme

12. 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. The World Bank has agreed to be the lead implementing agency (“Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

13. Should the Country, for any reason, exceed the CTC production and consumption limits given in 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. In 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 instalment 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 the amount exceeding the Maximum Allowable CTC Production and Consumption limit (Appendix 2-A) in any one year.

14. 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 ODS sector projects or any other related activities in the Country.

15. 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.

16. 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 Protocol unless otherwise defined herein.

### **Appendix 1-A The Substances and PA Applications**

1. The ozone-depleting substance to be phased out under the Agreement is CTC production and consumption (Annex B, Group II) for the following CTC process agent applications (see decision XV/6 of the Fifteenth Meeting of the Parties (UNEP/OzL.Pro.15/9)).

No.	Process agent application	Substance
19	Production of Cyclodime	CTC
20	Production of chlorinated polypropene	CTC
21	Production of chlorinated EVA	CTC
22	Production of methyl isocyanate derivatives	CTC
23	Production of 3-phenoxy bezaldehyde	CTC
24	Production of 2-chloro-5-methylpyridine	CTC
25	Production of Imidacloprid	CTC

No.	Process agent application	Substance
26	Production of Bupropion	CTC
27	Production of Oxadiazon	CTC
28	Production of Chlordane N-methylaniline	CTC
29	Production of Mefenacet	CTC
30	Production of 1,3-dichlorobenzothiazole	CTC

## Appendix 2-A The Targets and Funding

	Baseline (2003)	2006	2007	2008	2009	2010
1. Max allowed CTC production for consumption under the MP	29,367	7,341.7*	7,341.7	7,341.7	7,341.7	4,471.0
2. Max allowable CTC consumption as per the Montreal Protocol control measures	55,891	8,383	8,383	8,383	8,383	0
3. Max allowable CTC consumption for Phase I	5,049	493	493	493	493	220
4. Max allowable CTC consumption for Phase II	5,411	6,945**	6,945	6,945	6,945	994 <sup>1</sup>
5. Non identified CTC consumption	3,300	945	945	945	945	-
6. Max allowable amount of CTC used in process agent applications listed in the interim table A-bis of Decision XVII/8 and in potential future process agent applications as identified and reported by China in its annual verification reports***	NA	14,300	14,300	14,300	14,300	0****
Multilateral Fund funding (in US\$ thousands)						Total
7. MLF Funding for Phase II		25,000	10,000	10,000	1,500	46,500
8. Agency support costs for Phase II		1,875	750	750	112.5	3,487.5

Notes: 1. provided emissions are accepted by the Parties as eligible, under decision X/14

\* The allowed CTC production for consumption includes the additional production of 10% of base level allowed for basic domestic need from 2005 to 2009 and 15% from 2010

\*\* The Bank will verify consumption by companies and applications covered by the PA II Sector Plan (Row 4). The annual verification will cover a random selection of at least 30% of all enterprises covering at least 30% of the PA II consumption

\*\*\* These figures are subject to reconfirmation at the 50<sup>th</sup> Executive Committee Meeting. The CTC use figures for the years 2007, 2008 and 2009 will be reviewed by the Executive Committee and may be amended. China will verify the annual amount of the CTC amounts used in those applications consistent with the procedures established for CTC feedstock uses and endorsed by Executive Committee at its 48<sup>th</sup> Meeting.

\*\*\*\* The amount of CTC used will be reduced to zero, or any insignificant levels of emissions which might be approved by the Parties, by January 1, 2010.

## Appendix 3-A Funding Approval Schedule (US\$'000)

1. Funding other than the payments in 2006, will be considered for approval at the second meeting of the year of the annual implementation plan. The agreed funding level for each year is shown in row 7 in Appendix 2-A.

## Appendix 4-A- Format for Annual Implementation Programmes

1. The 2006 AP of the CTC/PA sector plan (phase II) submitted with the PA II Sector Plan is consistent with the agreed format for Annual Programs. This format will be used for following years Annual Implementation Programs

## Appendix 5-A Monitoring Institutions and Roles

1. Project Management Officer (PMO) of SEPA is the core organization for monitoring the implementation of the PA II Sector Plan with the responsibility for reporting to the World Bank. The PMO will be responsible for monitoring implementation of policy measures and technical assistance activities and for submitting quarterly progress reports to the Bank.

2. The Domestic Implementing Agency (DIA) will assist PMO in managing implementation of PA II Sector Plan and will submit quarterly reports to PMO.

3. The implementation status of the PA II Sector Plan will be reported to Executive Committee once a year through Annual Implementation Programmes.
4. The Bank will supervise the implementation of AIPs and will have access to any ongoing and completed activities, including random visits to PA enterprises and CTC producers under the PA II Sector Plan.

#### **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 along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
  - (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Target;
  - (j) ensuring that disbursements are made to the Country in a timely and effective manner; and
  - (k) providing assistance with policy, management and technical support when required.

#### **Appendix 7-A Reductions in Funding for Failure to Comply**

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$ 1,000 per ODP tonne of reductions in production and consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/26, para. 128)*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/45, Annex XI).*

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/35 para. 153).*

**China's CFC production sector**

The Twenty-seventh Meeting of the Executive Committee decided:

- (a) to approve the proposed Agreement for the China Production Sector, as attached to the present report;
- (b) to request the Sub-Committee on Project Review to monitor the implementation of the Agreement in accordance with its terms and report any discrepancies to the Executive Committee, on the basis of the annual work programmes and the requests for funding by the World Bank.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/82(a b), para. 120 (a, b)).

(Supporting document: UNEP/OzL.Pro/ExCom/27/48, Annex IV).

The Twenty-eighth Meeting of the Executive Committee decided:

- (a) to approve the remaining US \$10 million in the 1999 tranche for implementation of the Agreement for the China Production Sector with the understanding that disbursement of these funds by the World Bank would be contingent on the verification by the World Bank for the Executive Committee in accordance with the World Bank's responsibilities in the Agreement demonstrating that the initial reductions required by the Agreement had been met;
- (b) to request the World Bank to transmit a report to the Secretariat for onward transmission to the Executive Committee on the understanding that disbursement of this US \$10 million would take place if no objection was received by the Secretariat within 15 business days of the dispatch of the report.

(UNEP/OzL.Pro/ExCom/28/57, Decision 28/51, para. 97 (a, b)).

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to note that the request for funding for the 2000 annual programme would be submitted at its first Meeting in 2000; and
- (b) to request the World Bank to include in its inspection report on the implementation of component 2 of the 1999 programme: the name of the plant and the plant identification number used in the SRIC audit report; CFCs produced; capacity; production level of the year preceding closure (CFC-11, CFC-12 and CFC-113 reported separately); production to be closed/reduced; balance to remain in production.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/27, para. 55).

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to approve the 2003 work programme of the China CFC production closure programme and withhold the requested funding until the World Bank had submitted to the 39th Meeting a satisfactory verification report on the implementation of the 2002 annual programme;
- (b) to apply 7.5 per cent as agency support cost for the funds to be approved from the 2003 work programme, consistent with Decision 38/68.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/44, para. 80).

The Forty-fourth Meeting of the Executive Committee decided to approve:

- (a) in principle the agreement for the accelerated phase-out of CFC, CTC and halon 1301 production in China, attached as attached to the present report, at a funding level of US \$10 million and the associated cost of US \$750,000 for implementation by the United States of America;
- (b) for the accelerated phase-out of CFC, CTC and halon 1301 in China, the first tranche of US \$5 million and the associated support costs of US \$375,000 at the current meeting, and to credit US \$5 million plus agency support costs of US \$375,000 against the 2004 bilateral contribution of the United States of America.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/59, para. 247 (a, b)).

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to clarify that, as shown in the table, under the Agreement for the accelerated phase-out plan for CFCs, halons and CTC in China, CFCs exported for essential uses approved by the Meeting of the Parties would be exempt from the maximum amounts of net CFCs allowed to be exported under the Agreement from 2006 to 2009 inclusive;
- (b) to note that any exports of CFCs for essential uses beyond the current limits of the Agreement for the accelerated phase-out plan for CFCs, halons and CTC in China would not lead to any increase in CFC production.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/30, para. 134).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to commend the Government of China and the World Bank for completing the CFC production phase-out in China two and a half years ahead of the Montreal Protocol control schedule; and
- (b) to approve the 2008 work programme of the China CFC production closure programme at the level of US \$7.5 million and associated support costs of US \$562,500, noting that the request for funding and support costs would be submitted by the World Bank to the 54th Meeting of the Executive Committee together with a verification report on the implementation of the 2007 annual programme.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/34, para. 160).

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to continue monitoring activities and the utilization of project balances beyond the end of the agreement with the Executive Committee, with the following simplified procedures:
  - (i) China would submit a final work plan providing a list of activities and the associated budget for each activity to be carried out in 2009 and beyond. China would use those work plans as a basis for implementation of work in 2009 and beyond with the understanding that China had flexibility to make necessary adjustments to those plans. With this flexibility, China would not be required to submit any additional work plans unless there were major changes made to them;
  - (ii) China would continue to have independent financial audits conducted of the account of the sector plan. The financial audit reports based on the format used in the previous years would be provided to the Executive Committee on an annual basis from 2009 and beyond. China would provide the necessary information for the project completion reports;
  - (iii) the World Bank would facilitate the review and submission of any adjustments to the work plans and financial audit reports to the Executive Committee, and submit the related project completion reports upon the final expenditure of funds;
- (b) to note that the Executive Committee was approving work plans beyond 2009 for the halon and CFC production and the related accelerated phase-out sector plans in China; and
- (c) to request China to resubmit the work plan for activities beyond 2009 for the foam sector to the 57th Meeting.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/13, para. 77). *Tex of the decisión has been adjusted for this plan*

The Fifty-sixth Meeting of the Executive Committee also decided to approve the 2009 work programme of the China CFC production closure programme at US \$7.5 million and agency support costs of US \$562,500 for the World Bank, noting that the request for funding and support costs would be submitted by the World Bank to the 57th Meeting, together with a verification report on the implementation of the 2008 annual programme.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/62, para. 224).

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to request the Government of China and the World Bank to include the review of licences for the sale of CFCs to MDI manufacturers in 2008 and 2009 as part of the verification report to be submitted to the 60th Meeting of the Executive Committee;
- (b) to urge the Government of China and the World Bank to make all efforts to submit the verification report as early as possible in 2010 in order to resolve any potential issues in advance of the dispatch of documents to Members of the Executive Committee; and
- (c) to release US \$7.5 million, and the associated support costs of US \$562,500, to the World Bank for the implementation of the 2009 work programme for the China CFC production sector Agreement, in light of the verification results indicating that China had met the CFC production reduction target as established in the CFC production sector Agreement for the year 2008.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/31, para. 167).

The Fifty-ninth Meeting of the Executive Committee decided to note that the Government of China had agreed to provide the Executive Committee with information on the use of any funds remaining from the sector plan for CFC production phase-out for new non-ODS production facilities for review in advance of the release of any funding for such activities.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. 51 (b) (iv)).



The Seventy-first Meeting of the Executive Committee decided:

- (a) To note the modification of China's CFC production sector phase-out plan to permit exemptions for the production of CFCs for essential uses approved for other parties for 2014 as contained in document UNEP/OzL.Pro/ExCom/71/SGP/5;
- (b) To modify the CFC production sector Agreement for China to allow the production for export of pharmaceutical-grade CFCs in 2014, with an annual review, for purposes of meeting the 2014 essential use exemption for metered-dose inhalers (MDIs) authorized by the Parties in decision XXV/2 for the other countries, provided that the exporting country had reporting and verification systems in place and that the reporting and verification systems collected and reported on the following information:
  - (i) Documents from MDI manufacturers ordering pharmaceutical-grade CFCs;
  - (ii) Approvals from importing country governments for purchasing essential use pharmaceutical-grade CFCs;
  - (iii) Approvals received from governments of MDI-producing countries that ordered pharmaceutical-grade CFCs and the essential production authorized;
  - (iv) Raw materials consumed for the production run;
  - (v) Amount of pharmaceutical-grade CFC produced;
  - (vi) Amount of non-pharmaceutical-grade CFC produced;
  - (vii) Documentation (transport, storage, disposal) verifying that the amount of non pharmaceutical CFCs had been destroyed;
  - (viii) Export documentation from producers;
  - (ix) Invoices from MDI manufacturers;
  - (x) Audit reports verifying all the above;
- (c) To request the World Bank, as the implementing agency for the CFC production phase out plan for China, to provide its services in carrying out the verification/audit and to submit reports to the Executive Committee on behalf of China on the understanding that:
  - (i) The World Bank verified that the producer had access to destroy the excess CFCs produced using a destruction technique approved by the Parties;
  - (ii) The cost of verification would be approved in advance of the audit by the Executive Committee; and
- (d) That:
  - (i) The Secretariat, on behalf of the Executive Committee, would seek confirmation from the importing country of the actual quantities imported by that country;
  - (ii) The producing country agreed to limit the production of non-pharmaceutical specification grade CFCs to the extent possible and pay for their destruction; and
  - (iii) The Executive Committee would consider application of the penalty clause to any CFC production determined as being excessive by the verification reports.

(UNEP/OzL.Pro/ExCom/71/64, Decision 71/50, para. 193).

**Agreement for the China production sector**

The Executive Committee decides to approve in principle a total of US \$150 million in funding for the phased reduction and closure of the entire CFC production capacity in China. This is the total funding that would be available to China from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of Group I Annex A and Group I Annex B CFCs, and/or the development of capacity to produce alternatives to these CFCs. The agreed level of funding would be paid out in installments in the exact amounts specified in paragraph b, and on the basis of the following understanding:

- a. By this approval, China agrees that in exchange for the funding level specified in paragraph b, it will reduce its total Group I Annex A and Group I Annex B CFC production in accordance with the following schedule:

Total CFC production in China will not exceed the following levels in the following years:

44,931 MT in 1999	40,000 MT in 2000	36,200 MT in 2001
32,900 MT in 2002	30,000 MT in 2003	25,300 MT in 2004
18,750 MT in 2005	13,500 MT in 2006	9,600 MT in 2007
7,400 MT in 2008	3,200 MT in 2009	0 MT in 2010*

\* save for any CFC production that may be agreed by the Parties to meet essential uses for China.

- b. In order to facilitate China finalizing work on their allocation system, meeting their 1999 CFC reduction target, and working toward the other reduction targets included in paragraph a, the Executive Committee decides at its Twenty-seventh meeting to provide US \$20 million in funding during 1999 as follows: US \$10 million to be made available upon Executive Committee approval of this agreement; and, US \$10 million to be made available upon satisfactory verification that China has dismantled and destroyed primary CFC production equipment from the following 14 CFC plants representing over 22,500 tonnes of capacity:

1. Shandong Dongyue Chemical Co. Ltd.: 1 CFC 12 line of 5000 MT capacity (9)(A3) (numbers are China-Bank/SRI plant numbers).
2. Hunan Yiang Chlor-Alkali Chemical Co. Ltd. 1 CFC 12 line of 1,000 MT capacity (16)(C2).
3. Inner Mongolia Baotou Chemical Plant #1: 1 CFC 12 line of 700 MT capacity (17)(C5).
4. Jiangsu Jianhu Phosphine Fertilizer Plant: 1 CFC 12 line of 500 MT capacity (18)(C1).
5. Sichuan Zigong Fujiang Chemical Plant: 1 CFC 11 line of 1500 MT capacity and 1 CFC 12 line of 1000 MT capacity (19)(B4).
6. Zhejiang Linhai Jianxin Chemical Plant: 1 CFC 12 line of 800 MT capacity (20)(B9).
7. Guangdong Huiang Chemical Plant: 1 CFC 11 line of 1000 MT capacity and 1 CFC 12 line of 3000 MT capacity (23)(A14).
8. Henan Hebi Chemical Plant #1: 1 CFC 12 line of 1500 MT capacity (25)(A1).
9. Hebei Longwei Floro-Chem Plant #1 - 2 CFC 12 lines of 1080 total MT of capacity (26)(C3).
10. Guizhou Wiling Chemical Plant: 1 CFC 12 line of 1500 MT of capacity (27)(C4).
11. Guangdong Zhaoqing Chemical Co. Ltd.: 1 CFC 12 line of 500 MT capacity (28)(A15).
12. Shaanxi Shanzhou Chemical Plant: 1 CFC 12 line of 2000 MT capacity (30)(C6).
13. Shanghai Shuguang Chemical Plant 1 CFC 12 line and 1 CFC 113 line of 1000 MT total capacity (32)(A12).
14. Zhejiang Linhai Shuiyang Chemical Plant: 1 CFC 12 line of 500 MT of capacity(35)(B10).

The Executive Committee has also agreed in principle that it will continue to provide funds on the basis of annual programmes. With the exception of 1999, annual programmes will be submitted for review at the last meeting of the year preceding the year listed below:

Annual programme	Actual amounts (US \$ millions) to be approved at the first meeting of each year based on satisfactory performance*
1999	\$20
2000	\$13
2001	\$13
2002	\$13

2003	\$13
2004	\$13
2005	\$13
2006	\$13
2007	\$13
2008	\$13
2009	\$13

\*Payment in 1999 will be based on the provisions of paragraph b.

Payments noted in this paragraph (other than the initial tranche for 1999) are conditioned upon completion of the agreed production decreases noted in paragraph a being independently verified and maintained, and China meeting the other requirements of this agreement. For example, payment in 2003 will be conditional on satisfactory verification that China had, at a minimum, sustained its required 2001 reduction through 2002. Finally, China agrees that in addition to the plant closures specifically noted in this paragraph, within 18 months of any of its existing CFC plants ceasing production of CFCs, that it will take action to ensure that such plants are incapable of producing CFCs in the future, and that key CFC production components are dismantled and destroyed. Notwithstanding this provision, China may, in a verifiable manner, convert related equipment and infrastructure to uses other than the production of ozone depleting substances.

- c. China agrees to ensure accurate monitoring of the phase-out, and to report regularly, consistent with their obligations under the Protocol and this agreement. In order to ensure that HCFC production is not diverted to production of CFCs, China agrees to prepare annually a list of plants producing HCFCs and ensure that such production is not diverted to CFC production. China also agrees to allow for independent technical audits administered by the Implementing Agency, and in addition, as may be directed by the Executive Committee to verify that annual CFC production levels agreed in paragraph a and conditions in paragraphs b and c related to plant dismantling, destruction or HCFC diversion are actually being met.
- d. The Executive Committee wishes to provide China with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in point a. Accordingly, while China's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this agreement and the mode of implementation included in the China project proposal, the funds provided to China pursuant to this agreement may be used in any manner that China believes will achieve the smoothest possible CFC production phase-out possible.
- e. China agrees that the funds being agreed in principle by the Executive Committee at its Twenty-seventh meeting for complete closure of its CFC production capacity is the total funding that will be available to it to enable its full compliance with the CFC production phase-out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in paragraph g below, China and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- f. China understands that if the Executive Committee meets its obligations under this agreement, but China does not meet the reduction requirements outlined in paragraph a, and the other requirements outlined in this document, the Implementing Agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in paragraph b until such time as the required reduction has been met or the required dismantling has been completed. In addition, China understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of US \$1000 per ODP tonne of reductions not achieved in any year of this agreement. It is clearly understood that the fulfillment of this agreement depends on satisfactory performance of its obligations by both China and the Executive Committee.

The World Bank has agreed to be the Implementing Agency for this project. The fee for the first three years

will be at a fee of 9% of project costs per annum distributed during that time period. As the Implementing Agency during that time period, the World Bank agrees to be responsible for:

- ensuring/providing independent verification to the Executive Committee that the phase-out targets and associated activities have been met;
  - ensuring that technical reviews undertaken by World Bank are undertaken by the appropriate independent technical experts such as the OORG;
  - assisting China in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - carrying out supervision missions as required;
  - ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - incorporating its work into the existing agreement between China and the Bank;
  - ensuring that disbursements are made to China based on agreed performance targets in the project, and the provisions of this agreement;
  - independently verifying for the Executive Committee that dismantling of CFC production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.
- h. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector or any related activity.
- i. In light of the fact that the closure of CFC production capacity in China will make CFCs more scarce, and that recycled CFC will be important to ensuring that CFC is available to meet continuing servicing needs in China, China will endeavor to preserve its recycled/reclaimed CFCs for its own use.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/82, para. 120(a, b)).

(Supporting document: UNEP/OzL.Pro/ExCom/27/48, Annex IV).

**Agreement between China and the Executive Committee for the CFCs/CTC/halon accelerated phase-out plan**

1. This Agreement represents the understanding of China (the “Country”) and the Executive Committee with respect to the Accelerated Phase-out Plan (APP) of production and controlled use of ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) by July 1, 2007 for CFC production and consumption and by January 1, 2010 for halon 1301, in compliance with Protocol schedules. This Agreement supplements the Agreements between the Executive Committee and China entered into (1) at the 23rd Meeting for phase out of halons in the halon sector, (2) at the 27th Meeting for the phase out of CFC production in China, and (3) at the 35th Meeting for the phase out of CFCs in the polyurethane foam sector in China.
2. The Country agrees to phase-out the production and the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 to 9 of Table 1 in Appendix 2-A (the “Targets”) of this Agreement. The other conditions in the existing agreements on phase out of the Substances for the different sector plans in China will not be changed with one exception for the Halon Sector Plan<sup>2</sup>, and sector annual programmes will be prepared. The annual phase out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the production and controlled use of phase-out of CFCs and halon-1301, with the exception of the two remaining sector plans which are under preparation, i.e. phasing out CFCs in the manufacturing of metered dose inhalers (MDIs) and phasing out CFCs in the pharmaceutical aerosols.
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 rows 2, 5, and 7 of Table 2 in Appendix 2-A (the “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 production limits for each Substance as indicated in row 1, 5 and 7 and consumption limits as indicated in row 2, 3, 6 and 8 in Table 1 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these production limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 8;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 8.
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

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<sup>2</sup> Condition E “China also agrees that, after full conversion, that at least 3.59 million extinguishers produced in China will, in 2005, be either CO<sub>2</sub> extinguishers or extinguishers using a technology that is at least as expensive. If that is not the case, funding will be requested to be refunded based on a rate of US \$3.08 per unit shortfall of CO<sub>2</sub> or equivalent fire extinguishers.” in the general conditions of the Halon Agreement at the 23rd ExCom Meeting will be waived. Instead, in case of any shortfall, the equivalent amount of this refund will remain in China for capacity building to help China to comply with the Montreal Protocol commitments for activities in the China Convention Compliance Center.

prescribed under this Agreement. Reallocations which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.

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 fulfill the obligations under this Agreement. The Country also agrees to establish policies and enforcement mechanisms to control illegal ODS related activities as set out in Appendix 9-A. In line with the request of the Government of United States of America, which is the bilateral agency for the accelerated phase-out programme, the World Bank has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Lead IA will be responsible, with the cooperation of the Government of the United States of America in respect of the accelerated phase-out programme, for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programme of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in rows 3, 6, 8 and 10 of Table 2 in Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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 production or/and consumption not achieved in any one year.

10. 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 production sector projects or any other related activities in the Country.

11. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

12. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A. The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115
Annex A	Group II	Halon 1301
Annex B	Group I	CFC-13
Annex B	Group II	CTC

#### Appendix 2-A. The targets, and funding

Table 1: ODS Phase out Targets

(ODP tonnes)	Baseline	2004	2005	2006	2007	2008	2009	2010
<b>CFCs<sup>1</sup></b>								
Montreal Protocol reduction schedule (production)	47,004	47,004	23,502	23,502	7,050.6	7,050.6	7,050.6	0 <sup>2</sup>
Montreal Protocol reduction schedule (consumption)	57,819	57,819	28,910	28,910	8,673	8,673	8,673	0 <sup>2</sup>
1. Max allowable CFCs production		25,300	18,750	13,500	7,400 <sup>3</sup>	550	550	0 <sup>2</sup>
2. Max allowable CFCs total consumption		25,300	18,750	13,500	7,400	550	550	0 <sup>2</sup>
3. Max allowable CFC-11 consumption limit in PU Foam sector		10,500	9,000	7,000	400	0		
4. Max. allowable net CFC exports <sup>4</sup>		NL <sup>5</sup>	NL <sup>5</sup>	400 <sup>2</sup>	200 <sup>2</sup>	100 <sup>2</sup>	50 <sup>2</sup>	0
<b>CTC</b>								
Montreal Protocol reduction schedule (production)	29,367.4		4,405	4,405	4,405	4,405	4,405	0

Montreal Protocol reduction schedule (consumption)	55,903		8,385	8,385	8,385	8,385	8,385	0
5. Max allowable sum of production and imports of CTC <sup>6</sup>		54,857	38,686	32,044	22,724	12,768	13,415	12,217 <sup>7</sup>
6. Max allowable CTC as CFC feedstock		39,306	28,446	21,276	11,396	847 <sup>8</sup>	847 <sup>8</sup>	0 <sup>9</sup>
<b>Halon</b>								
Montreal Protocol reduction schedule (production)	40,993	40,993	20,497	20,497	20,497	20,497	20,497	0
Montreal Protocol reduction schedule (consumption)	34,187	34,187	17,094	17,094	17,094	17,094	17,094	0
7. Max allowable halon 1301 production		2000	2000	1000	1000	1000	1000	0
8. Max allowable halon 1301 consumption and export <sup>10</sup>		1500	1500	1000	1000	1000	1000	0
9. Max. allowable net halon 1301 export		NL <sup>5</sup>	NL <sup>5</sup>	200	200	100	100	0

1. CFCs include Annex A Group I and Annex B Group I.

2. Except for essential uses as agreed by the Parties.

3. Production based on the MP plus 10% allowed for basic domestic needs.

4. Net exports defined as exports-imports.

5. Not limited (NL): No limits on export/import of CFCs.

6. Not including CTC production for non-ODS feedstock.

7. 12,217 equals 11,997 (Row 2) plus 220 (Row 4) in the existing agreement for CTC/PA phase-out (Phase I).

8. Estimated CTC production (770 MT) used as CFC production (550 MT CFCs) to meet MDI consumption. In case of import of MDI quality CFC, the national production of CFC and CTC will reduce accordingly to ensure that the national consumption for CFC and CTC stay within the agreed consumption levels.

9. Not including CTC as CFC feedstock for CFC production for essential use.

10. For consistency with the halon 1301 production phase-out, China will limit use of halon 1301 to military and essential use (to be approved by the Parties) and limit export of halon 1301 to Article 5 countries as given in the table above (include essential uses).

Table 2: Multilateral Fund Support (in US\$ thousands)

	2004	2005	2006	2007	2008	2009	2010
<b>CFC production sector</b>							
1. Total annual funding in the existing agreement for CFC production phase-out	13,000	13,000	13,000	13,000	13,000	13,000	-
2. Total adjusted annual funding for the APP	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>24,000</b>	<b>7,500</b>	<b>7,500</b>	-
3. Programme support cost (7.5%)	975.00	975.00	975.00	1.800	562.5	562.5	-
<b>Foam sector</b>							
4. Total annual funding in the existing agreement for the PU foam sector	10,903	10,903	3,320	2,676	1,767	1,767	-
5. Total adjusted annual funding for the APP	<b>10,903</b>	<b>10,903</b>	<b>3,320</b>	<b>2,676</b>	<b>1,767</b>	<b>1,767</b>	-
6. Programme support cost as per the existing agreement for the foam sector plan	961.27	961.27	282.80	240.84	159.03	159.03	-
7. Agreed new funding for the APP <sup>1</sup>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-
8. Agreed programme support cost for the APP (7.5%)	375.00	375.00	0	0	0	0	-
<b>9. Total agreed funding</b>	<b>28,903</b>	<b>28,903</b>	<b>16,320</b>	<b>26,676</b>	<b>9,267</b>	<b>9,267</b>	-
<b>10. Total agreed support cost</b>	<b>2,311.27</b>	<b>2,311.27</b>	<b>1,257.80</b>	<b>2,040.84</b>	<b>721.53</b>	<b>721.53</b>	-

Note: This funding request includes only compensation for early phase-out of CFC and halon 1301, and some capacity building activities. It excludes fund request for early phase-out of CTC which would be requested separately in the CTC/PA II sector plan which is under preparation.

### Appendix 3-A. Funding approval schedule

Funding will be considered for approval at the first meeting of the calendar year of the Annual Implementation

Programme.

#### Appendix 4-A. Format of Annual Implementation Programme

##### 1. Data

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target CFC/CTC/halon 1301 production of the preceding year \_\_\_\_\_  
 Target CFC/CTC/halon 1301 production of the year of plan \_\_\_\_\_  
 Target CFC-11 consumption of the preceding year in the foam sector \_\_\_\_\_  
 Target CFC-11 consumption of the year of plan in the foam sector \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead implementing agency \_\_\_\_\_

##### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Production (CFCs/CTC/halon 1301)			
	Import (CFCs/CTC)			
	Total (1) (CFCs/CTC/halon 1301)			
Demand of ODS	Foam (CFC-11)			
	CFC feedstock (CTC)			
	Halon 1301			
	Total (2) (CFCs/CTC/halon 1301)			

##### 3. Industry Action

Sector	Production preceding year (1)	Production year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	ODS phase-out (in ODP tonnes)
CFCs					
CTC					
Halon 1301					
Total					
Foam					
Total					

##### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

##### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS production, consumption, import and export	
Public awareness	
Others	

##### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### Appendix 5-A. Monitoring Institutions and Roles

1. The Government of China agrees to ensure accurate monitoring of the ODS phase-out under this



Agreement. The ODS production and consumption figures provided under this Agreement will be consistent with China's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of China also agrees to allow independent verification conducted by the World Bank, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual ODS production levels correspond to those agreed. Verification of CFC-11 consumption in the foam sector will be done according to the existing agreement for the PU foam sector.

2. Since the implementation of this CFC/Halon Accelerated Phase out Plan consists of the implementation of originally independent phase-out plans of (1) CFC production, (2) CFC consumption in the PU foam sector, and (3) CTC and PA (Phase I), a consolidated reporting of all those plans (see the table as below) is required. Under this CFC/Halon Accelerated Phase out Plan, the World Bank as lead agency will facilitate an Executive Summary each year on implementation status of the APP and all sector plans active in the year covered by the verification. The list below shows ongoing sector plans with verification obligations.

<b>Sector Plans in China</b>	<b>Implementing Agency</b>
1. Halon Sector Plan	World Bank
2. CFC Production Sector Plan	World Bank
3. Foam Sector Plan (CFC-11)	World Bank
4. Tobacco Sector Plan (CFC-11)	UNIDO
5. Solvent Sector Plan (CFC-113, CTC and TCA)	UNDP
6. CTC and PA Sector Plan (phase I) (CTC and CFC-113)	World Bank
7. TCA Sector Plan	World Bank
8. Refrigeration Servicing Sector Plan (CFC)	UNIDO
9. CTC and PA Sector Plan (phase II) (under preparation)	World Bank
10. Pharmaceutical Aerosol Sector Plan (under preparation)	World Bank
11. MDI Sector Plan (preparation to start)	UNIDO

3. In addition to monitoring of the implementation through the responsible agencies as well as the lead agency, the Project Management Office (PMO) affiliated to the China State Environmental Protection Administration (SEPA) as well as other state governments will monitor implementation, being supervised by the China Leading Group of Ozone Layer Protection.

4. The implementation part of the Executive Summary Report to be submitted to the Executive Committee will provide an overall assessment of the ODS production and consumption for the year concerned, using the definition of the Montreal Protocol on production and consumption. This should be based on verification results from cooperating implementing agencies who implement sector plans and should include the verified import and export data on the relevant controlled substances. The release of funding under the existing ODS Phase-out Plans will be subject to the acceptance of the annual implementation programmes of each individual sector plan as part of the consolidated Executive Summary Report.

#### **Appendix 6-A. Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the implementation programme
- (c) assisting the Country in preparation of the Implementation Programme;
- (d) ensuring that achievements in previous Implementation Programmes are reflected in future Implementation Programme;
- (e) a report on the implementation of the Annual Implementation Programme of the preceding year using the Montreal Protocol definition on production and consumption and the Annual Implementation Programme for the year is to be prepared and submitted to the first meeting of the Executive Committee in each year;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;

- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that production of the Substances has been eliminated in accordance with the Targets;
- (j) coordinate the activities of the Cooperating IAs, if any;
- (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.

#### Appendix 7-A Reductions in Funding for Failure to Comply

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced according to the penalty stipulations in the existing agreements for ODS phase out in the CFC production, PU foam, halon and the refrigeration servicing sectors.

#### Appendix 8- Existing agreements between China and the Executive Committee on the phase-out of ODS production and consumption

(ODP tonnes)	Baseline	2004	2005	2006	2007	2008	2009	2010
<b>CFCs</b>								
CFCs Production	47,004	25,300	18,750	13,500	9,600	7,400	3,200	0 <sup>1</sup>
Annual national CFC-11 consumption limit in the agreement for the FSP)		13,100	10,400	7,700	4,130	3,800	300	0
Annual CFC-11 consumption limit in PU foam sector as per the agreement for the foam sector plan		11,666	9,646	7,164	3,821	3,553	102	0
CFC-11 consumption limit as per the agreement for the Tobacco sector		500	300	150	0			
CFC-113 consumption control targets as per the agreement for the solvent sector		1,100	500	0 <sup>2</sup>				
CFCs consumption limits in I&C refrigeration sector for manufacturing				0 <sup>3</sup>				
CFCs consumption limits in domestic refrigeration sector for manufacturing					0 <sup>3</sup>			
Max allowable CFC-113 consumption as per the agreement for the PA sector	17.2	14	14	10.8	8.4	0		
Max allowable CFCs consumption in the servicing sector		5,083	4,572	3,790	2,997	2,317	1,786	1,181
<b>CTC</b>								
Max allowable sum of production and net imports as per the agreement for the PA/CTC sector plan for CTC <sup>4</sup>	55,903.8	54,857	38,686	32,044	26,457	23,583	17,592	11,990
Max allowable consumption in the 25 PA applications as per the agreement for the PA/CTC sector plan (phase I)	3,825	5,049	493	493	493	493	493	220
CTC used as feedstock for CFC production as per the agreement for the PA/CTC sector plan (phase I)	N/A	39,306	28,446	21,276	15,129	11,662	5,042	0 <sup>5</sup>
CTC consumption control targets in solvent sector as per the agreement for the Solvent Sector Plan		0 <sup>2</sup>						
<b>Halons</b>								
Halon 1301 production	40,993	6,000	6,000	1,500	1,500	1,500	1,500	0
Halon 1301 consumption	/34,187	1,500	1,500	1,000	1,000	1,000	1,000	0
Halon 1211 production	(production/	5,970	5,970	0				
Halon 1211 consumption	consumption)	5,670	5,670	0				

Note:

1. Save for any CFC production that may be agreed by the Parties to meet essential uses for China.
2. Save for any CFC-113 consumption or CTC solvent consumption that may be agreed by the Parties to be essential for China after 2010.
3. Not including CFC consumption in servicing sector.
4. Including CTC production for CFC production and ODS feedstock applications but does not include CTC production for non-ODS feedstock.
5. Excluding CTC as CFC feedstock for CFC production for essential uses.

#### Appendix 9-A. Enforcement and penalties related to illegal production, trade and export in CFCs and

**halons**

<b>Year of effectiveness</b>	<b>Actions</b>
January 2005	<ol style="list-style-type: none"> <li>1. China will continue on-site monitoring of the production of CFC until 2010 as currently implemented under the CFC production sector plan.</li> <li>2. China will strengthen monitoring of the halon 1301 production and sales by quarterly on site review of production and sales records until 2010.</li> </ol>
December 2008	<ol style="list-style-type: none"> <li>1. Issuance of a new regulation by the State Council, for a penalty system which constitutes a significant penalty, e.g. confiscation of any sales value in any illegal ODS production activity and a penalty several times of its sales value.</li> </ol>
December 2009	<ol style="list-style-type: none"> <li>1. Update the Air Pollution Prevention and Control Law with the same level of financial penalties as in the regulatory system mentioned above with addition of prison terms for illegal ODS related activities.</li> </ol>

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/59, para. 247 (a, b)).

(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XVII).

**China's methyl bromide production sector**

The Forty-seventh Meeting of the Executive Committee decided to approve the agreement for phasing out methyl bromide production for controlled uses in China at a total level of funding of US \$9.79 million, in principle, as attached to this document, and the first tranche at US \$3,000,000 plus the support costs of US \$225,000 for UNIDO.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/54, para. 209 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex XIV).*

The Fifty-fifth Meeting of the Executive Committee decided that the phase II of the methyl bromide production sector plan (2008-2010) for China would be reconsidered at the 56th Meeting subject to the verification having been completed.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/35, para. 156).*

The Seventy-third Meeting of the Executive Committee decided:

- (a) To approve the fourth (and final) tranche of the sector plan for the phase-out of methyl bromide (MB) production, and the corresponding 2014-2018 tranche implementation plan, in the amount of US \$1,790,000, plus agency support costs of US \$134,000 for UNIDO, on the understanding that the Government of China would continue to use existing balances to undertake activities for the phase-out of MB production, and that all project activities would be completed no later than 31 December 2018; and
- (b) To request the Government of China and UNIDO to submit annual reports on the status of implementation of the sector plan for the phase-out of MB production, and the project completion report, to the Executive Committee no later than the first meeting in 2019.

*(UNEP/OzL.Pro/ExCom/73/62, Decision 73/56, para. 167).*

**Agreement for the methyl bromide production sector plan in China**

1. The Executive Committee, at its 47th Meeting decided to approve in principle a total of US\$ 9,790,000 in funding for the phased reduction and closure of the entire methyl bromide production capacity for controlled applications in China.
2. This is the total funding that would be made available to China by the Multilateral Fund for the total permanent closure of all capacities for the production of controlled substances of Group I Annex E (methyl bromide) excluding the production for quarantine and pre-shipment (QPS), feedstock and critical uses if any, and/or development of capacity to produce alternatives to methyl bromide for controlled applications.
3. The agreed level of funding would be paid out in instalments in the exact amounts specified in Table 1 and on the basis of the following understanding:
  - (a) by this approval, the Government of China agrees that in exchange for the funding level specified in Table 1, it will reduce its controlled Group I Annex E (methyl bromide) production in accordance with the maximum allowable production in the same table:

Table 1:

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Max. annual allowable production of methyl bromide for controlled uses (ODP tonnes)	621.0	600.0	570.6	390.0	250.0	209.0	176.0	150.0	100.0	50.0	0.0*	-
Project cost (US\$ '000)	3,000	0	0	3,000	0	0	2,000	0	0	1,790	0	9,790
Agency fees (US\$ '000)	225	0	0	225	0	0	150	0	0	134	0	734
Total grant (US\$ '000)	3,225	0	0	3,225	0	0	2,150	0	0	1,924	0	10,524

\*save for QPS, feedstock and critical uses to be approved by Parties.

the Executive Committee has also agreed in principle that it will provide funds on the basis of progress reports submitted in accordance with the schedule indicated above. Payments noted in this paragraph (other than the initial tranche for 2005) are conditioned upon completion of agreed production decreases noted in Table 1 being independently verified and maintained and China meeting the other requirements of this agreement.

the funds are to be approved at the second meeting in the years indicated above, upon the submission by UNIDO and the acceptance by the Executive Committee of the verification of the reduction targets in the preceding years specified in Table 1, with the exception of the first tranche, which will be released upon approval of this agreement.

- (b) the Government of China agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Protocol and this agreement. China also agrees to allow for independent technical audits administered by the implementing agency, and in addition, as may be directed by the Executive Committee to verify annual controlled methyl bromide production levels agreed in Table 1.
- (c) the Executive Committee wishes to provide the Government of China with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1. Accordingly, while China's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this agreement and the mode of implementation included in the China project proposal, the funds provided to China pursuant to this agreement may be used in any manner that China believes will achieve the smoothest possible phase out of controlled methyl bromide production.
- (d) the Government of China agrees that the funds being agreed in principle by the Executive Committee at its 47th Meeting for the complete closure of its methyl bromide production for controlled uses, is the total funding that will be available to enable its full compliance with the methyl bromide production phase-out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities, including the development of an infrastructure for the production and import of alternatives. It is also understood that, aside from the agency fee referred

to in paragraph (f) below and reflected in Table 1, the Government of China and the Multilateral Fund and its Implementing Agency will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of controlled methyl bromide production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.

- (e) the Government of China understands that, if the Executive Committee meets its obligations under this agreement, but the Government of China does not meet the reduction requirements outlined in paragraph (a), and other requirements outlined in this document, UNIDO and the Multilateral Fund will withhold funding from the subsequent tranche of the funding outlined in Table 1 until such time as the required reduction has been met. In addition, the Government of China understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the methyl bromide production phase-out on the basis of US \$5,000 per metric tonnes of reductions not achieved in any tranche of this agreement. It is clearly understood that the fulfilment of this agreement depends on the satisfactory performance of its obligations by both the Government of China, and the Executive Committee.
- (f) UNIDO has agreed to be the implementing agency for this project. The agency fee for the project will be at a fee of 7.5% of project costs, and released together with the annual tranches. As the implementing agency during the project time, UNIDO is responsible for:
  - (i) ensuring/providing independent verification to the Executive Committee that the phase-out targets and associated activities have been met;
  - (ii) ensuring that technical reviews arranged by UNIDO are undertaken by appropriate independent technical experts;
  - (iii) assisting the Government of China in the development of its annual work program, which incorporates achievements in programs in previous years;
  - (iv) carrying out supervision missions as required;
  - (v) ensuring the presence of an effective operating mechanism to enable an effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (vi) ensuring that disbursements are made to the Government of China based on agreed performance targets in the project, and the provisions of this agreement.
- (f) the funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the methyl bromide production sector or any related activity.
- (g) all of the arrangements 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.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/54, para. 209 (b)).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex XIV).

### Report on evaluation of completed compressor projects in China

The Thirty-fourth Meeting of the Executive Committee decided:

- (a) to take note of the findings and lessons learned contained in the evaluation report;
- (b) to request the Government of China to assess the additional needs for non-CFC domestic and commercial refrigeration compressors over and above the capacities already converted which were partly under-utilized. The assessment should take into account the existing commercial refrigeration sector strategy, the pace of conversion of the refrigeration industry, existing and future demand for CFC-based compressors for servicing purposes, as well as the financial viability of the potential beneficiary enterprises;
- (c) to consider future proposals in this sector in the light of this assessment and, in particular, before approving further projects in China in the commercial refrigeration compressor sector, to consider whether China had:
  - (i) included firm, time-specific commitments by the Government to reduce production and ban the import of CFC-based compressors, and put in place specific policy measures to ensure that the project would yield reductions, taking into account the target formulated in the industrial and commercial refrigeration sector strategy to cease the production of CFC-based refrigeration systems by 1 January 2004;
  - (ii) considered the evaluation's findings that more sustainable conversion, at lower cost, might be achieved by encouraging commercial refrigeration compressor producers to combine their ongoing development efforts, relying on internationally available information and the local network of universities and institutes, with the resources of a consultant to undertake the technological upgrade of locally-designed non-CFC compressors;
- (d) to request the State Environmental Protection Administration to examine, in co-operation with the World Bank, the possibilities for relocating idle or under-utilized machining centres in commercial refrigeration compressor projects, paying particular attention to project CPR/REF/15/INV/107, to compressor companies with better prospects for achieving a satisfactory rate of capacity utilization and cost-effectiveness;
- (e) also to request the Implementing Agencies:
  - (i) when preparing future projects in the refrigeration compressor sectors, to ensure that baseline production figures reflected actual current production, not technical capacity, and that planned production figures took into account potential market constraints on future sales prospects;
  - (ii) to use as a basis for identifying a project's requirement for expensive equipment the principle that the more expensive the equipment was, the more the running time of the machinery must be prolonged, and the calculation base for using such equipment should be 5-6 working days per week in 2-3 shifts per day;
  - (iii) to ensure that all future projects submitted to the Executive Committee for the commercial refrigeration compressor subsector were accompanied by a letter from the recipient enterprise guaranteeing local funding capability and the support of local relevant authorities;
  - (iv) to monitor continuously the conversion process of ongoing compressor projects and inform the Secretariat and the Executive Committee of any significant deviations in their progress reports;
  - (v) to revise their project completion reports (PCRs) and to resubmit them in cases where the evaluation found discrepancies between the PCR and project reality;
  - (vi) to take into consideration the findings and lessons learned presented in the evaluation report when preparing future proposals for compressor projects.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/13, para. 31(a to e)).

(Supporting document: UNEP/OzL.Pro/ExCom/34/17).

### Commercial refrigeration compressor strategy in China

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the sector plan for the phase-out of CFC-11 and CFC-12 consumption, as contained in Annex II to document UNEP/OzL.Pro/ExCom/35/34;

- (b) to express the intention to provide the Government of China with the agreed and eligible incremental costs for the five remaining compressor plants, in line with the original agreement entered into in 1995 by the Executive Committee, in which China undertook to phase-out 13,000 ODP tonnes of CFC consumption, based on unconstrained demand in 1995 in the commercial and industrial refrigeration sub-sector;
- (c) to request the Secretariat to work with the World Bank to reach agreement with the Government of China on the level of the eligible incremental costs of the five projects and to submit the projects to the Executive Committee at its 36th Meeting;
- (d) to consider granting the Government of China flexibility in using the identified funding for incremental costs, rather than purely for conversion of the five compressor manufacturing enterprises;
- (e) to urge the Government of China to use the resources for identified incremental costs in the most cost-effective manner to contribute to effecting phase-out activities in the commercial and industrial refrigeration sub-sector, which may or may not involve conversion of the five enterprises in question.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/50, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/35/34).

### China domestic refrigeration and domestic refrigeration compressors

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to approve in principle a total of US \$7,360,530 in funding for the phased reduction of the remaining national aggregate CFC consumption through the implementation of the Sector Phase-out Plan for CFCs in the Domestic Refrigeration (Manufacturing) Sector in China;
- (b) to approve, at the 38th Meeting, funding in the amount of US \$1,788,991 plus support cost of US \$161,009 to be offset against the bilateral contribution of Italy for 2000-2002, and US \$3,400,000 plus support cost of US \$299,200 for UNIDO, subject to the following conditions:
  - (i) the Government of China commits to completely phase-out 1,099 ODP tonnes of CFC consumption in the domestic refrigeration (manufacturing) sector and permanently sustain the reduction of 1,099 ODP tonnes from its national aggregate consumption of 3,508.7 ODP tonnes according to the following phase-out schedule;

Year	2004	2005	2006	Total
Annual CFC phase-out target (ODP tonnes) from Italian Bilateral Portion	0	181	0	181
Annual CFC phase-out target (ODP tonnes) from UNIDO Portion	140	169	609	918
Total	140	350	609	1,099

- (ii) the Executive Committee will endeavor to provide the second tranche of US \$2,171,539 plus agency support cost of US \$192,239 to UNIDO at the last meeting of the Executive Committee in 2003;
- (iii) the Government of China agrees that no additional Multilateral Fund resources would be requested for activities in the Domestic Refrigeration (Manufacturing) Sector. The Executive Committee agreed to provide China with flexibility in using the agreed funds consistent with operational procedures as agreed between China and UNIDO in the Domestic Refrigeration (Manufacturing) Sector Phase-out Plan;
- (iv) the Government of China agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol, by 30 September each year;
- (v) as the lead Implementing Agency, UNIDO will be responsible for:
  - providing in 2003 a work programme for the period 2004, 2005 and 2006;
  - reporting annually on the implementation of all activities funded under the sector plan;
  - providing verification to the Executive Committee annually that CFC consumption phase-out in the Domestic Refrigeration (Manufacturing) Sector had been completed based on the schedules listed in the table above.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/45, para. 81).

### MAC sector in China

The Twenty-fifth Meeting of the Executive Committee decided to request the World Bank to take into account



the comments and suggestions made in the course of the discussion on the need to consider a number of significant cost and eligibility issues when preparing a final proposal for submission to the 26th Meeting. As a special case, this project might not need to meet the requirements of Decision 17/6, but must fall within the US \$15.15 million estimated by China to be the total requests from the Multilateral Fund for the entire sector and should not contain proposals for IOC.

(UNEP/OzL.Pro/ExCom/25/68, Decision 25/21, para. 48).

### **Refrigeration servicing sector CFC phase-out plan in China**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle the refrigeration servicing sector CFC phase-out plan for China at a total level of funding of US \$7,885,000 plus agency support costs of US \$291,380 for UNIDO and US \$520,000 for Japan;
- (b) also to approve the Agreement between the Government of China and the Executive Committee attached to the present report; and
- (c) to approve US \$1,000,000 plus support costs of US \$75,000 for UNIDO and US \$1,000,000 plus support costs of US \$130,000 for Japan for implementation of the 2005 annual programme of the national CFC phase-out plan.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/49, para.195).

NOTE: This agreement was subsequently modified at the 45th Meeting of the Executive Comité.

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the revised 2005 annual implementation programme;
- (b) to amend the agreement between the Government of China and the Executive Committee to include UNEP as cooperating implementing agency for the project as attached to the present report;
- (c) to note the return by UNIDO of US \$450,000, plus support costs of US \$33,750, from the first tranche approved for the implementation of the China refrigeration servicing sector CFC phase-out plan (CPR/REF/44/INV/419); and
- (d) to approve US \$450,000, plus support costs of US \$58,500 for UNEP, for the implementation of selected activities under the 2005 annual implementation plan.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/46, para. 151).

**Agreement between China and the Executive Committee for the phase out of CFCs in the refrigeration servicing sector**

1. This Agreement represents the understanding of China (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the refrigeration-servicing sector in the country set out in Appendix 1-A (the “Substances”) prior to 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out Targets set out in Appendix 2-A (the “Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances other than funding for the MDI and Pharmaceutical Aerosol sectors, which are not considered in this Agreement. The country reserves the right to request funds for the MDI and Pharmaceutical Aerosol sectors in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs 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 10 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 (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of the Targets set out in Appendix 2-A Row 1 (Max Allowable total consumption of CFC-12) has been independently verified as described in paragraph 9, and that the meeting of targets set out in Appendix 2-A Row 2 (Total consumption of CFCs in the refrigeration servicing sector) has been confirmed through monitoring and auditing activities undertaken by the Country as listed in Appendix 5-A (“Monitoring Institutions and Roles”);
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector:
  - (a) the Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;

- (b) the recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools, in case where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

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 ("Lead IA") and UNEP and Japan have agreed to be co-operating implementing agencies ("Co operating IAs") under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Co-operating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA and the Co operating IAs with the fees set out in rows 7, 9, and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the total consumption of CFCs, in the servicing sector in any one year.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A The Substances

Annex A:	Group I	CFC-11 and CFC-12
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### Appendix 2-A The Targets, and Funding

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	57,818.7	28,909.3	28,909.3	8,672.8	8,672.8	8,672.8	0	n/a
Max allowable total consumption of CFCs <sup>(1)</sup> (ODP tonnes)	25,300 <sup>(2)</sup>	18,750	13,500	7,400	550	550	0 <sup>(4)</sup>	n/a
1. Max allowable consumption of CFC-12 [production-exports+imports] (ODP tonnes)	6,934 <sup>(2)</sup>	5,713	5,637	5,805	406	406	0 <sup>(4)</sup>	n/a
2. Total consumption of CFCs in the refrigeration servicing sector (ODP tonnes)	5,083 <sup>(2)</sup>	4,572	3,790	2,997	2,317	1,786	1,181 <sup>(3)</sup>	n/a
3. Reduction from on-going projects (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
4. New reduction under plan (ODP tonnes)	0.0	511	782	793	680	531	605	3,902
5. Total annual reduction (ODP tonnes)	0.0	511	782	793	680	531	605	3,902

6. Lead I.A. agreed funding (UNIDO)	550,000		700,000	700,000	700,000	785,000	0	3,435,000
7. Lead I.A. support costs (UNIDO)	41,250	0	52,500	52,500	52,500	58,880	0	257,630
8. Co-operating I.A. funding (Japan)	1,000,000	3,000,000						4,000,000
9. Co-operating I.A. support cost (Japan)	130,000	390,000						520,000
10. Co-operating I.A. funding (UNEP)		450,000						450,000
11. Co-operating I.A. support cost (UNEP)		58,500						58,500
10. Total agreed funding (US \$ million)	1,550,000	3,450,000	700,000	700,000	700,000	785,000	0	7,885,000
11. Total agency support costs (US \$ million)	171,250	448,500	52,500	52,500	52,500	58,880	0	811,380

(1) According to the "Accelerated CFC and Halons Phase-out Plan in China", including CFCs Annex A, Groups I and II.

(2) Estimate.

(3) Service tail requirement to be covered from stockpile.

(4) Except for essential uses as agreed by Parties.

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the last meeting of the year preceding the year of the annual programme.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____
Co-operating agency(ies)	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Actual consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	No of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Process agents						
Solvents						
Other						
Total						
Servicing						
Total						
Grand total						

### 4. Technical Assistance

**Proposed Activity:**

Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy/activity planned	Schedule of implementation
Type of policy control on ODS import:	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned Expenditures (US \$)
<b>Total</b>	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The State Environmental Protection Administration (SEPA) will monitor the consumption data of all ODS and the implementation activities of the Plan. Inspections at converted companies by the IAs and SEPA are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.
2. The Country will ensure continuity of activities and their endorsement for the efficient implementation of the projects as well as verification of consumption through the institutional support component. This will guarantee the success of any activity approved for the Country under this Agreement.
3. In addition to the establishment of the country-wide scheme for refrigerant recovery and recycling, the monitoring component will be initiated to determine whether the project is successfully implemented and whether the CFC phase-out target is achieved.
4. The monitoring component will include the following activities:
  - (a) establishing a system to ensure that every recycling and reclamation centre and substantive-size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
  - (b) setting up adequate office facilities including a computer system to collect and analyse the data;
  - (c) regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
  - (d) occasional visits to service workshops, recycling and reclamation centres; and
  - (e) providing access and support as well as bearing the cost of independent audits required for the verification of CFC consumption.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive-size service workshops.

**CFC quantity**

- Number of appliances subjected to refrigerant recovery and type of appliances at every service workshop (commercial, MAC, domestic, etc.);
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- Amount of virgin refrigerant by type consumed in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants or decomposition plants abroad);

- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants, etc.).

#### Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
  - Cost of recycling at every recycling centre and parties who bear the cost;
  - Price of recycled CFC refrigerants;
  - Cost of reclaiming at every reclamation centre and parties who bear the cost;
  - Price of reclaimed CFC refrigerants;
  - Other financial information relevant to monitoring the recovery recycling and reclamation scheme.
6. The collected data and information will be analysed to check for the adequate operations of the scheme.

#### **Appendix 6-A Role of the Lead Implementing Agency (UNIDO)**

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

- ensuring performance and financial verification in accordance with this Agreement, and with the rules and guidelines of the Multilateral Fund, and with specific internal procedures and requirements as set out in the refrigeration servicing sector phase-out plan;
- providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- assisting the Country in preparation of the Annual Implementation Programme;
- ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee at its last meeting of the year;
- ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- carrying out required supervision missions;
- ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- ensuring that disbursements are made to the Country in a timely and effective manner; and
- providing assistance with policy, management and technical support when required.

#### **Appendix 6-B Role of the Co-Operating Implementing Agency (Japan and UNEP)**

The Co-operating IA will be responsible for:

- assisting the Country in the implementation and verification of the activities to be undertaken by the Lead IA as funded in row 8 of Appendix 2-A and as specified in the project document;
- ensuring that disbursements are made to the country through the Lead IA in a timely and effective manner;
- reporting to the Lead IA on these activities and
- providing assistance relating to the activities being undertaken when required.

#### **Appendix 7-A Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in national CFC-12 consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/49, para. 195).

(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XIV).

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/46, para. 151).

(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex XIV).

**Agreement on the phase-out strategy for the tobacco sector in China**

The Thirty-second Meeting of the Executive Committee decided to:

- (a) approve the agreement attached to this document;
- (b) approve the 2001 Annual Work Programme of the Tobacco Sector Plan for CFC-11 phase-out in China;
- (c) request that UNIDO report to a future meeting of the Executive Committee on the use of funding allocated to support costs, which would be revisited in two years.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/69, para. 84).*

*(Supporting document: UNEP/OzL.Pro/ExCom/32/44, Annex XIII).*

### Agreement between the Government of China and the Executive Committee on the phase-out strategy for the tobacco sector

The Executive Committee has decided to approve in principle a total of US \$11 million for the implementation of a tobacco sector plan for CFC-11 phase-out in China (Decision 30/54). By this approval, the Government of China commits, that in exchange of the funds agreed in paragraph 2 below, the consumption of CFC-11 in the tobacco industry will be completely phased out by the year 2007 according to the following schedule:

Table 1. CFC-11 phase-out schedule for the tobacco sector (tonnes)

Year	Amount to be phased-out	Consumption limit
2001	90	1,000
2002	120	880
2003	180	700
2004	200	500
2005	200	300
2006	150	150
2007	150	0

The Executive Committee agrees in principle that the funds will be provided on the basis of an annual work programme to be submitted at the first Executive Meeting of each year, in accordance with, and in the exact amounts contained in, the following schedule:

Table 2. Annual Programme Payments (US\$ 1,000,000)

Year	CFC-11 phase-out	Technical assistance	Total
2001	1.7	0.3	2.0
2002	1.7	0.3	2.0
2003	1.7	0.3	2.0
2004	1.7	0.1	1.8
2005	1.7	0.0	1.7
2006	1.5	0.0	1.5
Total	10.0	1.0	11.0

Payments indicated in Table 2 (other than the initial tranche for 2001) are conditional upon maintenance and verification of the consumption limits indicated in Table 1 and upon China meeting the other requirements of this agreement including provision of satisfactory annual progress reports and work programmes and verification of closure of CFC-based expansion lines and essential equipment disposals included in each annual programme.

To enable China to commence the tobacco sector phase-out programme, the Executive Committee decides at its Thirty-second Meeting to approve funding of US \$2.0 million for the annual work programme for year 2001.

The Government of China agrees:

- that the funds indicated in Table 2, are the total that will be available to China to enable its full compliance with the CFC-11 reductions and consumption limits indicated in Table 1, and that no additional Multilateral Fund resources will be allocated to phase-out CFC-11 in the tobacco sector in China;
- that consistent with its obligations under the Montreal Protocol, the Sector plan and this agreement, it will ensure accurate monitoring of the phase-out and, through the Implementing Agency, will provide annual progress reports on the implementation of the Sector Plan to the first meeting of the Executive Committee each year;
- to permit and facilitate the conduct of independent technical audits administered by the Implementing Agency, and as may be directed by the Executive Committee, to verify that the CFC-11 phase-out schedule in the tobacco sector agreed in Table 1 is being met, plants closed and equipment disposed of as indicated in annual programmes;



- (d) that if the Executive Committee meets its obligations under this agreement, but the Government of China does not meet the reduction requirements outlined in Table 1 and the other requirements outlined in this agreement, the Implementing Agency and the Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in Table 2 until such time as the required reduction has been met;
- (e) to accept and implement the remedial actions specified in the Sector Plan, including: withdrawal of quotas, conditional release of funds, reductions in annual programme funding and return of funds to the Multilateral Fund, in the event of failure to meet the CFC-11 reduction targets or other performance indicators;
- (f) in particular, that if the CFC-consumption limit in any year is not met, the following years' annual programme will contain remedial action to ensure that the combined two-year CFC consumption limit is met. If the CFC consumption limits for the two-year period cannot be met, funds for annual programmes in the following years may be reduced.

The Executive Committee wishes to provide China with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1 above. The Executive Committee is of the understanding that during implementation, as long as it is otherwise consistent with this agreement, the funds provided to China pursuant to this agreement may be used in any manner that China believes will achieve the smoothest possible CFC-11 phase-out.

UNIDO has agreed to be the Implementing Agency for this project at a fee of nine per cent of the project funds allocated in accordance with the provisions of this agreement.

As Implementing Agency, UNIDO agrees to be responsible for:

- (a) assisting China in the preparation of each annual work programme;
- (b) reviewing annual work programmes, interacting with SEPA, PMO and STMA and, if found acceptable submitting each year's annual work programme to the Executive Committee on behalf of SEPA;
- (c) establishing working and reporting arrangements with SEPA and/or STMA;
- (d) verifying that the conditions under which budgeted funds are released in each annual programme are accomplished and releasing of the funds to a special ODS account established by SEPA;
- (e) participating in the selection of consultants for the technical assistance and endorsing candidates selected;
- (f) having access to bidding for proposals and participating as an observer in the technical and financial evaluation of these proposals conducted by STMA;
- (g) conducting all necessary audits and verifications, including:
  - (i) verifying that the phase-out targets and project activities have been met;
  - (ii) verifying the dismantling of CFC-11 tobacco expansion lines and the destruction of CFC-based essential expansion equipment;
  - (iii) ensuring that independent audits of the implementation of each annual programme and a financial audit of the ODS phase-out are undertaken by appropriate independent experts; and
- (h) reporting to the Executive Committee on implementation progress.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/69, para. 84).

(Supporting document: UNEP/OzL.Pro/ExCom/32/44, Annex XIII).

**China's solvent sector strategy**

The Twenty-seventh Meeting of the Executive Committee decided to set up a working group on the phase-out plan for the solvent sector in China. The working group, which would be assisted in its tasks by the Fund Secretariat and UNDP, would:

- (a) report back to the Executive Committee;
- (b) hold its first meeting back-to-back with the Twenty-eighth Meeting of the Executive Committee;
- (c) comprise the following members: Bahamas, Brazil, China, Japan, Sweden (Chair) and United States of America.

(UNEP/OzL.Pro/ExCom/27/48, Decision 27/79, para. 111).

The Thirtieth Meeting of the Executive Committee decided:

- (a) to approve the 29 March 2000 agreement on the phase-out of ozone-depleting substances in China's solvent sector (attached to this report);
- (b) to approve the first payment under the agreement in the amount of US \$6,750,000 and US \$675,000 in support costs to UNDP.
- (c) to note with appreciation the work of the Working Group on the Phase-out of Ozone-depleting Substances in China's solvent sector and to dissolve it.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/56, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/30/34).

The Thirty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the fact that disbursement of funds from the 2002 programme of the solvent sector phase-out plan had not yet taken place, in the absence of the submission of relevant information by the Government of China;
- (b) to look forward to a report from UNDP and the Government of China about China's ability to meet the requirements of the agreement.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/22, para. 50).

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to approve US \$5,680,000, plus support costs of US \$426,000 for UNDP, for the 2005 tranche of the solvent sector plan for China;
- (b) to approve an amendment to the 2005 annual implementation programme to reallocate US \$2 million in savings from previous tranches of the solvent sector plan to purchase and install equipment for the purification of n propyl bromide (nPB), subject to the following conditions:
  - (i) HEP-2 produced by China would not be made available for export;
  - (ii) an annual production quota would be imposed on HEP-2 to meet the requirement for solvent use only;
  - (iii) China would ensure that HEP-2 was only supplied to enterprises involved in the China solvent sector plan;
  - (iv) the Import and Export Office of China would monitor and ensure that no HEP-2 was exported by China; and
  - (v) the implementing agency of the China solvent sector plan, UNDP, would include in its annual audit verification plan that no HEP-2 was exported.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/47, para. 153).

The Sixty-sixth Meeting of the Executive Committee decided:

- (i) (i) To take note of the 2009/2010 progress report on the implementation of the solvent sector plan for ODS phase-out in China; and
- (ii) To take note of the associated methyl chloroform verification reports for 2009 and 2010;

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15(i), para. 73(i)).

**Report on the intermediate evaluation of the solvent sector phase-out plan in China**

The Forty-second Meeting of the Executive Committee, following clarification of the rationale for recommending a shift of emphasis from auditing every beneficiary enterprise to auditing a sample of enterprises and verifying national production, consumption and import figures, and the need to gather more data on CTC and 1,1,1, trichloroethane (TCA), decided:

- (a) to take note of the information provided in document UNEP/OzL.Pro/ExCom/42/13; and
- (b) to recommend that the Government of China, in cooperation with UNDP, consider the recommendations presented in paragraph 13 of document UNEP/OzL.Pro/ExCom/42/13.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/13, para. 64).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/13).*

### Agreement for ODS phase-out in China's solvent sector

The Executive Committee decides to approve in principle a total of US \$52 million in funding for the phased reduction and complete phase-out of consumption of trichlorotrifluoroethane (CFC-113) and 1,1,1 trichloroethane (TCA), as well as the consumption of carbon tetrachloride (CTC) used as cleaning solvents in China. This is the total funding that would be available to China from the Multilateral Fund for the total elimination of solvent use of these ozone-depleting substances (ODSs) in China. The agreed level of funding would be paid out in installments in the exact amount of U.S. dollars specified in Paragraph b, and on the basis of the following understanding:

- a. by this approval, China commits that in exchange for the funding level specified in Paragraph b, it will eliminate its total non-exempt CFC-113 and TCA consumption, as well as its total CTC consumption for solvent use in accordance with the following schedule. Total non-exempt CFC-113 and TCA consumption in China, as well as the total consumption of CTC in the solvent sector in China will not exceed the following levels for specific chemicals in the following years:

Table 1 Consumption Control Targets for ODS Solvents (tonnes ODP)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
CFC-113	3,300	2,700	2,200	1,700	1,100	550	0 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	01,2
TCA	621	613	605	580	502	424	339	254	169	85	03
CTC	110	110	110	55	0 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	0 <sup>1</sup>	01,2
Total	4031	3423	2915	2335	1602	974	339	254	169	85	0

<sup>1</sup>save for consumption of these ODS for feedstock and process agent uses.

<sup>2</sup> save for any CFC-113 consumption or CTC solvent consumption that may be agreed by the Parties to be essential for China after 2010.

<sup>3</sup>save for any TCA solvent consumption that may be agreed by the Parties to be essential for China after 2015.

- b. to facilitate China finalizing work on its allocation system, meeting its 2000 phase-out target, and working toward the other reduction targets included in Paragraph a, the Executive Committee decides at its 30th meeting to provide US \$6.750 million to be made available upon Executive Committee approval of this agreement. An additional US \$6.955 million will be made available in January 2001, for the period January 2001 through December 2002, upon satisfactory verification that China has finished the bidding process for phase-out in 2001, to be reported at the 32nd Meeting of the Executive Committee.

The Executive Committee also agrees in principle that the funds will be provided on the basis of annual work programs (with the exemption of the biannual work programme for 2000 and 2001) submitted in accordance with and in the exact amounts contained in the following schedule:

Table 2 Annual Programme Actual Amounts (US\$ 1,000s)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
CFC113	4,800	4,800	4,050	3,600	3,600	3,600	3,300	4,000	0	0	0	31,750
TCA	1,450	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	1,455	16,000
CTC	0	0	325	200	200	325	0	0	0	0	0	1,050
TA	500	700	500	500	300	300	300	25	25	25	25	3,200
Total	6,750	6,955	6,330	5,755	5,555	5,680	5,055	5,480	1,480	1,480	1,480	52,000

Payments noted in this Paragraph (other than the initial tranches for 2000 and 2001) are conditioned upon completion of the agreed consumption decreases noted in Table 1 of Paragraph a being verified and maintained, and upon China meeting the other requirements of this agreement. For example, payment for the implementation of the 2003 work programme will be conditioned on satisfactory verification that China had, at a minimum, achieved its cumulative reductions up to the end of 2001 as in Table 1.

- c. China agrees to ensure accurate monitoring of the phase-out, and to provide annual reports at the last calendar year meeting of the Executive Committee, consistent with their obligations under the Protocol and this agreement. To ensure that production and import of CFC-113 and CTC specifically for exempted feedstock use and process agent use are not diverted to solvent use, China agrees to prepare annually a list of the quantities purchased of these ODSs by specific plants for these exempted uses and to ensure that such production and/or import is not diverted to solvent use. In addition, China agrees that the annual production and import of these specifically exempted substances will not exceed 10 ODP tonnes of CFC-

113 for feedstock, 66,000 ODP tonnes of CTC for feedstock and 5,500 ODP tonnes of CTC for process agent uses. China also agrees to allow for independent technical audits administered by the Implementing Agency, and in addition, as may be directed by the Executive Committee to verify that annual ODS solvent consumption levels agreed in Paragraph a and conditions in Paragraphs c related to ODS diversion from exempted feedstock and process agent use are actually being met.

- d. the Executive Committee wishes to provide China with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Paragraph a. Accordingly, while China's country programme, country programme update, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee has the understanding that during implementation, as long as it is consistent with this agreement, the funds provided to China pursuant to this agreement may be used in any manner that China believes will achieve the smoothest possible ODS solvent consumption phase-out possible, consistent with operational procedures as agreed between China and the United Nations Development Programme (UNDP) in the Plan, Annual Programmes and the Project Implementation Manual. In the Executive Committee's acknowledgement of the flexibility available to China in achieving a complete ODS solvent consumption phase-out, it is noted that China is committing to contribute the necessary level of resources for the implementation of the Plan and for the reductions in Paragraph b of this agreement.
- e. China agrees that the funds being agreed in principle by the Executive Committee at its 30th Meeting for the complete phase-out of its CFC-113 and TCA non-exempt consumption, as well as its complete phase-out of CTC consumption for solvent use are the total funding that will be available to China to enable its full compliance with the ODS solvent consumption phase-out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for any related activities including but not limited to the conversion of specific end-users, the development of infrastructure for the consumption of alternatives, the import of alternatives, or the supply of alternatives. It is also understood that aside from the agency fee referred to in Paragraph h below and aside from the conditions in Paragraph f below for the Japanese and French bilateral projects for which the Executive Committee has already approved project preparation, China and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of CFC-113 and TCA non-exempt consumption, as well as the total CTC solvent consumption. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- f. it is agreed that the Japanese and French bilateral investment projects to reduce ODS solvent consumption, whose project preparation was approved at the 29th Executive Committee meeting, will be the total involvement of bilaterals in the China Solvent Sector Plan covered by this agreement. China also agrees that, if approved by the Executive Committee, the funding for these Japanese and French bilateral investment projects and the ODP tonnes to be addressed will be deducted from the amounts specified in Paragraphs a and b above in the amount approved by the Executive Committee. It is understood that this will result in reductions in the target consumption of ODS solvents to be reduced for specific years, as well as a reduction in the funding to be provided by the Multilateral Fund for specific years under this agreement. China agrees that the overall cost-effectiveness of this agreement of US \$12.90/kg will be equal to, or better than, the cost-effectiveness without any bilateral involvement.
- g. China understands that if the Executive Committee meets its obligations under this agreement, but China does not meet the reduction requirements outlined in Paragraph a, and the other requirements outlined in this document, the Implementing Agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in Paragraph b until such time as the required reduction has been met. In addition, China understands that regarding all calendar year targets beginning with 2002 in Paragraph a of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore total funding for the CFC-113 and CTC consumption phase-out on the basis of US \$6,000 per ODP tonne of reductions not achieved in any year and for the TCA consumption phase-out on the basis of US \$15,600 per ODP tonne of reductions not achieved in any year.
- h. the UNDP has agreed to be the Implementing Agency for this project for the first three years at a fee of 10% of funds allocated during that time period in accordance with the provisions of this agreement. The

fee for future years will be agreed between the Executive Committee and the Implementing Agency for the project. Funds for the independent technical audits and independent financial audits shall be agreed to and approved by the Executive Committee separately from the agency fee, on a periodic basis as deemed necessary. As the Implementing Agency during that time period, the UNDP agrees to be responsible for:

- (1) ensuring objective performance and financial verification, in accordance with specific UNDP procedures and other requirements agreed to in the final Plan, and provide this verification to the Executive Committee citing the phase-out targets and associated activities that have been met;
  - (2) ensuring that technical oversight undertaken by UNDP are undertaken by the appropriate independent technical experts;
  - (3) assisting China in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - (4) carrying out supervision missions as required;
  - (5) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (6) incorporating its work into the existing agreement between China and UNDP;
  - (7) ensuring that disbursements are made to China based on agreed performance targets in the project, and the provisions of this agreement;
  - (8) objectively verifying for the Executive Committee that CFC-113, TCA and CTC solvent consumption has been completely converted, as per the schedule.
- i. the funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector, TCA production sector, CTC production sector or funding of process agent projects or any related activity. Implementation of this agreement is not contingent on any further action that may be taken on the CFC production sector, TCA production sector, CTC production sector or approved funding of process agent projects or any related activity.
  - j. because this is an agreement for funding of reductions and the phase-out of consumption, it is agreed that the consumption target levels listed in Paragraph b will not be met by China through exports and that exports of the ozone-depleting substances in this agreement will be banned 12 months after Executive Committee approval of this agreement.
  - k. in light of the fact that consumption reductions according to this agreement in newly produced and imported CFC-113 will make CFC-113 more scarce in China, and that recycled CFC-113 could ease these disruptions, China will endeavor to preserve its recycled/reclaimed CFC-113 for its own use.
  - l. because this is an agreement for funding the phase-out of solvent consumption, it is agreed that China will establish a solvent use ban to be effective upon January 1st of the year corresponding to the phase-out dates for the specific ODS chemicals as in Paragraph a of this agreement but allowing for limited essential uses as agreed by the Parties as in Paragraph a of this agreement and in accordance with the provisions of the Montreal Protocol.

(UNEP/OzL.Pro/ExCom/30/41, Decision 30/56, para. 85).

(Supporting document: UNEP/OzL.Pro/ExCom/30/34).

**China TCA production closure project**

The Forty-third Meeting of the Executive Committee decided:

- (a) to approve in principle the China TCA production closure project at a total level of funding of US \$2.1 million plus agency support costs of US \$157,500 for the World Bank;
- (b) also to approve the Agreement between the Government of the People's Republic of China and the Executive Committee attached to the present report;
- (c) to approve US \$1.4 million plus agency support costs of US \$105,000 for the World Bank for the first tranche covering the 2004-2008 programme; and
- (d) to request the World Bank to provide the annual audited TCA production report to UNDP to facilitate the verification of TCA consumption under the solvent sector plan in China.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/44, para. 169).*

*(Supporting document: UNEP/OzL.Pro/ExCom/43/61, Annex VI).*

**Agreement between China and the Executive Committee for the phase-out of the production of TCA**

1. This Agreement represents the understanding of the People's Republic of China (hereinafter the "Country") and the Executive Committee with respect to the complete phase-out of production of the ozone depleting substance (TCA) set out in Appendix 1-A ("The Substance") prior to 1 January 2010.
2. The Country agrees to phase out the production of the Substance in accordance with the annual phase-out targets set out in row N° 1 of Appendix 2-A ("The Targets, and Funding") of this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20 (a) of the Executive Committee. 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 of the phase-out of production of the Substance.
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 N° 5 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 will meet the production limits for TCA as indicated in row N° 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these production limits as described in paragraph 8 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 Target for the applicable year;
  - (b) That the meeting of these Targets has been independently verified as described in paragraph 8; and
  - (c) That the Country has substantially completed all actions set out in the 2004-2008 Implementation Programme;
  - (d) That the Country has submitted and received endorsement from the Executive Committee for the 2004-2008 implementation programme in the form of Appendix 4 A in respect of the year for which funding is being requested.
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 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 paragraph 8.
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 in order to achieve the goals prescribed under this Agreement. Reallocations which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.
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. The World Bank has agreed to be the Implementing Agency ("Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row N° 6 of Appendix 2-A.
9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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. 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 production not achieved in any one year.



10. 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 production sector projects or any other related activities in the Country.

11. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

12. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A. The Substance

Annex B:	Group III	TCA
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### Appendix 2-A. The Targets, and Funding

	Baseline	2004	2005	2006	2007	2008	2009	2010-2014
Montreal Protocol Reduction Schedules	113	113	79	79	79	79	79	34
1. Max allowable total production of TCA under this agreement	113	113	79	79	79	79	79	0
2. New reduction under this agreement	0	0	34	0	0	0	0	79
3. Impact of previously approved projects	0	0	0	0	0	0	0	0
4. Total annual reduction of the substance)	0	0	34	0	0	0	0	79
5. Agreed funding		1.4	0	0	0	0.7	0	0
6. IA support costs		0.105	0	0	0	0.0525	0	0

Rows 1, 2, 3 and 4 are in ODP tonnes. Rows 5 and 6 are in USD million.

### Appendix 3-A. Funding Approval Schedule

Funding will be released in two tranches:

- the first tranche will be released upon approval of the TCA production phase-out sector plan; and
- the second tranche will be released at the last meeting in 2008 upon submission of the implementation programme for 2009 and beyond.

### Appendix 4-a. Form of the Implementation Programme

The implementation programme for 2004 to 2008 was submitted with the sector plan.

### Appendix 5-A. Monitoring Institutions and Roles

Production of TCA will be monitored consistent with the principles established for CFC, CTC and halon production. The World Bank will conduct annual verification of the production.

### Appendix 6-A. Role of the Lead Implementing Agency

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:

- 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;
- providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the implementation programme
- assisting the Country in preparation of the Implementation Programme;
- ensuring that achievements in previous Implementation Programmes are reflected in future Implementation Programmes;
- annual reporting on the implementation of the 2004-2008 Implementation Programme;
- ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent

- technical experts;
- (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that production of the Substances has been eliminated in accordance with the Targets;
  - (j) coordinating the activities of the Coordinating IAs, if any;
  - (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.

#### **Appendix 7-A Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US\$ 1,000 per metric tonnes TCA (ODS) of reductions in production not achieved in the year.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/44, para. 169).*

*(Supporting document: UNEP/OzL.Pro/ExCom/43/61, Annex VI).*

**COLOMBIA****National phase-out plan for Annex A (Groups I and II) substances for Colombia**

The Forty-first Meeting of the Executive Committee decided:

- (a) to approve in principle the national phase-out plan for Annex A (Groups I and II) substances for Colombia at a total level of funding of US \$4,500,000 plus agency support costs of US \$337,500 for UNDP in accordance with the Agreement between the Government of Colombia and the Executive Committee attached to the present report; and
- (b) also to approve US \$2,146,820 plus agency support costs of US \$161,011 for UNDP for implementation of the first tranche of the project.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/52, para. 87).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/29, Corr.1 and Add.1).*

### **Agreement between Colombia and the Executive Committee for the national phase-out of Annex A (Groups I and II) substances**

1. This Agreement represents the understanding of the Republic of Colombia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone- depleting substances set out in Appendix 1-A (the “Substances”) prior to 2010 compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Groups I and II) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 1A and 5A of Appendix 2-A (the “Targets”) and this Agreement. The annual phase out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 9 of Appendix 2 A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technician-licensing programme for the refrigeration and air conditioning service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. UNDP (the “Lead IA”) has agreed to be the lead Implementing Agency in respect of the Country’s activities

under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A Groups I and II of the Montreal Protocol 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 Disbursement Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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 tonnes of reductions in consumption not achieved in any one year.

11. 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.

12. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
	Group II	Halons

### Appendix 2-A: The Targets, and Funding

	2003 (1)	2004	2005	2006	2007	2008	2009	2010
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	2,208.00	2,208.00	1,104.00	1,104.00	331.20	331.20	331.20	0.00
1-A. Max agreed total consumption of Annex A Group I substances (ODP tonnes)	1,083.35	1,057.45	1,020.45	750.00	330.80	247.80	152.50	0.00
2. Reduction from ongoing projects		25.90	0.00	132.80	123.20	0.00	0.00	0.00
3. New reduction under plan			37.00	137.65	296.00	83.00	95.30	152.50
4. Total annual reduction of Annex A Group I substances (ODP tonnes) (2)		25.90	37.00	270.45	419.20	83.00	95.30	152.50
5. Max allowable total consumption of Annex A Group II substances (ODP tonnes)	187.70	187.70	93.85	93.85	93.85	93.85	93.85	0.00
5-A. Max agreed total consumption of Annex A Group II substances (ODP tonnes)	4.40	4.40	4.40	4.40	3.30	2.20	1.10	0.00
6. Reduction from ongoing projects		0.00	0.00	0.00	0.00	0.00	0.00	0.00
7. New reduction under plan		0.00	0.00	0.00	1.10	1.10	1.10	1.10
8. Total annual reduction of second substance (ODP tonnes) (2)		0.00	0.00	0.00	1.10	1.10	1.10	1.10
9. Lead I.A. agreed funding (US \$)	2,146,820		2,353,180					
10. Lead I.A. support costs (US \$)	161,012		176,488					
11. Total agreed funding (US \$)	2,307,832		2,529,668					

(1) As of January 2003. Applicable to all the years.

(2) Total annual reduction to be verified as of 1 January of the year heading the column.

### Appendix 3-A: Funding Disbursement Schedule

Funding will be submitted for approval at the last meeting of the year previous to the starting year of the bi-

annual plan. Due to the level of funding involved, only two submissions for funding are being proposed. The schedule of submissions for funding will be:

Year	Milestones	Disbursement
2003	Signature of agreement	2,146,820
2005	Yearly CFC consumption target achieved for 2005: 1,020.45 ODP tonnes Phase out achieved during 2005: 270.45 ODP tonnes CRM project successfully completed First batch of legal measures (CFC Import Licensing System) already designed, agreed upon and about to be enacted Technician-licensing scheme already designed, technician licensing procedures started, equipment and tools procured Information campaign already designed and being implemented Monitoring programme already designed and being implemented HBMP system design, registry of halon users and code of good practices completed, HBMP under operation	2,353,180
Total		4,500,000

#### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Technical Assistance for Implementation and Monitoring", which is included within this NPP. The actual monitoring activities will be delegated to the Autonomous Regional Corporations (CARs) of the Ministry of Environment, which are located in 5 different regions of the country: Bogotá, Barranquilla, Cali, Medellín and Pereira.
2. The CARs will coordinate the monitoring activities with the corresponding public and private organizations according to their respective roles within the NPP, which are described in chapter 5, section 3 of the project document.
3. 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 NPP. This organization will also undertake the challenging task of monitoring and controlling illegal ODS imports in to country.
4. The certification organizations that operate in the country at the moment (Icontec and the Superintendence of Industry and Commerce) will also have a major participation in the design and implementation of monitoring activities.
5. The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.
6. Each of the different projects within the NPP will need a different monitoring sub-programme suited to the objectives of the project. A more detailed description of the different monitoring sub-programme is included in the project "Technical Assistance for Implementation and Monitoring", in Annex IX of the project document.

#### Verification and reporting

7. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

8. The Government of Colombia wishes to designate UNDP as the independent organization to carry out the verification of the NPP results and the monitoring programme.

#### Frequency of verification and reporting

9. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

**Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in year 2005;
- (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

**Appendix 6-B: Role of Cooperating Implementing Agencies**

No cooperating Implementing Agency is involved in the implementation of this plan.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,169 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/52, para. 87).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex XI).*



**COMOROS****Terminal phase-out management plan for Comoros**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Comoros and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report a total amount in principle of US \$205,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (c), para. 115 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex IV).*

**Agreement between Comoros and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Comoros (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of servicing tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	0.4	0.4	0.4	0	
Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	0.4	0.4	0.4	0	
New reduction under plan (ODP tonnes)	0	0	0.4	0.0	0.4
Lead IA agreed funding (US \$)	77,000	53,000			130,000
Cooperating IA agreed funding (US \$)	43,000	32,000			75,000
Total agreed funding (US \$)	120,000	85,000			205,000
Lead IA support costs (US \$)	10,010	6,890			16,900
Cooperating IA support cost(US \$)	3,870	2,880			6,750
Total agency support costs (US \$)	13,880	9,770			23,650
Grand total agreed funding (US \$)	133,880	94,770			228,650

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that

the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase out plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Comoros for related auditing. Based on discussion with the Lead IA, Comoros should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Comoros consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Comoros in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (c), para. 115 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex IV).*

**CONGO****Terminal phase-out management plan for Congo**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of the Republic of the Congo and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$205,000 plus agency support costs of US \$22,850 (US \$14,300 for UNEP and US \$8,550 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (c), para. 100 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex IX).*

### **Agreement between Congo and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of the Republic of the Congo (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5, and 8 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 13 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 14 and 15 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A	Group I	CFC-12, CFC-115
Annex A	Group II	Halons
Annex B	Group II	CTC

### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	1.79	1.79	-	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	1.79	1.79	-	n/a
3	New reduction under plan (ODP tonnes)	1.62	1.79	-	3.41
4	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	2.5	2.5	-	n/a
5	Max. allowable total consumption of Annex A, Group II substances (ODP tonnes)	0	0	0	n/a
6	New reduction under plan (ODP tonnes)	0	0	0	n/a
7	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0.1	0.1	-	n/a
8	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0	0	0	n/a
9	New reduction under plan (ODP tonnes)	0	0	0	n/a

		2008	2009	2010	Total
10	Total annual reduction (ODP tonnes)	1.62	1.79	-	3.41
11	Lead IA agreed funding (US \$)	68,000	42,000	-	110,000
12	Cooperating IA agreed funding (US \$)	50,000	45,000	-	95,000
13	Total agreed funding (US \$)	118,000	87,000	-	205,000
14	Lead IA support costs (US \$)	8,840	5,460	-	14,300
15	Cooperating IA support costs (US \$)	4,500	4,050	-	8,550
16	Total agreed support costs (US \$)	13,340	9,510	-	22,850
17	Grand total agreed funding (US \$)	131,340	96,510	-	227,850

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects the Republic of the Congo for related auditing. Based on discussion with the Lead IA, the Republic of the Congo should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

**Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Republic of the Congo consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

**Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist the Republic of the Congo in the implementation and assessment of the activities funded for by

the Cooperating IA; and

- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (c), para. 100 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex IX).*

## COSTA RICA

**Phase-out of the use of methyl bromide in Costa Rica**

The Thirtieth Meeting of the Executive Committee decided to approve the project to adopt alternatives in melon, cut flowers, banana, tobacco seedbeds and nurseries, leading to total methyl bromide phase-out in Costa Rica (excluding QPS), with the agreed conditions set out in the annex to the present report.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/43, para. 78).

NOTE: This agreement was subsequently modified at the 48th Meeting of the Executive Committee.

The Forty-eighth Meeting of the Executive Committee decided to approve the request by the Government of Costa Rica to revise the methyl bromide phase-out schedule in the agreement between the Government of Costa Rica and the Executive Committee attached to the present report; and to request the Government of Costa Rica and UNDP to include in all future work programmes procedures for accelerating the introduction of full-scale alternative technologies in the melon sector.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/16 (b (ii)), para. 97).

The Fifty-ninth Meeting of the Executive Committee decided:

(a) to approve the following revised schedule for the phase-out of methyl bromide:

Year	Maximum level of methyl bromide consumption (ODP tonnes)	
	Original	Revised
2006	253.2	253.2
2007	210.0	210.0
2008	174.0	174.0
2009	114.0	174.0
2010	0.0	170.0
2011		140.0
2012		85.0
2013		0.0

(b) to revise its agreement with Costa Rica accordingly;

(c) to approve the fifth tranche of the project at a total cost of US \$726,791 plus agency support costs of US \$54,509 for UNDP, with the following disbursement schedule by UNDP: US \$363,400 in 2009; US \$255,000 at the end of 2010; and US \$108,391 at the end of 2012, on the understanding that disbursement of the funds for 2010 and 2012 would be subject to a report to be submitted by UNDP indicating that the phase out targets had been met; and

(d) to request UNDP to present annual progress reports on implementation of the project, including financial reports, until the project was completed.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/36, para. 177).

**Agreed conditions for phase-out of methyl bromide in Costa Rica**

1. The Executive Committee at its 35th Meeting, approved in principle US \$4,845,283 as the total funds that will be available to the Government of Costa Rica to achieve the complete phase-out of methyl bromide (MB) used for all purposes (426.9 ODP tonnes), excluding quarantine and pre-shipment applications (QPS), according to a revised phase-out schedule approved at its 48th Meeting.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Costa Rica is 342.5 ODP tonnes, and the average MB consumption for the years 1998-2000 was 426.9 ODP tonnes, excluding quarantine and pre-shipment applications. Accordingly, Costa Rica must reduce its consumption of MB to 342.5 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to no more than 274 ODP tonnes in 2005 to achieve compliance with the Protocol 20 per cent reduction.

3. Reductions in accordance with the terms of this project, as revised by the Executive Committee at its 48th Meeting, will ensure that Costa Rica will meet the reduction schedule listed below. In that regard Costa Rica commits, through the implementation of this project, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

2002	342.0 ODP tonnes
2003	342.0 ODP tonnes
2004	298.8 ODP tonnes
2005	273.6 ODP tonnes
2006	253.2 ODP tonnes
2007	210.0 ODP tonnes
2008	174.0 ODP tonnes
2009	174.0 ODP tonnes
2010	100.0 ODP tonnes
2011	140.0 ODP tonnes
2012	85.0 ODP tonnes
2013	0.0 ODP tonnes

4. The project will phase out all uses of MB in Costa Rica, excluding QPS applications. Costa Rica will not request any further assistance from the Multilateral Fund projects for the non-QPS MB sector in order to achieve this phase-out. The phase-out will be permanently sustained through the use of import restrictions and other policies deemed necessary. UNDP shall report back annually to the Executive Committee on the progress achieved in meeting the reductions required in the project.

5. Funding for the project will be disbursed by UNDP in line with the following yearly budget breakdown and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

2001	US \$1,211,321
2004	US \$1,938,114
2006	US \$969,057
2009	US \$363,400
2010 (end)	US \$255,000
2012 (end)	US \$108,391 on the understanding that disbursement of the funds for 2010 and 2012 would be subject to a report to be submitted by UNDP indicating that the phase out targets had been met.

6. The Government of Costa Rica has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Costa Rica, in agreement with UNDP, will have flexibility in organizing and implementing the project components which it deems more important in order to meet its phase-out commitment noted above. UNDP agrees to manage the funding for this project in a manner designed to ensure the achievement of the specific MB reductions agreed for the sector.

8. These revised agreed conditions supersede those reached between the Government of Costa Rica and the Executive Committee at the 35th and 48<sup>th</sup> meetings of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/43, para. 78).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/67 Annex VIII).*

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/16(b(ii)) para. 97).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/45 Annex VII).*

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/36, para. 177).*

**Terminal phase-out management plan for Costa Rica**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Costa Rica and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$565,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (d), para. 115 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex V).*



**Agreement between Costa Rica and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Costa Rica (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 4 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 5 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-13, CFC-14 and CFC-15
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### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	37.5	37.5	37.5	0.0	
2. Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	37.5	37.5	37.5	0.0	
3. New reduction under plan (ODP tonnes)	0.0	0.0	37.5	0.0	37.5
4. Lead IA agreed funding (US \$)	200,000	200,000	165,000		565,000
5. Lead IA support costs (US \$)	15,000	15,000	12,375		42,375
6. Grand total agreed funding (US \$)	215,000	215,000	177,375		607,375

### Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the third meeting of the year of the Annual Implementation Programme.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____

Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

- The monitoring of the initiatives within the terminal phase-out plan (TPMP) and of the compliance with the CFC consumption limits will be carried out within the project "TPMP Implementation, Monitoring, and Control".
- The project will produce quarterly operational reports for the purpose of timely identification of problems or obstacles and design of corrective measures. The quarterly reports will be consolidated into an Annual Progress Report, which in turn will be the basis for the "TPMP Annual Implementation Report" and the

“TPMP Annual Implementation Plan” to be submitted to the Executive Committee.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Costa Rica for related auditing. Based on discussion with the Lead IA, Costa Rica should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Costa Rica consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2009 annual implementation programme combined with the report on the 2007-2008 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

No relevant.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (d), para. 115 (d)).

(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex V).

**CÔTE D'IVOIRE****Phase-out of the use of methyl bromide in Cote d'Ivoire**

The Forty-second Meeting of the Executive Committee decided to approve the project proposal for phase-out of the use of methyl bromide commodities and storage fumigation in Cote d'Ivoire, with the agreed conditions attached to the present report.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/26, para. 102).*

### Agreed conditions for phase-out of methyl bromide in commodities and storage fumigation in Cote d'Ivoire

1. The Executive Committee agrees to approve in principle US \$222,210 as the total funds that will be available to achieve commitments stipulated in this document for the phase-out of the use of methyl bromide in Cote d'Ivoire, subject to the following understandings and considerations.
2. As reported, to the Ozone Secretariat and consistent with information in the project document presented to the 42nd Executive Committee, the methyl bromide baseline for compliance for Cote d'Ivoire is 8.1 ODP tonnes and the methyl bromide consumption of controlled uses for 2003 is 8.5 ODP tonnes. Accordingly, Cote d'Ivoire must reduce its 2003 consumption of MB to 6.5 ODP tonnes to achieve compliance with the Montreal Protocol's 20 per cent reduction in 2005.
3. Methyl bromide reductions, in accordance with the terms of this project, will ensure that Cote d'Ivoire will meet the reduction target listed below. Specifically, Cote d'Ivoire commits, through the implementation of this project, to reduce its total national consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period for the following listed years:

Year	(ODP tonnes)	
	Amount to be phased out	Remaining consumption*
2003		8.5
2004	2.2	6.3
2005	2.5	3.8
2006	3.8	0
<b>Total</b>	8.5	0

\* Controlled uses of methyl bromide.

4. In addition Cote d'Ivoire, commits itself to sustain the phase out plan through the introduction of import restrictions and controlled use of methyl bromide for all non-exempted methyl bromide uses. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Cote d'Ivoire exceeds subsequent phase-out requirements of the Montreal Protocol.
5. The Government of Cote d'Ivoire has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should further MB consumption in addition to that indicated in paragraph 2 above (8.5 ODP tonnes) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
6. The Government of Cote d'Ivoire will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment noted above.
7. UNIDO shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the use of the alternative selected and the inputs purchased with the project funds. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/26, para.102).

(Supporting document: UNEP/OzL.Pro/ExCom/45/54 Annex X).

**Terminal phase-out management plan for Cote d'Ivoire**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of Cote d'Ivoire and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$565,000 plus agency support costs of US \$57,885 (US \$36,660 for UNEP and US \$21,225 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (d), para. 110 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex X).*

The Sixty-sixth Meeting of the Executive Committee decided:

- (c) (i) To take note of the report on the verification of CFC consumption in Côte d'Ivoire and the country's compliance with its phase-out obligations for CFC consumption under the terminal phase-out management plan (TPMP) for the period 2007 to 2008; and
- (ii) To note that Côte d'Ivoire had reported zero consumption of CFCs under Article 7 of the Montreal Protocol for 2010;

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15 (c), para. 73 (c)).*

**Agreement between Cote d'Ivoire and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Cote d'Ivoire (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the "Substances") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the "Targets, and Funding") in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the "Format of Annual Implementation Programme") in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
- (c) The 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. UNEP has agreed to be the lead implementing agency (the "Lead IA") and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	44.1	44.1	0	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	44.1	44.1	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	0	44.1	0	44.1
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	44.1	0	44.1
7	Lead IA agreed funding (US \$)	173,000	109,000	0	282,000
8	Cooperating IA agreed funding (US \$)	162,000	121,000	0	283,000
9	Total agreed funding (US \$)	335,000	230,000	0	565,000
10	Lead IA support costs (US \$)	22,490	14,170	0	36,660
11	Cooperating IA support costs (US \$)	12,150	9,075	0	21,225
12	Total agreed support costs (US \$)	34,640	23,245	0	57,885
13	Grand total agreed funding (US \$)	369,640	253,245	0	622,885

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Cote d'Ivoire for related auditing. Based on discussion with the Lead IA, Cote d'Ivoire should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Cote d'Ivoire consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist Cote d'Ivoire in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (d), para. 110 (d)).

(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex X).

**CROATIA****Phase-out of the use of methyl bromide in Croatia**

The Thirtieth Meeting of the Executive Committee decided to approve the project to phase-out of methyl bromide in tobacco seedling, with the agreed conditions attached to the present report.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/44, para. 79).*

**Agreed conditions for phase-out of methyl bromide in Croatia**

1. The Executive Committee agrees to approve US \$476,833 as the total funds that will be available to achieve the commitments noted in this document for the phased reduction in the use of methyl bromide (MB) in Croatia subject to the following understandings and considerations:
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Croatia had a consumption of 16.2 ODP tonnes of methyl bromide in 2000. In accordance with the data submitted to the Ozone Secretariat by Croatia for the years 1995-1998, Croatia has a methyl bromide baseline of 15.70 ODP tonnes. Accordingly, Croatia must reduce the consumption by at least 0.50 ODP tonnes by the end of 2002 to achieve compliance with the Protocol's 2002 freeze.
3. The Government of Croatia commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following level:

2002	13.0 ODP tonnes
2003	9.8 ODP tonnes
2004	6.6 ODP tonnes
2005	3.4 ODP tonnes
2006	0 ODP tonnes
4. In addition, Croatia commits to sustain this phase-out of methyl bromide through the use of bans in the use of methyl bromide for the uses covered by this project. The specific reductions in consumption noted above would be those achieved through this project.
5. The Government of Croatia has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
6. UNIDO shall report annually to the Executive Committee on the progress in meeting the reductions required by this project. The Government of Croatia will have flexibility in implementing the project components, which it deems more important in order to meet its phase-out commitment noted above. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/44, para. 79).

(Supporting document: UNEP/OzL.Pro/ExCom/35/67 Annex IX).

**Terminal phase-out management plan for CFCs for Croatia**

The Thirty-ninth Meeting of the Executive Committee decided to approve the terminal phase-out management plan for CFCs for Croatia at a total cost of US \$379,700 excluding agency support costs, in accordance with the agreement between the Government of Croatia and the Executive Committee (attached to this document).

*(UNEP/OzL.Pro/ExCom/39/43, Decisions 39/22 and 39/48, paras. 59 and 86).*

*(Supporting document: UNEP/OzL.Pro/ExCom/39/43, Annex VIII).*

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to approve the revised Agreement between the Government of Croatia and the Executive Committee as attached to the present report; and
- (b) to approve the fourth tranche of the terminal CFC phase-out management plan at the amount of US \$20,200 with associated support costs of US \$1,515 for UNIDO as indicated in Annex II to the present report, on the understanding that UNIDO would provide annual reports confirming the achievement of the agreed consumption targets and that all activities relevant for that period, as foreseen in the implementation plan, had been completed.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/26, para. 122).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/43, Annex VIII).*

**Agreement for the terminal CFC phase-out management plan for Croatia**

1. The Executive Committee approves a total of US \$379,700, excluding agency support costs, in funding for the phased reduction and complete phase-out of Annex A, Group I substances used in Croatia. This is the total funding that would be available to Croatia from the Multilateral Fund for the total elimination of the use of Annex A, Group I substances in Croatia. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.
2. By this Agreement, Croatia commits that, in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I CFC consumption in accordance with the annual consumption limits given in Table 2.

**Table 1: Funding levels and profile under the TPMP**

Funding (US \$)	2003	2004	2005	2006	2007	Total
Component I (Sweden)	46,000	24,700	21,500		0	92,200
Component II (UNIDO)	184,000	48,300	35,000	20,200	0	287,500
Agency fees (Sweden)	3,450	1,853	1,613		0	6,915
Agency fees (UNIDO)	13,800	3,623	2,625	1,515	0	21,563
Total (Sweden)	49,450	26,553	23,113		0	99,115
Total (UNIDO)	197,800	51,923	37,625	21,715	0	309,063
Grand total	247,250	78,475	60,738	21,715	0	408,178

**Table 2: Maximum allowable consumption for Annex A, Group I (CFCs)**

Year	(ODP tonnes)
2003	98
2004	98
2005	65
2006	*
2007	*
2008	*
2009	*
2010	0

\*The By-Law on Substances that Deplete the Ozone Layer (of 30 January 1999) includes a clause on importing on an exceptional basis between 2006 and 2009 up to 21.9 ODP tonnes of Annex A (Groups I and II) and/or Annex B (Groups II and III) or products containing these substances, when these substances and/or products are for preserving human, plant and/or animal life; national defense, safety and fire-fighting; and scientific research safety, when such products cannot be replaced by environmentally-sound and economically-viable alternatives.

3. In order to assist Croatia in achieving the 2003 reduction targets and to initiate measures necessary to meet the other reduction targets included in Table 2, the Executive Committee decides at its 39th Meeting to provide US \$379,700 plus agency support costs to Croatia. The TPMP consists of the phase-out plan for the remaining CFC consumption in the servicing sector prepared with assistance from the Government of Sweden. As the lead agency, UNIDO will assist the Government of Croatia to implement the overall TPMP, particularly activities indicated in Table 3. The Government of Sweden, as co Implementing Agency, will provide assistance to Croatia to implement activities included in Table 3. The funding provided by the Government of Sweden, as stated in Table 1, will be counted against the Swedish bilateral quota of its contribution to the Multilateral Fund in annually specified tranches.
4. The Executive Committee also agrees, in principle, that the funds for 2003 will be provided upon approval of this Agreement and thereafter funds will be provided at the first meeting of the Executive Committee of each year, in accordance with Table 1, for the exact amounts listed in Table 1 and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this Agreement. On this basis, the payment indicated in year 2003 will be for activities to be undertaken in the remainder of 2003 until June 2004.
5. Payments noted in Table 1, other than the payment in 2003, will be released based on confirmation that the

agreed phase-out targets noted in Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year have been undertaken in accordance with the annual implementation plan. Hence, payment in 2004 for the 2004 implementation plan would be released based on confirmation that the 2003 consumption target had been met and all 2003 implementation plan activities had been completed, and likewise for future years.

6. The Government of Croatia agrees to ensure accurate monitoring of the phase-out. The Government of Croatia will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement are consistent with Croatia's report to the Ozone Secretariat under Article 7 of the Montreal Protocol.

7. The Government of Croatia also agrees to allow independent verification audits as provided for in this Agreement and, in addition, external evaluation as may be directed by the Executive Committee, to verify that annual consumption levels correspond to those agreed in Table 2 and that implementation of the TPMP proceeds as scheduled and agreed in annual implementation programmes.

8. The Croatia Terminal CFC Phase-out Management Plan may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Croatia with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 2. The Executive Committee understands that during implementation, as long as it is consistent with this Agreement, the funds provided to Croatia pursuant to this Agreement may be used in any manner that Croatia believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between the Government of Croatia, UNIDO as the lead Implementing Agency, and the Government of Sweden as co-Implementing Agency. In the Executive Committee's acknowledgement of the flexibility available to Croatia to achieve a complete CFC phase-out, it is noted that Croatia is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 2 of this Agreement.

9. The Government of Croatia agrees that the funds being agreed in principle by the Executive Committee at its 39th Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to Croatia to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be requested for any related activities. It is also understood that, apart from the agency fees referred to in paragraph 11 below, the Government of Croatia, the Multilateral Fund, its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of CFCs in the country.

10. The Government of Croatia agrees that if the Executive Committee meets its obligations under this Agreement but that the Government of Croatia does not meet the reduction requirements stated in paragraph 2 and other requirements outlined under this document, the Implementing Agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on the satisfactory performance of its obligation by both the Government of Croatia and the Executive Committee.

11. UNIDO has agreed to be the lead Implementing Agency for the implementation of this Terminal Phase-out Management Plan, with the Government of Sweden as co Implementing Agency for the implementation of Component I of the TPMP. A fee of a total of 7.5 per cent of the annual funds has been agreed in accordance with the provisions of this Agreement and distributed between the two agencies as shown in Tables 1 and 3. As the lead Implementing Agency, UNIDO will be responsible for the following:

- (a) ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the Croatia Terminal CFC Phase-out Management Plan;
- (b) reporting annually on the implementation of the annual implementation programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by UNIDO are carried out by appropriate independent technical experts;
- (e) assisting Croatia in the preparation of annual implementation programmes, which will incorporate



- achievements in previous annual programmes;
  - (f) carrying out required supervision missions;
  - (g) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme and accurate data reporting;
  - (h) ensuring that disbursements are made to Croatia based on agreed performance targets in the project and provisions in this Agreement; and
  - (i) providing policy development assistance when required.
12. The Government of Sweden, as co-Implementing Agency, will be responsible for the following:
- (a) assisting the Government of Croatia in the implementation and verification of the activities funded by the Swedish bilateral quota as per Component I of Table 1, including providing policy development assistance;
  - (b) providing reports to UNIDO on these activities, for inclusion in consolidated reports; and
  - (c) ensuring that disbursements are made to Croatia based on agreed performance targets in the project and provisions in this Agreement.
13. The funding components of this Agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 4926/, para. 122).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex VIII).*

**Table 3: Cash flow of the TPMP for Croatia**

Description	Total (US\$)	2003		2004		2005		2006	2007	2008
		UNIDO	Sweden	UNIDO	Sweden	UNIDO	Sweden	UNIDO	UNIDO	UNIDO
Training of existing workforce										
3-day training course	11,000	11,000								
1+1-day training course	45,000	15,000		10,000		20,000				
Technical assistance	6,000		6,000							
Contingency	6,200			6,200						
Sub-Total	68,200	26,000	6,000	16,200		20,000				
Strengthening of vocational schools										
Update/produce training materials	10,000	10,000								
Procurement of equipment	36,000	36,000								
Training of trainers	5,000	5,000								
Technical assistance	3,000		3,000							
Contingency	5,400			5,400						
Sub-Total	59,400	51,000	3,000	5,400						
Code of practice	22,000		8,000		8,700		5,300			
Contingency	2,200						2,200			
Sub-Total	24,200		8,000		8,700		7,500			
Reclamation capability										
Initiate infrastructure	20,000		20,000							
Contingency	2,000				2,000					
Equipment	102,000	102,000								
Contingency	10,200			10,200						
Sub-Total	134,200	102,000	20,000	10,200						
Monitoring and implementation										
Targeted information	15,000	5,000		5,000		5,000				
Contingency	1,500			1,500						
Monitoring/implementation/evaluation	52,000		9,000		14,000		14,000	5,000	5,000	5,000
Contingency	5,200							5,200		
Subsidies for demo. projects	20,000			10,000		10,000				
Sub-Total	93,700	5,000	9,000	16,500	14,000	15,000	14,000	10,200	5,000	5,000
Total	379,700	184,000	46,000	48,300	24,700	35,000	21,500	10,200	5,000	5,000
Support Cost (7.5%)	28,478	13,800	3,450	3,623	1,853	2,625	1,613	765	375	375
Grand Total	408,178	197,800	49,450	51,923	26,553	37,625	23,113	10,965	5,375	5,375

(UNEP/OzL.Pro/ExCom/39/43, Decisions 39/22 and 39/48, paras. 59 and 86).

(Supporting document: UNEP/OzL.Pro/ExCom/39/43, Annex VIII).

**CUBA****Phase-out of the use of methyl bromide in Cuba**

The Forty-fourth Meeting of the Executive Committee decided to approve the project proposal for the total phase-out of methyl bromide in soil, substrate, storage and structure fumigation in accordance with the Agreement between the Government of Cuba and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/32, para. 146).*

**Agreed conditions for phase-out of methyl bromide in Cuba**

1. The Executive Committee at its 26th Meeting approved a project to phase out 48 ODP tonnes of methyl bromide used in the tobacco sector at a total cost of US \$1,673,324, to be implemented by UNIDO. The project was completed in December 2002 and 48 ODP tonnes of methyl bromide were phased-out. The Government of Cuba has also issued regulations banning the use of methyl bromide in the tobacco sector.
2. The Executive Committee at its 44th Meeting approved in principle an additional US \$537,763 as the total funds that will be available to Cuba to achieve the complete phase-out of methyl bromide used for soil fumigation in horticulture, flowers and ornamentals, coffee nurseries, storage and food facilities (24.1 ODP tonnes), representing the total consumption of controlled uses of methyl bromide.
3. As reported to the Ozone Secretariat, the methyl bromide baseline for Cuba is 50.47 ODP tonnes and reported consumption for 2003 is 24 ODP tonnes. Cuba therefore appears to be in compliance with the Montreal Protocol's 20 per cent reduction, since allowable consumption for 2005 is 40.4 ODP tonnes.
4. Reductions in accordance with the terms of the project in horticulture, flowers and ornamentals, coffee nurseries, storage and food facilities, and other commitments presented in the project document, would ensure that Cuba would meet the reduction schedule outlined below. In that regard, Cuba commits through the implementation of the projects, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption:

2005	24.1 ODP tonnes
2006	16.2 ODP tonnes
2007	8.4 ODP tonnes
2008	0.0 ODP tonnes
5. Funding for the projects will be disbursed by UNIDO in three instalments: US \$215,105 in 2005, US \$161,329 in 2006, and US \$161,329 in 2007. Funding disbursement for the project will be conditional on the achievement of project milestones and the specific reduction schedule outlined above. In case of unjustified delays, UNIDO will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the projects may be cancelled.
6. The Government of Cuba, in agreement with UNIDO, will have flexibility in organizing and implementing the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure that the specific methyl bromide reductions are achieved.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/32, para. 146).

(Supporting document: UNEP/OzL.Pro/ExCom/44/73 AnnexVII).

**National CFC phase-out management plan for Cuba**

The Forty-third Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC phase-out management plan for Cuba at a total level of funding of US \$2,145,000 plus agency support costs of US \$256,245 for Germany, Canada, France and UNDP;
- (b) also to approve the Agreement between the Government of Cuba and the Executive Committee attached to the present report; and
- (c) further, to approve funding for the first tranche of the project as indicated below:
  - (i) US \$120,000 plus support costs of US \$15,600 for Germany;
  - (ii) US \$200,000 plus support costs of US \$26,000 for France; and
  - (iii) US \$400,000 plus support costs of US \$52,000 for Canada.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/27, para. 107).

(Supporting document: UNEP/OzL.Pro/ExCom/43/61, Annex IV).

NOTE: This agreement was subsequently modified at the 48th Meeting of the Executive Committee.

The Forty-eighth Meeting of the Executive Committee decided to approve the request by the Government of Cuba to transfer US \$550,645, including agency support costs to UNDP, as the new lead implementing agency selected by the Government of Cuba for the implementation of its national CFC phase-out plan; and to approve the revised agreement between the Government of Cuba and the Executive Committee attached to the present report.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/16 16 (b (iii)), para. 97).

(Supporting document: UNEP/OzL.Pro/ExCom/48/45 Annex VIII).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to note that in the revised agreement between the Government of Cuba and the Executive Committee (Annex VIII to the report of the 48th Meeting (UNEP/OzL.Pro/ExCom/48/45)) the maximum allowable total consumption of CFCs for 2008 should be amended to read 93.8 ODP tonnes; and
- (b) to approve the third and fourth tranches of the national CFC phase-out plan for the refrigeration sector for Cuba at the amount of US \$641,000 plus agency support costs of US \$48,075 for UNDP (US \$461,000 plus agency support costs US \$34,575 for the 2006 annual implementation plan and US \$180,000 plus agency support costs of US \$13,500 for the 2007 annual implementation plan).

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/26, para. 134).

**Agreement between Cuba and the Executive Committee for the national phase-out of Annex A (Group I) and Annex B (Group II) substances**

1. This Agreement represents the understanding of Cuba (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (“The Substances”) prior to 2010 compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in rows 1 and 5 of Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 17 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing 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 technician-licensing programme for the refrigeration and air conditioning service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 under the mandate of the Multilateral Fund has agreed to be the lead implementing agency (“Lead IA”)

in respect of the Country's activities under this Agreement regulations. The Lead IA under the mandate of the Multilateral Fund will be responsible for carrying out the activities listed in Appendix 6-A ("Role of the Lead Implementing Agency") including but not limited to independent verification. The country also agrees to periodic evaluations which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 10, 12, 14 and 16 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances identified in Appendix 1-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. In 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 instalment 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 ("Reductions in Funding for Failure to Comply") in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

14. This revised Agreement supersedes the Agreement reached between the Government of Cuba and the Executive Committee at the 43rd Meeting of the Executive Committee.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
Annex B	Group II	CTC

### Appendix 2-A: The Targets and Funding

	2004	2005	2006	2007	2008	2009	2010	Total
1. Montreal Protocol Reduction Schedules	625.133	312.566	312.566	93.769	93.769	93.769	0.000	
1A. Max allowable total consumption of CFCs (ODP tonnes)	498.500	312.566	260.000	93.769	93.769	0.000	0.000	
2. Reduction from on-going projects (MDI and aerosols) (ODP tonnes)	0.000	0.000	28.200	70.000	39.100	0.000	0.000	137.300
3. New reduction under plan (ODP tonnes)	0.000	185.934	24.366	96.231	54.669	0.000	0.000	361.200
4. Total annual reduction (ODP tonnes)	0.000	185.934	52.566	166.231	93.769	0.000	0.000	498.500
5. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	2.700	0.400	0.400	0.400	0.400	0.400	0.000	
6. Reduction from ongoing projects								
7. New reduction under plan			0.100					0.100
8. Total annual reduction of Annex B Group II			0.100					0.100

	2004	2005	2006	2007	2008	2009	2010	Total
9. Lead IA agreed funding (UNDP) (US \$)	196,228 (i)	566,000 (iii)	461,000	180,000	106,000	50,000	0	1,559,228
10. Lead IA support costs (UNDP) (US \$)	14,717 (i)	42,450 (iv)	34,575	13,500	7,950	3,750	0	116,492
11. Cooperating IA agreed funding (Canada) (US \$)	400,000	62,000	0	0	0	0	0	462,000
12. Cooperating IA support costs (Canada) (US \$)	52,000	8,060	0	0	0	0	0	60,060
13. Cooperating IA agreed funding (Germany) (US \$)	43,453 (ii)	0	0	0	0	0	0	43,453
14. Cooperating IA support costs (Germany) (US \$)	5,649 (ii)	0	0	0	0	0	0	5,648
15. Co-operating IA agreed funding (France) (US \$)	80,319 (ii)	0	0	0	0	0	0	80,319
16. Co-operating IA support costs (France) (US\$)	10,441 (ii)	0	0	0	0	0	0	10,441
17. Total agreed funding (US \$)	720,000	628,000	461,000	180,000	106,000	50,000	0	2,145,000
18. Total agency support costs (US \$)	82,807	50,510	34,575	13,500	7,950	3,750	0	193,092
19. Total agreed grant for tranche (US\$)	802,807	678,510	495,575	193,500	113,950	53,750	0	2,338,092

(i) No funding was approved for UNDP for the 2004 work programme (this funding level has been transferred at the 48th Meeting of the Executive Committee).

(ii) Funding levels reduced at the 48th Meeting of the Executive Committee to reflect the funds transferred to UNDP as the lead implementing agency being the funds not utilized by the Governments of France and Germany for the 2004 and 2005 work programmes.

(iii) US \$250,000 approved at the 45th Meeting of the Executive Committee.

(iv) US \$18,750 approved at the 45th Meeting of the Executive Committee.

### Appendix 3-A: Funding Disbursement Schedule

Funding will be considered for approval at the first (exception this first annual programme) meeting of the year of the annual plan.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption	Consumption	Reduction	Number of	Number of	ODS phase-out
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	preceding year (1)	year of plan (2)	within year of plan (1)-(2)	projects completed	servicing related activities	(in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

##### Appendix 5-A: Monitoring Institutions and Roles

Institution involved	Role	Responsibility type and frequency of reporting	Evaluation
CITMA, Ozone Office	Overall monitoring	Meetings with IA Meeting reports, MoU	by Germany
Germany (Proklima)	IA	Expenditure Report Quarterly Report	by Germany
Germany (Proklima)	IA	Progress report (annual) Quarterly Report	by Ozone Office

##### Appendix 6-A: Role of the Lead IA

The Lead IA<sup>1</sup> under the mandate of the Multilateral Fund will be responsible for a range of activities to be specified in the project document along the lines of the following:

- 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;
- providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;

<sup>1</sup> Upon a request by the Government of Cuba, the Lead IA was changed from the Government of Germany to UNDP at the 48th Meeting of the Executive Committee.

- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programme are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances have been eliminated in accordance with the Targets;
- (j) coordinate the activities of the Coordinating IAs, if any;
- (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.

#### **Appendix 6-B: Roles of Cooperating Implementing Agencies**

1. The Cooperating IAs will be responsible for:
  - (a) assisting the Country in the implementation and verification of the activities to be undertaken by Canada as funded in rows 11 and 12 of Appendix 2-A and as specified in the project document;
  - (b) ensuring that disbursements are made to the Country in a timely and effective manner;
  - (c) reporting to the Lead Agency on these activities; and
  - (d) providing assistance relating to the activities being undertaken when required.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,860 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/27, para. 107).*

*(Supporting document: UNEP/OzL.Pro/ExCom/43/61, Annex IV).*

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/16 (b (iii)), para. 97).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/45, Annex VIII).*

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/26, para. 134).*

**DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA****Korea, DPR CTC phase-out plan**

The Forty-first Meeting of the Executive Committee decided:

- (a) to endorse the approach adopted by the Secretariat and UNIDO to determine the remaining eligible CTC consumption in the Democratic People's Republic of Korea, as described in paragraph 4 of document UNEP/OzL.Pro/ExCom/41/39;
- (b) to approve in principle the plan for terminal phase-out of CTC in the Democratic People's Republic of Korea at a total cost of US \$5,684,840 plus support costs of US \$426,363 for UNIDO in accordance with the Agreement between the Government of the Democratic People's Republic of Korea and the Executive Committee attached to the present report;
- (c) also to approve US \$3,500,000 plus agency support costs of US \$262,000 for UNIDO for the implementation of the first tranche of the project proposal; and
- (d) to note that the Government of the Democratic People's Republic of Korea undertook not to submit any projects in the CTC consumption sector except for process agent applications currently ineligible for funding and that in such cases the amount of CTC eligible for funding under the Multilateral Fund would not exceed 146 ODP tonnes and the funding level would not exceed US \$6.07/kg.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/74, para. 110).

(Supporting document: UNEP/OzL.Pro/ExCom/41/39, Add.1 and Add.1/Corr.1).

The Forty-ninth Meeting of the Executive Committee decided to approve the amended agreement between the Democratic People's Republic of Korea and the Executive Committee for the phase-out of the ozone-depleting substance carbon tetrachloride attached to the present report.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/18, para. 99 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex IV).

The Fifty-second Meeting of the Executive Committee decided:

- (a) to approve the annual implementation plan for 2007, together with funding for the fifth tranche of the plan for phase-out of carbon tetrachloride in the Democratic People's Republic of Korea at the amount of US \$284,840, with agency support costs of US \$21,363 for UNIDO;
- (b) to urge UNIDO to find a solution, compliant with United Nations Security Council Resolution 1718 (2006) and the conditions in the Chemical Weapons Convention, to overcome the related impediments and complete the implementation of the process agent sector activities, and
- (c) to request UNIDO to provide a status report on the progress achieved with the activities at the 2.8 Vinalon Factory Complex and the Sinuiju Chemical Fibre Complex to the 54th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/40, para. 172).

**Agreement between the Democratic People's Republic of Korea and the Executive Committee for the phase-out of CTC**

1. This Agreement represents the understanding of Democratic People's Republic of Korea (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substance CTC (the "Substance") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substance in the solvent sector in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the "Targets") and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee. 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 the Substance.
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 5 of Appendix 2 A (the "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 the Substance as indicated in row 1 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the target for the applicable year;
  - (b) that the meeting of these targets has been independently verified as described in paragraph 8;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the "Annual Implementation Programmes") in respect of the year for which funding is being requested.
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") 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 paragraph 8.
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, which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.
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. UNIDO (the "Lead IA") has agreed to be the lead implementing agency in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.
9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding

will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

10. 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/production sector projects or any other related activities in the Country.

11. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

12. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substance

Annex B:	Group II	CTC
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### Appendix 2-A: The Targets, and Funding

Year	2003	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol reduction schedules			192.8	192.8	92.8	92.8	92.8	0
1. Max allowable total consumption of Annex B Group II substance	2,200	2,200	192.8	92.8	77.8	37.8	0	0
2. Reduction from ongoing projects	0	0	565.8	0	0	0	0	0
3. New reduction under the present plan	0	0	1,441.4	100.0	15	40	37.8	0
4. Total annual reduction of Annex B Group II substance	0	0	2,007.2	100.0	15	40	37.8	0
5. Lead IA agreed funding (US\$)	3,500,000	1,000,000	300,000	500,000	284,844	100,000		
6. Lead IA support cost (US\$)	262,500	75,000	22,500	37,500	21,363	7,500		
7. Total agreed funding (US\$)	3,762,500	1,075,000	322,500	537,500	306,207	107,500		

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the Executive Committee's second meeting of each year.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____
Co-operating agency(ies)	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Actual consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Process Agents						
Solvents						
Other						
Total						
Servicing						
Total						
Grand total						

#### 4. Technical Assistance

**Proposed Activity:** \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

#### 5. Government Action

Policy/activity planned	Schedule of implementation
Type of policy control on ODS import:	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

#### 7. Administrative Fees

##### Appendix 5-A: Monitoring Institutions and Roles

1. As developed in Section 5 of the Plan: The Terminal CTC Phase-out Plan will be managed by a dedicated Policy and Management Committee, consisting of a co-ordinator to be designated by the Government and supported by representatives and experts from the Lead IA and the necessary support infrastructure. The Policy and Management Support component of the Phase-out Plan will include the following activities for the duration of the Plan:

- management and co-ordination of the Plan implementation with the various Government policy actions pertaining to the Fumigant, Process Agent and Solvent Sectors;
- establishment of a policy development and enforcement programme, covering various legislative, regulatory, incentive, disincentive and punitive actions to enable the Government to acquire and exercise the required mandates in order to ensure compliance by the industry with the phase-out obligations;
- development and implementation of training, awareness and capacity-building activities for key government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the Plan objectives and obligations;
- awareness creation of the Phase-out Plan and the Government initiatives in the Sectors among consumers and public, through workshops, media publicity and other information dissemination measures;
- development of a programme and procedures, if needed, to address the impact of CTC phase-out on the certain number of small scale enterprises in the Country re using spent CTC, in view of the hardship that CTC elimination will cause them;

- (f) preparation of implementation plan including determining the sequence of enterprise participation in planned sub-projects;
- (g) verification and certification of CTC phase-out in completed projects within the Plan through plant visits and performance auditing;
- (h) establishment and operation of a reporting system for use of CTC substitutes by enterprises; and
- (i) establishment and operation of a decentralized mechanism for monitoring and evaluation of Plan outputs, in association with provincial regulatory environmental bodies to ensure sustainability.

#### **Appendix 6-A: Role of the Lead IA**

1. UNIDO will be responsible for a range of activities 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in 2005;
  - (f) ensuring that technical reviews undertaken by the lead IA are carried out by appropriate independent technical experts;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substance has been eliminated in accordance with the Targets;
  - (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$5,600 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/74, para. 110).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex XV).*

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/18, para. 99 (c)).*

**Korea, DPR's production sector**

In view of the fact that the Korea, DPR had not responded to the request of the Secretariat to designate a national focal point to conduct a technical audit of the ODS production facility, the Thirty-second Meeting of the Executive Committee decided:

- (a) to request the Secretariat to communicate further with the Government of Korea DPR, emphasizing the importance of complying with the ODS production phase-out schedule;
- (b) to request the Sub-group to review the situation again at its next meeting if the current circumstances should continue.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/77, para. 96).*

The Thirty-sixth Meeting of the Executive Committee decided to approve the agreement for the phase-out in the ODS production sector in the Democratic People's Republic of Korea, as amended, as attached to the present report.

*(UNEP/OzL.Pro/ExCom/36/36, Decision 36/55, para. 116 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/36/33/Add.2).*



### Amended agreement for the phase-out in the ODS production sector in Democratic People's Republic of Korea

(a) The Executive Committee decides to approve in principle a total of US \$2,566,800 in funding for the closure of the entire ODS production capacity in the Democratic People's Republic of Korea. This is the total funding that would be available in the Democratic People's Republic of Korea from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of the controlled substances under Annex A - Group I CFCs (CFC-11, 12 and 113), Annex B-Group II carbon tetrachloride, Annex B - Group III 1,1,1-trichloroethane, and/or the development of capacity to produce alternatives to these ODS. The agreed level of funding would be paid out according to the following schedule of closing the facilities upon the submission and the Executive Committee approval of the independent verification report on the permanent closure of the ODS production and dismantling of the production facilities.

#### Schedule of closures and disbursement

Processing facility	Time of closure	Time of verification	Level of disbursement**	Time of disbursement
CFC-113	May 2001	August 2001*	687,700	Upon satisfactory verification of permanent closure of the CFC-113 production and dismantling of the production facility.
Methyl chloroform	May 2001	August 2001*	656,650	Upon satisfactory verification of permanent closure of the methyl chloroform production and dismantling of the production facility.
CFC-11/12	2003	2003	733,700	Upon satisfactory verification of permanent closure of the CFC-11/12 production and dismantling of the production facility.
CTC	2005	2005	488,750	Upon satisfactory verification of permanent closure of the CTC production and dismantling of the production facility.
Total			2,566,800	

\* Verified by Wakim Consulting during the technical audit and to be confirmed by UNIDO.

\*\* Includes the replacement cost of the facility and 15% for dismantling.

(b) UNIDO has agreed to be the Implementing Agency for this project at a total support cost of US \$128,340. As the Implementing Agency, UNIDO agrees to be responsible for independently verifying for the Executive Committee that dismantling all ODS production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.

(c) The funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the ODS Production Sector or any related activity.

(d) In light of the fact that the closure of CFC production capacity in the Democratic People's Republic of Korea will make CFCs more scarce, and that recycled CFC will be important to ensuring that CFC is available to meet continuing servicing needs in the country, the Democratic People's Republic of Korea will endeavor to preserve its recycled/reclaimed CFCs for its own use.

(UNEP/OzL.Pro/ExCom/36/36, Decision 36/55, para. 116 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/36/33/Add.2).

**National phase-out plan for Korea, DPR**

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve, in principle, the CFC phase-out plan for the Democratic People's Republic of Korea at a total level of funding of US \$1,064,000 plus agency support costs of US \$68,640 for UNEP and US \$40,200 for UNIDO;
- (b) to approve the draft agreement between the Government of the Democratic People's Republic of Korea and the Executive Committee attached to the present report; and
- (c) to approve funding for the first tranche of the phase-out plan at the amount of US \$234,600 plus support costs of US \$30,498 for UNEP and US \$536,000, plus support costs of US \$40,200 for UNIDO.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/42, para. 154).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex X).

The Fifty-eighth Meeting of the Executive Committee decided to defer approval of the request for the fifth tranche for the national phase-out plan for the Democratic People's Republic of Korea, pending further information from UNEP on the administrative arrangements and costs associated with transferring financial resources to the Government of the Democratic People's Republic of Korea, and to request that the project be resubmitted to the 61st Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/, para. 135).

**Agreement between the Government of the Democratic People's Republic of Korea and the Executive Committee for the national phase-out plan**

1. This Agreement represents the understanding of the Government of the Democratic People's Republic of Korea (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the "Substances") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 2 and 7 of Appendix 2-A (the "Targets") and this Agreement. The annual phase out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances as described in the NPP document.
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 12 of Appendix 2 A (the "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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Bilateral Agency/Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the "Annual Implementation Programmes") in respect of the year for which funding is being requested.
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") 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the "Lead IA") has agreed to be the lead implementing agency and UNIDO (the "Cooperating IA") has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A: The Substances

Annex A	Group I	CFC-11, CFC-12 and CFC-115
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#### Appendix 2-A: The Targets, and Funding

	2005	2006	2007	2008	2009	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	220.9	220.9	66.3	66.3	66.3	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)	177.0	120.0	66.0	48.0	30.0	
3. Reduction from ongoing projects (RMP)						
4. New reduction under plan	57.0+15.7	54.0	18.0	19.0	30.0	192.7
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	57.0+15.7	54.0	18.0	19.0	30.0	192.7
6. UNEP agreed funding (US \$)	234,600	163,400	100,000	20,000	10,000	528,000
7. UNIDO agreed funding (US \$)	536,000	0	0	0	0	536,000
8. Total agreed funding (US \$)	770,600	163,400	100,000	20,000	10,000	1,064,000
9. UNEP support costs (US \$)	30,498	21,242	13,000	2,600	1,300	68,640
10. UNIDO support cost (US \$)	40,200	0	0	0	0	40,200
11. Total agency support costs (US \$)	70,698	21,242	13,000	2,600	1,300	108,840

#### Appendix 3-A: Funding Approval Schedule

Funding other than payments in 2006, will be considered for approval at the first meeting of the year of the annual implementation programme.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data \_\_\_\_\_  
Country \_\_\_\_\_

Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	No. of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

- All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this NPP.
- 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 NPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring and controlling illegal ODS imports into the country.

3. The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.

4. Each of the different projects within the NPP will need a different monitoring sub programme suited to the objectives of the project.

#### Verification and reporting

5. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

6. Based on the discussion with UNEP, the Government of D.P.R. Korea should select the independent organization (auditing) to carry out the verification of the NPP results and the monitoring programme.

#### Frequency of verification and reporting

7. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### **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 along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2005 to be prepared and submitted in year 2006;
- (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) coordinating the activities of the Coordinating IAs, if any;
- (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.

### **Appendix 6-B: Role of Cooperating Implementing Agency**

1. The cooperating implementing agency, will:

- (a) provide policy development assistance when required;
- (b) assist the Government of D.P.R. Korea in the implementation and verification of the activities funded for

UNIDO; and

- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,480 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/42, para. 154).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex X).*

**DEMOCRATIC REPUBLIC OF THE CONGO****National CFC phase-out plan for Congo, Democratic Republic**

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national CFC phase-out plan for the Democratic Republic of the Congo at the amount of US \$625,000, plus agency support costs of US \$25,313 for UNDP and US \$37,375 for UNEP;
- (b) to approve the agreement between the Government of the Democratic Republic of the Congo and the Executive Committee for the implementation of the national phase-out plan as attached to the present report; and
- (c) to approve the first tranche of the national CFC phase out plan at the amount of US \$193,750 plus support costs of US \$14,531 for UNDP and US \$143,750 plus support costs of US \$18,688 for UNEP.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/25, para. 119).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/43, Annex VII)*



**Agreement between the Government of the Democratic Republic of the Congo and the Executive Committee for the national CFC phase-out plan**

1. This Agreement represents the understanding of the Government of the Democratic Republic of the Congo (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) in the refrigeration sector, prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the use of the Substances in Annex A (Group I) of the Montreal Protocol in accordance with the annual phase-out targets set out in row 8 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. 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 the Substances for the refrigeration sector as described in the NCPP document.
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 12 of Appendix 2 A (the “Funding”) to the Country, commencing with the entry into force of an import/export licensing system to monitor and control trade in ozone depleting substances. 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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the target for the applicable year;
  - (b) that the meeting of these targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
9. The Country agrees to assume overall responsibility for the management and implementation of this

Agreement and of Activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The United Nations Environment Programme (the “Lead IA”) has agreed to be the lead implementing agency and the United Nations Development Programme (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 13 and 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113
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### Appendix 2-A: The Targets, and Funding

PROJECT DATA		2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	1. Montreal Protocol limits	332.8	99.8	99.8	99.8	0.0	
	2. Annual phase-out from ongoing solvents projects	4.0	0.0	0.0	0.0	0.0	4.0
	3. Annual phase-out from ongoing foam projects	45.0	0.0	0.0	0.0	0.0	45.0
	4. Annual phase-out from ongoing RMP projects	33.0	30.0	15.2	0.0	0.0	78.2
	5. Annual phase-out newly addressed (NCP)	0.0	5.0	21.5	25.0	0.0	51.5
	6. Annual unfunded phase-out (aerosols)	7.0	0.0	0.0	0.0	0.0	7.0
7. Total ODS consumption to be phased out		89.0	35.0	36.7	25.0	0.0	185.7
8. Resulting CFC targets to be achieved		185.7	96.7	61.7	25.0	0.0	
9. Total ODS consumption to be phased-in (HCFCs)							n/a
Project costs (US \$):							
10. Funding for lead agency UNEP		143,750	71,875	71,875			287,500
11. Funding for UNDP		193,750	71,875	71,875			337,500
12. Total project funding		337,500	143,750	143,750			625,000
Support costs (US \$)							
13. Support cost for lead agency UNEP (13%)		18,688	9,344	9,344			37,375
14. Support cost for UNDP (7.5%)		14,531	5,391	5,391			25,313
15. Total support costs		33,219	14,734	14,734			62,688
16. Total cost to Multilateral Fund (US \$)		370,719	158,484	158,484			687,688
17. Project cost effectiveness (US \$/kg)		4.81 (on the basis of CFC consumption in the refrigeration servicing sector)					

### Appendix 3-A: Funding Disbursement Schedule

Funding will be considered for approval at the second meeting of the year of the annual implementation programme. In case the Executive Committee requires verification of the achievements of the targets in the NCPP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

All the monitoring activities will be coordinated and managed through the Monitoring Project, which is included within this NCPP. The national Ozone Unit will hire a team on a part time basis for the monitoring of the NCPP activities. The role of the monitoring will be to assess the implementation of the NCPP every year by making surveys, fields visits (etc.) and then propose the required modifications if needed. The role of the monitoring team will also include compilation necessary data for the preparation of an annual report and assistance to NOU in the organization of the annual NCPP meeting.

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 NCPP. 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.

#### Verification and reporting

Under this component there are two independent types of verification as follows:

- in accordance to decision 45/54 of the Executive Committee. The Executive Committee reserves the right for independent verification in case the Executive Committee selects D.R. Congo for related auditing as per decision 45/54.
- verification for monitoring and in accordance to the NCPP and the NCPP Annual Implementation Programme objectives. The outcome of the different elements of the NCPP and of the monitoring activities will be verified independently by an external organization. The Government, Lead Agency and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

Based on the discussion with the United Nations Environment Programme, the Government of D.R. Congo should select the independent organization (auditing) to carry out the verification of the NCPP results and the monitoring programme.

#### Frequency of verification and reporting

The monitoring reports will be produced and verified each year, previous to the second meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:

- 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;
- providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead Agency.
- assisting the country in Preparation of the Annual Implementation Programme
- ensuring that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme
- reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with

the Report on the 2006 Annual Implementation Programme

- (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) coordinating the activities of the Coordinating IAs, if any;
- (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.

#### **Appendix 6-B: Role of Cooperating Implementing Agencies**

1. The cooperating implementing agency UNDP will:
  - (a) provide policy development assistance when required;
  - (b) assist the Government of D.R. Congo in the implementation and verification of the activities funded for by the United Nations Development Programme; and
  - (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/25, para. 119).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex VII).*

**DJIBOUTI****Terminal phase-out management plan for Djibouti**

The Fifty-third Meeting of the Executive Committee decided:

- (a) To approve, in principle, the terminal phase-out management plan (TPMP) for Djibouti, at the amount of US \$138,000 plus agency support costs of US \$17,940 for UNEP and US \$147,000 plus support costs of US \$11,025 for UNDP;
- (b) To approve the agreement between the Government of Djibouti and the Executive Committee for the implementation of the TPMP as attached to the present report;
- (c) To urge UNEP and UNDP to take full account of the requirements of Executive Committee decisions 41/100 and 49/6 during the implementation of the TPMP; and
- (d) To approve the first tranche of the plan for funding.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/27, para. 136).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXIII).*

**Agreement between Djibouti and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Djibouti (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115, CTC, TCA
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	3.15	3.15	3.15	0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	3.15	3.15	3.15	0	
3	New reduction under plan (ODP tonnes)	0	0	3.15	0.0	3.13
4	Lead IA agreed funding (US \$)	80,000	0	58,000		138,000
5	Cooperating IA agreed funding (US \$)	147,000	0	0		147,000
6	Total agreed funding (US \$)	227,000	0	58,000		285,000
7	Lead IA support costs (US \$)	10,400	0	7,540		17,940
8	Cooperating IA support cost(US \$)	13,230	0	0		13,230
9	Total agency support costs (US \$)	23,630	0	7,540		31,170
10	Grand total agreed funding (US \$)	250,630	0	65,540		316,170

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.



**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase out plan (TPMP). 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 Unit.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Djibouti for related auditing. Based on discussion with the Lead IA, Djibouti should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Djibouti consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Djibouti in the implementation and assessment of the activities funded for by the Cooperating IA;
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/27, para. 136).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXIII).

## DOMINICA

**Terminal phase-out management plan for CFCs for Dominica**

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan for Dominica, at the amount of US \$217,000 plus agency support costs of US \$24,090 for UNDP and UNEP;
- (b) to approve the agreement between the Government of Dominica and the Executive Committee, as amended, for implementation of the terminal phase-out management plan attached to the present report;
- (c) to approve the first tranche of the terminal phase out management plan at the amount of US \$40,000 plus support costs of US \$3,600 for UNDP and US \$35,000 plus support costs of US \$4,550 for UNEP; and
- (d) that a letter should be sent to the Government of Dominica advising it that disbursement of the second tranche of funds would be dependent upon the enactment of ODS licensing regulations.

(UNEP/OzL.Pro/ExCom/48/45, Decision 48/32, para. 138).

(Supporting document: UNEP/OzL.Pro/ExCom/48/45 Annex XII).

**Agreement between the Government of the Commonwealth of Dominica and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of The Commonwealth of the Dominica (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. 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 the Substances as described in the TPMP document.
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 5 of Appendix 2 A (the “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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the “Lead IA”) has agreed to be the lead implementing agency and UNDP (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12 and CFC-115
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### Appendix 2-A: The Targets and Funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	0.740	0.222	0.222	0.222	0	
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	0.740	0.222	0.222	0.222	0	
3. Lead IA (UNEP) agreed funding (US \$)	35,000	45,000	21,000	13,000	0	114,000
4. Cooperating IA (UNDP) agreed funding (US \$)	40,000	45,000	12,000	6,000	0	103,000
5. Total agreed funding (US \$)	75,000	90,000	33,000	19,000	0	217,000
6. Lead IA (UNEP) support costs (US \$)	4,550	5,850	2,730	1,690	0	14,820
7. Cooperating IA (UNDP) support cost(US \$)	3,600	4,050	1,080	540	0	9,270
8. Total agency support costs (US \$)	8,150	9,900	3,810	2,230	0	24,090
9. Total agreed costs (US \$)	83,150	99,900	36,810	21,230	0	241,090

### Appendix 3-A: Funding Disbursement Schedule

Funding other than payments in 2006, will be considered for approval at the first meeting of the year of the annual implementation programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data \_\_\_\_\_  
Country \_\_\_\_\_

Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

- All the monitoring activities will be coordinated and managed through the project "Monitoring and

Management Unit", which is included within this TPMP.

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 TPMP. 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.

#### Verification and reporting

3. Under this component there are two independent types of verification as follows:

- (a) in accordance to decision 45/54, the Executive Committee reserves the right for independent verification in case the Executive Committee selects the Commonwealth of Dominica for related auditing;
- (b) verification for monitoring and in accordance to the TPMP and the TPMP Annual Implementation Programme objectives. The outcome of the different elements of the TPMP and of the monitoring activities will be verified independently by an external organization. The Government, the Lead IA and the independent organization will jointly design the verification procedures.

#### Institution for conducting the verification

4. Based on the discussion with the Lead IA, the Government of the Commonwealth of Dominica should select the independent organization (auditing) to carry out the verification of the TPMP results and the monitoring programme as per paragraph 5 (b) above.

#### Frequency of verification and reporting

5. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with paragraph (d) of decision 45/54. For this undertaking, separate funding will be provided by the Executive Committee to the Lead Agency;
- (d) assist the country in Preparation of the Annual Implementation Programme;
- (e) ensure that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
- (f) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
- (g) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (h) carrying out required supervision missions;
- (i) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (j) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (k) coordinating the activities of the Coordinating IA;

- (l) ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (m) providing assistance with policy, management and technical support when required.

**Appendix 6-B: Roles of Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist the Government of the Commonwealth of Dominica in the implementation and verification of the activities funded for by the UNDP; and
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/32, para. 138).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/45, Annex XII).*



**DOMINICAN REPUBLIC****Phase-out of the use of methyl bromide in Dominican Republic**

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to note that Dominican Republic's baseline consumption of methyl bromide is 104 ODP tonnes, its latest methyl bromide consumption reported for 2001 to the Ozone Secretariat is 141 ODP tonnes and, therefore, Dominican Republic might not be in compliance with the 2002 freeze target;
- (b) to agree that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of US \$922,900 plus agency support costs is approved in accordance with the agreement between the Government of Dominican Republic and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/39, para. 75).*

**Agreed conditions for phase-out of methyl bromide in the Dominican Republic**

1. The Executive Committee agrees to approve US \$922,900 as the total funds that will be available to Dominican Republic to achieve the complete phase-out of 141 ODP tonnes of methyl bromide used for soil fumigation in the cut flower, melon and tobacco sectors.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Dominican Republic is 104 ODP tonnes, and the methyl bromide consumption in 2001 was 141 ODP tonnes, excluding 3 ODP tonnes which the Dominican Republic states that it uses for quarantine and pre-shipment applications.
3. Reductions resulting from the implementation of the project will ensure that Dominican Republic will meet the reduction schedule listed below. In this regard, Dominican Republic commits, through the implementation of the project, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2003	40
2005	60
2006	41

4. The project will phase-out all soil uses of methyl bromide in Dominican Republic. Dominican Republic commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.
5. Funding for the project will be disbursed by the UNIDO in line with the following yearly budget breakdown:

Year	Disbursement
2003	35%
2005	35%
2006	30%

6. The Government of Dominican Republic has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified in soil fumigation at a later date, the responsibility to ensure its phase-out and still meet the requirements of the schedule in paragraph 3 above will lie solely with the Government.
7. The Government of Dominican Republic, in agreement with UNIDO, will have the flexibility in organizing and implementing the project's components which it deems more important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. UNIDO shall also report back to the Executive Committee annually on the progress in meeting the reductions required by the project.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/39, para. 75).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex VIII).

**Terminal phase-out plan for Annex A (Group I) substances for Dominican Republic**

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to approve in principle the terminal phase-out plan for CFCs for the Dominican Republic at a total level of funding of US \$1,711,600, plus agency support costs of US \$128,370 for UNDP;
- (b) to approve the agreement between the Government of the Dominican Republic and the Executive Committee attached to the present report; and
- (c) to approve the first tranche of the plan at a funding level of US \$500,000, plus support costs of US \$37,500 for UNDP.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/41, para. 139).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/28).*

**Agreement between Dominican Republic and the Executive Committee for the phase-out of Annex A Group I ODSs**

1. This Agreement represents the understanding of Dominican Republic (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances in the sectors set out in Appendix 1-A (“The Substances”) prior to 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 6 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9; and
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (“Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A,

including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, and Funding

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedules	539.8	269.9	269.9	81.0	81.0	81.0	0.0	n.a.
1 Max allowable consumption of Annex A Group I substances (ODP tonnes)	311.2	269.9	252.0	81.0	81.0	53.0	0.0	n.a.
2. Reduction from ongoing projects (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. New reduction under plan (ODP tonnes)	41.3	17.9	171.0	0.0	28.0	53.0	0.0	311.2
4. Unfunded reductions (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	41.3	17.9	171.0	0.0	28.0	53.0	0.0	311.2
6. Lead IA agreed funding (US\$)	0	500,000	400,000	400,000	211,600	200,000	0	1,711,600
7. Lead IA support cost (US\$)	0	37,500	30,000	30,000	15,870	15,000	0	128,370
8. Total grant (US\$)	0	537,500	430,000	430,000	227,470	215,000	0	1,839,970

### Appendix 3-A: Funding Approval Schedule

Funding other than the payments in year 2005 will be considered for approval at the first meeting of the year of the annual implementation plan.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	

Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All of the monitoring activities will be coordinated and managed through the project "Technical Assistance for Implementation and monitoring", which is included within the Terminal phase-out plan (TPP). The actual monitoring activities will be delegated to COGO of the Ministry of Environment, and these activities will be developed by a personnel hired for this purpose.

2. The monitoring programme will be based on three elements: 1) well designed forms for data collection, evaluation and reporting, 2) programme of regular monitoring visits, and 3) appropriate cross-checking of information from different sources.

#### Verification and reporting

3. The outcome of the different elements of the TPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

4. The Government of Dominican Republic wishes to designate UNDP to organize the independent verification of the TPP targets and results of the monitoring activities.

#### Frequency of verification and reporting

5. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the annual implementation reports required by the Executive Committee.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/41, para. 140).

(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex X).

## ECUADOR

**National CFC phase-out plan for Ecuador**

The Forty-first Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC phase-out plan for Ecuador at a total level of funding of US \$1,689,800 plus agency support costs of US \$126,735 for the World Bank, in accordance with the Agreement between the Government of Ecuador and the Executive Committee attached to the present report; and
- (b) also to approve US \$777,326 plus support costs of US \$58,299 for the World Bank for implementation of the 2004 annual programme of the national CFC phase out plan.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/53, para. 88).

(Supporting document: UNEP/OzL.Pro/ExCom/41/34 and Add.1).

The Sixty-first Meeting of the Executive Committee decided:

- (a) To take note of the progress report on the implementation of the first and second tranches of the national CFC phase-out plan (NPP) in Ecuador;
- (b) To approve:
  - (i) The transfer of the third, fourth and fifth tranches of the NPP for Ecuador from the World Bank to UNEP as lead implementing agency, and to UNIDO as co operating implementing agency, at the following levels of funding:
    - a) For the third tranche, US \$92,835, plus agency support costs of US \$12,069 for UNEP, and US \$134,575, plus agency support costs of US \$10,093 for UNIDO;
    - b) For the fourth tranche, US \$92,835, plus agency support costs of US \$12,069 for UNEP, and US \$134,576, plus agency support costs of US \$10,093 for UNIDO;
    - c) For the fifth tranche, US \$7,485, plus agency support costs of US \$973 for UNEP, and US \$10,849, plus agency support costs of US \$814 for UNIDO;
  - (ii) The revised Agreement attached as Annex XI to the present report, which reflects the changes noted above;
  - (iii) The 2010 annual implementation programme associated with the third, fourth and fifth tranches and, without establishing a precedent for such approvals, use of part of the funding to set up a CFC destruction facility; and
- (c) To request:
  - (i) The World Bank to return the funding associated with the third, fourth and fifth tranches of the NPP for Ecuador at the 62nd Meeting of the Executive Committee;
  - (ii) UNEP, as lead agency, to submit progress reports on the implementation of the work programme associated with the third, fourth and fifth and final tranches of the NPP no later than the 64th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/61/58, Decision 61/36, para. 90).

(Supporting document: UNEP/OzL.Pro/ExCom/61/58).

The Sixty-fifth Meeting of the Executive Committee decided:

- (d) (i) To note the 2010 progress report on the implementation of the national CFC phase-out plan (NPP) for Ecuador;
- (ii) To request UNEP and UNIDO to expedite the completion of the remaining activities under the NPP, noting that they would assist Ecuador to sustain zero consumption of CFCs and facilitate the phase-out of HCFCs, and to report to the Executive Committee at its 67th meeting on the completion of the implementation of the NPP; and
- (iii) To request UNEP to submit the verification reports on the 2009 and 2010 CFC consumption of Ecuador no later than the 67th meeting;

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/10(c), para. 58(c)).



**Agreement between Ecuador and the Executive Committee for the phase-out of CFCs**

1. This Agreement represents the understanding of Ecuador (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in all Sectors in accordance with the annual phase-out targets set out in row 2 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 7 of Appendix 2 A (the “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 Substance as indicated in row 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) That the Country has met the Target for the applicable year;
  - (b) That the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation

work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 8 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in all Sectors 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
Annex B:	Group I	CFC-13

### Appendix 2-A: The Targets, and Funding

		2003*	2004	2005	2006	2007	2008	2009	2010
1	Montreal Protocol Reduction Schedules	301.4	301.4	150.7	150.7	45.2	45.2	45.2	0
2	Max allowable total consumption of Annex A, Group I substances (ODP tonnes)	246	235	150	80	42	21	21	0**
3	Reduction from ongoing projects	0	0	0	0	0	0	0	0
4	Total annual reduction of Annex A, Group I substances (ODP tonnes)	0	11	85	70	38	21	21	0
5	Lead IA agreed funding (US \$)***	777,326	-	439,319	92,835	92,835	7,485	-	-
6	Cooperating agreed funding (US \$)	-	-	-	134,575	134,576	10,849	-	-
7	Total agreed funding (US \$)	777,326	-	439,319	227,410	227,411	18,334	-	-
8	Lead IA support costs (US \$)	58,300	-	32,349	12,069	12,069	973	-	-

9	Cooperating IA support costs (US \$)	-	-	-	10,093	10,093	814	-	-
10	Total agreed support costs (US \$)	58,300	-	32,349	22,162	22,162	1,787	-	-
11	Grand total agreed funding (US \$)	835,626	-	471,668	249,572	249,573	20,121	-	-

\* 2003 is not a control year.

\*\* Except essential uses agreed upon by the Parties.

\*\*\* Lead IA 1st and 2nd tranche (2003 and 2005) World Bank, Lead IA for remaining tranches UNEP

### Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the first meeting of the year of the annual implementation programme, except for the 2004 annual implementation programme which is submitted to be considered for approval at the last meeting of the year preceding the annual programme (at the 41st Meeting).

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

8. **Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

9. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

10. **Annual Budget**

Activity	Planned Expenditures (US \$)
<b>Total</b>	

7. **Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The project management team will assist the Ministry of External Trade, Industrialization, Fish and Competitiveness (MICIP) to carry out the following tasks:

- Set up a web site with a list of importers, their annual quotas, and the actual amount already imported within the current calendar year;
- Update the information on the actual amount of imported CFCs with the Custom Department on a quarterly basis;
- Monitor import of HFC-134a, HCFC-22, and HCFC-141b;
- Train MICIP state officers to identify and monitor CFC use at the enterprise level;
- Inspect warehouse of importers of CFCs, HCFCs, and HFC-134a;
- Report any incidents of illegal import of CFCs;
- Carry out safety and technical audits of all projects undertaken under this plan;
- Update the consumption data at the end-user level once every two years and prepare a revised strategy, if necessary, for MICIP;
- Prepare progress reports and annual work plans for submission to the Executive Committee;
- Maintain good account of all the expenditures incurred by this project.

**Appendix 6-A: Role of the Lead IA**

1. The World Bank is the Lead IA for the activities under the first two tranches of the NPP. UNEP is the Lead IA for the remainder of the NPP. The World Bank agrees to transfer all necessary information to UNEP in regards to the implementation of the NPP activities and its role as Lead IA. UNEP agrees to take over from the World Bank as Lead IA effective 9 July 2010. UNEP will notify the World Bank not later than 30 September 2010, of any outstanding information or implementation activities.

2. The Lead IA will be responsible for the following:

- 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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of Cooperating Implementing Agency**

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist Ecuador in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **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 \$6,950 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/61/58, Decision 61/36, para. 90).*

*(Supporting document: UNEP/OzL.Pro/ExCom/61/58 Annex XI).*

## EGYPT

**Phase-out of methyl bromide in Egypt**

The Fifty-sixth Meeting of the Executive Committee, after noting the level of counterpart funding, the positive results achieved in the introduction of alternative techniques, the fact that the revised project would complete the introduction of those techniques, the fact that the Government had committed itself to achieving phase out by the end of 2013 and the cost-effective value of the revised project of US \$10.50/kg, decided:

- (a) to approve the project on the national phase-out for methyl bromide in horticulture and commodities fumigation (except for dates) in Egypt at a total cost of US \$1,934,994 plus agency support costs of US \$145,125 for UNIDO, on the understanding that no additional funding would be provided to the Government of Egypt for the phase-out of controlled uses of methyl bromide in the country; and
- (b) to approve the agreement between the Government of Egypt and the Executive Committee attached to the present report.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/54, para. 206).

(Supporting document: UNEP/OzL.Pro/ExCom/56/54 Annex XIII).

At its Seventieth Meeting, the Executive Committee decided, with respect to the MB phase-out project in Egypt, given that the particular situation prevailing in Egypt in 2011 had delayed the implementation of the project in the country, and noting that total phase-out of MB in Egypt would be achieved by 1 January 2014:

- (a) To note the progress report on the implementation of the MB phase-out project in Egypt submitted by UNIDO on behalf of the Government of Egypt;
- (b) To adjust the schedule for the phase-out of MB in Egypt to reflect the revised agreed level of MB consumption in Egypt, as contained in Annex VI to the present report; and
- (c) To request UNIDO and the Government of Egypt to finalize implementation of the project for the complete phase-out of MB used in the horticultural and commodities sectors and to submit a project completion report no later than the 73rd meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/70/59, Decision 70/4(d), para. 40).

(Supporting document: UNEP/OzL.Pro/ExCom/70/59 Annex VI).

**Revised agreed conditions for the phase-out of methyl bromide in Egypt**

1. (a) At its 38th meeting, approved US \$2,750,592 as the total funds that will be available to Egypt to achieve the reduction of 185.6 ODP tonnes of methyl bromide (MB) used in horticulture and the commodities sector, reducing the aggregated consumption of controlled uses to 185.7 ODP tonnes in 2005;
  - (b) At its 52nd meeting, noted the change to some of the alternative technologies that were selected by major stakeholders when the original project was prepared, as requested by the Government of Egypt;
  - (c) At its 56th meeting, approved an additional US \$1,934,994 as the total funds that will be available to Egypt to achieve the complete phase-out of MB used in horticulture and the commodities sector (184.2 ODP tonnes) except for 6.0 ODP tonnes used for the fumigation of high moisture dates until a suitable alternative is available (decision XV/12);
  - (d) At its 70th meeting, approved a revised reduction schedule for the phase-out of MB in Egypt.
2. As reported to the Ozone Secretariat, the MB baseline for compliance for Egypt is 238.1 ODP tonnes; the 2007 MB consumption was 186.0 ODP tonnes. Accordingly, Egypt has achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005.
  3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project documents will ensure that Egypt meets the reduction schedule presented below. In this regard, Egypt will reduce the national consumption of controlled uses of MB, excluding quarantine and pre-shipment applications, to no more than the following levels of consumption in the years listed below:

Year	Level of MB consumption (ODP tonnes)				ODP tonnes	
	Soil fumigation	Commodities	Structures	Dates(*)	Total phased out	Total consumption
2009	124.2	51.0	9.2	6.0		190.4
2010	106.2	36.0	9.2	6.0	33.0	157.4
2011	88.0	30.0	9.2	6.0	24.2	133.2
2012	81.2	20.0	9.2	6.0	16.8	116.4
2013	40.2	6.0	3.2	6.0	61.0	55.4
2014	-	-	-	6.0	49.4	6.0
Total					184.4	

(\*) Subject to the availability of a suitable alternative for the fumigation of high moisture dates (decision XV/12).

4. Egypt commits to permanently sustaining the consumption levels indicated above through the use of import quotas and other policies it may deem necessary.
5. The Government of Egypt has reviewed the consumption data identified in all sectors covered by the projects and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, in case any additional MB consumption is identified at a later date (excluding 6.0 ODP tonnes used for the fumigation of high moisture dates), the responsibility to ensure its phase-out will lie solely with the Government of Egypt.
6. The Government of Egypt, in agreement with UNIDO, will have flexibility in organizing and implementing the projects' components that it deems more important in order to meet the MB phase-out commitments noted above. UNIDO agrees to manage the funding for the projects in a manner designed to ensure the achievement of the specific MB reductions agreed upon. The Government of Egypt may choose to accelerate the MB reduction schedule without penalty to the projects' budget.
7. UNIDO shall report annually to the Executive Committee on the progress achieved in meeting the MB reductions required in all sectors, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the projects' funds.

8. These revised agreed conditions supersede those reached between the Government of Egypt and the Executive Committee at the 56th meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/70/59, Decision 70/4(d), para.4006).*

*(Supporting document: UNEP/OzL.Pro/ExCom/70/59 Annex VI).*



**National CFC phase-out plan for Egypt**

The Forty-sixth Meeting of the Executive Committee decided:

- (a) to approve in principle the CFC phase-out plan for Egypt at a total level of funding of US \$3,100,000 plus agency support costs of US \$232,500 for UNIDO;
- (b) to approve the draft agreement between the Government of Egypt and the Executive Committee attached to the present report; and
- (c) to approve the funding for the first tranche of the phase-out plan at the amount of US \$1,000,000, plus support costs of US \$75,000 for UNIDO.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/31, para. 124).

(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex VII).

The Sixty-fifth Meeting of the Executive Committee decided:

- (d) (i) To note the 2010 progress report on the implementation of the national CFC phase-out plan (NPP) for Egypt; and
- (ii) To request UNIDO to submit the independent consumption verification report for the years 2009 and 2010 no later than the 67th meeting of the Executive Committee, together with a timetable for completion of the remaining activities in the NPP

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/10(d), para. 58(d)).

**Agreement between Egypt and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of Egypt (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 2010, compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 9 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9; and
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (“Lead IA”). The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation

work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A..

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

12. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFCs
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### Appendix 2-A: The Targets, and Funding

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	1,668	834	834	250	250	250	0	n.a.
1. Max allowable total consumption of CFCs (ODP tonnes)	1,047	822	595	240	113	49	0	n.a.
2. Reduction from on-going projects (ODP tonnes)	-	35	19	27	23	25	0	129
3. New reduction under plan (ODP tonnes)	40	150	182	100	41	24	0	537
4. Reduction through institutional measures (ODP tonnes)	185	42	0	0	0	0	0	227
5. Unfunded phase out (MDI)	0	0	154	0	0	0	0	154
6. Total annual reduction (ODP tonnes)	225	227	355	127	64	49	0	1,047
7. Lead IA agreed funding (US \$)	0	1,000,000	1,200,000	600,000	200,000	100,000	0	3,100,000
8. Lead IA support costs (US \$)	0	75,000	90,000	45,000	15,000	7,500	0	232,500
9. Total agreed funding (US \$)	0	1,000,000	1,200,000	600,000	200,000	100,000	0	3,100,000
10. Total agency support costs (US \$)	0	75,000	90,000	45,000	15,000	7,500	0	232,500
11. Total agreed grant for tranche (US\$)	0	1,075,000	1,290,000	645,000	215,000	107,500	0	3,332,500

### Appendix 3-A: Funding Approval Schedule

Funding other than the payments in 2005, will be considered for approval at the last meeting of the year of the annual implementation plan.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	

Level of funding requested \_\_\_\_\_

Lead Implementing Agency \_\_\_\_\_

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
<b>Total</b>	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

- The overall management of the plan will be carried out by the Government of Egypt with the assistance of UNIDO.
- The Ozone Unit will be responsible for monitoring the implementation of the phase-out plan. The Ozone Unit - EEAA will be responsible for tracking the promulgation and enforcement of policy and legislation and will assist UNIDO with the preparation of annual implementation plans and progress report for the consideration of the Executive Committee.

3. The implementation of the phase-out plan will need to be closely aligned and coordinated with the various policy, regulatory, fiscal, awareness and capacity-building actions, which the Government of Egypt is taking, to ensure that the implementation is consistent with its priorities.
4. The phase-out plan for the entire refrigeration sector will be managed by a dedicated team, consisting of a coordinator to be designated by the Government and supported by the implementing agency. The policy and management support component of the phase-out plan will include the following activities for the duration of the plan:
  - (a) management and co-ordination of the implementation with the various Government policy actions pertaining to the refrigeration sector;
  - (b) establishment of a policy development and enforcement programme, covering various legislative, regulatory, incentive, disincentive and punitive actions to enable the Government to exercise the required mandates in order to ensure compliance by industry with the phase-out obligations;
  - (c) development and implementation of training, awareness and capacity-building activities for key government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the objectives and obligations;
  - (d) awareness creation of the phase-out plan and the Government initiatives in the refrigeration sector among consumers and public, through workshops, media publicity and other information dissemination measures;
  - (e) preparation of annual implementation plans including determining the sequence of enterprise participation in planned sub-projects;
  - (f) verification of ODS phase-out in completed sub-projects within the plan through plant visits and performance auditing;
  - (g) establishment and operation of a reporting system of usage of ODS/substitutes by users;
  - (h) reporting of implementation progress of the plan for the annual performance-based disbursement;
  - (i) establishment and operation of a decentralized mechanism for monitoring and evaluation of outputs, in association with provincial regulatory environmental bodies to ensure sustainability; and
  - (j) assisting in conducting an independent verification audit of ODS use in the country.
5. For the implementation of refrigeration-servicing sector activities, the Ozone Unit will be responsible for the national coordination of the entire programme and for setting up an appropriate local coordination network.
6. The following activities are envisaged and are requirements for the coordination:
  - (a) reassessment and analysis of the sector after the approval of the National CFC phase-out plan (NPP);
  - (b) determination of the specification of equipment to be provided by the NPP;
  - (c) awareness promotion at the regional level;
  - (d) ongoing monitoring of technical training including number of trainers and trainees and status of certification;
  - (e) development of business criteria for refrigerant recycling centres; and
  - (f) selecting service workshops for recovery and recycling equipment.
7. Non-recyclable refrigerants should be kept for further treatment at the proper site.
8. The Ozone unit under the general guidance of UNIDO will monitor the consumption data of all ODS through regional teams. Inspections at reconverted companies are foreseen to ensure that CFCs are not used after project completion. The licensing system will be a tool to monitor and ensure compliance of control measures.
9. The Government has offered and intends to provide ongoing activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Egypt.
10. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to know whether the project was successfully implemented and to confirm that the

target CFC phase out was achieved.

11. Monitoring activity by the designated authority (e.g. Ozone Office, government agency, local environment institute) will be performed by:

- (a) establishing a system to ensure with the counterpart institute, that every recycling centre and service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be completed by recycling centres and service workshops;
- (b) setting up adequate office facilities including a computer system to collect and analyze the data;
- (c) regular communication with the counterpart institute;
- (d) occasional visits to workshops and recycling centres; and
- (e) regular communication with customs offices. The project management team will assist the Ministry of the Environment.

#### **Appendix 6-A: Role of the Lead IA**

1. The Lead IA will be responsible for a range of activities 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) providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
  - (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Target;
  - (j) ensuring that disbursements are made to the Country in a timely and effective manner; and
  - (k) providing assistance with policy, management and technical support when required.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$5,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/46/47, Decision 46/31, para. 124.*

*(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex VII).*

**EL SALVADOR****Terminal phase-out management plan for El Salvador**

The Fifty-third Meeting of the Executive Committee decided To approve the agreement between the Government of El Salvador and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$565,000 plus agency support costs of US \$45,125 (US \$38,625 for UNDP and US \$6,500 for UNEP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (f), para. 88 (f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/16 Annex IX).*

**Agreement between El Salvador and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of El Salvador (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	46.0	46.0	46.0	0.0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	46.0	46.0	46.0	0.0	
3	New reduction under plan (ODP tonnes)	0.0	0.0	46.0		46.0
4	Lead IA agreed funding (US \$)	230,000	230,000	55,000		515,000
5	Cooperating IA agreed funding (US \$)	20,000	20,000	10,000		50,000
6	Total agreed funding (US \$)	250,000	250,000	65,000		565,000
7	Lead IA support costs (US \$)	17,250	17,250	4,125		38,625
8	Cooperating IA support cost (US \$)	2,600	2,600	1,300		6,500
9	Total agency support costs (US \$)	19,850	19,850	5,425		45,125
10	Grand total agreed funding (US \$)	269,850	269,850	70,425		610,125

**Appendix 3-A: Funding Approval Schedule**

1. Funding for the second and third tranches will be considered for approval at the third meeting of 2008 and 2009, accordingly.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)

Total	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects El Salvador for related auditing. Based on discussion with the Lead IA, Berlize should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects El Salvador consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

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
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (f), para. 88 (f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex IX).*

**EQUATORIAL GUINEA****Terminal phase-out management plan for Equatorial Guinea**

The Fifty-seventh Meeting of the Executive Committee decided to approve the Agreement between the Government of Equatorial Guinea and the Executive Committee for the terminal phase-out management plan (TPMP), attached to the present report, at a total amount in principle of US \$180,000, plus agency support costs of US \$23,400 for UNEP, and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/16 (d), para. 111 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/69 Annex XI).*

**Agreement between Equatorial Guinea and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Equatorial Guinea (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 and 4 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 7 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12
Annex A	Group II	Halon

### Appendix 2-A: The Targets, And Funding

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	4.7	0	0
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	4.6	0	0
3	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	14.2	0	0
4	Max. allowable total consumption of Annex A, Group II substances (ODP tonnes)	0	0	0
5	New reduction of Annex A, Group I substances under plan (ODP tonnes)	4.6	0	4.6
6	New reduction of Annex A, Group II	0	0	0
7	Lead IA agreed funding (US \$)	105,000	75,000	180,000
8	Lead IA support costs (US \$)	13,650	9,750	23,400
9	Grand total agreed funding (US \$)	118,650	84,750	203,400

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	



## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU). 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 terminal phase-out plan (TPMP). This organization, 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 Unit (NOU).

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Equatorial Guinea for related auditing. Based on discussion with the Lead IA, Equatorial Guinea should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Equatorial Guinea consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2009 and preparing for annual implementation programme for 2010 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$5,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/16 (d), para.111 (d)).

(Supporting document: UNEP/OzL.Pro/ExCom/57/69 Annex XI).

**ERITREA****Terminal phase-out management plan for Eritrea**

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan (TPMP) for Eritrea, at the amount of US \$170,000 plus agency support costs of US \$22,100 for UNEP and US \$175,000 plus agency support costs of US \$15,750 for UNIDO, on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) to approve the draft agreement between the Government of Eritrea and the Executive Committee for the implementation of the TPMP as attached to the present report;
- (c) to urge UNEP and UNIDO to take full account of the requirements of Executive Committee decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan; and
- (d) to approve the first tranche of the plan on the understanding that funding would not be released until the Fund Secretariat had received confirmation from the Ozone Secretariat that the licensing system had been set up.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/33, para. 152).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/33 Annex XVIII).*

The Sixty-third Meeting of the Executive Committee decided:

- (a) To take note of the progress report on the implementation of the first tranche of the terminal phase-out management plan (TPMP) in Eritrea;
- (b) To note the 2011 annual implementation programme and to encourage Eritrea to complete its activities for the first tranche of the TPMP as soon as possible;
- (c) To request the Government of Eritrea, with the assistance of UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 67th meeting of the Executive Committee; and
- (d) To approve the second tranche of the TPMP at the level of funding of US \$70,000, plus agency support costs of US \$9,100 for UNEP, and US \$75,000, plus agency support costs of US \$6,750 for UNIDO, to complete the remaining activities to sustain zero consumption of CFCs and support other activities to facilitate the phase-out of HCFCs in Eritrea.

*(UNEP/OzL.Pro/ExCom/63/60, Decision 63/25, para. 90).*

*(Supporting document: UNEP/OzL.Pro/ExCom/63/29).*

**Agreement between Eritrea and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Eritrea (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2 and 5 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-12, CFC-115
Annex A	Group II	Halons

### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	4.2	4.2	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	4.2	4.2	0	
3	New reduction under plan (ODP tonnes)	0	4.2	0	4.2
4	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	1.2	1.2	0	
5	Max. allowable total consumption of Annex A, Group II substances (ODP tonnes)	0	0	0	
6	New reduction under plan (ODP tonnes)	0	0	0	
7	Lead IA agreed funding (US \$)	100,000	70,000	0	170,000
8	Cooperating IA agreed funding (US \$)	100,000	75,000	0	175,000
9	Total agreed funding (US \$)	200,000	145,000	0	345,000
10	Lead IA support costs (US \$)	13,000	9,100	0	22,100
11	Cooperating IA support costs (US \$)	9,000	6,750	0	15,750
12	Total agreed support costs (US \$)	22,000	15,850	0	37,850

		2008	2009	2010	Total
13	Grand total agreed funding (US \$)	222,000	160,850	0	382,850

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
2. Verification and reporting
3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Eritrea for related auditing. Based on discussion with the Lead IA, Eritrea should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Eritrea consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Eritrea in the implementation and assessment of the activities funded for by the Cooperating IA;
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/54/33, Decision 54/33, para. 152).

(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XVIII).

**ESWATINI****Terminal phase-out management plan for Swaziland**

The Fifty-sixth Meeting of the Executive Committee decided:

- (i) to approve the agreement between the Government of Swaziland and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$253,500 (US \$132,000 for UNEP and US \$121,500 for UNDP) plus agency support costs of US \$28,095 (US \$17,160 for UNEP and US \$10,935 for UNDP);
- (ii) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan;
- (iii) to approve the first tranche of the plan at US \$156,500 (US \$75,000 for UNEP and US \$81,500 for UNDP) plus agency support costs of US \$17,085 (US \$9,750 for UNEP and US \$7,335 for UNDP).

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (g), para. 84 (g)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex X).*

**Agreement between Swaziland and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Swaziland (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115
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### Appendix 2-A: The Targets and Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	3.7	3.7	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	3.7	3.7	0	
3	Reduction from on-going projects (ODP tonnes)	0	3.7	0	3.7
4	New reduction under plan (ODP tonnes)	0	0	0	0
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	3.7	0	3.7
7	Lead IA agreed funding (US \$)	75,000	57,000	0	132,000
8	Cooperating IA agreed funding (US \$)	81,500	40,000	0	121,500
9	Total agreed funding (US \$)	156,500	97,000	0	253,500
10	Lead IA support costs (US \$)	9,750	7,410	0	17,160
11	Cooperating IA support costs (US \$)	7,335	3,600	0	10,935
12	Total agreed support costs (US \$)	17,085	11,010	0	28,095
13	Grand total agreed funding (US \$)	173,585	108,010	0	281,595

### Appendix 3-A: Funding Disbursement Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and

Management Unit", within the National Ozone Unit (NOU).

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 terminal phase-out plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

2. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Swaziland for related auditing. Based on discussion with the Lead IA, Swaziland should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Swaziland in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Swaziland consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Roles of Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist Swaziland in the implementation and verification of activities funded for by the Cooperating IA;
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (g), para.84 (g)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64, Annex X).

## FJI

**Terminal phase-out management plan for Fiji**

The Forty-seventh Meeting of the Executive Committee decided to approve funding of US \$40,000 plus agency support costs of US \$3,600 for UNDP and US \$80,000 plus agency support costs of US \$10,400 for UNEP as the total funding available to the Government of Fiji from the Multilateral Fund for the total elimination of CFC consumption in Fiji. This would be subject to disbursement being withheld pending agreement by the Secretariat to an implementation programme to be prepared and submitted by UNEP, and with the following conditions:

- (a) the Executive Committee agrees to provide Fiji with flexibility in using the agreed funds consistent with operational procedures as agreed among Fiji, UNDP and UNEP;
- (b) the Government of Fiji agrees to ensure accurate monitoring of the activities and provide regular reports by 30 September each year, as required under Article 7 of the Montreal Protocol;
- (c) annual reports are submitted on the implementation of the activities undertaken in the previous year.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/43, para. 158).*

**GABON****Terminal phase-out management plan for Gabon**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Gabon and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report a total amount in principle of US \$205,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (e), para. 115 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex VI).*

**Agreement between Gabon and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Gabon (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in row 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	1.5	1.5	1.5	0	
2. Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	1.5	1.5	1.5	0	
3. New reduction under plan (ODP tonnes)	0	0	1.5	0.0	1.5
4. Lead IA agreed funding (US \$)	65,000	50,000			115,000
5. Cooperating IA agreed funding (US \$)	50,000	40,000			90,000
6. Total agreed funding (US \$)	115,000	90,000			205,000
7. Lead IA support costs (US \$)	8,450	6,500			14,950
8. Cooperating IA support cost (US \$)	4,500	3,600			8,100
9. Total agency support costs (US \$)	12,950	10,100			23,050
10. Grand total agreed funding (US \$)	127,950	100,100			228,050

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that

the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	



## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase out plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Gabon for related auditing. Based on discussion with the Lead IA, Gabon should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Gabon consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Gabon in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (e), para. 115 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex VI).*

**GAMBIA (REPUBLIC OF THE)****Terminal phase-out management plan for Gambia**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Gambia and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$295,000 plus agency support costs of US \$33,150 (US \$21,450 for UNEP and US \$11,700 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (g), para. 88 (g)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/16 Annex X).*

**Agreement between Gambia and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Gambia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	3.6	3.6	3.6	0.0	
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	3.6	3.6	3.6	0.0	
3	New reduction under plan (ODP tones)			3.6	0.0	3.6
4	Lead IA agreed funding (US \$)	93,000	0	72,000		165,000
5	Cooperating IA agreed funding (US\$)	99,500	0	30,500		130,000
6	Total agreed funding (US \$)	192,500	0	102,500		295,000
7	Lead IA support costs (US \$)	12,090	0	9,360		21,450
8	Cooperating IA support cost (US\$)	8,955	0	2,745		11,700
9	Total agency support costs (US \$)	21,045	0	12,105		33,150
10	Grand total agreed costs (US \$)	213,545	0	114,605		328,150

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and

Management Unit", within the National Ozone Unit (NOU).

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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Gambia for related auditing. Based on discussion with the Lead IA, Gambia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Gambia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

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
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (g), para. 88 (g)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex X).

**GEORGIA****Terminal phase-out management plan for Georgia**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Georgia and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$325,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15(e) para.86 (e)).*



**Agreement between Georgia and the Executive Committee of the Multilateral Fund for the terminal phase out management plan**

1. This Agreement represents the understanding Georgia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the TPMP document.
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 4 of Appendix 2 A (the “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 by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement;
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the technical assistance programme for the refrigeration servicing sub sectors.

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") in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Appendix 1-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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	11.250	3.375	3.375	3.375	0	
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	8.180	3.375	3.375	3.375	0	
3. IA (UNDP) agreed funding (US \$)	216,180	108,820	0	0	0	325,000
4. Total agreed funding (US \$)	216,180	108,820	0	0	0	325,000
5. Lead IA (UNDP) support costs (US \$)	16,214	8,162	0	0	0	24,376
6. Total agreed costs (US \$)	232,394	116,982	0	0	0	349,376

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the last meeting of the year.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

## Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.

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 TPMP. 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.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Georgia for related auditing Based on discussion with the

Lead IA, Georgia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

4. The monitoring reports will be produced and verified each year, previous to the third meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5A. In case the Executive Committee selects Georgia consistent with paragraph (d) of decision 45/54 separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2007 annual implementation programme combined with the report on the 2006 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

Not relevant

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (e) para. 86(e)).

(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex VII).

**GHANA****Terminal phase-out management plan for Ghana**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Ghana and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$344,894 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15(f) para.86 (f)).*

### **Agreement between Ghana and the Executive Committee of the Multilateral Fund for the terminal phase out management plan**

1. This Agreement represents the understanding Ghana (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the TPMP document.
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 of Appendix 2 A (the “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 by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management 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") in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 4 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Appendix 1-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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	17.8	5.34	5.34	5.34	0	
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	17.5	5.34	5.34	5.34	0	
3. Lead IA (UNDP) agreed funding (US \$)	204,394	140,500	0	0	0	344,894
4. Lead IA (UNDP) support costs (US \$)	15,330	10,538	0	0	0	25,868
5. Total agreed costs (US \$)	219,724	151,038	0	0	0	370,762

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the last meeting of the year.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____
- Targets

Indicators	Preceding year	Year of plan	Reduction
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Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.

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 TPMP. 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.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Ghana for related auditing. Based on discussion with the Lead IA, Ghana should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.



4. The monitoring reports will be produced and verified each year, previous to the third meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5A. In case the Executive Committee selects Ghana consistent with paragraph (d) of decision 45/54 separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2007 annual implementation programme combined with the report on the 2006 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

Not relevant

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (f) para. 86(f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex VIII).*

**GRENADA****Terminal phase-out management plan for Grenada**

The Forty-ninth Meeting of the Executive Committee decided to approve the agreement between the Government of Grenada and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/18, para. 99 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex VII).*

**Agreement between the Government of Grenada and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Grenada (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. 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 the Substances as described in the TPMP document.
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 5 of Appendix 2 A (the “Funding”) to the Country, commencing with the entry into force of the import/export licensing system to monitor and control trade in ozone depleting substances. 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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the funding approval schedule:
  - (a) that the Country has met the target for the applicable year;
  - (b) that the meeting of these targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the “Lead IA”) has agreed to be the lead implementing agency and UNDP (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 6 and 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-115
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### Appendix 2-A: The Targets and Funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	2.986	0.896	0.896	0.896	0	
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	2.986	0.896	0.896	0.896	0	
3. UNEP agreed funding (US \$)	37,000	48,000	32,500	12,500	0	130,000
4. UNDP agreed funding (US \$)	40,000	50,000	30,000	0	0	120,000
5. Total agreed funding (US \$)	77,000	98,000	62,500	12,500	0	250,000
6. UNEP support costs (US \$)	4,810	6,240	4,225	1,625	0	16,900
7. UNDP support costs (US \$)	3,600	4,500	2,700	0	0	10,800
8. Total agency support costs (US \$)	8,410	10,740	6,925	1,625	0	27,700

### Appendix 3-A: Funding Disbursement Schedule

Funding other than payments in 2006, will be considered for approval at the first meeting of the year of the annual implementation programme. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	

# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

- All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.
- 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 TPMP. 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.

Verification and reporting

3. The Executive Committee reserves the right for requesting through the Lead IA an independent verification of the activities that have been implemented under the TPMP for Grenada, as per decision 45/54. In this case, the Government of Grenada in consultation with the Lead IA would select the independent organization (auditing) to carry out the verification of the TPMP. Government, the Lead IA and the independent organization will jointly design the verification procedures.

**Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead Agency,
- (d) ensuring that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
- (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) coordinating the activities of the Coordinating IAs, if any;
- (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.

**Appendix 6-B: Roles of Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist the Government of Grenada in the implementation and verification of the activities funded for by the UNDP; and
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/18, para. 99 (b)).

(Supporting document: UNEP/OzL.Pro/ExCom/49/43, Annex III).

**GUATEMALA****Phase-out of the use of methyl bromide in Guatemala**

The Fifty-ninth Meeting of the Executive Committee decided:

- (a) to approve in principle phase II of the national methyl bromide phase-out plan for Guatemala, at a total cost of US \$2,243,047, plus agency support costs of US \$168,228 for UNIDO, and US \$70,000, plus agency support costs of US \$9,100 for UNEP, on the understanding that no additional funding would be provided for Guatemala for the phase out of controlled uses of methyl bromide in the country;
- (b) to approve the agreement between the Government of Guatemala and the Executive Committee for the phase-out of controlled uses of methyl bromide contained in the annex attached to the present report; and
- (c) further to approve the first tranche of phase II of the national methyl bromide phase-out plan at a total cost of US \$1,300,000, plus agency support costs of US \$97,500 for UNIDO, and US \$70,000 plus agency support costs of US \$9,100 for UNEP.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/37 para. 179).*

**Agreed conditions for the phase-out of methyl bromide in Guatemala**

## 1. The Executive Committee:

- (a) At its 22nd Meeting approved US \$440,000 for a demonstration project on four alternatives to the use of methyl bromide: steam pasteurization, non-soil cultivation, solarization, and low-dose chemicals, in combination with integrated pest management;
- (b) At its 38th Meeting approved US \$3,257,377 a national phase-out of methyl bromide project to phase-out of 468 ODP tonnes of methyl bromide in 2005; and
- (c) At its 59th Meeting agreed to approve an additional US \$2,313,047 as the total funds available to phase out 265.7 ODP tonnes, resulting in the complete phase-out of controlled uses of methyl bromide.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for Guatemala has been established at 400.7 ODP tonnes. Guatemala has also reported MB consumption of 522.8 ODP tonnes for 2005, excluding quarantine and pre-shipment applications. While Guatemala has not achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005, the Parties to the Montreal Protocol at their Eighteenth Meeting agreed on a plan of action in which Guatemala specifically commits to reduce methyl bromide consumption to 400.70 ODP tonnes in 2006, to 361 ODP-tonnes in 2007, to 320.56 ODP tonnes in 2008, and to phase out methyl bromide consumption by 1 January 2015, save for critical uses that may be authorized by the Parties (decision XVIII/26).

3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project documents will ensure that Guatemala meets the reduction schedule presented below. In this regard, Guatemala will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	Methyl bromide (ODP tonnes)	
	Amount to be phased out	Maximum level of consumption
2010		265.7
2011	48.0	217.7
2012	100.0	117.7
2013	117.7	0
Total	265.7	

4. The projects will phase out all remaining controlled uses of methyl bromide in Guatemala, excluding quarantine and pre-shipment applications. Guatemala commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Disbursement of the funding approved for UNIDO and UNEP will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	Total funding (US\$)		
	UNIDO	UNEP	Total
2009	1,300,000	70,000	1,370,000
2012	943,047		943,047
Total	2,243,047	70,000	2,313,047

6. The Government of Guatemala has reviewed the consumption data identified in the project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Guatemala, in agreement with UNIDO, will have the flexibility to organize and implement the project components that it deems more important in order to meet methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.



8. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in Guatemala, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with project funds.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/37, para. 179).*

*(Supporting document: UNEP/OzL.Pro/ExCom/59/59, Annex VIII).*

**Terminal phase-out management plan for Guatemala**

The Fifty-sixth Meeting of the Executive Committee decided:

- (i) to approve the agreement between the Government of Guatemala and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$314,000 (US \$65,000 for UNEP and US \$249,000 for UNDP) plus agency support costs of US \$30,860 (US \$8,450 for UNEP and US \$22,410 for UNDP);
- (ii) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan;
- (iii) to approve the first tranche of the plan at US \$282,000 (US \$33,000 for UNEP and US \$249,000 for UNDP) plus agency support costs of US \$26,700 (US \$4,290 for UNEP and US \$22,410 for UNDP).

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (b), para. 84 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex V).*

**Agreement between Guatemala and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Guatemala (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the "Lead IA") and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12
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### Appendix 2-A: The Targets and Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	33.7	33.7	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	5.9	2.5	0	
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	3.4	2.5	0	5.9
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	3.4	2.5	0	5.9
7	Lead IA agreed funding (US \$)	33,000	32,000	0	65,000
8	Cooperating IA agreed funding (US \$)	249,000	0	0	249,000
9	Total agreed funding (US \$)	282,000	32,000	0	314,000
10	Lead IA support costs (US \$)	4,290	4,160	0	8,450
11	Cooperating IA support costs (US \$)	22,410	0	0	22,410
12	Total agreed support costs (US \$)	26,700	4,160	0	30,860
13	Grand total agreed funding (US \$)	308,700	36,160	0	344,860

### Appendix 3-A: Funding Disbursement Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Control

Unit", within the National Ozone Unit (NOU).

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 terminal phase-out plan (TPMP). The Lead IA, 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 Unit (NOU).

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Guatemala for related auditing. Based on discussion with the Lead IA, Guatemala should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Guatemala in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Guatemala consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Roles of Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist Guatemala in the implementation and verification of activities funded by the Cooperating IA;
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (b), para.84 (b)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64, Annex V).

## GUINEA

**Terminal phase-out management plan for Guinea**

The Fifty-fifth Meeting of the Executive Committee decided to approve the agreement between the Government of Guinea and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$332,000 plus agency support costs of US \$35,160 (US \$17,160 for UNEP and US \$18,000 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/15 (d), para.95 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VII).*

**Agreement between Guinea and the Executive Committee for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Guinea (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113,CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	6.36	6.36	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	2.9	1.5	0	0
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	1.4	1.5	0	2.9
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	1.4	1.5	0	2.9
7	Lead IA agreed funding (US \$)	74,000	58,000		132,000
8	Cooperating IA agreed funding (US \$)	140,000	60,000		200,000
9	Total agreed funding (US \$)	214,000	118,000		332,000
10	Lead IA support costs (US \$)	9,620	7,540		17,160
11	Cooperating IA support costs (US \$)	12,600	5,400		18,000
12	Total agreed support costs (US \$)	22,220	12,940		35,160
13	Grand total agreed funding (US \$)	236,220	130,940		367,160

**Appendix 3-A: Funding Approval Schedule**

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)

Total	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Guinea for related auditing. Based on discussion with the Lead IA, Guinea should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Guinea in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Guinea consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Guinea in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/14 (d), para.95 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VII).*

**GUINEA-BISSAU****Terminal phase-out management plan for Guinea-Bissau**

The Fifty-sixth Meeting of the Executive Committee decided:

- (i) to approve the agreement between the Government of Guinea-Bissau and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$100,000 plus agency support costs of US \$13,000 for UNEP;
- (ii) to urge UNEP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan;
- (iii) to approve the first tranche of the plan at US \$62,500 plus agency support costs of US \$8,125 for UNEP.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (c), para. 84 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex VI).

**Agreement between Guinea-Bissau and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Guinea-Bissau (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 8 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets and Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	3.9	3.9	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	3.9	3.9	0	3.9
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	0	3.9	0	3.9
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	3.9	0	3.9
7	Lead IA agreed funding (US \$)	62,500	37,500	0	100,000
8	Total agreed funding (US \$)	62,500	37,500	0	100,000
9	Lead IA support costs (US \$)	8,125	4,875	0	13,000
10	Total agreed support costs (US \$)	8,125	4,875	0	13,000
11	Grand total agreed funding (US \$)	70,625	42,375	0	113,000

### Appendix 3-A: Funding Disbursement Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____

# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU). 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 terminal phase out plan (TPMP). This organization, 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 Unit (NOU).

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Guinea-Bissau for related auditing. Based on discussion with the Lead IA, Guinea-Bissau should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Guatemala in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Guatemala consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (c), para.84 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64, Annex VI).

**GUYANA****Terminal phase-out management plan for Guyana**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Guyana and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs of US \$36,250 (US \$16,900 for UNEP and US \$19,350 for UNDP) and the first tranche for the project .

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (h), para. 88 (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XI).*

**Agreement between Guyana and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Guyana (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) The technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) The 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	8.0	8.0	8.0	0.0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	8.0	8.0	8.0	0.0	
3	New reduction under plan (ODP tonnes)	0.0	0.0	8.0		8.0
4	Lead IA agreed funding (US \$)	58,000		72,000		130,000
5	Cooperating IA agreed funding (US \$)	124,000		91,000		215,000
6	Total agreed funding (US \$)	182,000		163,000		345,000
7	Lead IA support costs (US \$)	7,540		9,360		16,900
8	Cooperating IA support cost (US \$)	11,160		8,190		19,350
9	Total agency support costs (US \$)	18,700		17,550		36,250
10	Grand total agreed funding (US \$)	200,700		180,550		381,250

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

5. **Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned expenditures (US \$)
Total	

7. **Administrative Fees**

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and

Management Unit", within the National Ozone Unit (NOU).

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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Guyana for related auditing. Based on discussion with the Lead IA, Guyana should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Guyana consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist Guyana in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (h), para. 88 (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XI).*

**HAITI****Terminal phase-out management plan in Haiti**

The Fifty-eighth Meeting of the Executive Committee decided to approve the Agreement between the Government of Haiti and the Executive Committee for the terminal phase-out management plan, contained in Annex VII to the present report, at a total amount in principle of US \$190,000 plus agency support costs of US \$24,700 for UNEP and US \$150,000 plus agency support costs of US \$13,500 for UNDP, and the first tranche for the project at the amount indicated in Annex VI to the present report.

*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/18 (b)(iii), para. 89 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/58/53 Annex VII).*

**Agreement between Haiti and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Haiti (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. The United Nations Environment Programme (UNEP) has agreed to be the lead implementing agency (the “Lead IA”) and The United Nations Development Programme (UNDP) 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11; CFC-12; CFC-115
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### Appendix 2-A: The Targets, and Funding

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	25.0	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	25.0	0.0	
3	New reduction under plan (ODP tonnes)	2.3	0.0	2.3
4	Lead IA agreed funding (US \$)	125,000	65,000	190,000
5	Cooperating IA agreed funding (US \$)	150,000		150,000
6	Total agreed funding (US \$)	275,000	65,000	340,000
7	Lead IA support costs (US \$)	16,250	8,450	24,700
8	Cooperating IA support costs (US \$)	13,500		13,500
9	Total agreed support costs (US \$)	29,750	8,450	38,200
10	Grand total agreed funding (US \$)	304,750	73,450	378,200

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

### Appendix 4-A: Format of Annual Implementation Programme

1. **Data**

Country

Year of plan

# of years completed

# of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Cooperating agency(ies)

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) – (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

11. **Technical Assistance**

Proposed Activity:

Objective:

Target Group:

Impact:

12. **Government Action**

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

13. **Annual Budget**

Activity	Planned expenditures (US \$)
Total	

14. **Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The Government will establish a project monitoring mechanism (PMM) to monitor project implementation, report on progress, monitor the impact of projects and recommend remedial actions if project implementation is delayed or impacts not achieved. UNEP, as the lead IA will be responsible for establishing

this mechanism and UNDP, as the cooperating IA will support UNEP in executing this function

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Haiti for related auditing. Based on discussion with the Lead IA, Haiti should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **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 Haiti in preparation of the Annual Implementation Programme;
  - (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Haiti consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
  - (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
  - (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
  - (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
  - (j) coordinating the activities of the Cooperating IA;
  - (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.

#### **Appendix 6-B: Role of Cooperating Implementing Agency**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Haiti in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **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 \$10,000 per ODP tonne of reductions in consumption not achieved in the year.  
(UNEP/OzL.Pro/ExCom/58/53, Decision 58/18 (b)(iii), para. 89 (b)).  
(Supporting document: UNEP/OzL.Pro/ExCom/58/53 Annex VII).

**HONDURAS****Phase-out of the use of methyl bromide in Honduras**

The Fiftieth Meeting of the Executive Committee decided:

- (a) to approve in principle the national methyl bromide phase-out plan for Honduras at a funding level of US \$1,806,301, plus agency support costs of US \$135,472 for UNIDO;
- (b) to approve the agreed conditions for the phase-out of methyl bromide in Honduras as attached to the present report; and
- (c) to approve the first tranche of the project in the amount of US \$600,000 plus agency support costs of US \$45,000 for UNIDO.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/30 para. 138).*

**Agreed conditions for the phase-out of methyl bromide in Honduras**

## 1. The Executive Committee:

- (a) at its 37th Meeting, approved US \$1,977,454 to achieve the phase-out of 213.00 ODP of methyl bromide used for soil fumigation on melon, watermelon, banana and tobacco seedling sectors; and
- (b) at its 50th Meeting, approved and additional US \$1,806,301 for the phase-out of 207.5 ODP tonnes of MB to achieve the complete phase-out of controlled uses of methyl bromide in Honduras.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for Honduras has been established at 259.428 ODP tonnes. Honduras has also reported MB consumption of 327.60 ODP tonnes for 2005, excluding quarantine and pre-shipment applications. While Honduras has not achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005, the Parties to the Montreal Protocol at their Seventeenth Meeting agreed on a plan of action that Honduras specifically commits to reduce methyl bromide consumption from 340.8 ODP tonnes in 2004 to 327.6 ODP tonnes in 2005; to 295.8 ODP tonnes in 2006; to 255.0 ODP tonnes in 2007; and to 207.5424 ODP tonnes in 2008 (decision XVII/34).

3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project documents will ensure that Honduras meets the reduction schedule presented below. In this regard, Honduras will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2006	295.8
2007	255.0
2008	207.5
2009	183.6
2010	163.2
2011	132.6
2012	81.6
2013	0.0

4. The projects will phase out all remaining controlled uses of methyl bromide in Honduras, excluding quarantine and pre-shipment applications. Honduras commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Disbursement of the funding approved for UNIDO will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	US \$
2006	600,000
2007	800,000
2008	300,000
2009	106,301

6. The Government of Honduras has reviewed the consumption data identified in the project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Honduras, in agreement with UNIDO, will have the flexibility in organizing and implementing the projects' components that it deems more important in order to meet methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon.

8. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in Honduras, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/30 para. 138).

(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex XIII).

**Terminal phase-out management plan for Honduras**

The Fifty-fifth Meeting of the Executive Committee decided to approve the agreement between the Government of Honduras and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$536,500 plus agency support costs of US \$51,128 (US \$25,740 for UNEP and US \$25,388) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/15 (e), para.95 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VIII).*

**Agreement between Honduras and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Honduras (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	49.7	49.7	0.0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	39.7	39.7	0.0	
3	New reduction under plan (ODP tonnes)	0.0	39.7	0.0	39.7
4	Lead IA agreed funding (US \$)	146,000	52,000	0	198,000
5	Cooperating IA agreed funding (US \$)	301,000	37,500	0	338,500
6	Total agreed funding (US \$)	447,000	89,500	0	536,500
7	Lead IA support costs (US \$)	18,980	6,760	0	25,740
8	Cooperating IA support cost (US \$)	22,575	2,813	0	25,388
9	Total agencies support costs (US \$)	41,555	9,573	0	51,128
10	Grand total agreed funding (US \$)	488,555	99,073	0	587,628

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.



**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Honduras for related auditing. Based on discussion with the Lead IA, Honduras should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Honduras in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Honduras consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Honduras in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/14 (e), para.95 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VIII).*

**INDIA****Foam sector phase-out plan in India**

The Thirty-seventh Meeting of the Executive Committee decided to approve the project for the phase-out of CFCs in the foam sector in India in principle, at a total cost of US \$5,424,577 excluding agency support costs, in accordance with the agreement between the Government of India and the Executive Committee contained in (attached to the present report).

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/57, para. 90 (a)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/39 and Add.1).*

**Agreement for phase-out of CFCs in the foam sector in India**

1. The Executive Committee approves in principle a total of US \$5,424,577 in funding for the phased reduction and complete phase-out of CFCs used in the Foam Sector in India. This is the total funding that would be available to India from the Multilateral Fund for the complete elimination of CFC use in the Foam Sector in India, by 31 December 2006. The agreed level of funding would be disbursed in installments as indicated in Table 1 and on the basis of the understanding set out in the agreement. By this agreement, India commits that it will eliminate its total CFC consumption in the Foam Sector in accordance with the phase-out target and CFC consumption limits as indicated in Table 1.

Table 1: Disbursement Schedule and Control Targets for CFC Consumption/Phase-out in the Foam Sector in India

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC consumption limit in Foam Sector (ODP MT)	1,655	1,434	1,037	529	128	0	N/A
Annual CFC phase-out target in the Foam Sector (ODP MT)	221	397	508	401	128	0	1,655
Total Annual Funding Installment (US\$)*	1,500,000	1,750,000	1,500,000	450,000	224,577	0	5,424,577
Agency Support Costs (US\$)	131,000	153,500	131,000	40,500	20,212	0	476,212
Total cost to the Multilateral Fund(US\$)	1,631,000	1,903,500	1,631,000	490,500	244,789	0	5,900,789

2. The phase-out of CFCs achieved in the Foam Sector in excess of the specified target for a given year will contribute to achievement of the phase-out targets in subsequent years.

3. The Executive Committee also agrees in principle that the funds for the implementation of the annual programme for any given year will be provided in accordance with the disbursement schedule in Table 1, for the exact amount listed for that year and on the basis of the implementation programme for the year, subject to the performance requirements contained in this agreement. The Executive Committee will strive to ensure that the funds are provided at the second meeting of the Executive Committee in the preceding year. The funding installments for 2003, 2004, 2005 and 2006 will be released subject to:

- (a) confirmation that the consumption limit for the previous year specified in Table 1 and associated phase-out targets have been achieved;
- (b) the verification that the activities planned for the previous year were undertaken in accordance with the annual implementation programme.

4. The Government of India agrees to ensure accurate monitoring of the phase-out. The Government of India will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. The consumption figures provided under this agreement will be consistent with India's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of India also agrees to allow independent verification audits as provided for in this agreement, a mid-term examination to be administered as part of the annual work programme of monitoring and evaluation of the Multilateral Fund, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed and that the implementation of the Foam Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.

5. The Executive Committee agrees to provide India with flexibility in using the agreed funds to meet the consumption limits indicated in Table 1. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to India pursuant to this Agreement may be used in the manner that India considers will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between India and UNDP in the Foam Sector Phase-out Plan

as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to India in achieving a complete CFC phase-out in the Foam Sector, it is understood that India is committing to provide the necessary level of support as may be required for the implementation of the plan and for achieving the consumption limits indicated in Table 1 attached.

6. The Government of India agrees that the funds being agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of CFCs in the Foam Sector are the total funding that will be available to India to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the Foam Sector. It is also understood that aside from the agency fee referred to in paragraph 8 below, the Government of India, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment of the total phase-out of CFCs in the Foam Sector in India.

7. The Government of India agrees that if the Executive Committee meets its obligations under this Agreement, but India does not meet the reduction requirements outlined in Table 1 and other requirements outlined in this Agreement, the Implementing Agency and the Multilateral Fund will withhold subsequent funding disbursements until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on the satisfactory performance of its obligations by both the Government of India and the Executive Committee. In addition, India understands that with respect to all calendar year targets beginning with 2002, as set out in Table 1 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for phase-out of CFC-11 in the foam sector in the amount of US \$16,200 per ODP tonne of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

8. UNDP has agreed to be the Implementing Agency for the implementation of this Sector Phase-out Plan, which will be completed by the end of 2006. A fee of a total of 9 per cent of the value of investment activities and 5 per cent of the value of the policy and management support activities has been agreed in accordance with provisions of this Agreement as indicated in Table 1. As the Implementing Agency, UNDP would be responsible for the following:

- (a) confirmation that the consumption limit for the previous year specified in Table 1 and associated phase-out targets have been achieved;
- (b) the verification that the activities planned for the previous year were undertaken in accordance with the annual implementation programme.
- (c) ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Foam Sector Phase-out Plan;
- (d) reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- (e) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (f) ensuring that the required verification audits are undertaken by appropriate independent technical experts;
- (g) assisting India in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (h) carrying out required supervision missions;
- (i) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (j) verifying to the Executive Committee that CFC consumption phase-out in the Foam Sector has been completed based on the schedules listed in Table 1;
- (k) ensuring that disbursements are made to India based on agreed performance targets in the project and provisions in this Agreement;
- (l) providing assistance for policy, management and technical support for implementation of the Sector

Phase-out Plan, as and when required and report on these activities to the Executive Committee.

9. The Government of India also commits through this agreement to permanently sustain the reductions included in Table 1. As a result of this project India's maximum level of CFCs remaining eligible for funding is 1,530.4 ODP tonnes.

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/57, para. 90).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/39 and Add.1).*

**India's halon production and consumption sector**

Concerning the umbrella project for the closure of two halon projects in India, the Thirty-second Meeting of the Executive Committee noted that it had been unable to reach consensus on the payment of lost profit, and:

- (a) agreed that the Multilateral Fund should pay for the eligible cost of dismantling the two plants, and that it could consider providing funds for the displacement of labour in this case, on the basis of the actual cost of labour being displaced;
- (b) requested the Sub-group to continue to work on the issue of payment for lost profit with a view to narrowing down the differences of opinion.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/79, para. 98).*

The Thirty-fourth Meeting of the Executive Committee decided to approve the proposed agreement for the Indian halon production and consumption sector attached to the present report at a total of US \$2.6 million.

*(UNEP/OzL.Pro/ExCom/34/58, Decision 34/66, para. 106(d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex XV).*



**Consensus agreement for the Indian halon production and consumption sector**

1. The Executive Committee decides to approve a total of US \$2.6 million in funding (net of all taxes, as the Multilateral Fund does not compensate for taxes) for the implementation of the immediate, complete and permanent phase-out of production of halons in India, as well as the complete phase-out of consumption of virgin halons. The sum is being paid in part in recognition of the significant early phase-out in halon production and consumption that has been achieved by India.
2. With regard to the production sector, funds agreed in this project will be disbursed by the Bank to the enterprises once the halon production plants are dismantled and have been certified. This is the total funding that would be available to the Government of India from the Multilateral Fund for the cessation of production of Annex A Group II halons (and all existing and future halons classified as controlled substances) as per the Montreal Protocol phase-out schedule and dismantling of the production plants, which will be completed no later than 12 months after approval of this agreement.
3. With regard to the consumption sector, five enterprises have already been identified and included within the totality of the approved funding. Consumption in these five enterprises, as well as any other remaining halons consumption in the country, will be eliminated within the level of funds provided.
4. The Government of India agrees to ensure accurate monitoring of the phase-out in the production and consumption sector and to report regularly, consistent with their obligations under the Protocol and this agreement. The Government of India also agrees to allow for independent technical audits administered by the Implementing Agency to ensure that all halon production facilities have been dismantled and that no halons are produced in India.
5. The Executive Committee wishes to provide the Government of India with maximum flexibility in using agreed funds to meet the reduction requirements agreed in paragraph 1. Accordingly, while India's country programme, sector strategy or other related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that the funds provided to India pursuant to this agreement may be used in any manner that the Government of India believes will achieve the smoothest possible halon production and consumption phase-out possible.

**Other conditions**

6. The Government of India agrees that the funds agreed at this Executive Committee meeting for complete closure of the production sector as well as complete phase-out of halons in the consumption sector will enable the Government of India to permanently phase-out production and consumption of all halons in accordance with the terms of this agreement and that no additional Multilateral Fund resources will be approved for any future activities including but not limited to the development of infrastructure for the production of alternatives or the import of alternatives. It is also understood that, aside from the agency fee referred to in the subsequent paragraph, the Government of India and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund-related funding for the accomplishment of the total phase-out of production and consumption of all Annex A Group II halons (and all existing and future halons classified as controlled substances) in accordance with this agreement. This includes, but is not limited to, funding for employee compensation and all technical assistance training.
7. The World Bank has agreed to be the Implementing Agency for this project for a fee of 9 per cent. The World Bank agrees to be responsible for: 1. Ensuring/providing independent verification to the Executive Committee that the production closure of halons has taken place; 2. Ensuring that technical reviews undertaken by the World Bank are undertaken by the appropriate independent technical experts such as the OORG; 3. Carrying out supervision missions as required; 4. Ensuring that there is transparent implementation of the closure programme and accurate, verified reporting of data; 5. Incorporating its work into the existing agreement between the Government of India and the Bank; 6. Ensuring that disbursements are made only after independent verification of production closure and dismantling has taken place and that the Executive Committee has been advised accordingly. The World Bank is given flexibility, on request of the Government of India, to subcontract UNDP to undertake the consumption sector activities
8. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the halon production and consumption sector.

9. In light of the fact that the closure of halon production capacity in India will make halons more scarce, and that recycled halons will be important in ensuring that halons are available to meet continuing servicing needs, India will endeavor to preserve its recycled/reclaimed halons within the country for its own use.

*(UNEP/OzL.Pro/ExCom/34/58, Decision 34/68, para. 106(d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/34/58, Annex XV).*

**India CTC phase-out plan**

The Thirty-fifth Meeting of the Executive Committee decided to authorize the Secretariat to proceed with the technical audit on CTC production in India provided that the Government of India submitted the requisite data on the number of employees in each of the CTC-producing facilities and on the breakdown of CTC production between feedstock and other uses.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/59, para. 129(b)).

The Fortieth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the total funding of US \$52 million to support the implementation of the India CTC phase-out plan for both the consumption and production sectors. This was the total funding that would be made available to India from the Multilateral Fund for the total elimination of the CTC production and consumption controlled by the Montreal Protocol, and it was mutually agreed that no additional Multilateral Fund resources would be forthcoming for any additional activities related to phase-out of consumption and production of CTC in India;
- (b) to provide the agreed level of funding in installments with the understanding that US \$30 million would be paid out during the 2003 – 2005 triennium, and the balance would be released during the next triennium;
- (c) to release the first tranche of US \$5 million and associated agency support costs at the 40th Meeting of the Executive Committee in order to enable India to proceed with implementation of its CTC phase-out plan with the understanding that priority of funding would be given to the consumption sector;
- (d) to provide India with maximum flexibility in using the agreed funds to meet the production and consumption targets set forth in the project documents submitted to the 40th Meeting of the Executive Committee and the report required in subparagraph (f) below;
- (e) to request the Government of India, together with the bilateral donors Japan, Germany, and France, the World Bank as the lead Implementing Agency, and in consultation with the Secretariat as well as cooperating agencies, namely UNIDO and UNEP, to prepare a detailed agreement for the implementation of this CTC phase-out plan and a 2004 annual work programme for consideration at the 41st Meeting of the Executive Committee;
- (f) also, to request India and the World Bank to provide a report addressing the discrepancy related to the level of CTC imports to the 41st Meeting of the Executive Committee. In that regard, if it was found that the actual import of CTC in 2001 was over 10 per cent lower than the 24,661 MT figure as reported in the project documents, the US \$52 million referred to in subparagraph (a) would be reduced by a sum equivalent to the difference of tonnes between the 24,661 MT figure and the actual import figure on the basis of US \$2,000 per tonne;
- (g) to take note of the fact that India considered the use of CTC in the production of DV acid chloride to be a feedstock use. If either India or the Parties ever reclassified that use or any other feedstock use to a controlled status, India agreed that it would phase-out that use with no compensation from the Fund.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/54, para. 107(a–g)).

The Forty-first Meeting of the Executive Committee decided to approve the CTC sector Agreement in India, attached to the present report.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/95, para. 152(c)).

(Supporting document: UNEP/OzL.Pro/ExCom/41/36).

NOTE: This agreement was subsequently modified at the 45th Meeting of the Executive Committee.

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to reinstate the CTC sector plan of India, which had been withdrawn;
- (b) to take note of the amended agreement between the Government of India and the Executive Committee as attached to the present report; and
- (c) to approve the revised 2005 annual work programme of the India CTC sector phase out plan at the amounts of US \$1,000,000, plus agency support costs of US \$85,000 for the Government of France, US \$700,000, plus agency support costs of US \$57,500 for the Government of Germany, US \$2,500,000 plus agency support costs of US \$280,000 for the Government of Japan, US \$3,500,000, plus agency support costs of US \$262,500 for UNIDO, and US \$399,045, plus agency support costs of US \$29,928 for the World Bank.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/48, para. 155).

The Fifty-second Meeting of the Executive Committee decided:

- (a) re request the World Bank to continue monitoring the movement within the carbon tetrachloride (CTC) inventory held by both the producers and feedstock users, as part of the annual verification exercise, in order to account for total CTC production and imports;
- (b) re authorize using the flexibility provided for under the agreement between India and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances, approved by decision 41/95, to allow funds to be used to cover all relevant sectoral consumption, on the understanding that that would not change existing Executive Committee guidelines for determining eligible incremental costs for consumption and production;
- (c) re request the World Bank to provide an impact assessment of the annual work programmes by agency and by sector; and
- (d) re approve the 2007 annual work programme at a total funding level of US \$4,820,938 with US \$444,070 as support costs. The distribution by agency would be: US \$4,020,938 plus US \$301,570 as support costs for the World Bank; US \$500,000 plus US \$85,000 as support costs for France; and US \$300,000 plus US \$57,500 as support costs for Germany.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/39, para. 168).

The Fifty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the verification of the seventh tranche of the carbon tetrachloride (CTC) phase-out plan for the consumption and production sectors, and the resulting consumption figure for CTC of 1,437 ODP tonnes;
- (b) to note that the World Bank had informed the Secretariat that India intended to use the full difference between allowed consumption and actual consumption (1,169 ODP tonnes), as feedstock use for future years;
- (c) to approve the funding of US \$3,211,874 and US \$240,891 as support costs for the World Bank for the implementation of the 2009 work programme (eighth tranche) for the CTC phase-out plan for the consumption and production sectors;
- (d) to request the World Bank not to commence disbursement of the funding approved by this decision until verification had been submitted to the Secretariat that the excess amount of 1,169 ODP tonnes as per paragraph (b) above had been used as feedstock, and until that verification had been found sufficient by the Secretariat;
- (e) to request the World Bank to continue the verification of the CTC phase-out plan for the consumption and production sectors in India, using the established format, until verification of the 2010 production and consumption had been submitted, and to provide, as part of this undertaking, verification that the amount of 1,169 ODP tonnes from the 2007 production for feedstock use had been used for that purpose; and
- (f) to request the Secretariat to inform the Executive Committee at its 59th Meeting of the progress achieved.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/35, para. 142).

The Fifty-ninth Meeting of the Executive Committee decided:

- (i) to take note of the verification report submitted by the World Bank pursuant to decision 58/35 regarding the CTC phase out plan for the consumption and production sectors;
- (ii) to note that the Secretariat had found the verification provided by the World Bank sufficient and that it had communicated to the World Bank that it could consequently commence disbursement of the funds approved at the 58th Meeting.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. 51 (d)).

The Sixty-fifth Meeting of the Executive Committee decided:

- (j) (i) To note the verification of CTC production and consumption in India for the year 2010;
- (ii) To note that, in the verification, the use of CTC for vinyl chloride monomer (VCM) production had been classified as feedstock from the beginning of 2005, while in 2007 the use of CTC in the production of VCM had already been classified as a process agent application by the Nineteenth Meeting of the Parties to the Montreal Protocol (decision XIX/15);
- (iii) To request the World Bank to ask the Government of India to update accordingly the CTC consumption data for 2008 to 2010 reported to the Ozone Secretariat under Article 7 of the Montreal Protocol;

- (iv) To request the World Bank to coordinate with the Government of India to investigate to what degree the quantities of CTC destroyed in 2008, 2009 and 2010 would offset the quantities of CTC used as process agent for the production of VCM in 2008, 2009 and 2010, and to provide a related report to be submitted no later than eight weeks before the 66th meeting;
- (v) To request the World Bank to provide a report on the implementation of the CTC phase-out plan for the consumption and production sectors during the year 2010 in time for the 66th meeting and, if applicable, a revision of the planned activities; and
- (vi) To request the Secretariat to inform the Executive Committee on progress at the 66th meeting, under the agenda item on Special reporting requirements.

(UNEP/OzL.Pro/ExCom/65/59, Decision 65/10 para. 58(j)).

The Sixty-sixth Meeting of the Executive Committee decided:

- (j) (i) To take note of the report on implementation of the CTC phase-out plan for the consumption and production sectors for India in 2010, and the related verification provided;
- (ii) To note that paragraph 8 of decision XXIII/7 of the Twenty-third Meeting of the Parties, which considered the use of carbon tetrachloride (CTC) for the production of vinyl chloride monomer (VCM) for the purpose of calculated levels of production and consumption, on an exceptional basis, to be a feedstock use until 31 December 2012, superseded sub-paragraphs (iii) and (iv) of Executive Committee decision 65/10(j);
- (iii) To request the World Bank to provide, to the 70th meeting, a report on the status of the use of CTC for the production of VCM in India; and
- (iv) To request the World Bank to provide to the 67th meeting a work plan covering the funds remaining in the CTC phase-out plan in India;

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15(j), para.73(j)).

The Sixty-seventh Meeting of 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.

(UNEP/OzL.Pro/ExCom/67/39, Decision 67/21, para.80).

The Seventy-fifth sixth meeting of the Executive Committee decided:

- (b) With regard to the phase-out in consumption and production of carbon tetrachloride (CTC) in India:
  - (i) To note the return by the World Bank, to the 75th meeting, of US \$750,093, plus agency support costs of US \$56,257, associated with the funding balance of the phase-out in consumption and production of CTC;
  - (ii) To approve the action plan for the remaining activities associated with the phase out in consumption and production of CTC in the amount of US \$750,093, plus agency support costs of US \$56,257 for UNDP, with a revised completion date of the end of 2016, noting that any remaining funds would be returned to the Multilateral Fund at the first meeting of the Executive Committee in 2017;
  - (iii) To approve the revised Agreement between the Government of India and the Executive Committee for the phase-out in consumption and production of CTC contained in Annex VII to the present report to include UNDP as an additional implementing agency;
  - (iv) To request UNDP to undertake a study on the country's use of CTC for feedstock applications and to make the results of the study available to the Executive Committee by the end of 2016; and
  - (v) To request the World Bank, together with the Governments of France, Germany and Japan, and UNDP and UNIDO as cooperating implementing agencies, to submit the project completion report on the phase-out of CTC consumption and production to the last meeting of the Executive Committee in 2017.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/19, para.118).

**Agreement between India and the Executive Committee for the phase out in consumption and production of CTC (superseded by the Revised Agreement at the Seventy-fifth meeting)**

1. This Agreement represents the understanding of India (the “Country”) and the Executive Committee with respect to the complete phase-out of consumption and production of the Montreal Protocol controlled substance set out in Appendix 1-A (the “Substance”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out consumption and production of the Substance, as defined by the Montreal Protocol, in accordance with the annual phase-out targets set out in rows 1 and 2 of Appendix 2-A (the “Targets”) for this Agreement, which at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 4, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substance.
3. The Country considers that the use of the Substance in the production of DV acid chloride (DVAC) to be a feedstock use. If either the Country or the Parties ever reclassify that use or any other feedstock use to a controlled status, the Country agrees that it would phase out that use with no compensation from the Multilateral Fund.
4. 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 11 of Appendix 2-A (the “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”).
5. The Country will meet the consumption and production limits for the Substance as indicated in rows 1 and 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption and production limits as described in paragraph 9 of this Agreement.
6. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9; and
  - (c) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programs”) in respect of the year for which funding is being requested.
7. 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”) 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 paragraph 9.
8. 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 will have full flexibility in the use of Multilateral Fund assistance to achieve the overall objectives of this Agreement and to meet its obligations to the Montreal Protocol. Therefore, specific funds that were thought to be needed for specific items originally proposed in the Plan for the Phase out of Consumption and Production of CTC, except the US \$2 million which must be used by the Country solely to implement, monitor and effectuate full compliance with this Agreement, can be reallocated to other activities as long as expenditures are consistent with this Agreement and eligible within the context of the Montreal Protocol. Any remaining funds provided to the Country pursuant to this Agreement may be used in any manner that the Country believes will achieve the smoothest and most efficient CTC phase out.
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 fulfill the obligations under this Agreement. The World Bank (the “Lead IA”) has agreed to be the lead Implementing Agency and France, Germany, Japan and UNIDO (the “Cooperating IAs”) have agreed to be cooperating Implementing Agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including performance and financial verification in relation to all activities, within the purview of the World Bank, in accordance with this Agreement and with specific World

Bank procedures and requirements. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out activities listed in Appendix 6-B, including performance and financial verification in relation to activities implemented under their supervision.

10. The Lead IA will assist the Country to implement activities required for achieving the Targets specified in this Agreement and also to assist the Country to carry out activities related to policy and regulatory development to support sustainable phase-out of the Substance in both the consumption and production sectors. The Cooperating IAs will, in collaboration with the Lead IA, provide support for activities related to investment activities to support the phase-out of the Substance in the metal cleaning applications and in the textile industry as described in the sector plan (IND/PHA/40/INV/363). In addition, France will also provide technical assistance to the producers of the Substance to explore technically and economically viable options to reduce/eliminate production of the Substance. The funding for activities implemented by the Cooperating IAs will be counted against their bilateral contributions to the Multilateral Fund in annually specified tranches. In case the Lead IA or any of the Cooperating IAs would like to sub-contract part of their activities to other Implementing Agencies, concurrence of the Country must be sought and the description of such an arrangement should be reported in the annual implementation programmes.

11. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the respective fees set out in rows 4, 6, 8, 10 and 12 of Appendix 2-A.

12. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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 tonne of reductions in consumption and production not achieved in any one year.

13. 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/production sector projects or any other related activities in the Country.

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

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substance

Annex B:	Group II	CTC
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### Appendix 2-A: The Targets, and Funding

	Baseline <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Consumption Reduction Schedules (ODP tonnes) <sup>2</sup>	11,505	N/A	N/A	1,726	1,726	1,726	1,726	1,726	0
1. Max allowable total consumption (ODP tones)	11,505	N/A	N/A	1,726	1,147	708	268	48	0
Montreal Protocol Production Reduction Schedules (ODP tonnes) <sup>3</sup>	11,553	N/A	N/A	1,733	1,733	1,733	1,733	1,733	-
Production Allowance for basic domestic needs of A5 countries (ODP tonnes) <sup>4</sup>		-	-	1,155	1,155	1,155	1,155	1,155	1,733

Total production allowed by the Montreal Protocol (ODP tonnes)		N/A	N/A	2,888	2,888	2,888	2,888	2,888	1,733
2. Max allowable total production (ODP tonnes) for this Agreement	11,553	N/A	N/A	1,726	1,147	708	268	48	-
3. WB agreed funding		8,520,843	9,180,112	399,045	9,556,267	4,020,938	3,211,875	3,211,874	-
4. WB support costs		639,063	688,508	29,928	716,720	301,570	240,891	240,891	-
5. France agreed funding		-	1,000,000	1,000,000	500,000	500,000	-	-	-
6. France support costs		-	85,000	85,000	85,000	85,000	-	-	-
7. Germany agreed funding		-	700,000	700,000	300,000	300,000	-	-	-
8. Germany support costs		-	57,500	57,500	57,500	57,500	-	-	-
9. Japan agreed funding		-	2,500,000	2,500,000	-	-	-	-	-
10. Japan support costs		-	280,000	280,000	-	-	-	-	-
11. UNIDO agreed funding				3,500,000	399,046				
12. UNIDO support costs				262,500	29,928				
13. Total agreed funding (US \$)		8,520,843	13,380,112	8,099,045	10,755,313	4,820,938	3,211,875	3,211,874	
14. Total agency support costs (US \$)		639,063	1,111,008	714,928	889,148	444,070	240,891	240,891	
15. Total agreed costs (US \$)		9,159,906	14,491,120	8,813,973	11,644,461	5,265,008	3,452,766	3,452,765	

1/ Baseline consumption and production levels are defined as the average levels of consumption and production during the period from 1998 – 2000.

2/ Maximum allowable consumption levels stipulated in the Montreal Protocol (85% reduction in 2005 and 100% reduction by 2010).

3/ Maximum allowable production levels stipulated in the Montreal Protocol (85% reduction in 2005 and 100% reduction by 2010).

4/ Allowable production levels for meeting basic domestic needs of Article 5 countries as per the Beijing Amendment (10% of base level from 2005 and 15% of base level from 2010).

### Appendix 3-A: Funding Approval Schedule

1. The annual funding allocations, except those for 2004 and 2005, as shown in Appendix 2-A will be considered for approval at the second meeting of the year of the annual plans. The funding allocations for 2004 and 2005 will be submitted for approval at the first meeting of the respective annual plans.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____
Co-operating agency(ies)	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of CTC	Import			
	Production*			
	<b>Total (1)</b>			
Demand of CTC	Process Agents			
	Solvent			
	<b>Total (2)</b>			

\*For ODS-producing countries

### 3. Industry Action

Sector	Actual consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
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Manufacturing						
Process Agents						
Solvents						
Other						
Total						
Servicing						
Total						
Grand total						

#### 4. Technical Assistance

##### Proposed Activity:

Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy/activity planned	Schedule of implementation
Type of policy control on ODS import:	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned Expenditures (US \$)
<b>TOTAL</b>	

#### 7. Administrative Fees

##### Appendix 5-A: Monitoring Institutions and Roles

- The Country will be responsible for implementing the CTC phase-out plan. To strengthen capacity of the Country to undertake a series of activities required to achieve permanent phase-out of CTC in accordance with the agreed Targets, a small management unit with a high degree of decentralization to ensure maximum coverage of all residual CTC users, will be established.
- The management unit will be established within the Ministry of Environment and Forests. The role of the management unit entails development of detailed implementation plan and overall monitoring and supervision of the CTC phase-out plan. The responsibility of the management unit includes:
  - preparation and implementation of the annual implementation programme with assistance from the Lead IA and Cooperating IAs;
  - identification and assistance in the design of sub-projects under the plan;
  - monitoring and supervision of project implementation at the national level including coordination of independent verification of the ODS phase-out by the beneficiary enterprises;
  - information exchange support to the Ozone Cell, regional centers and beneficiary enterprises;
  - reporting to the Director of the Ozone Cell on CTC phase-out related activities and providing recommendations on Government's interventions to be undertaken by the Ozone Cell, if required;
  - periodic assessment of the alternatives supply situation;
  - support implementation of information exchange and training activities; and
  - maintenance of database and relevant records related to the CTC phase-out plan.

##### Appendix 6-A: Role of the Lead IA

- The Lead IA will be responsible for a range of activities specified in the project document and in this Agreement along the lines of the following:

- (a) ensuring performance and financial verification in relation to all activities in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's CTC Phase-out Plan;
- (b) providing verification to the Executive Committee that the Targets have been met, and the achievement/progress of associated annual activities as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the annual implementation programmes;
- (d) ensuring that achievements in previous annual programmes are reflected in future annual implementation programmes;
- (e) carrying out required supervision missions;
- (f) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (g) ensuring that disbursements to activities undertaken under the Lead IA supervision are made to the Country based on the Targets in the annual programmes and provisions in this Agreement;
- (h) providing assistance with policy, management and technical support when required;
- (i) developing, in consultation with the Country and the Cooperating IAs, the annual phase-out targets for each IA; and
- (j) developing a standard for verifying performance in achieving the Targets.

#### **Appendix 6-B: Role of Cooperating IAs**

1. The Cooperating IAs will be responsible for a range of activities specified in the project document and in this Agreement along the lines of the following:

- (a) conducting performance and financial verification in relation to activities implemented under their supervision;
- (b) providing reports to the Executive Committee, through the Lead IA, on these activities and their impact in terms of ODP phase-out, for inclusion in the consolidated reports and annual programmes to be prepared by the Country with the assistance of the Lead IA;
- (c) assisting the Country in preparation of annual implementation programmes for relevant activities under their supervision;
- (d) ensuring that achievements of their activities are reflected in future annual implementation programmes;
- (e) carrying out required supervision missions;
- (f) providing the presence of an operating mechanism to allow effective, transparent implementation of their activities, and accurate data reporting pertaining to ODP impact of their corresponding activities;
- (g) provide, in collaboration with the Lead IA, policy development assistance, management and technical support when required; and
- (h) coordinating its activities with the Lead IA and among all Cooperating IAs.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 12 of the Agreement, the amount of funding provided may be reduced by US\$ 4,510 per ODP tonne of reductions in consumption and production not achieved in the year.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/95, para. 152(c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex XVIII).*

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/48, para. 155).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex XV).*

#### **Revised Agreement between India and the Executive Committee for the phase out in consumption and production of CTC**

1. This Agreement represents the understanding of India (the "Country") and the Executive Committee with

respect to the complete phase-out of consumption and production of the Montreal Protocol controlled substance set out in Appendix 1-A (the “Substance”) prior to 1 January 2010, in compliance with Protocol schedules.

2. The Country agrees to phase out consumption and production of the Substance, as defined by the Montreal Protocol, in accordance with the annual phase-out targets set out in rows 1 and 2 of Appendix 2 A (the “Targets”) for this Agreement, which at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 4, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substance.

3. The Country considers that the use of the Substance in the production of DV acid chloride (DVAC) to be a feedstock use. If either the Country or the Parties ever reclassify that use or any other feedstock use to a controlled status, the Country agrees that it would phase out that use with no compensation from the Multilateral Fund.

4. 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 15 of Appendix 2 A (the “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”).

5. The Country will meet the consumption and production limits for the Substance as indicated in rows 1 and 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption and production limits as described in paragraph 9 of this Agreement.

6. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:

- (a) That the Country has met the Targets for the applicable year;
- (b) That the meeting of these Targets has been independently verified as described in paragraph 9; and
- (c) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programs”) in respect of the year for which funding is being requested.

7. 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”) 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 paragraph 9.

8. 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 will have full flexibility in the use of Multilateral Fund assistance to achieve the overall objectives of this Agreement and to meet its obligations to the Montreal Protocol. Therefore, specific funds that were thought to be needed for specific items originally proposed in the Plan for the Phase out of Consumption and Production of CTC, except the US \$2 million which must be used by the Country solely to implement, monitor and effectuate full compliance with this Agreement, can be reallocated to other activities as long as expenditures are consistent with this Agreement and eligible within the context of the Montreal Protocol. Any remaining funds provided to the Country pursuant to this Agreement may be used in any manner that the Country believes will achieve the smoothest and most efficient CTC phase out.

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. The World Bank (the “Lead IA”) has agreed to be the lead implementing agency and the Governments of France, Germany, and Japan, UNDP and UNIDO (the “Cooperating IAs”) have agreed to be cooperating implementing agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including performance and financial verification in relation to all activities, within the purview of the World Bank, in accordance with this Agreement and with specific World Bank procedures and requirements. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out activities listed in Appendix

6-B, including performance and financial verification in relation to activities implemented under their supervision.

10. The Lead IA will assist the Country to implement activities required for achieving the Targets specified in this Agreement and also to assist the Country to carry out activities related to policy and regulatory development to support sustainable phase-out of the Substance in both the consumption and production sectors. The Cooperating IAs will, in collaboration with the Lead IA, provide support for activities related to investment activities to support the phase-out of the Substance in the metal cleaning and process agent applications and in the textile industry as described in the sector plan (IND/PHA/40/INV/363). The funding for activities implemented by the bilateral Cooperating IAs will be counted against their bilateral contributions to the Multilateral Fund in annually specified tranches. In case the Lead IA or any of the Cooperating IAs would like to sub-contract part of their activities to other implementing agencies, concurrence of the Country must be sought and the description of such an arrangement should be reported in the annual implementation programmes.

11. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the respective fees set out in rows 4, 6, 8, 10, 12 and 14 of Appendix 2-A.

12. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 tonne of reductions in consumption and production not achieved in any one year.

13. 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/production sector projects or any other related activities in the Country.

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

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

16. This revised Agreement supersedes the Agreement reached between the Government of India and the Executive Committee at the 45th meeting of the Executive Committee.

## Appendices

### Appendix 1-A: The Substance

Annex B:	Group II	CTC
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### Appendix 2-A: The Targets, and Funding

	Baseline <sup>1</sup>	2003	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Consumption Reduction Schedules (ODP tonnes) <sup>2</sup>	11,505	N/A	N/A	1,726	1,726	1,726	1,726	1,726	0
1. Max allowable total consumption (ODP tonnes)	11,505	N/A	N/A	1,726	1,147	708	268	48	0
Montreal Protocol Production Reduction Schedules (ODP tonnes) <sup>3</sup>	11,553	N/A	N/A	1,733	1,733	1,733	1,733	1,733	-
Production allowance for basic domestic needs of Article 5 countries (ODP tonnes) <sup>4</sup>		-	-	1,155	1,155	1,155	1,155	1,155	1,733
Total production allowed by the Montreal Protocol (ODP tonnes)		N/A	N/A	2,888	2,888	2,888	2,888	2,888	1,733
2. Max allowable total production (ODP tonnes) for this Agreement	11,553	N/A	N/A	1,726	1,147	708	268	48	-
3. WB agreed funding		8,520,843	9,180,112	399,045	9,556,267	4,020,938	3,211,875	3,211,874	-
4. WB support costs		639,063	688,508	29,928	716,720	301,570	240,891	240,891	-
5. France agreed funding		-	1,000,000	1,000,000	500,000	500,000	-	-	-
6. France support costs		-	85,000	85,000	85,000	85,000	-	-	-
7. Germany agreed funding		-	700,000	700,000	300,000	300,000	-	-	-
8. Germany support costs		-	57,500	57,500	57,500	57,500	-	-	-
9. Japan agreed funding		-	2,500,000	2,500,000	-	-	-	-	-
10. Japan support costs		-	280,000	280,000	-	-	-	-	-
11. UNIDO agreed funding				3,500,000	399,046				
12. UNIDO agreed support cost				262,500	29,928				
13. UNDP agreed funding								Footnote 5	
14. UNDP agreed support cost								Footnote 5	
15. Total agreed funding (US \$)		8,520,843	13,380,112	8,099,045	10,755,313	4,820,938	3,211,875	3,211,874	
16. Total support costs (US \$)		639,063	1,111,008	714,928	889,148	444,070	240,891	240,891	
17. Total agreed costs (US \$)		9,159,906	14,491,120	8,813,973	11,644,461	5,265,008	3,452,766	3,452,765	

1/ Baseline consumption and production levels are defined as the average levels of consumption and production during the period from 1998 – 2000.

2/ Maximum allowable consumption levels stipulated in the Montreal Protocol (85 per cent reduction in 2005 and 100 per cent reduction by 2010).

3/ Maximum allowable production levels stipulated in the Montreal Protocol (85 per cent reduction in 2005 and 100 per cent reduction by 2010).

4/ Allowable production levels for meeting basic domestic needs of Article 5 countries as per the Beijing Amendment (10 per cent of base level from 2005 and 15 per cent of base level from 2010).

5/ At the 75<sup>th</sup> meeting, the Executive Committee noted the return of US \$750,093 plus agency support costs of US \$56,257 from the World Bank and approved US \$750,093 plus agency support costs of US \$56,257 for UNDP.

**Appendix 3-A: Funding Approval Schedule**

1. The annual funding allocations, except those for 2004 and 2005, as shown in Appendix 2 A will be considered for approval at the second meeting of the year of the annual plans. The funding allocations for 2004 and 2005 will be submitted for approval at the first meeting of the respective annual plans.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead implementing agency	
Co-operating agency(ies)	

**2. Targets**

Indicators		Preceding year	Year of plan	Reductions
Supply of CTC	Import			
	Production*			
	<b>Total (1)</b>			
Demand of CTC	Process Agents			
	Solvent			
	<b>Total (2)</b>			

\*For ODS-producing countries

**3. Industry Action**

Sector	Actual consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Process Agents						
Solvents						
Other						
Total						
Servicing						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy/activity planned	Schedule of implementation
Type of policy control on ODS import:	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned Expenditures (US \$)
<b>TOTAL</b>	

## 7. Administrative Fees

**Appendix 5-A: Monitoring Institutions and Roles**

1. The Country will be responsible for implementing the CTC phase-out plan. To strengthen capacity of the Country to undertake a series of activities required to achieve permanent phase-out of CTC in accordance with the agreed Targets, a small management unit with a high degree of decentralization to ensure maximum coverage of all residual CTC users, will be established.

2. The management unit will be established within the Ministry of Environment and Forests. The role of the management unit entails development of detailed implementation plan and overall monitoring and supervision of the CTC phase-out plan. The responsibility of the management unit includes:

- (a) Preparation and implementation of the annual implementation programme with assistance from the Lead IA and Cooperating IAs;
- (b) Identification and assistance in the design of sub-projects under the plan;
- (c) Monitoring and supervision of project implementation at the national level including coordination of independent verification of the ODS phase-out by the beneficiary enterprises;
- (d) Information exchange support to the Ozone Cell, regional centers and beneficiary enterprises;
- (e) Reporting to the Director of the Ozone Cell on CTC phase-out related activities and providing recommendations on Government's interventions to be undertaken by the Ozone Cell, if required;
- (f) Periodic assessment of the alternatives supply situation;
- (g) Support implementation of information exchange and training activities; and
- (h) Maintenance of database and relevant records related to the CTC phase-out plan.

**Appendix 6-A: Role of the Lead IA**

1. The Lead IA will be responsible for a range of activities specified in the project document and in this Agreement along the lines of the following:

- (a) Ensuring performance and financial verification in relation to all activities in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's CTC

phase-out plan;

- (b) Providing verification to the Executive Committee that the Targets have been met, and the achievement/progress of associated annual activities as indicated in the annual implementation programme;
- (c) Assisting the Country in preparation of the annual implementation programmes;
- (d) Ensuring that achievements in previous annual programmes are reflected in future annual implementation programmes;
- (e) Carrying out required supervision missions;
- (f) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (g) Ensuring that disbursements to activities undertaken under the Lead IA supervision are made to the Country based on the Targets in the annual programmes and provisions in this Agreement;
- (h) Providing assistance with policy, management and technical support when required;
- (i) Developing, in consultation with the Country and the Cooperating IAs, the annual phase out targets for each IA; and
- (j) Developing a standard for verifying performance in achieving the Targets.

#### **Appendix 6-B: Role of Cooperating IAs**

1. The Cooperating IAs will be responsible for a range of activities specified in the project document, in the respective Annual Implementation Plan and in this Agreement along the lines of the following:
  - (a) Conducting performance and financial verification in relation to activities implemented under their supervision;
  - (b) Providing reports to the Executive Committee, through the Lead IA, on these activities and their impact in terms of ODP phase-out, for inclusion in the consolidated reports and annual programmes to be prepared by the Country with the assistance of the Lead IA;
  - (c) Assisting the Country in preparation of annual implementation programmes for relevant activities under their supervision;
  - (d) Ensuring that achievements of their activities are reflected in future annual implementation programmes;
  - (e) Carrying out required supervision missions;
  - (f) Providing the presence of an operating mechanism to allow effective, transparent implementation of their activities, and accurate data reporting pertaining to ODP impact of their corresponding activities;
  - (g) Provide, in collaboration with the Lead IA, policy development assistance, management and technical support when required; and
  - (h) Coordinating its activities with the Lead IA and among all Cooperating IAs.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

1. In accordance with paragraph 12 of the Agreement, the amount of funding provided may be reduced by US \$4,510 per ODP tonne of reductions in consumption and production not achieved in the year.

*(UNEP/OzL.Pro/ExCom/75/85, Decision75/19, para.118).*

*(Supporting document: UNEP/OzL.Pro/ExCom/75/85 Annex VII).*



**India's CFC production sector**

The Twenty-ninth Meeting of the Executive Committee decided:

- (a) to approve the 1 October, 1999 consensus agreement for the Indian production sector (attached to the present report); and
- (b) to give a high priority to the funding of the said agreement.

(UNEP/OzL.Pro/ExCom/29/65, Decision 29/69, para. 107).

(Supporting document: UNEP/OzL.Pro/ExCom/29/57).

The Thirty-third Meeting of the Executive Committee decided to note with appreciation the desire of India to explore the possibility of combining the phase-out of both halon production and consumption in a package, to pursue the discussion of the project in the Subgroup with a view to reaching a consensus on the funding level of the project at an early date and to request India and UNDP to consider the timing for implementing the project preparation for the halon non-recycling project approved at the Thirty-third Meeting, bearing in mind the possibility of combining the phase-out of both halon production and consumption in a package.

(UNEP/OzL.Pro/ExCom/33/32, Decision 33/57, para. 93(b)).

**CFC management and accelerated production closure in India**

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle US \$3.17 million for closing down CFC production in India by 1 August 2008, 17 months ahead of the existing phase-out schedule with the understanding that additional production of CFCs from 1 January – 31 July 2008, dedicated primarily to metered-dose inhaler (MDI) applications, would not exceed 690 metric tonnes;
- (b) to request the Fund Secretariat and the World Bank to prepare and submit a draft agreement on accelerating the CFC production closure project to the 55th Meeting of the Executive Committee. The draft agreement should include the Government's commitment to ensure that the remaining stock of CFCs (1,363 metric tonnes) at the end of 2007, except a quantity of up to 135 metric tonnes that might be required to meet the needs of the MDI sector, was exported no later than 31 December 2009;
- (c) to request India to confirm in the draft agreement its domestic demand for CFCs for the MDI sector in 2008 and 2009 in order to establish the exact quantity of CFCs to be exported;
- (d) that the draft agreement should describe and include the necessary steps for completing the dismantling activities required and the verification confirming that production closure and dismantling had taken place; and
- (e) to approve the 2008 annual programme for the India CFC production closure at the level of funding of US \$6 million plus agency support costs of US \$450,000 for the World Bank.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/37, para. 161).

The Fifty-sixth Meeting of the Executive Committee decided to approve the revised agreement between the Government of India and the Executive Committee on the accelerated phase-out of CFC production in India attached to the present report.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/63, para. 226).

(Supporting document: UNEP/OzL.Pro/ExCom/56/6a Annex XVII).

The Sixty-sixth Meeting of the Executive Committee decided to defer consideration of the funding request of the accelerated CFC production phase-out (second tranche) until its 67<sup>th</sup> meeting.

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/26, para. 103).

The Sixty-seventh Meeting of 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..

(UNEP/OzL.Pro/ExCom/67/39, Decision 67/22, para. 83).

The Seventy-fifth meeting of the Executive Committee decided:

- (a) With regard to the accelerated CFC production phase-out project in India:

- (i) To note the return by the World Bank, to the 75th meeting, of US \$1,056,900, plus agency support costs of US \$79,268, associated with the funding balance of the accelerated CFC production phase-out project;
  - (ii) To approve the action plan for the remaining activities associated with the accelerated CFC production phase-out project in the amount of US \$1,056,900, plus agency supports of US \$79,268 for UNDP, with a revised completion date of the end of 2016, noting that any remaining funds would be returned to the Multilateral Fund at the first meeting of the Executive Committee in 2017;
  - (iii) To approve the revised Agreement between the Government of India and the Executive Committee for the accelerated CFC production phase-out contained in Annex VI to the present report to include UNDP as an additional implementing agency;
  - (iv) To request the World Bank and UNDP to submit the project completion report for the accelerated CFC production phase-out project to the last meeting of the Executive Committee in 2017;
- (UNEP/OzL.Pro/ExCom/75/85, Decision 75/19, para.118).

**Consensus agreement for the Indian production sector****Proposal by the Production Sector Subgroup (Brazil, Canada, China, India, Italy and the United States).**

The Executive Committee decides to approve in principle a total of \$82m in funding (net of all taxes, as the Multilateral Fund does not compensate for taxes) for the phased reduction and cessation of the entire CFC production in India and dismantling of the plants following within 18 months of the cessation of production of ODS unless the plants are otherwise put to use producing substances other than ODS. This is the total funding that would be available to India from the Multilateral Fund for the cessation of production of Group I Annex A CFCs, Group I Annex B CFCs, and eventual cessation of production of Group I Annex C HCFCs as per Montreal Protocol phase-out schedule (including future amendments in schedule, if any) and dismantling of the plants following within 18 months of the cessation of production of ODS unless the plants are otherwise put to use producing substances other than ODS. The agreed level of funding would be paid out in installments in the exact amounts specified in paragraph b, and on the basis of the following understanding:

- a. by this approval, India agrees that in exchange for the funding level specified in paragraph b, it will reduce its total Group I Annex A and Group I Annex B CFC production in accordance with the following schedule:

Total CFC production in India will not exceed the following levels in the following years:

22,588 MT in 1999;	20,706 MT in 2000;	18,824 MT in 2001;
16,941 MT in 2002;	15,058 MT in 2003;	13,176 MT in 2004;
11,294 MT in 2005;	7,342 MT in 2006;	3,389 MT in 2007;
2,259 MT in 2008;	1,130 MT in 2009;	and, 0 MT in 2010*

\*save for any CFC production that may be agreed by the Parties to meet essential uses for India.

- b. in order to facilitate India finalizing work on their implementation system, meeting their 1999 CFC reduction target, and working toward the other reduction targets included in paragraph a, the Executive Committee decides at its 29<sup>th</sup> meeting to provide \$12m in funding to India during 1999.

The Executive Committee has also agreed in principle that it will continue to provide funds on the basis of annual programs submitted in accordance with the schedule indicated below. The funds are to be approved at the first meeting each year based on performance, and dispensed in as quickly a manner as possible during the year taking into account other fund operational modalities and constraints such as availability of funds.

Annual programme	Actual amount (US\$ million) to be paid
1999	\$12
2000	\$11
2001	\$11
2002	\$6
2003	\$6
2004	\$6
2005	\$6
2006	\$6
2007	\$6
2008	\$6
2009	\$6

Payments noted in this paragraph (other than the initial tranche for 1999) are conditioned upon completion of the agreed production decreases noted in paragraph a being independently verified and maintained, and India meeting the other requirements of this agreement. For example, payment in 2003 will be conditional on satisfactory verification that India had, at a minimum, sustained its required 2001 reduction through Jan.1, 2002. Finally, India agrees that within 18 months of any of its existing plants ceasing production of CFCs and HCFCs, that it will take action to ensure that such plants are incapable of producing ozone depleting substances (ODS) in the future, and that key ODS production components are dismantled and destroyed. Notwithstanding this provision, India may, in a verifiable manner, convert related equipment and infrastructure to uses other than the production of ODS.

- c. India agrees to ensure accurate monitoring of the phase-out, and to report regularly, consistent with their obligations under the Protocol and this agreement. In order to ensure that any HCFC production is not subsequently diverted to production of CFCs, India agrees to prepare annually a list of plants producing HCFCs and ensure that such production is not diverted to CFC production. India also agrees to allow for independent technical audits administered by the Implementing Agency, and in addition, as may be directed by the Executive Committee to verify that annual CFC production levels agreed in paragraph a and conditions in paragraphs b and c related to plant dismantling, destruction or HCFC diversion are actually being met.
- d. the Executive Committee wishes to provide India with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in point a. Accordingly, while India's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that with the exception of \$2m which must be used by the government of India solely to monitor and effectuate full compliance with this agreement and the ODS phase-out generally, as long as expenditures are otherwise consistent with this agreement, the remaining funds provided to India pursuant to this agreement may be used in any manner that India believes will achieve the smoothest possible CFC production phase-out possible.
- e. India agrees that the funds being agreed in principle by the Executive Committee at its 29th meeting for complete closure of its CFC production and eventually HCFC production capacity is the total funding that will be available to it to enable its full compliance with the CFC production phase-out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for any related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any of the CFC facilities that may convert to HCFC production. It is also understood that aside from the agency fee referred to in para. g below, India and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- f. India understands that if the Executive Committee meets its obligations under this agreement, but India does not meet the reduction requirements outlined in point a, and the other requirements outlined in this document, the Implementing Agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in paragraph b until such time as the required reduction has been met or the required dismantling or other activity has been completed. In addition, India understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of \$1000 per ODP tonne of reductions not achieved in any year of this agreement. It is clearly understood that the fulfillment of this agreement depends on satisfactory performance of its obligations by both India and the Executive Committee.
- g. the World Bank has agreed to be the Implementing Agency for this project for the first three years at a fee of 8% per annum of project costs distributed during that time period. As the Implementing Agency during that time period, the World Bank agrees to be responsible for:
  - 1. Ensuring/providing independent verification to the Executive Committee that the phase-out targets and associated activities have been met;
  - 2. Ensuring that technical reviews undertaken by World Bank are undertaken by the appropriate independent technical experts such as the OORG;
  - 3. Assisting India in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - 4. Carrying out supervision missions as required;
  - 5. Ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - 6. Incorporating its work into the existing agreement between India and the Bank;
  - 7. Ensuring that disbursements are made to India based on agreed performance targets in the project, and the provisions of this agreement;
  - 8. Independently verifying for the Executive Committee that dismantling of CFC production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.
- h. the funding components of this decision shall not be modified on the basis of future Executive Committee

decisions that may affect the funding of the CFC production sector or any related activity.

- i. in light of the fact that the closure of CFC production capacity in India will make CFCs more scarce, and that recycled CFC will be important to ensuring that CFC is available to meet continuing servicing needs, India will endeavor to preserve its recycled/reclaimed CFCs within its country for its own use.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/69, para. 107).*

*(Supporting document: UNEP/OzL.Pro/ExCom/29/57).*

**Agreement between India and the Executive Committee of the Multilateral Fund for the accelerated CFC production phase-out (superseded by Agreement reached between the Government of India and the Executive Committee at the 75<sup>th</sup> meeting)**

1. This Agreement supplements the Consensus Agreement for the Indian production sector for which the Executive Committee and India entered into at the 29th Meeting (“the Existing Agreement”). This Agreement represents the understanding of India (“the Country”) and the Executive Committee with respect to the Accelerated Phase-out of the CFC Production by 1 August 2008.
2. The Country agrees to revise its CFC production phase-out schedule with the understanding that:
  - (a) India would produce no more than 690 MT of CFCs, primarily for the manufacturing of metered-dose inhalers (MDIs) up until 1 August 2008;
  - (b) India’s CFC producers would sell no more than 825 MT of CFCs for MDI production in the years 2008 and 2009, comprising 690 MT of new production and 135 MT reprocessed from existing stock;
  - (c) India would export 1,228 MT of CFCs no later than 31st December, 2009;
  - (d) India would not import any new virgin CFCs;
  - (e) any by-product non-pharmaceutical grade CFCs generated from the production under (a) are counted against the limit in row 2 of Table 1 in Appendix 1 and could be released to the market;
  - (f) this Agreement does not cover any CFC production that may be agreed by the Parties to meet essential uses for India; and
  - (g) other conditions in the Existing Agreement, in addition to the above, are applied to this Agreement.
3. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in Table 2 of Appendix 1, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the phase-out of the production of CFCs.
4. 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 of Table 2 in Appendix 1 (the “Funding”) to the Country. The Executive Committee will provide the funding tranches associated to the new accelerated phase-out at the 57th and 60th Executive Committee Meetings. For the subsequent tranche in 2009 under the Existing Agreement, the release of this tranche will follow the terms and conditions stipulated in the Existing Agreement.
5. The Country will meet the production limits as indicated in row 2 of Table 1 in Appendix 1. The Country also agrees to allow for independent technical audits administered by the Implementing Agency (World Bank) in order to confirm the production, reprocessing limit, sales (both export and domestic) and stock of CFCs in accordance with the agreement.
6. 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. The Country also agrees to establish policies or enforcement mechanisms to ensure coordination of CFC phase-out efforts in both the production and consumption sectors by implementing policy and regulatory measures set out in Appendix 2.
7. Should the Country, for any reason, not meet the Targets for the elimination of the Substances or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement Schedule. In addition, India understands that the Executive Committee may reduce the funding of the subsequent tranches on the basis of US \$1,000 per ODP tonnes of reductions not achieved for the commitments mentioned in paragraphs 2 and 5 of this Agreement.
8. 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 production sector projects or any other related activities in the Country.

9. The Country, the Executive Committee and the World Bank may mutually agree to take steps to facilitate implementation of this Agreement. In particular, it will provide access by the World Bank to information necessary to verify compliance with this Agreement.

10. 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 Protocol unless otherwise defined herein.

## Appendix 1 Targets and Funding

**Table 1. Production targets**

Description	Year		
	2008	2009	2010
1. Targets under the Existing Agreement (ODP tons )	2,259	1,130	0
2. Production under this Agreement (ODP tons)	690	0	0

**Table 2. Funding**

Description	Year		
	2008	2009	2010
1. Funding under the Existing Agreement (US \$' 000s)	6,000	6,000	0
2. Support cost under the Existing Agreement (US \$' 000s)	450	450	0
3. Total adjusted funding for this Agreement (US \$' 000s)	-	2,113	1,057
4. Support cost for the adjusted funding for this Agreement (US\$ 000s)	-	0	238
5. Total funding to be released to the Country and IA	6,450	8,563	1,295

## Appendix 2 Policy and Regulatory Measures

11. As per the Plan of Action submitted by the Country at the 54th Meeting of the Executive Committee, the Country agrees to undertake the following measures:

- ban the production of CFCs, excluding any production for essential uses that may be agreed by the Parties for India, by 1 August 2008;
- ensure consistency of the consumption schedule of the Ozone Rules and the consumption limits in row 3 of Appendix 2 – A of the Agreement between India and the Executive Committee for the national phase-out of CFC consumption in India focusing on the refrigeration service sector;
- India will not import any more new/virgin CFCs; and
- strengthening of the system for monitoring movement of CFC stocks and imports, if any.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/63, para. 226).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XVII).

## Revised Agreement between India and the Executive Committee of the Multilateral Fund for the accelerated CFC production phase-out

- This Agreement supplements the Consensus Agreement for the Indian production sector for which the Executive Committee and the Government of India entered into at the 29th meeting (“the Existing Agreement”). This Agreement represents the understanding of India (“the Country”) and the Executive Committee with respect to the Accelerated Phase-out of the CFC Production by 1 August 2008.
- The Country agrees to revise its CFC production phase-out schedule with the understanding that:
  - India would produce no more than 690 MT of CFCs, primarily for the manufacturing of metered-dose inhalers (MDIs) up until 1 August 2008;
  - India’s CFC producers would sell no more than 825 MT of CFCs for MDI production in the years 2008 and 2009, comprising 690 MT of new production and 135 MT reprocessed from existing stock;
  - India would export 1,228 MT of CFCs no later than 31 December 2009;
  - India would not import any new virgin CFCs;
  - Any by-product non-pharmaceutical grade CFCs generated from the production under sub-paragraph (a) are counted against the limit in row 2 of Table 1 in Appendix 1 and could be released to the market;

- (f) This Agreement does not cover any CFC production that may be agreed by the Parties to meet essential uses for India; and
  - (g) Other conditions in the Existing Agreement, in addition to the above, are applied to this Agreement.
3. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in Table 2 of Appendix 1, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the phase-out of the production of CFCs.
  4. 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 of Table 2 in Appendix 1 (the "Funding") to the Country. The Executive Committee will provide the funding tranches associated to the new accelerated phase-out at the 57th and 60th Executive Committee Meetings. For the subsequent tranche in 2009 under the Existing Agreement, the release of this tranche will follow the terms and conditions stipulated in the Existing Agreement.
  5. The Country will meet the production limits as indicated in row 2 of Table 1 in Appendix 1. The Country also agrees to allow for independent technical audits administered by the implementing agencies (World Bank, and UNDP for the final technical audit) in order to confirm the production, reprocessing limit, sales (both export and domestic) and stock of CFCs in accordance with the Agreement.
  6. 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. The Country also agrees to establish policies or enforcement mechanisms to ensure coordination of CFC phase-out efforts in both the production and consumption sectors by implementing policy and regulatory measures set out in Appendix 2.
  7. Should the Country, for any reason, not meet the Targets for the elimination of the Substances or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement Schedule. In addition, the Government of India understands that the Executive Committee may reduce the funding of the subsequent tranches on the basis of US \$1,000 per ODP tonnes of reductions not achieved for the commitments mentioned in paragraphs 2 and 5 of this Agreement.
  8. 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 production sector projects or any other related activities in the Country.
  9. The Country, the Executive Committee, the World Bank and UNDP may mutually agree to take steps to facilitate implementation of this Agreement. In particular, it will provide access by the World Bank and UNDP to information necessary to verify compliance with this Agreement.
  10. 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 Protocol unless otherwise defined herein.
  11. This revised Agreement supersedes the Agreement reached between the Government of India and the Executive Committee at the 56th meeting of the Executive Committee.



**Appendix I****TARGETS AND FUNDING**

Table 1. Production targets

Description	Year		
	2008	2009	2010
1. Targets under the Existing Agreement (ODP tonnes )	2,259	1,130	0
2. Production under this Agreement (ODP tonnes)	690	0	0

Table 2. Funding

Description	Year		
	2008*	2009*	2010**
1. Funding under the Existing Agreement (US \$'000s)	6,000	6,000	0
2. Support cost under the Existing Agreement (US \$'000s)	450	450	0
3. Total adjusted funding for this Agreement (US \$' 000s)	0	2,113	1,057
4. Support cost for the adjusted funding for this Agreement(US \$'000s)	0	0	238
5. Total funding to be released to the country and agencies	6,450	8,563	1,295

(\*) Funding approved for the World Bank.

(\*\*) Funding returned to the Multilateral Fund by the World Bank and approved for UNDP at the 75<sup>th</sup> meeting**Appendix II****POLICY AND REGULATORY MEASURES**

1. As per the Plan of Action submitted by the Country at the 54th Meeting of the Executive Committee, the Country agrees to undertake the following measures:
  - (a) Ban the production of CFCs, excluding any production for essential uses that may be agreed by the Parties for India, by 1 August 2008;
  - (b) Ensure consistency of the consumption schedule of the Ozone Rules and the consumption limits in row 3 of Appendix 2–A of the Agreement between the Government of India and the Executive Committee for the national phase-out of CFC consumption in India focusing on the refrigeration service sector;
  - (c) India will not import any more new/virgin CFCs; and
  - (d) Strengthening of the system for monitoring movement of CFC stocks and imports, if any.

(UNEP/OzL.Pro/ExCom/75/85, Decision 75/19, para.118).

(Supporting document: UNEP/OzL.Pro/ExCom/75/85 Annex VI).

**Evaluation report on MAC projects in India**

The Thirty-eighth Meeting of the Executive Committee decided:

- (a) to take note of the findings and conclusions of the evaluation report on MAC projects in India and the information provided by the representative of the World Bank that all facilities for the production of CFC-based MAC systems at Subros Ltd. in India would be dismantled by May 2003;
- (b) to encourage the Government of India to consider promoting the retrofitting of old cars with HFC-134a-based MAC systems by means of economic incentives.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/3, para. 34).*

*(Supporting document: UNEP/OzL.Pro/ExCom/38/6).*

**Plan for phase-out of CFCs in the refrigeration (manufacturing) sector in India**

The Thirty-eighth Meeting of the Executive Committee decided to approve the plan for phase-out of CFCs in the refrigeration (manufacturing) sector in India, in accordance with the agreement between the Government of India and the Executive Committee, attached to the present report.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/46, para. 82 (b)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex X).*

**Agreement for the plan for phase-out of CFCs in the refrigeration (manufacturing) sector in India**

1. The Government of India acknowledges that prior to this Agreement the remaining national aggregate CFC consumption including project approvals determined on the basis of Decisions 35/57 and 37/66 was 1,530.4 ODP tonnes. The Executive Committee approves in principle a total of US \$3,609,186 as the total eligible incremental costs for the phased reduction of the remaining national aggregate CFC consumption through the implementation of the Plan for phase-out of CFCs in the Refrigeration (Manufacturing) Sector in India by 1 January 2007. Under this Agreement, the total remaining eligible CFC consumption in India will be reduced from the current level of 1,530.4 ODP tonnes by 535 ODP tonnes, leaving 995.4 ODP tonnes as the maximum remaining CFC consumption eligible for funding. The annual reduction in consumption in the refrigeration (manufacturing) sector of 535 ODP tonnes will be achieved according to the reduction schedule outlined in Table 1 below. The Government of India commits through this Agreement to permanently sustain these reductions.

2. The agreed level of funding would be disbursed in installments as indicated in Table 1 and on the basis of the understanding set out in this Agreement.

**Table 1: Disbursement schedule and reduction targets for CFC consumption and phase-out in the refrigeration (manufacturing) sector in India**

Parameter		2002	2003	2004	2005	2006	2007	Total
Annual CFC consumption limit in the refrigeration (manufacturing) sector (ODP tonnes)		1,373	1,173	923	555	203	0	N/A
a. Phase-out from approved ongoing projects in the refig manufacturing sector (ODP tonnes)		200	250	187	172	0	0	809
b. Phase-out from the current Plan, excluding ineligible enterprises (UNDP)		0	0	140	108	180	0	428
c. Phase-out from the current Plan, excluding ineligible enterprises (UNIDO)		0	0	40	67	0	0	107
d. Phase-out from ineligible enterprises (through legislative measures)		0	0	1	5	23	0	29
<b>TOTAL ODP PHASE-OUT</b>		<b>200</b>	<b>250</b>	<b>368</b>	<b>352</b>	<b>203</b>	<b>0</b>	<b>1,373</b>
Annual funding installment (US\$)	UNIDO	500,000	173,200	-	-	-	-	673,200
	UNDP	2,000,000	476,536	250,000	150,000	59,450	-	2,935,986
	<b>Total</b>	<b>2,500,000</b>	<b>649,736</b>	<b>250,000</b>	<b>150,000</b>	<b>59,450</b>	<b>-</b>	<b>3,609,186</b>
Agency support costs (US\$)	UNIDO	65,000	19,052	-	-	-	-	84,052
	UNDP	172,971	43,243	21,621	12,973	5,142	-	255,950
	<b>Total</b>	<b>237,971</b>	<b>62,295</b>	<b>21,621</b>	<b>12,973</b>	<b>5,142</b>	<b>-</b>	<b>340,002</b>
<b>Total cost to MLF (US\$)</b>		<b>2,737,971</b>	<b>712,031</b>	<b>271,621</b>	<b>162,973</b>	<b>64,592</b>	<b>-</b>	<b>3,949,188</b>

3. The phase-out of CFCs achieved through the implementation of the Refrigeration (Manufacturing) Sector Plan in excess of the specified target for a given year will contribute to achievement of the phase-out targets in subsequent years. Any deficit will be added to the target for the next year in accordance with the provisions of this Agreement.

4. The Executive Committee also agrees in principle to endeavor to provide the funds for the implementation of the annual programme for any given year at the last meeting of the Executive Committee in the preceding year, in accordance with the disbursement schedule in Table 1, for the exact amount listed for that year and on the basis of the implementation programme for the year, subject to the performance requirements contained in this Agreement. The funding installments requested in the preceding year for 2004, 2005 and 2006 will be released subject to:

- the confirmation that all agreed phase-out targets and consumption limits for the previous year have been achieved;
- the verification that the activities planned for the previous year, were undertaken in accordance with the annual implementation programme.

5. The Government of India agrees to ensure accurate monitoring of the phase-out. The Government of India will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. The consumption figures provided under this Agreement will be consistent with India's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol which must be provided no later than 30 September of each year. The Government of India also agrees to allow independent verification audits as provided for in this Agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed and that the implementation of the Refrigeration

(Manufacturing) Sector Plan proceeds as scheduled and agreed in annual implementation programmes.

6. The Executive Committee agrees to provide India with flexibility in using the agreed funds to meet the consumption limits indicated in Table 1. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to India pursuant to this Agreement may be used in the manner that India considers will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between India and UNDP/UNIDO in the Refrigeration (Manufacturing) Sector Plan as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to India in achieving a complete CFC phase-out in the Refrigeration (Manufacturing) Sector, it is understood that India is committing to provide the necessary level of resources as may be required for the implementation of the plan and for achieving the consumption limits indicated in Table 1 above.

7. The Government of India agrees that the funds being agreed in principle by the Executive Committee at its 38th Meeting for the complete phase-out of CFCs in the Refrigeration (Manufacturing) Sector are the total funding that will be available to India to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the Refrigeration (Manufacturing) Sector. It is also understood that aside from the agency fees referred to in paragraph 9 below, the Government of India, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment of the total phase-out of CFCs in the Refrigeration (Manufacturing) Sector in India.

8. The Government of India agrees that if the Executive Committee meets its obligations under this Agreement, but India does not meet the reduction requirements outlined in Table 1 and other requirements outlined in this Agreement, the Implementing Agencies and the Multilateral Fund will withhold subsequent tranches of funding outlined in Table 1, until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on the satisfactory performance by both the Government of India and the Executive Committee of their obligations. In addition, India understands that with respect to all calendar year targets beginning with 2004, the Multilateral Fund will reduce the subsequent funding tranches, and therefore the total funding for Annex A Group I substances in the amount of US \$13,480 per ODP tonne (double the cost-effectiveness value of the programme) of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

9. UNDP is the lead Implementing Agency for the implementation of this Sector Plan, which will be completed by the end of 2006, while UNIDO will be responsible for the refrigeration transportation sector. For UNDP, a fee of 5 per cent of the annual funding for project implementation and monitoring and 9 per cent of the annual funding for all other activities has been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1. Since UNIDO's implementation modalities will be different, the support costs are calculated separately, using 13% for the first US \$500,000 and 11% thereafter for UNIDO share of the total funding level.

10. As the lead Implementing Agency, UNDP would be responsible for the following:

- (a) ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Refrigeration (Manufacturing) Sector Plan;
- (b) reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- (c) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met.
- (d) ensuring that technical reviews undertaken by UNDP are undertaken by appropriate independent technical experts;
- (e) assisting India in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;

- (h) verifying to the Executive Committee that CFC consumption phase-out in the Refrigeration (Manufacturing) Sector has been completed based on the schedules listed in Table 1;
- (i) ensuring that disbursements are made to India based on agreed performance targets in the project and provisions of this Agreement;
- (j) providing assistance for policy, management and technical support for implementation of the Sector Plan, as and when required.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/46, para. 82).*

*(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1, Annex X).*

**National CFC phase-out plan for India focusing on the refrigeration servicing sector**

The Forty-second Meeting of the Executive Committee decided:

- (a) to approve, in principle, the project proposal for a national CFC consumption phase-out plan focusing on the refrigeration servicing sector for India at a total level of funding of US \$6,338,120 plus agency support costs of US \$757,536;
- (b) also to approve the agreement between the Government of India and the Executive Committee attached to the present report; and
- (c) further to approve funding for the implementation of the first tranche of the project as follows:
  - (i) US \$414,370 plus agency support costs of US \$53,868 to the Government of Germany;
  - (ii) US \$353,020 plus agency support costs of US \$45,893 to the Government of Switzerland;
  - (iii) US \$277,200 plus agency support costs of US \$20,790 to UNDP;
  - (iv) US \$256,300 plus agency support costs of US \$33,319 to UNEP.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/37, para. 126).

(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex XIII).

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to note with concern the over-consumption of 2,181 metric tonnes of CFCs in 2006 and 2007 as compared to the maximum allowable consumption limit established in the agreement between India and the Executive Committee for National phase-out of CFC consumption in India focussing on the refrigeration service sector, as per decision 42/37;
- (b) to note that, in accordance with Article 10 and appendix 7A of this agreement, there would be a reduction of US \$14,960 for each ODP tonne of consumption over the maximum allowable consumption limit;
- (c) to note also that the Government of India had submitted a proposed action plan to return the country to compliance with the agreement in the years 2008 and 2009;
- (d) to take into consideration that, in the particular situation of India, the penalty for non compliance under this agreement might be quite large;
- (e) to reaffirm that the Executive Committee wished to assist India in its efforts to phase out CFC consumption;
- (f) to calculate the penalty as follows:
  - (i) foregone profit of US \$4,178,600 from exporting 1,228 metric tonnes of existing stock of CFCs on the international market instead of selling them domestically;
  - (ii) US \$1.94 million from the remaining funds available in the CFC consumption sector agreement;
- (g) in respect of the CFC consumption sector agreement, that:
  - (i) India would produce no more than 690 metric tonnes of CFCs, primarily for the manufacturing of metered-dose inhalers (MDIs), up until 1 August 2008;
  - (ii) India's CFC producers would sell no more than 825 metric tonnes of CFCs for MDI production in the years 2008 and 2009, comprising 690 metric tonnes of new production and 135 metric tonnes reprocessed from existing stock;
  - (iii) India would export 1,228 metric tonnes of CFCs no later than 31 December 2009;
  - (iv) India would not import any more CFCs of any kind; and
- (h) to approve US \$250,000 (US \$101,078 for Germany, US \$81,141 for Switzerland, US \$47,881 for UNDP and US \$19,900 for UNEP) of the remaining funds available under the CFC consumption sector agreement for continuing project activities.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/35, para. 157).

**Agreement between India and the Executive Committee for the national phase-out of CFC consumption in India focussing on the refrigeration service sector**

1. This Agreement represents the understanding of India (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) by 1 January 2010, in compliance with Protocol schedules. This Agreement includes and supersedes the Agreements between the Executive Committee and India entered into at the 37th Meeting for phase out of CFCs in the foam sector and at the 38th Meeting for the phase-out of CFCs in the refrigeration (manufacturing) sector in India.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 3 of Appendix 2 A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 37 of Appendix 2 A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for CFCs as indicated in row 3 of Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.
8. Specific attention will be paid to the execution of activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available as described under paragraph 7 to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector would be implemented in states so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement.
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. The Government of Germany has agreed to be the lead Implementing Agency (the “Lead IA”), the Government

of Switzerland, UNDP, UNEP and UNIDO (the “Cooperating IAs”) have agreed to be cooperating Implementing Agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in row 38 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in the Sectors concerned 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

11. 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.

12. 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 access by the Lead IA and the Coordinating IAs to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

The ozone-depleting substances to be phased out under the Agreement are as follows;

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
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### Appendix 2-A: The targets (in tonnes), and funding

Year of plan		2004	2005	2006	2007	2008	2009	2010
1. Max allowed production as per Agreement in the production sector		13,176	11,294	7,342	3,389	2,259	1,130	0
2. Montreal Protocol reduction schedule		6,681	3,340	3,340	1,005	1,005	1,005	0
3. CFC consumption as per Article 7 of the Montreal Protocol		3,489	2,266	1,560	964	417	273	0
4. Stockpiled CFC amount*		0	452	600	500	100	100	0
5. Total national CFC demand		3,489	1,814	960	464	317	173	0**
6. CFC reduction in on-going projects (without phase-out plans)		926	115	0	0	0	0	0
CFC reduction from activities proposed in the National CFC Phase-out Plan	7. National CFC consumption phase-out plan - total	749	739	496	147	145	173	0
	8. Sectoral phase-out plan for elimination of CFCs in the foam sector (approved at 37 <sup>th</sup> Meeting)	508	401	128	0	0	0	0
	9. Plan for phase-out of CFCs in the refrigeration (manufacturing) sector (approved at 37 <sup>th</sup> Meeting)	181	180	203	0	0	0	0
	10. Additional CFC consumption phase-out activities for National Phase-out Plan in service sector, customs and policy	60	158	165	147	145	173	0
Sectoral phase-out plan for	11. Agreed funding 2004 onwards for UNDP	1,500,000	450,000	224,577	0	0	0	0



Year of plan		2004	2005	2006	2007	2008	2009	2010
elimination of CFCs in the foam sector (approved at 37 <sup>th</sup> Meeting)	12. Support cost 2004 onwards for UNDP	131,000	40,500	20,212	0	0	0	0
Plan for phase-out CFCs in the refrigeration (manufacturing) sector (approved at 38 <sup>th</sup> Meeting)	13. Agreed funding 2004 onwards for UNDP	250,000	150,000	59,450	0	0	0	0
	14. Support cost 2004 onwards for UNDP	21,621	12,937	5,142	0	0	0	0
	15. Agreed funding 2004 onwards for UNIDO	0	0	0	0	0	0	0
	16. Support cost 2004 onwards UNIDO	0	0	0	0	0	0	0
Additional CFC consumption phase-out activities for National Phase-Out Plan in service sector, customs and policy	17. Germany (overall lead agency) agreed funding	414,370	100,000	105,090	436,200	436,200	923,400	0
	18. Germany (overall lead agency) support cost	53,868	13,000	13,662	56,706	56,706	120,042	0
	19. Switzerland agreed funding	353,020	256,650	256,650	367,140	367,140	0	0
	20. Switzerland support cost	45,893	33,365	33,365	47,728	47,728	0	0
	21. UNDP agreed funding	277,200	277,050	448,350	167,860	152,340	199,460	0
	22. UNDP support cost	20,790	20,779	33,626	12,590	11,426	14,960	0
	23. UNEP agreed funding	256,300	256,300	85,000	85,000	85,000	32,400	0
	24. UNEP support cost	33,319	33,319	11,050	11,050	11,050	4,212	0
	25. Total agreed funding	1,300,890	890,000	895,090	1,056,200	1,040,680	1,155,260	0
	26. Total support cost	153,870	100,463	91,703	128,074	126,910	139,214	0
Total for National Phase-Out Plan	27. Germany (overall lead agency) agreed funding	414,370	100,000	105,090	436,200	436,200	923,400	0
	28. Germany (overall lead agency) support cost	53,868	13,000	13,662	56,706	56,706	120,042	0
	29. Switzerland agreed funding	353,020	256,650	256,650	367,140	367,140	0	0
	30. Switzerland support cost	45,893	33,365	33,365	47,728	47,728	0	0
	31. UNDP agreed funding	2,027,200	877,050	732,377	167,860	152,340	199,460	0
	32. UNDP support cost	173,411	74,216	58,980	12,590	11,426	14,960	0
	33. UNEP agreed funding	256,300	256,300	85,000	85,000	85,000	32,400	0
	34. UNEP support cost	33,319	33,319	11,050	11,050	11,050	4,212	0
	35. UNIDO agreed funding	0	0	0	0	0	0	0
	36. UNIDO support cost	0	0	0	0	0	0	0
	37. Total agreed funding	3,050,890	1,490,000	1,179,117	1,056,200	1,040,680	1,155,260	0
	38. Total agreed support cost	306,490	306,491	153,900	117,057	128,074	126,910	0

\* Annual stockpiles; the cumulative stockpile in 2010 will be 1,752 tonnes.

\*\* Residual consumption of 647 ODP tonnes (ineligible for funding) will remain in the country and will be gradually phased out in subsequent years.

### Appendix 3-A: Funding disbursement schedule

1. Funding will be considered for approval at the last meeting of the calendar year prior to the starting calendar year of the Annual Implementation Programme. For the servicing sector, awareness and customs/policy activities the Annual Implementation Programme will consist of a list of activities commencing in April of the year of the Annual Implementation Programme and concluding in March of the following year. For all other activities, the annual implementation programme will be based on the calendar year. The performance will be measured against the annual consumption of the year prior to the year of consideration of the Annual Implementation Programme, as reported under Article 7 of the Montreal Protocol to the Ozone Secretariat

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	

# of years remaining under the plan  
 Target ODS consumption of the preceding year  
 Target ODS consumption of the year of plan  
 Level of funding requested  
 Lead Implementing Agency

The Government of Germany, the  
 Government of Switzerland, UNDP,  
 UNEP and UNIDO

## 2. Targets

Indicators		Previous year (official data for supply)	Reduction previous to present year (calculated)	Present year (planned data)	Reductions present year to year of plan (calculated)	Year of plan (planned data)
Supply of ODS	Production					
	Export					
	Total supply					
Demand of ODS	Consumption refrigeration manufacturing sector					
	Consumption foam sector					
	Consumption other ongoing projects					
	Stockpiling as per Agreement, Annex 2-A row 4					
	Sub-total: Demand except consumption in remaining uses under National CFC Consumption Phase-Out Plan					
Resulting consumption in uses under National CFC Consumption Phase-Out Plan						

## 3. Industry Action

General type of activity	Description of activity	Objective	Target group	Impact (general)	Impact (ODP tonnes phase-out)	Planned expenditures (US \$)	Agency associated
Customs and policy training							
Awareness							
Establishing / upgrading training institutions (including equipment)							
Training							
Equipment supply							
Retrofit							
Total							
Cost by agency							
Agency	Type of cost						
Germany – GTZ Proklima	Expenditure						
	Support cost						
Switzerland	Expenditure						
	Support cost						
UNDP	Expenditure						

General type of activity	Description of activity	Objective	Target group	Impact (general)	Impact (ODP tonnes phase-out)	Planned expenditures (US \$)	Agency associated
	Support cost						
UNEP	Expenditure						
	Support cost						
	Expenditure						
UNIDO	Support cost						
	Expenditure						

### Appendix 5-A: Monitoring Institutions and Roles

1. The Government of India agrees to ensure accurate monitoring of the phase-out. The consumption figures provided under this agreement will be consistent with India's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of India also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed and that the implementation of the Refrigeration (Manufacturing) Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programs.
2. The National CFC Consumption Phase-out Plan is implemented on a company and technician level, while being assessed on a national level. Consequently, the monitoring is focusing on these two levels: The monitoring of implementation, and the auditing of the data used to determine national consumption.
3. Since the implementation of this National CFC-Consumption Phase-out Plan consists of the implementation of several originally independent CFC consumption phase-out plans and projects, a consolidated reporting of all those plans and projects is required. Under this National CFC-Consumption Phase-out Plan, the Government of Germany as lead agency will facilitate a Consolidated Report of all presently active CFC consumption phase-out plans and projects in India.
4. In addition to monitoring of the implementation through the responsible agencies as well as the lead agency, the Project Management Unit (PMU) associated to the India Ozone Cell as well as the state governments will monitor implementation, being supervised by the Ozone Cell. Within the states, the local environmental administrations will perform that task. They are being activated and sufficiently informed for that task through visits of the Ozone Cell and/or PMU to higher state officials as well as the policy training which is being part of this National Phase-out Plan. The PMU will bundle the reports and perform further field checks where required.
5. The implementation part of a Consolidated Report to be submitted to the Executive Committee will be based on a preliminary report to be prepared and submitted by the lead agency on the basis of reporting from cooperating Implementing Agencies as well as from the Project Management Unit. It will be finalized on the basis of mutual agreement between India and agencies involved concerning the data to be reported. The release of funding under the existing CFC Phase-out Plans will be subject to consideration of progress reports on implementation of annual work programmes to be submitted as part of a consolidated report.
6. India as a CFC producing country has no CFC imports. Consequently, the consumption is being determined through production and exports. The production of CFC is already being audited as part of India's production sector phase-out, being agreed at the 29th meeting of the Executive Committee. Under direct contract from the Lead Agency, a national expert institution such as the national Environment Engineering Research Institute in Nagpur or an equivalent Indian independent institution will audit the export figures, which in combination with the production data will allow them to determine the level of consumption in India (Article 7 data), which will constitute a part of the consolidated report.
7. Under direct contract from the Lead Agency, a national expert institution such as the National Environment Engineering Research Institute in Nagpur or an equivalent Indian independent institution will audit the export figures, which in combination with the production data allows determination of the consumption figures. The related data will form the consumption part of the Consolidated Report.

### 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 along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) assisting the Country by drafting the Annual Implementation Programme in coordination with the Country's Project Management Unit;
- (d) supporting the Country by facilitating the work of the Core Group, the Core Group being a body consisting of the Ozone Cell with its director as Chairperson, the representative of the lead agency as Secretary, the Project Management Unit and the cooperating agencies. The Core Group decides with mutual agreement on the Annual Implementation Programme and a more detailed annual work plan.
- (e) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (f) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (g) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (h) carrying out required supervision missions;
- (i) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (j) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (k) coordinate the activities of the Coordinating IAs;
- (l) ensuring that disbursements made to the Country are based on the use of the Indicators;
- (m) Providing assistance with policy, management and technical support when required.

#### **Appendix 6-B: Role of cooperating Implementing Agencies**

1. The cooperating bilateral and Implementing Agencies have the following responsibilities in terms of management and overall coordination of work:

##### The Government of Switzerland

The Government of Switzerland is within the service sector phase-out activities responsible for all training activities and the identification of equipment needs. Within this responsibility, Switzerland is specifically responsible for the following activities:

- (a) Switzerland is responsible for the development of training materials for commercial and household refrigeration technician training;
- (b) under the responsibility of the Government of Switzerland (TORs, supervision), new training cells will be identified and established;
- (c) in addition to the above, the Government of Switzerland is throughout the implementation of the plan responsible for the training in all states. The responsibilities include conducting training, identifying and reporting of equipment needs in beneficiary enterprises and supporting equipment delivery to them, performing the necessary capacity building as well as other outreach functions.

##### UNDP

- (a) UNDP is within the service sector phase-out activities responsible for investment activities on the basis of pre-defined technical requirements and beneficiaries; the pre-definition will be carried out by Germany - GTZ Proklima if not otherwise specified in the respective Annual Implementation Programme;
- (b) UNDP is responsible for all refrigeration manufacturing phase-out activities. Within this joint responsibility, UNDP is specifically and solely responsible for the refrigeration manufacturing phase-out activities in all other sub-sectors of this activity except the sub-sector of transport refrigeration;

- (c) UNDP is solely responsible for all phase-out activities in the foam sector.

#### UNEP

- (a) UNEP, within the service sector phase-out activities, will provide support through its Compliance Assistance Programme (CAP) within its existing mandate and resources available in the region and through its global information clearinghouse;
- (b) UNEP will be solely responsible for the implementation of the customs and policy training activities as defined in the project proposal, based on activities shown in the Annual Implementation Programme;
- (c) UNEP will be within the service sector phase-out activities responsible for the implementation of the necessary awareness activities as defined in the Annual Implementation Programme.

#### UNIDO

- (a) UNIDO is jointly with UNDP responsible for all phase-out activities in the transport refrigeration sub sector.

2. The agency (lead or cooperating) responsible in terms of management and coordination of work for specific tasks as specified above (“Responsible Agency”) will typically fund the associated activities. Should the budget of the Responsible Agency in a given year - as approved under this Agreement - be insufficient for the associated tasks, the Annual Implementation Programme will specify which activities will be funded by another agency. The development of TORs, management and coordination of the work as well as approving fulfilment of contracts continues to be the responsibility of the respective Responsible Agency.

#### **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 \$14,960 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/37, para. 126).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex XIII).*

## INDONESIA

**Phase-out of the use of methyl bromide in Indonesia**

The Forty-first Meeting of the Executive Committee decided to approve the project for the phase-out of the use of methyl bromide in grain storage in Indonesia, on the understanding that this project would phase-out all remaining controlled uses of methyl bromide and that the Government of Indonesia would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/18, para. 52).

**Elimination of CFCs in the refrigeration sector in Indonesia**

The Thirty-seventh Meeting of the Executive Committee decided to approve the phase-out plan for elimination of CFCs in the refrigeration (manufacturing) sector in Indonesia in principle, at a total cost of US \$6,398,000 excluding agency support costs, in accordance with the agreement between the Government of Indonesia and the Executive Committee.

(UNEP/OzL.Pro/ExCom/37/71, Decision 37/51, para. 82 (a)).

(Supporting document: UNEP/OzL.Pro/ExCom/37/40 and Add.1 and Corr.1).

Subsequently, the Thirty-eighth Meeting of the Executive Committee decided:

- (a) to approve the national plan for phasing out the use of CFC in mobile air-conditioning sector through a combination of policies, technical assistance programmes and CFC recovery and recycling and the phase-out management plan for CFCs in the refrigeration (servicing) sector project proposals, in accordance with the agreement between the Government of Indonesia and the Executive Committee;
- (b) to note that bilateral partners might wish to consider developing future proposals to assist Indonesia to address any remaining eligible CFC consumption.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/47, para. 83).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex XI).

NOTE: This agreement was subsequently superseded by a new agreement between the Government of Indonesia and the Executive Committee approved at the 44th Meeting.

**National CFC phase-out plan for Indonesia**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve the Agreement between the Government of Indonesia and the Executive Committee for the national CFC phase-out plan in Indonesia attached to the present report;
- (b) to approve funding of the national strategy for phasing out the use of CFCs in the aerosol sector in Indonesia at a total cost of US \$595,910 plus agency support costs of US \$41,333 to UNDP and the World Bank as a part of the national plan for CFC phase-out in Indonesia, with the following breakdown:
  - (i) US \$224,000 plus agency support costs of US \$13,440 to UNDP for the conversion from CFC to hydrocarbon aerosol propellants at P. T. Yulia (retroactive funding); and
  - (ii) US \$371,910 plus agency support costs of US \$27,893 to the World Bank for implementation of the technical assistance programme and the project management unit under the National Ozone Unit;
- (c) to note that no additional funds would be available from the Multilateral Fund for the phase-out of CFCs in the aerosol sector except for 30.1 ODP tonnes of CFCs that were currently used in the pharmaceutical aerosol sector, including MDIs. The Government of Indonesia could submit a request for the phase-out of that CFC consumption to a future meeting of the Executive Committee;
- (d) to approve the balance of US \$1,625,000 plus support costs of US \$121,875 to the World Bank for the 2004 tranche of the foam sector phase-out plan, and to request the World Bank to follow the format proposed in the foam sector project document for its annual reporting on the foam sector component of the national phase-out plan;
- (e) to approve the 2005 refrigeration sector annual programme and the requested tranche at the amount of US \$2,262,000 and agency support costs of US \$200,300 for UNDP; and US \$1,347,300 plus support costs of US \$119,937 for the World Bank;
- (f) to approve funding of US \$1,464,733, plus support costs of US \$108,974 for UNIDO for the terminal project for phase-out in the solvent sector as part of the national plan for CFC phase-out in Indonesia;

- (g) to note that disbursement of the funding approved for UNDP and the World Bank for the refrigeration sector referred to at (e) above should not commence until verification of the 2003 sectoral consumption limits and related annual phase out specified in the refrigeration sector plan had been completed through the provision of appropriate verification reports and agreement between the Secretariat and relevant agencies on their contents;
- (h) to request the Secretariat to report to the Executive Committee should further guidance on verification procedures be necessary; and
- (i) to further request the Secretariat to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC phase out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/39, para. 166).

(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XI).

The Fifty-second Meeting of the Executive Committee decided to authorize using the flexibility provided for under the Agreement between Indonesia and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances, approved by decision 44/39, to enable funds to be used to cover all relevant national consumption, on the understanding that this would not change existing Executive Committee guidelines for determining eligible incremental costs for consumption and production.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/21, para. 108).

The Sixty-six Meeting of the Executive Committee decided:

- (e) (i) To take note of the verification report on 2007-2008 ODS consumption in Indonesia;
- (ii) To request UNDP, on behalf of the Government of Indonesia, to submit the verification reports on ODS consumption for 2009 and 2010 to the 68th meeting;
- (iii) To request UNDP to report progress on the implementation of the NPP for Indonesia as follows:
  - a. For the years 2008 to 2011, to the 67th meeting, while providing the reports in a format consistent with decision 66/16;
  - b. For the years 2012 and future years on annual basis until completion of the NPP, while providing further such reports in a format and according to a schedule consistent with that in the relevant Agreement or with decision 66/16; and
- (iv) To request the Government of Indonesia and UNDP, on completion of the NPP, to submit a project completion report in accordance with the format agreed at the 65th meeting;

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15(d), para. 73(d)).

**Agreement between Indonesia and the Executive Committee for the phase-out of ODSs**

1. This Agreement represents the understanding between Indonesia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 1 January 2010, in compliance with Protocol schedules. It includes and supersedes the Agreement between the Executive Committee and Indonesia entered into at the 38th Meeting for the total phase-out of CFCs in the refrigeration sector in Indonesia.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances, other than funding for the MDI sector, which is not considered in this Agreement. The Country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the Refrigeration Servicing Sector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the Refrigeration Servicing Sector will be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. UNDP has agreed to be the lead implementing agency ("Lead IA") and the World Bank and UNIDO ("Co-operating IAs") have agreed to be co operating Implementing Agencies under the lead of the Lead IA in respect the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 13, 15, 17, 19, 21, 23 and 27 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

12. 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 access to the Lead IA and the Co operating IAs to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A: The Substances

Annex	Group	Chemical
Annex A	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
Annex B	Group II	CTC
Annex B	Group III	TCA

#### Appendix 2-A: The Targets and Funding

Parameter	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
1. Compliance milestone				4,166		1,250			0	
1-A. Maximum allowable annual consumption of the substances (ODP tonnes)			5,546	3,880	2,331	1,122	30	30	0	N/A
2. Total annual reductions of the substances (ODP tonnes)		779	1,666	1,549	1,209	1,092	0	30	0	6,325
3. Annual reduction from on-going projects (ODP tonnes)		559	976	652	300	100	0			2,587
4. Annual CFC phase-out target in the refrigeration manufacturing sector – UNDP (ODP tonnes)	0	0	300	300	300	241	0			1,141
5. Annual CFC phase-out target in the refrigeration servicing sector - UNDP (ODP tonnes)	0	0	200	300	322	250	0			1,072
6. Annual CFC phase-out target in the MAC sector – World Bank (ODP tonnes)	0	220	110	110	110	365	0			915
7. Annual CFC phase-out target in the aerosols sector – UNDP/World Bank (ODP tonnes)	0	0	80	0	0	70	0			150

Parameter	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
8. Annual CFC phase-out target in the foams sector – World Bank (ODP tonnes)	0	0	0	130	156	66	0			352
9. Annual CFC phase-out target in the MDI sector – World Bank (ODP tonnes)	0	0	0	0	0	0	0	30		30
10. Annual CFC phase-out target in the solvent sector – UNIDO (ODP tonnes) +	0	0	0	57	21	0	0			78
11. Annual reduction through sector plans (ODP tonnes)	0	220	690	897	909	992	0	30		3,738
12. UNDP (refrigeration manufacturing)	1,288,000	2,200,000	1,762,000	750,000	217,000	181,000	-	-	-	6,398,000
13. Support Cost	111,920	194,000	156,900	67,500	19,530	16,290	-	-	-	566,140
14. UNDP (refrigeration servicing)	2,196,758	1,805,987	500,000	250,000	159,555	-	-	-	-	4,912,300
15. Support cost	195,708	160,939	43,400	21,300	13,160	-	-	-	-	434,507
16. World Bank (MAC)	1,369,800	1,347,300	1,347,300	126,800	125,800	-	-	-	-	4,317,000
17. Support cost	121,962	119,937	119,937	10,092	10,002	-	-	-	-	381,930
18. World Bank (Aerosols)			371,910							371,910
19. Support cost			27,893							27,893
20. UNDP (aerosols)			224,000							224,000
21. Support cost			13,440							13,440
22. World Bank (foam)	0	0	1,725,000	1,050,000	147,564	35,000	-	-	-	2,957,564
23. Support cost	0	0	129,375	78,750	11,067	2,625	-	-	-	221,817
24. (MDI)	*	*	*	*	*	*			*	*
25. Support cost	*	*	*	*	*	*			*	*
26. UNIDO (solvent)			1,464,733							1,464,733
27. Support cost			108,974							108,974
28. Total annual funding instalments (US\$)	4,854,558	5,353,287	7,394,943	2,176,800	649,919	216,000	-	-	-	20,645,507
29. Total support costs (US\$)	429,590	474,876	599,919	177,642	53,759	18,915	-	-	-	1,754,701
30. Total costs to MLF	5,284,148	5,828,163	7,994,862	2,354,442	703,678	234,915	-	-	-	22,400,208

+ Phase out targets in the Solvent Sector (UNIDO) also include 5.6 ODP tonnes of 1,1,1 trichloroethane (TCA) and 16.5 ODP tonnes of carbon tetrachloride (CTC) NOT reflected in the above table. 3.0 and 2.6 ODP tonnes of TCA will be phased out in 2005 and 2006 respectively. 16.5 ODP tonnes of CTC will be phased out in 2005. There will be no further consumption of CTC and TCA after 2005 and 2006 respectively.

\* Funding for the MDI Sector is not considered in this Agreement and the country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund, as stipulated in paragraph 2 of the Agreement.

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the last meeting of the year preceding the year of the annual programme.

### Appendix 4-A: Format for Annual Implementation Programmes

#### 1. Data

Country	Indonesia	
Year of plan		
Number of years completed		
Number of years remaining under the plan		
Target ODS consumption of the preceding year		
Target ODS consumption of the year of plan		
Level of funding requested (US\$)	Refrigeration Manufacturing (UNDP)	
	Refrigeration Servicing (UNDP)	
	MAC (World Bank)	
	Aerosol (UNDP/World Bank)	
	Foam (World Bank)	
	Solvent (UNIDO)	

	MDI	
	<b>Total</b>	
Lead implementing agency		UNDP
Co-operating agency (ies)		World Bank, UNIDO

## 2. Targets

Indicators		Preceding Year (2004)	Year of Plan (2005)	Reduction
Supply of ODS in Sector (ODP tonnes)	Import			
	Production *	N/A	N/A	N/A
	Total (1)			
Demand of ODS in Sector (ODP tonnes)	Manufacturing			
	Servicing			
	Stock piling	N/A	N/A	N/A
	Total (2)			

\* For ODS-producing countries

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	No. of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

- The monitoring process will be covered by the Ministry of Environment through the Ozone Office.
- The consumption will be monitored through receiving the data from relevant government departments and crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, the Ozone Unit and the Implementation Team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.

3. The reporting process will be responsibility of the Ozone Unit. They have to timely collect and analyze all information and regularly submit the following reports:
  - (a) annual reports on consumption of the Substances to be submitted to the Ozone Secretariat;
  - (b) annual reports on progress of implementation of the National Phase-out Management Plan to be submitted to the Executive Committee of the Multilateral Fund; and
  - (c) project-related reports to the Lead IA.
4. Concerning the evaluation process, the Ministry of Environment and the Lead IA will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.
5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.
6. The consultant will prepare and submit to the Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures annually. After consideration by the Lead IA the reports will be sent to the Ozone Office and the Implementation Team for consideration and follow up.
7. The responsibilities of the consultant will also include:
  - (a) development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
  - (b) take into consideration comments from the Lead IA and the Ozone Office to the reports and react accordingly; and
  - (c) assist in the organization and participate in possible evaluation visits by the Lead IA or the Multilateral Fund Secretariat.
8. On the other hand, the Lead IA should:
  - (a) provide the independent consultant with all relevant information;
  - (b) provide the consultant with necessary support and advice;
  - (c) consider and comment on the submitted reports in a timely manner
  - (d) control the performance of the consultant in the most suitable manner.

#### **Appendix 6-A: Role of the Lead Implementing Agency**

The Lead IA will be responsible for a range of activities 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;

- (j) coordinating activities with the cooperating IA;
- (k) ensuring that disbursements made to the Country in a timely and effective manner; and
- (l) providing assistance with policy, management and technical support when required.

#### **Appendix 6-B: Role of the Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) assisting the Country in the implementation and verification of the activities to be undertaken by them as funded in rows 16, 18, 22 and 26 of Appendix 2-A and as specified in the project document;
- (b) ensuring that disbursements are made to the Country in a timely and effective manner;
- (c) providing assistance relating to the activities being undertaken when required; and
- (d) coordinating all activities with the Lead IA and providing any requested information and progress reports on the implementation of the activities in the sectors covered by Cooperating IAs (Aerosols, Foams, MAC and Solvents).

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,136 per ODP tonnes of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/39, para. 166).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XI).*

**IRAN (ISLAMIC REPUBLIC OF)****Phase-out of the use of methyl bromide in Iran**

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve the project for the total phase-out of methyl bromide in soil fumigation in olive seedlings and fruit-tree nurseries, at a total cost of US \$227,950 plus agency support costs of US \$20,516 for UNIDO; and
- (b) to approve the draft revised agreement between the Government of the Islamic Republic of Iran and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/30, para. 112).*

**Agreed conditions for phase-out of methyl bromide in the Islamic Republic of Iran**

1. The Executive Committee:

- (a) at its 29th Meeting, approved US \$260,698 (UNIDO) as the total funds available to the Islamic Republic of Iran to achieve the complete phase-out of methyl bromide (MB) used in all major non-critical, non-essential uses in post harvest treatments (12.4 ODP tonnes); and
- (b) at its 47th Meeting, approved an additional US \$227,950 (UNIDO) as the total funds available to the Islamic Republic of Iran to achieve the complete phase-out of MB used for soil fumigation in olive seedlings and fruit tree nurseries (14.4 ODP tonnes).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for the Islamic Republic of Iran has been established at 26.7 ODP tonnes. The Islamic Republic of Iran has also reported MB consumption of 14.4 ODP tonnes for 2003, excluding quarantine and pre-shipment applications. Accordingly, the Islamic Republic of Iran is in compliance with the 2005 Montreal Protocol 20 per cent reduction.

3. Reductions in accordance to the terms of the above-mentioned project and other commitments presented in the project document will ensure that the Islamic Republic of Iran meets the reduction schedule presented below. In this regard, the Islamic Republic of Iran will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2006	14.4
2007	12.4
2008	10.4
2009	7.6
2010	5.6
2011	0

4. Disbursement of the funding approved for UNIDO will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

2008	US \$100,000
2009	US \$27,950

5. The Government of the Islamic Republic of Iran has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

6. Funding disbursement for the project will be conditional to the project's achievement of milestones programmed and the individual reduction schedule listed above. In case of unjustified delays, UNIDO will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the project may be cancelled.

7. The Government of the Islamic Republic of Iran, in agreement with UNIDO, will have flexibility in organizing and implementing the project components which it deems to be most important in order to meet the MB phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions. UNIDO shall report back to the Executive Committee annually on the progress made in meeting the reductions required by this project.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/30, para.).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex V).

**National CFC phase-out plan for Iran**

The Forty-first Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC phase-out plan for the Islamic Republic of Iran at a total level of funding of US \$11,250,000 plus agency support costs of US \$1,096,522 in accordance with the Agreement between the Government of the Islamic Republic of Iran and the Executive Committee attached to the present report; and
- (b) to approve funding for the implementation of the first tranche of the bilateral component of the project as follows:
  - (i) US \$1,006,620 plus agency support costs of US \$110,728 to the Government of France; and
  - (ii) US \$694,124 plus agency support costs of US \$76,354 to the Government of Germany; and
- (c) to approve additional funding for the implementation of the first tranche of the above project as follows
  - (i) US \$140,253 plus agency support costs of US \$18,233 to UNEP; and
  - (ii) US \$361,840 plus agency support costs of US \$27,138 to UNIDO.

(UNEP/OzL.Pro/ExCom/41/87, Decisions 41/20 and 41/55, paras. 54 and 91).

(Supporting document: UNEP/OzL.Pro/ExCom/41/38, Add.1 and Corr.1, Add.2 and Corr.2, Add.3).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to note the return of US \$232,750 plus agency support costs of US \$17,456 for UNIDO, representing 50 per cent of the deduction of US \$465,500 being applied to the project for the phase-out of CFCs used in the manufacture of metered-dose inhalers (MDIs) in the Islamic Republic of Iran approved at the 52nd Meeting;
- (b) to approve modifications to Appendix 2-A and Appendix 6-B to the national CFC phase-out plan of the Islamic Republic of Iran, reflecting the other 50 per cent of the deduction associated with the MDI conversion project; and
- (c) to further note that this revised Agreement supersedes the Agreement reached between the Government of the Islamic Republic of Iran and the Executive Committee at the 41st Meeting.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/14, para. 83).



**Agreement between Iran and the Executive Committee for the phase-out of ODS**

1. This Agreement represents the understanding of the Islamic Republic of Iran (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 31 December 2009 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in the refrigeration, foam and solvent sectors in accordance with the annual phase-out targets set out in row 2-A of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the consumption of Substances. Further funding can only be applied for activities that are not directly related to the consumption of Substances such as eligible support measures for the implementation of the plan like the development of strategies, or institutional support.
3. Subject to compliance with the following paragraphs 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 25 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in rows 2 A and 4 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. The Government of Germany (the "Lead IA") has agreed to be the lead Implementing Agency and the Government of France and UNDP, UNEP, UNIDO (the "Cooperating IAs") have agreed to be cooperating Implementing Agencies under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 8, 12, 15, 18 and 21 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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.

11. 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.

12. 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 access to the Lead IA and the Coordinating IAs to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
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### Appendix 2-A: The Targets, and Funding

Year	2001	2002	2003(*)	2004	2005	2006	2007	2008	2009	2010
1. Compliance targets										
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	4,571.0	4,571.0	4,571.0	4,571.0	2,285.0	2,285.0	685.0	685.0	685.0	
2-A. Max agreed total consumption of Annex A Group I substances (ODP tonnes)	4,156.5	4,005.4	3,889.4	3,889.4	2,269.2	965.6	578.7	328.4	132.7	0.0
3. Reduction from ongoing projects	151.1	116.0		1,120.0	988.0	73.0				
4. New reduction under plan (**)				500.3	315.5	313.9	250.3	195.7	132.7	
4.1 Domestic/commercial servicing (RMP)				129.5	115.5	99.5	66.6	36.4	27.5	
4.2 Refrigeration Manufacturing				56.0						
4.3 Refrigeration Assembly				135.0						
4.4 Foam Sector Plan				110.8	108.7	110.1	102.0	100.9	75.9	
4.5 MAC sector				59.4	91.4	104.3	81.6	58.5	29.3	
4.6 Solvent Sector Plan				9.6						
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	151.1	116.0		1,620.3	1,303.5	386.9	250.3	195.7	132.7	

(\*) Estimated consumption figure

(\*\*) Completion of phase-out targets by end of year

**Appendix 2-A: The Targets, and Funding (cont.)**

(US \$)	2003	2004	2005	2006	2007	2008	2009	2010	Total
<b>6. Lead Agency</b>									
7. GTZ annual funding	694,124	946,405	479,045	1,007,124	920,868	729,846	512,208		5,289,620
8. Support costs	76,354	104,105	52,695	110,784	101,295	80,283	56,343		581,859
9. Total GTZ	770,478	1,050,510	531,739	1,117,908	1,022,163	810,129	568,551		5,871,479
<b>10. Cooperating Agencies</b>									
11. France annual funding	1,006,620		500,000						1,506,620
12. Support costs	110,728		55,000						165,728
13. Total France	1,117,348		555,000						1,672,348
14. UNEP annual funding	140,253								140,253
15. Support costs	18,233								18,233
16. Total UNEP	158,486								158,486
17. UNIDO annual funding	361,840	2,104,066	742,449	66,224	36,179				3,310,757
18. Support costs	27,138	157,805	55,684	4,967	2,713				248,307
19. Total UNIDO	388,978	2,261,871	798,132	71,190	38,892				3,559,064
20. UNDP annual funding		770,000							770,000
21. Support costs		57,750							57,750
22. Total UNDP		827,750							827,750
<b>23. Overall</b>									
24. Total annual funding	2,202,837	3,820,471	1,721,493	1,073,348	957,047	729,846	512,208		11,017,250
25. Total Support Costs	232,453	319,660	163,379	115,750	104,009	80,283	56,343		1,071,876
26. Total Costs	694,124	946,405	479,045	1,007,124	920,868	729,846	512,208		5,289,620

**Appendix 3-A: Funding Disbursement Schedule**

Funding will be submitted for approval at the first meeting of the year of the annual plan.

**Appendix 4-A: Format of Annual Implementation Programme**

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
<b>Total</b>	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The National Ozone Unit (herein called NOU) monitors the consumption data of all Substances through agencies, cooperating ministries and the regional offices of the environmental ministry.
2. Inspections at reconverted companies are foreseen to ensure the non uses of Substances after project completion.
3. The licensing system will be a tool to monitor and ensure compliance of control measures. It will be validated by the use of independent auditors to inspect the use of CFCs through distributors.
4. The NOU will offer continuity and endorsement of implementation plans through the institutional support over the next years.
5. After establishment of the implementation and management facility (herein called IMAF) a reporting scheme between IAs and local institutions will be established. The reporting format and requirements will allow transparent and continued verification of the total CFC phase out in the country.
6. The Government will issue necessary official request to all beneficiaries and distributors in order to enforce proper facilitation and availability of data.
7. Above communications will be counterchecked by reports of custom authorities.
8. The information collected from recovery activities will include:
  - (a) number of appliances subjected to refrigerant recovery and type of these appliances at every service workshop;

- (b) amount of recovered CFC refrigerants sent to the recycling centres;
  - (c) amount of recovered CFC refrigerants received from service workshops at every recycling centre;
  - (d) amount of recycled CFC refrigerants returned (sold) to workshops; and
  - (e) other data relevant for monitoring the scheme (amount of imported CFC refrigerants).
9. Information on cost of recovery and reclaim activities will be collected annually on random basis.
10. Information collected from the investment sectors will include:
- (a) progress and completion of activities;
  - (b) destruction of old CFC equipment where required;
  - (c) total production and use of CFC and later on use of replacements;
  - (d) operational costs and total investments associated with the conversion; and
  - (e) stockpiles of CFCs and their transfer to authorized consumers.
11. The responsible Implementing Agencies will perform regular monitoring, verification and auditing of the implementation of the Sector activities in line with the established procedures of both the Multilateral Fund and the IA rules.
12. An annual report will compile relevant information on prices, consumption and completion of projects in such a way that it can serve as template for the annual implementation of the following year.
13. More detailed information is available in the National Phase Out Plan under the chapters that discuss activities in each sector.
14. The table below illustrates the distribution of responsibilities and reporting requirements under the National Plan:

<b>Monitoring</b>	<b>Responsible</b>	<b>Reports to</b>	<b>Times/year</b>
<b>Industry Sector phase out</b>			
Refrigeration manufacturing/assembly	UNDP/UNIDO	IMAF/NOU	3
Domestic/commercial servicing (RMP)	UNIDO	IMAF/NOU	3
Foam	Germany	IMAF/NOU	3
MAC service sector	France	IMAF/NOU	3
Solvent Sector	UNIDO	IMAF/NOU	3
<b>Import</b>			
Import of CFCs	Customs department (CD)	IMAF/NOU	1
Sector breakdown	IMAF	IMAF/NOU	1
<b>Regulations</b>			
Legislative council	NOU/UNEP	IMAF	1
Bureau of Standards	UNEP/NOU	IMAF	1
Quota	NOU/CD	IMAF	1
<b>Overall implementation</b>			
Consolidated project progress	IMAF/NOU/Germany	MLF/EXCOM	1

Note: IMAF=Implementation Management Facility

#### **Appendix 6-A: Role of the Lead IA**

1. The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) reporting on the implementation of the Annual Implementation Programme commencing with the

Annual Implementation Programme for the year 2004 to be prepared and submitted in year 2005;

- (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 Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

## Appendix 6-B: Role of Cooperating IAs

### Subsector Activities and Responsible Agencies

Subsector activity	ODP	CE	Subtotal	Total	Coordinating Agency
Refrigeration manufacturing	56.0	13.75		770,000	UNDP
Refrigeration assembly	135.0	6.84		923,245	UNIDO
MAC	424.4	5.00		2,122,000	
Investment/ recovery and recycling			1,506,620		France
TA/Training program			615,380		GTZ
Servicing domestic/commercial units	475.0	5.00		2,347,672	UNIDO
Investment/ recovery and recycling					
Training/incentive component					
(Training of customs officer)					
Foam sector	608.4	6.57		3,997,188	GTZ
Solvent/Aerosol sectors	9.6	4.15		39,840	UNIDO
Subtotal	1,708.4			10,199,945	
Project Management and Policy Support				817,305	
Regulatory and policy support			140,253		UNEP
Management and monitoring Unit			677,052		GTZ
Total	1,708.4	6.59		11,017,250	

### Summary of Agency Shares

Agency	Sector	Funding	
UNDP	Ref. Manufacturing	770,000	
UNIDO	Ref. Servicing/ Assembly/Solvents	3,310,757	plus transition study for MDI
France	MAC R&R	1,506,620	
UNEP	Regulations	140,253	
GTZ	Foam, MAC Training, Management	5,289,620	
Total		11,017,250	

## Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,180 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/41/87, Decisions 41/20 and 41/55, paras. 54 and 91).

(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex VI).

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/14, para. 83).

**IRAQ****National phase-out plan for Iraq**

The Fifty-eighth Meeting of the Executive Committee decided to approve:

- (a) to note with appreciation the commitment by the Government of Iraq completely to phase out consumption of CFCs, halons, methyl chloroform and carbon tetrachloride by 1 January 2010;
- (b) further to note with appreciation the assistance and guidance provided to the Government of Iraq by UNEP and UNIDO, which had led to the ratification of the Vienna Convention and the Montreal Protocol and all the amendments thereto, the establishment of an ODS licensing system, and the preparation and submission of the national phase-out plan (NPP) for Iraq,
- (c) to approve, in principle, the NPP for Iraq, at the amount of US \$6,297,530, plus agency support costs of US \$213,330 for UNEP, and agency support costs of US \$349,240 for UNIDO;
- (d) to approve the draft agreement between the Government of Iraq and the Executive Committee for the implementation of the NPP as contained in Annex X to the present report;
- (e) to approve the 2009 annual implementation programme (first tranche);
- (f) to urge UNEP and UNIDO to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the NPP; and
- (g) to approve the first tranche of the 2009 annual plan at the total cost of US \$1,136,000, plus agency support costs of US \$147,680 for UNEP and US \$4,353,530 plus agency support costs of US \$326,515 for UNIDO; and
- (h) to request the implementing agencies to continue the discussion with the National Ozone Unit and the enterprises in Iraq on the choice of technology for those sectors that might be able to select a low global-warming-potential alternative, considering the flexibility inherent in the Agreement.

(UNEP/OzL.Pro/ExCom/58/53, Decision 58/32, para. 133).

(Supporting document: UNEP/OzL.Pro/ExCom/58/36 and 53, annex X)

The Sixty-third Meeting of the Executive Committee decided:

- (a) To take note of the progress report on the implementation of the first tranche of the national phase-out plan (NPP) of Iraq in 2009 and 2010;
- (b) To approve the 2011 and 2012 annual implementation plans;
- (c) To request UNEP to provide verification of Iraq's 2010 consumption, based on trade and similar quality information, no later than 30 September 2011;
- (d) To request the Government of Iraq, with the assistance of UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the NPP no later than the 67th meeting of the Executive Committee; and
- (e) To approve the second and final tranche of the NPP for Iraq at the level of US \$505,000, plus agency support costs of US \$65,650 for UNEP, and US \$303,000, plus agency support costs of US \$22,725 for UNIDO, on the understanding that only 50 per cent of the funds for each agency would be disbursed until the Secretariat had notified UNEP that it had received satisfactory verification of the 2010 consumption referred to in subparagraph (c) above.

(UNEP/OzL.Pro/ExCom/63/60, Decision 63/26, para 93).

(Supporting document: UNEP/OzL.Pro/ExCom/63/36).

**Agreement between the Republic of Iraq and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Iraq (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”).
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5, 8 and 11 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 15 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 16 and 17 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets set out in 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-115
Annex A:	Group II	Halon-1211, halon-1301, halon-2402
Annex B:	Group II	CTC
Annex B:	Group III	TCA

### Appendix 2-A: The Consumption Targets, and Funding

		2008	2009	2010	2011	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	227.6	227.6	0.0	0.0	
2	Max allowable total consumption of Annex A, Group I substances (ODP tonnes)	n/a	n/a	0.0	0.0	
3	New reductions of Annex A, Group I substances (ODP tonnes)		1,597.1			1,597.1
4	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	35.2	35.2	0.0	0.0	
5	Max allowable total consumption of Annex A, Group II substances (ODP tonnes)	n/a	n/a	0.0	0.0	
6	New reductions of Annex A, Group II substances (ODP tonnes)		39.1			39.1
7	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	3.2	3.2	0.0	0.0	
8	Max allowable total consumption of Annex B, Group II substances (ODP tonnes)	n/a	n/a	0.0	0.0	

		2008	2009	2010	2011	Total
9	New reductions of Annex B, Group II substances (ODP tonnes)		4.6			4.6
10	Montreal Protocol reduction schedule of Annex B, Group III substances (ODP tonnes)		0.0	0.0	0.0	
11	Max allowable total consumption of Annex B, Group III substances (ODP tonnes)		0.0	0.0	0.0	
12	New reduction of Annex B, Group III substances (ODP tonnes)		*			*
13	Lead IA (UNEP) agreed funding (US\$)		1,136,000		505,000	1,641,000
14	Cooperating IA (UNIDO) agreed funding (US\$)		4,353,530		303,000	4,656,530
15	Total agreed funding (US\$)		5,489,530		808,000	6,297,530
16	Lead IA (UNEP) support costs @13% (US\$)		147,680		65,650	213,330
17	Cooperating IA (UNIDO) support costs @7.5% (US\$)		326,515		22,725	349,240
18	Total agreed support cost		474,195		88,375	562,570
19	Total agreed funding (US\$)		5,963,725		896,375	6,860,100

\*0.2 metric tonnes of Annex B, Group III

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the second meeting of 2011.

### Appendix 4-A: Format of Annual Implementation Programme

#### 1. Data

Country

Year of plan

# of years completed

# of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Cooperating agency

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						

Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity:

Objective:

Target Group:

Impact:

#### 5. Government Action

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

#### 5. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

- Government of Iraq in consultation with the Lead IA will select and contract an independent local organization/firm to undertake this task and report annually on the outcomes and deliverables of the NPP. The selection of this organization/firm will depend on the outcomes of the capacity building exercise as proposed in the Policy component of the NPP.
- The organisation will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.
- The organisation will prepare and submit to the NOU and the Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures annually for consideration and follow up.
- The responsibility of the selected organization will be:
  - develop and present to the Lead IA and NOU the approach to independent monitoring of the NPP implementation.
  - undertake independent monitoring of all the activities implemented in the NPP
  - undertake independent annual monitoring, through site-visits, of the commercial refrigeration enterprises receiving support through this project, determining amount of and substance used as blowing agents, with at least one visit shortly before implementation of the NPP is being completed, and report the findings to the NOU and the Lead IA;
  - present reports on NPP implementation status and CFC consumption in the country on half-yearly basis;
  - prepare periodic (annual) assessment of the consumption of ODS in the refrigeration sector and evaluate the impact of the projects being undertaken
  - take into consideration comments and recommendations of the Lead IA and NOU on activities and react accordingly.
- The NOU will be responsible for:
  - providing the selected organization with all relevant information in possession

- providing the selected organization with full information on NOU activities and partners.
- providing the selected organization with the necessary support/documentation to ensure its access to relevant official institutions and other organizations
- providing the reasonable support in independent data collection

### **Verification and reporting**

6. Based on discussion with the country, the Lead IA should mandate an independent organization to carry out the annual verification of the NPP results and the consumption of the substances mentioned in Appendix 1-A and this independent monitoring programme.

### **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 Annual Implementation Programme;
  - (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A;
  - (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
  - (e) reporting on the implementation of the Annual Implementation Programme of 2009/2010 and preparing for annual implementation programme for 2010/2011 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 Annual Implementation Programme and accurate data reporting;
  - (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
  - (j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (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.

### **Appendix 6-B: Role of Cooperating Implementing Agency**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Iraq 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.

### **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 \$13,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/32, para. 133.*

*(Supporting document: UNEP/OzL.Pro/ExCom/58/36 and 53, annex X).*

**JAMAICA****Terminal phase-out management plan for Jamaica**

The Thirty-seventh Meeting of the Executive Committee decided to approve the Terminal phase-out management plan for Jamaica, in accordance with the agreement between the Government of the Jamaica and the Executive Committee (attached to the present report).

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/25, para. 53 and Decision 37/58, para. 91).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/42).*

**Agreement for the CFC terminal phase-out management plan for Jamaica**

1. The Executive Committee approves a total of US \$380,000 in funding for the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Jamaica. This is the total funding that would be available to Jamaica from the Multilateral Fund for the total elimination of CFC use in Jamaica. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this agreement.
2. By this agreement, Jamaica commits that in exchange for the funding level specified below in Table 1, it will eliminate its total CFC consumption in accordance with the annual consumption limits given in Table 2.

Table 1: Funding levels and profile under TPMP

	2002	2003	2004	2005	Total
Agreed funding for annual programmes (US \$'000)					
Component I (Gov't of Canada programme).	135		45	60	240
Component II (UNDP programme):	70		70		140
Agency support costs (US \$'000)Component I (Gov't of Canada programme).	17.55		5.8	7.8	31.2
Component II (UNDP programme):	9.1		59.1		18.2
Totals	231.65	0	129.95	67.8	429.4

Table 2: Maximum Allowable Consumption for Annex A Group I (CFCs) ODP tonnes

Year	Maximum CFC consumption*
December 2002-June 2003	48
December 2003-June 2004	32
July 2004-June 2005	16
July 2005-December 2005	4.2
2006	0
2007	0
2008	0
2009	0
2010	0

\* These limits represent the ones stipulated in Jamaica's current Licensing System

3. The Executive Committee also agrees, in principle, that the funds will be provided at the last meeting of the Executive Committee in 2002 and the first meetings of the Executive Committee in 2004 and 2005, in accordance with the above table, for the exact amounts listed in the table and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this agreement. On this basis, the payment indicated in year 2002 will be for activities to be undertaken in the remainder of 2002 and 2003, 2004 funding for activities to be undertaken in 2004, and 2005 funding for activities to be undertaken in 2005.
4. Payments noted in Table 1, other than the 2002-2003 implementation programme, will be released based on confirmation that the agreed phase-out amounts targets noted in the Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year were undertaken in accordance with the annual implementation plan. Hence, payment in 2004 for the 2004 implementation plan would be released based on confirmation that the December 2002- June 2003 consumption target has been met and all 2002 –2003 implementation plan activities has been completed, and so on for future years.
5. The Government of Jamaica agrees to ensure accurate monitoring of the phase-out. The Government of Jamaica will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this agreement will be consistent with Jamaica's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.
6. The Government of Jamaica also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 2 and that implementation of the sector plan as scheduled and agreed in annual implementation programmes.
7. The Jamaica Terminal CFC Phase-out Management Plan, which supports this Agreement, the Jamaica

Country Programme and other related documentation, may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Jamaica with maximum flexibility in using the agreed funds to meet the consumption limits agreed in the Table 2. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to Jamaica pursuant to this Agreement may be used in any manner that Jamaica believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between the Government of Jamaica, the Government of Canada as lead Implementing Agency and UNDP in the Terminal Phase-out Management Plan and, as indicated in the annual implementation programmes.

8. The Government of Jamaica agrees that the funds being agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to Jamaica to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that, aside from the agency fees referred to in paragraph 10 below, the Government of Jamaica, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment to the total phase-out of CFCs.

9. The Government of Jamaica agrees that if the Executive Committee meets its obligations under this Agreement but that the Government of Jamaica does not meet the reduction requirements outlined in paragraph 2 and other requirements outlined in this document, the Implementing Agencies and the Multilateral Fund will withhold funding for subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this agreement depends on the satisfactory performance of its obligations by both the Government of Jamaica and the Executive Committee. In addition, Jamaica understands that regarding all reduction targets beginning with the 2002-2003 annual period, in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for CFC phase-out on the basis of US \$15,000 per ODP tonnes of reduction not achieved in any year.

10. The Government of Canada has agreed to be the lead Implementing Agency for the implementation of this Terminal Phase-out Management Plan, with UNDP providing support for the implementation of component II of the TPMP, the retrofit and replacement programme for end-users. The TPMP's implementation will be completed in December 2005. A fee of a total of 13% of the annual funds has been agreed in accordance with provisions of this Agreement and distributed between the two Implementing Agencies as shown in Table 1. As Implementing Agencies, the Government of Canada and UNDP will each be responsible for the following, within the context of their TPMP components:

- (a) ensuring performance and financial verification in accordance with specific Government of Canada and UNDP procedures and requirements as specified in Jamaica Terminal CFC Phase-out Management Plan;
- (b) reporting annually on the implementation of the annual implementation programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by the Government of Canada and UNDP are undertaken by appropriate independent technical experts;
- (e) assisting Jamaica in the preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (h) verification for the Executive Committee that CFC consumption has been completed based on the schedule listed in Table 2;
- (i) ensuring that disbursement are made to Jamaica based on agreed performance targets in the project and provisions in this Agreement; and,

- (j) provide policy development assistance when required.

11. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

*(UNEP/OzL.Pro/ExCom/37/71, Decision 37/25, para. 53 and Decision 37/58, para. 91).*

*(Supporting document: UNEP/OzL.Pro/ExCom/37/42).*



**JORDAN****Phase-out of the use of methyl bromide in Jordan**

The Twenty-ninth Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in Jordan according to the conditions stipulated in the annex to the present report.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/34, para. 62).*

**Agreed conditions for phase-out of methyl bromide in Jordan**

1. The Executive Committee decides to approve in principle a total of US \$3.4 million in funding for the phased reduction and elimination of all controlled uses of methyl bromide. This is the total funding that would be available to Jordan from the Multilateral Fund for the total permanent cessation of all uses of methyl bromide controlled by the Montreal Protocol (i.e. quarantine and preshipment use is currently exempt from this agreement). The agreed level of funding would be disbursed in installments in the exact amounts specified in paragraph (b), and on the basis of the following understanding.

- (a) this agreement is predicated on the commitment by Jordan that it will not produce methyl bromide. If at any time, Jordan initiates production of methyl bromide, then this agreement becomes void, and all payments made pursuant to this agreement must be returned to the Multilateral Fund.
- (b) by this approval, Jordan agrees that in exchange for the funding level specified in paragraph (c), it will reduce its total consumption/imports of methyl bromide (except for quarantine and preshipment uses, which are currently exempt) in accordance with the following schedule.
- 2. Total imports of methyl bromide in Jordan will not exceed the following levels in the following years: 180 ODP in 2001; 108 ODP in 2004; 54 ODP tonnes in 2006; 27 ODP tonnes in 2008, 0 tonnes by 2015.  
Note: the 2001 level noted above assumed that Jordan's baseline is equal to or greater than 180 ODP tonnes based on an ODP for methyl bromide of 0.6, and reported consumption data for 1995, 1996 and 1997 of 180 ODP tonnes, 180 ODP tonnes, and 165 ODP tonnes, respectively. If, by virtue of a lower reported level for 1998, Jordan's baseline should be less than 180 ODP tonnes, compliance with this agreement would require Jordan to meet its baseline number in 2001; the remaining commitments for 2002-2008 would remain unchanged. Further, should the Parties formally change the ODP of methyl bromide during the course of this agreement, Jordan would still be required to meet the metric tonne equivalent of the levels included above assuming a 0.6 ODP. Finally, should the Parties agree to accelerate the dates of interim reductions or final phase-out of methyl bromide, Jordan agrees to meet either the schedule above, or the new schedule whichever is more stringent.
- (c) in order to facilitate Jordan's installation of the system to facilitate meeting the agreed reductions, the Executive Committee decides at its twenty-ninth Meeting to approve US \$3.4 million in funding. The funds will be disbursed as described below.
- 3. US \$1 million will be released upon approval at the twenty-ninth Meeting of the Executive Committee. An additional US \$1 million will be disbursed when Jordan demonstrates, based on audited data, that its consumption has achieved 108 ODP tonnes in 2004, or met the target of 108 ODP tonnes, whichever comes first. An additional US \$900,000 will be provided when Jordan has demonstrated that it has met its agreed target of 54 tonnes not later than 2006. The final funding would be made available to Jordan when it has met its target of 27 tonnes not later than 2008, and demonstrated that it has a sustainable plan to maintain and phase-out the remainder of its controlled uses of methyl bromide use by 2015.
- (d) the Executive Committee wishes to provide Jordan with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in point b. Accordingly, while the Jordanian project may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this agreement, the funds provided to Jordan pursuant to this agreement may be used in any manner that Jordan together with Germany believes will achieve the smoothest possible methyl bromide phase-out possible.
- (e) Jordan agrees that the funds being agreed in principle by the Executive Committee at its twenty-ninth Meeting for complete cessation of the use of methyl bromide for non-quarantine and preshipment uses is the total funding that will be available to it to enable its full compliance with the obligations it is assuming under paragraphs (a) and (b) above, as well as the obligations it currently has or may in the future assume under the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for any further activities related to the phase-out of methyl bromide. It is also understood that Jordan and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund-related funding for the accomplishment of the total phase-out of methyl bromide in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for farmer compensation and all technical assistance including training.
- (f) Jordan understands that if the Executive Committee meets its obligations under this agreement, but Jordan

does not meet the reduction requirements outlined in point (b), and the other requirements outlined in this document, the Implementing Agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in paragraph (c) until such time as the required reduction has been met. In addition, Jordan understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the methyl bromide phase-out, on the basis of US \$20,000 per ODP tonne of reduction not achieved in any year of this agreement.

*(UNEP/OzL.Pro/ExCom/29/65, Decision 29/34, para. 62).*

*(Supporting document: UNEP/OzL.Pro/ExCom/29/65 Annex V).*

**National ODS phase-out plan for Jordan**

The Thirty-eighth Meeting of the Executive Committee decided to approve the National ODS Phase-out Plan in Jordan at a cost of US \$410,000, plus support costs of US \$53,300 to UNIDO and US \$590,000, plus support costs of US \$74,900 to the World Bank, on the understanding that:

- (i) the Government of Jordan commits to the phased reduction and complete phase-out in the consumption of Annex A, Group I and Annex B Group II substances used in Jordan, according to the following phase-out schedule:

Phase-out target (ODP tonnes)	2004	2005	2006	2007	2008	2009	2010	Total
CFCs*	110	33	15	10	10	5	0	183
CTC	7.7	0	0	0	0	0	0	7.7

\*Including 78 ODP tonnes of CFCs to be phased out by the Government of Jordan.

- (ii) the Government of Jordan agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of controlled substances. The Executive Committee agrees to provide Jordan with flexibility in using the agreed funds consistent with operational procedures as agreed between Jordan and the agencies (UNIDO and the World Bank) in the National ODS Phase-out Plan;
- (iii) the Government of Jordan agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year;
- (iv) the lead Implementing Agency, the World Bank, will be responsible for reporting annually on the implementation of all activities funded under the National ODS Phase-out Plan; and providing verification to the Executive Committee annually, that ODS consumption phase-out in the National Phase-out Plan has been completed based on the schedules listed in the table above.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/72, para. 131 (c)).

(Supporting document: UNEP/OzL.Pro/ExCom/38/64).

**KENYA****Phase-out of the use of methyl bromide in Kenya**

The Thirty-eighth Meeting of the Executive Committee decided to approve the project for the technology transfer leading to methyl bromide phase-out in soil fumigation in Kenya according the conditions stipulated in the annex to the present report.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/43, para. 79).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to take note of the progress report on the implementation of the project on technology transfer leading to methyl bromide phase-out in soil fumigation in Kenya;
- (b) to approve the request by the Government of Kenya to change UNDP for UNIDO as the implementing agency responsible for the completion of the phase out of methyl bromide in the cut-flower sector; and
- (c) to approve the agreed revised conditions for phase-out of methyl bromide in Kenya as contained in the annex to the present report.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/15, para. 86).

**Technical assistance for final elimination of methyl bromide in Kenya**

The Sixty-fifth-fourth Meeting of the Executive Committee decided:

- (a) To approve the request for technical assistance for the final elimination of methyl bromide in the post-harvest sector in Kenya at a total cost of US \$287,700, plus agency support costs of US \$21,578 for UNIDO, on the understanding that no additional funding would be provided to Kenya for the phase-out of controlled uses of methyl bromide in the country; and
- (b) To approve the revised Agreement between the Government of Kenya and the Executive Committee for the phase-out of controlled uses of methyl bromide, contained in Annex VII to the present report.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/20)

(Supporting document: UNEP/OzL.Pro/ExCom/65/60, Annex VII).

**Agreed revised conditions for phase-out of methyl bromide in Kenya**

1. The Executive Committee agrees:

- (a) At its 38th meeting, to approve in principle US \$1,595,811 (of which US \$574,492 is to be allocated to the Government of Germany and US \$1,021,319 is to be allocated to UNDP) as the total funds that will be available to Kenya to achieve the complete phase out of 97.0 ODP tonnes of methyl bromide (MB) used for soil fumigation in the cut flower sector (63.0 ODP tonnes), vegetables, fruit, seedbeds and nurseries (34.0 ODP tonnes);
- (b) At its 53rd meeting, to approve the request by the Government of Kenya to transfer responsibility for implementation of all remaining activities associated with the completion of the phase-out of methyl bromide in the cut-flower sector from UNDP to UNIDO; and
- (c) At its 65th meeting, to approve an additional US \$287,700 to be allocated to UNIDO as the total funds that will be available to Kenya to achieve the complete phase-out of 6.6 ODP tonnes of MB used in post-harvest applications.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Kenya is 217.5 ODP tonnes, and MB consumption in 2001 was 111.0 ODP tonnes, excluding 21 ODP tonnes which Kenya states that it uses for quarantine and pre-shipment applications.

3. Reductions resulting from the implementation of the projects will ensure that Kenya will meet the reduction schedule listed below. In this regard, Kenya commits, through the implementation of the project, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	MB to be phased out per year (ODP tonnes)				Maximum levels of MB consumption excluding QPS (ODP tonnes)**
	Cut flowers (UNDP/UNIDO)	Horticulture (Germany)	Grain (UNIDO)	Total*	
2001	0.0	0.0	0.0	0.0	111.0
2004	10.0	5.0		15.0(a)	96.0
2006	21.0	12.0		33.0	63.0
2008	22.0	12.0		34.0	29.0
2009	10.0	5.0		15.0	14.0
2010				-	14.0
2011				-	6.6
2012			6.6	6.6	6.6
2013				-	0.0

\* The project will aim to achieve faster reductions if feasible. The Government of Kenya may choose to speed up the MB reduction schedule if it wishes, without penalty to the project budget.

\*\* Excluding MB imports for quarantine and pre-shipment uses.

4. The project will phase out all soil uses of MB in Kenya. Kenya commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Funding for the project will be disbursed by the Government of Germany, UNDP and UNIDO in line with the following yearly budget breakdown:

Year	Germany	UNDP	UNIDO	Total
2002		510,660		510,660
2003	287,247			287,247
2004	172,347			172,347
2005				-

2006	114,898			114,898
2007*		(510,660)	510,660	-
2011			287,700	287,700
Total	574,492	-	798,360	1,372,852

\* Transferred from UNDP to UNIDO at the 53<sup>rd</sup> Meeting.

6. The Government of Kenya has reviewed the consumption data identified in these projects and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption be identified in soil fumigation or in post-harvest applications at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Kenya, in agreement with the Government of Germany, UNDP and UNIDO, will have flexibility in organising and implementing the projects components it deems more important in order to meet the MB phase-out commitments noted above. The Government of Germany, UNDP and UNIDO agree to manage the funding for the projects in a manner designed to ensure the achievement of the specific MB reductions agreed upon. The Government of Germany, UNDP and UNIDO shall also report back to the Executive Committee annually on progress made in meeting the reductions required by the projects.

8. The present Agreed Conditions between the Government of Kenya and the Executive Committee have been updated as a result of the change in implementing agency and the project in post-harvest applications as indicated in paragraphs 1 (b) and 1 (c) above respectively, without impact on the project signed by the Permanent Secretaries of the Ministry of Agriculture and the Ministry of Environment, Natural Resources and Wildlife at project inception.

9. These agreed conditions between the Government of Kenya and the Executive Committee have taken into account the already approved methyl bromide phase-out project in soil fumigation in the cut flower sector, vegetables, fruit, seedbeds and nurseries. Subsequently, they supersede the conditions agreed at the 53<sup>rd</sup> meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/20)

(Supporting document: UNEP/OzL.Pro/ExCom/65/60, Annex VII).

**Terminal CFC phase-out management plan for Kenya**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle the terminal CFC phase-out management plan for Kenya at a total level of funding of US \$725,000 plus agency support costs of US \$94,250 for France;
- (b) to approve the Agreement between the Government of Kenya and the Executive Committee attached to the present document;
- (c) to approve funding of US \$215,914 plus support costs of US \$28,069 for France for the first tranche of the project; and
- (d) That the disbursement of the first tranche would be contingent upon confirmation of the adoption of ODS regulations by the Government of Kenya to provide a legal basis for the existing licensing system and enable introduction of independent auditing and verification.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/50, para. 199).*

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to apply the penalty in the Agreement calculated as 10 per cent of the amount of the tranche being submitted to the Executive Committee for approval in instances of non-compliance with the Agreement between the Executive Committee and the Government concerned, when the following criteria had been met: (i) the country concerned was a low-volume-consuming country, (ii) it was the first time that the country had been in non-compliance and (iii) the country had returned to compliance without additional assistance from the Fund;
- (b) using the method outlined in sub-paragraph (a) above, to apply a US \$33,000 penalty to the second tranche of the terminal phase-out management (TPMP) for Kenya;
- (c) to approve the second tranche of the TPMP for Kenya at the amount of US \$297,000, plus agency support costs of US \$38,610, which took into account the penalty as calculated in sub-paragraph (b) above.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/34, para. 156).*



**Agreement between Kenya and the Executive Committee for the national phase-out of Annex A (Group I) substances**

1. This Agreement represents the understanding of Kenya (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 2 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 6 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 (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Form of Annual Implementation Programme”) in respect of the year for which funding is being requested.
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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing 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 recovery and recycling programmes for the refrigeration and air conditioning service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. The Government of France has agreed to be the bilateral implementing agency (the “IA”) in respect of the Country’s activities under this Agreement regulations. The IA will be responsible for carrying out the activities

listed in Appendix 6-A (the “Role of the Implementing Agency”) including but not limited to independent verification. The country also agrees to periodic evaluations which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to the fees set out in row 6 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances 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. In 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 instalment 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 (the “Reductions in Funding for Failure to Comply”) in respect of each ODP tonne of reductions in consumption not achieved in any one year.

10. 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.

11. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

12. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A: The Substances

Annex A	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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#### Appendix 2-A: The Targets, and Funding

	2003	2004	2005	2006	2007	2008	2009	2010	Total
1. Montreal Protocol Reduction Schedule	239.5	239.5	119.75		35.9			0	n/a
2. Max allowable total consumption at Annex A Group I substances (ODP tonnes)	168.8	120.0	90.0	60.0	30.0	10.0	0	0	n/a
3. Annual reduction in consumption of Annex A Group I substances under the Plan		48.8	30.0	30.0	20.0	10.0	0	0	138.8
4. Lead IA agreed funding		215,914	330,000	0	179,086	0	0	0	725,000
5. Lead IA support costs		28,069	42,900	0	23,281	0	0	0	94,250
6. Total agreed grant (US\$)		243,983	372,900	0	202,367	0	0	0	819,250

#### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

#### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	No. of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

## Appendix 5-A: Monitoring Institutions and Roles

Institution involved	Role	Responsibility and reporting	Evaluation
Ozone office	Overall monitoring	Meetings with Lead IA Meeting Reports, MOU	By France
France	IA	Expenditure report; quarterly report	By France
France	IA	Progress report (annual); quarterly Report	By Ozone Office

## Appendix 6-A: Role of the Lead Implementing Agency

The Lead IA will be responsible for the following activities:

- (a) ensuring performance and financial verification in accordance with this Agreement, with the rules and guidelines of the Multilateral Fund and with its specific internal procedures and requirements as set out in the Country's phase out plan;

- (b) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the last meeting of the Executive Committee of the year;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been reduced in accordance with the Targets;
- (j) ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) providing assistance with policy, management and technical support when required.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of the reductions in consumption not achieved in any one year.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/50, para. 199).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XV).*

**KUWAIT****Terminal phase-out management plan for Kuwait**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Kuwait and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$565,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (f), para. 115 (f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex VII).*

**Agreement between Kuwait and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Kuwait and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 4 and 6 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the Format of “Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the "Lead IA") and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5 (b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol, 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115
Annex B:	Group II	CTC
Annex B	Group III	TCA

### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	72.1	72.1	72.1	0	n/a
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	70	55	30	0	n/a
3. Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	0	0	0	0	n/a
4. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	0	0	0	0	n/a
5. Montreal Protocol consumption limits of Annex B, Group III substances (ODP tonnes)	0	0	0	0	n/a
6. Max allowable total consumption of Annex B Group III substances (ODP tonnes)	0	0	0	0	n/a
7 Lead IA (UNEP) agreed funding (US \$)	240,000	95,000	-	-	335,000
8. Cooperating IA (UNIDO) agreed funding (US \$)	220,000	10,000	-	-	230,000
9. Total agreed funding (US \$)	460,000	105,000	-	-	565,000
10. Lead IA (UNEP) support costs (US \$)	31,200	12,350	-	-	43,550

11. Cooperating IA (UNIDO) support costs (US \$)	19,800	900	-	-	20,700
12. Total support costs	51,000	13,250	-	-	64,250
13. Total agreed costs (US \$)	511,000	118,250	-	-	629,250

**Appendix 3-A: Funding Approval Schedule**

1. Funding will be considered for approval at the third meeting of 2008.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
- |  |       |
|--|-------|
| Country                                      | _____ |
| Year of plan                                 | _____ |
| # of years completed                         | _____ |
| # of years remaining under the plan          | _____ |
| Target ODS consumption of the preceding year | _____ |
| Target ODS consumption of the year of plan   | _____ |
| Level of funding requested                   | _____ |
| Lead Implementing Agency                     | _____ |

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**



Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

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

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Kuwait for related auditing. The Lead IA will, in co-operation with the Government of Kuwait, select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.
4. The monitoring reports will be produced and verified each year, previous to the third meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Kuwait consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

**Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Kuwait in the implementation and assessment of the activities funded for by the Cooperating IA;  
and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (f), para. 115 (f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex VII).*

**KYRGYZSTAN****Phase-out of the use of methyl bromide in Kyrgyzstan**

The Forty-first Meeting of the Executive Committee decided to approve the technical assistance project to install alternatives and phase-out methyl bromide in Kyrgyzstan, on the understanding that the Government of Kyrgyzstan would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/47, para. 82).*

**Terminal phase-out management plan for Kyrgyzstan**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Kyrgyzstan and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$550,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (g) para. 86 (g)).*

The Sixty-sixth Meeting of the Executive Committee decided:

- (f) (i) To take note of the report on the 2010-2011 work programme associated with the third and final tranche of the TPMP for Kyrgyzstan;
- (ii) To request UNEP to continue reporting progress on the implementation of the TPMP for Kyrgyzstan until its completion, while providing further such reports in a format and according to a schedule consistent with that in the relevant Agreement or with decision 66/16; and
- (iii) To request the Government of Kyrgyzstan and UNEP, on completion of the TPMP, to submit a project completion report in accordance with the format agreed at the 65th meeting;

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15 (e) para. 73 (e)).*

**Agreement between the Government of Kyrgyzstan and the Executive Committee of the Multilateral Fund for the terminal cfc phase-out management plan**

1. This Agreement represents the understanding of the Government of Kyrgyzstan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) in the refrigeration sector, prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the use of the Substances in Annex A (Group I) of the Montreal Protocol in accordance with the annual phase-out targets set out in row 5 of Appendix 2-A (the “Targets”) in this Agreement. 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 the Substances for the refrigeration sector as described in the TPMP document.
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 9 of Appendix 2 A (the “Funding”) to the Country, commencing with the entry into force of an import/export licensing system to monitor and control trade in ozone depleting substances. 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 by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of servicing tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions

41/100 and 49/6 during the implementation of the TPMP.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of 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 UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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 and the cooperating IA with access to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, and CFC-113
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol limits	36.4	10.9	10.9	10.9	0.0	
2. Annual phase-out from ongoing RMP projects	0.0	0.0	0.0	0.0	0.0	15.2
3. Annual phase-out newly addressed (TPMP)	1.0	1.0	2.0	3.0	0.0	7.0
4. Total ODS consumption to be phased out	1.0	1.0	2.0	3.0	0.0	22.3
5. Resulting CFC targets to be achieved	7.0	6.0	5.0	3.0	0.0	22.3
6. Total ODS consumption to be phased-in (HCFCs)					N/A	N/A
Project costs (US \$):						
7. Funding for UNDP (incl MDI strategy)	194,000	63,000	60,000	0	0	317,000
8. Funding for lead agency UNEP	142,600	65,100	25,300	0	0	233,000
9. Total project funding	336,600	128,100	85,300	0	0	550,000
Support costs (US \$)						
10. Support cost for UNDP (7.5%)	14,550	4,725	4,500	0	0	23,775
11. Support cost for lead agency UNEP (13%)	18,538	8,463	3,289	0	0	30,290
12. Total support costs	33,088	13,188	7,789	0	0	54,065
13. Total cost to Multilateral Fund (US \$)	369,688	141,288	93,089	0	0	604,065

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the third meeting of the year of the annual implementation programme. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification

is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

**Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.
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 TPMP. 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.

**Verification and reporting**

3. Under this component there are two independent types of verification as follows:
  - (a) in accordance with Decision 45/54, the Executive Committee reserves the right for independent verification in case the Executive Committee selects Kyrgyzstan for related auditing as per decision 45/54.
  - (b) verification for monitoring and in accordance to the TPMP and the TPMP Annual Implementation Programme objectives will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP. Kyrgyzstan and the Lead IA will jointly design the verification procedures.

**Frequency of verification and reporting**

4. The monitoring reports will be produced and verified each year to be submitted to the last meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.
5. The activities related to the ozone layer protection and implementation of the Montreal Protocol are coordinated by the Ministry of Ecology and Emergency Situations through its NOU of Kyrgyzstan. This involves:
  - (a) monitoring of the progress of implementation of projects and activities funded by the MLF;
  - (b) formulating guidelines and regulations necessary for policy implementation;
  - (c) supporting public awareness initiatives and campaigns promoting ozone layer protection at the equipment owner/consumer level, and
  - (d) interaction with other ministries and departments, industry representatives and implementing agencies for information dissemination related to the impact of policy and regulatory measures.
6. The TPMP activities will be implemented by a PMU team that is to support the NOU at the Ministry of Ecology and Emergency Situations. The NOU will be responsible for monitoring of the implementation of all activities of the TPMP.
7. In order to achieve the targets set out in the TPMP it is essential that the PMU team with support from the NOU continuously coordinates the implementation of the measures, monitor the developments on the market and have the flexibility to adapt to market changes. Monitoring of the impact of all measures will be carried out during the whole implementation period and corrective actions will be taken if any of the measures does not achieve the intended results.
8. A key factor for success is that the PMU team has sufficient manpower and competency to supervise the implementation and initiate and participate in the necessary discussion with trade authorities during the development of updated legislation, the Code of Practice, and the improved re-use scheme. Due to the type of actions required, it is necessary that relevant authorities within the Kyrgyzstan Government, as well as the private sector and relevant trade associations, be involved and consulted in the implementation of the TPMP. To strengthen the ongoing movement towards non ODS technology and improved servicing practices in the industry the PMU team will provide technical guidance, seek funding and generally provide an enabling environment to the companies. To ensure input of international experiences and to support the regulatory process, it is suggested that USD 8,000 under this component is set aside for technical assistance.
9. The monitoring, management and evaluation support component of the PMU team of the phase-out plan will for example include the following activities for the duration of the plan:

- (a) management and co-ordination of the Plan implementation with the various Government policy actions pertaining to the refrigeration servicing sector;
- (b) establishment of a policy development and enforcement programme, covering various legislative, regulatory, incentive, disincentive and punitive actions to enable the Government to exercise the required mandates in order to ensure compliance by the industry with the phase-out obligations;
- (c) development and implementation of training, awareness and capacity-building activities for key Government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the Plan objectives and obligations;
- (d) informing the refrigeration trade of the availability of funds under this TPMP;
- (e) developing and maintaining, in cooperation with the trade, a database of refrigeration and MAC certified technicians including names and addresses of service providers that have already received advice and recommendations on the allocation of annual import quotas of all Annex A, Group I, chemicals;
- (f) preparing an annual progress report of overall implementation of the TPMP in accordance with Executive Committee procedures and requirements pertaining to this task;
- (g) coordinating and implementing, together with the trade, the awareness raising and targeted information activities;
- (h) development of business criteria for refrigerant recycling/reclamation centers in collaboration with relevant authorities and trade representatives;
- (i) monitoring of the established recycling/reclamation centers i.e. collecting data at a regular basis on how much CFC etc is being reused;
- (j) local distribution of servicing equipment and recovery and recycle/ reclamation machines, which are to be procured through UNDP and delivered to the country;
- (k) development of selection criteria for demonstration projects, coordination and implementation of the demonstration projects including sufficient transfer of knowledge to other similar companies;
- (l) arrangement for the workshops for industry and servicing trades on the possibilities of ODS substitution and recycling as well as for presenting the results of the demonstration projects.

10. To perform these tasks, a close collaboration between the PMU team and the NOU at the Ministry of Ecology and Emergency Situations of Kyrgyzstan will be established.

#### Project's organization

11. The Ministry of Ecology and Emergency Situations will be an implementing partner for the project. It will designate a National Project Director from the NOU of Kyrgyzstan who will be the liaising person between the Ministry and UNEP and UNDP. A project manager will recruited through a transparent and competitive process. He/She will be responsible for day-to-day management of the project with assistance from a small project support group. One of the options is that the PMU team would be hosted by the National Ozone Unit under the Ministry of Ecology and Emergency Situations.

12. The PMU composed of representatives of the NOU, of the Ministry of Ecology and Emergency Situations and UNEP will be established. This board will have a general oversight function, give guidance to the project and make key decisions for the project. It will meet at least once in a quarter. UNEP will assign its staff to provide project policy and technical guidance.

#### Monitoring, evaluation and audit

13. The PMU will provide overall oversight to the project. UNEP will conduct periodic monitoring of the project against defined benchmarks and indicators and financial work plan.

14. Project Manager will be responsible for day-to-day monitoring of project activities and experts work. During Project Inception Phase he/she will develop detailed work plan, including project monitoring and evaluation and financial work plans. She/he will provide brief monthly progress reports to UNEP and more detailed quarterly and annual reports to UNEP and PMU. The manager will organize and coordinate the final review of the project outcomes by the PMU and, in cooperation with UNEP, prepare a final project review report, including lessons learned.



15. Project consultants will, in agreement with and under the overall coordination of the project manager, deliver task reports.

16. The project will undergo periodic audits by a certified auditor according to UNEP rules and regulations.

#### **Appendix 6-A: Role of Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead IA;
- (c) assist the country in Preparation of the Annual Implementation Programme;
- (d) ensure that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) coordinating the activities of the Cooperating IAs, if any;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist the Government of Kyrgyzstan in the implementation and verification of the activities funded for by the Lead IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (g) para. 86(g)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex IX).*

**LAO PEOPLE'S DEMOCRATIC REPUBLIC****Terminal phase-out management plan for Lao People's Democratic Republic**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of the Lao People's Democratic Republic and the Executive Committee for the terminal CFC phase out management plan attached to the present report at a total amount in principle of US \$320,000 plus agency support costs of US \$41,600 for France and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (e) para. 100(e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XI).*

**Agreement between the Government of Lao People's Democratic Republic and the Executive Committee of the Multilateral Fund for the terminal CFC phase-out management plan**

1. This Agreement represents the understanding of the Government of Lao People's Democratic Republic (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the "Substances") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the "Targets, and Funding") in this Agreement. 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 the Substances.
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 7 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the "Format of Annual Implementation Programme") in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. Government of France has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	6.5	6.5	0	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	6.5	6.5	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	0	6.5	0	6.5
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	6.5	0	6.5
7	Lead IA agreed funding (US \$)	181,500	138,500	0	320,000
8	Lead IA support costs (US \$)	23,595	18,005	0	41,600
9	Grand total agreed funding (US \$)	205,095	156,505	0	361,600

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data \_\_\_\_\_  
Country \_\_\_\_\_

Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

Verification and reporting

2. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Lao PDR for related auditing. Based on discussion with the Lead IA, Lao PDR should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Lao PDR consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (e) para. 100(e)).

(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XI).

## LEBANON

**Phase-out of the use of methyl bromide in Lebanon**

The Thirty-fourth Meeting of the Executive Committee decided to approve the projects for the phase-out of methyl bromide for soil fumigation in strawberry production (first tranche) and sectors phase-out of methyl bromide in vegetable, cut flower and tobacco production (first tranche) according to the conditions stipulated in the annex to the present report.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/56, para. 76).

The Forty-third Meeting of the Executive Committee decided:

- (a) to approve the request for a change of the technology in the project for the phase out of methyl bromide for soil fumigation in strawberry production in Lebanon; and
- (b) to amend the agreement between the Government of Lebanon and the Executive Committee accordingly to indicate a revised total project cost of US \$1,264,450 plus support costs of US \$137,291 for UNIDO, including a final tranche planned for funding in 2005 at a cost of US \$42,504 plus support costs of US \$3,188.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/28, para. 109).

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve the fifth tranche of the project for the phase-out of methyl bromide used for soil fumigation in strawberry production at the amount of US \$42,504 plus agency supports costs of US \$3,188 for UNIDO;
- (b) to approve the request for a change of technology in the project for the phase-out of methyl bromide in vegetable, cut-flower and tobacco production in Lebanon;
- (c) to approve the revisions to the agreement between the Government of Lebanon and the Executive Committee approved at the 34th Meeting of the Executive Committee, which would reduce the overall cost of the project for the phase-out of methyl bromide in vegetable, cut-flower and tobacco production from US \$2,600,000 to US \$2,510,000; and
- (d) to approve the fifth tranche of the project for the phase-out of methyl bromide in vegetable, cut-flower and tobacco production at the amount of US \$210,000 plus agency supports costs of US \$15,750 for UNDP.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/31, para. 115).

The Fifty-second Meeting of the Executive Committee decided:

- (i) to take note of the 2006 progress report on the implementation of the projects for the phase-out of all remaining soil uses of methyl bromide used in the production of cut flowers and tobacco, implemented by UNDP, and the phase-out of methyl bromide for soil fumigation in strawberry production, implemented by UNIDO;
- (ii) to approve the revisions to the agreement between the Government of Lebanon and the Executive Committee approved at the 34th Meeting and subsequently modified at the 43rd Meeting, extending the phase-out schedule until 2008 as shown in the table below:

Year	Maximum level of methyl bromide consumption by crop (ODP tonnes)			
	Vegetables/tobacco/ cut flowers	Strawberries	Total phased out	Consumption level
2001				236.5
2002	25.8	6.0	31.8	204.7
2003	36.0	10.1	46.1	158.6
2004	54.0	14.2	68.2	90.4
2005	36.0	11.1	47.1	43.3
2006	0.0	0.0	0.0	43.3
2007	17.0	5.0	22.0	21.3
2008	17.3	4.0	21.3	0.0
2009	0	0	0	0.0

- (iii) to request UNDP and UNIDO to continue assisting the Government of Lebanon in the implementation of the methyl bromide phase-out investment projects;
- (iv) to request UNDP and UNIDO to submit a report on the implementation of the two methyl bromide

projects with an assessment of the financial losses that might have occurred during the extraordinary events in Lebanon in 2006, for consideration by the Executive Committee at its 54th Meeting.  
(UNEP/OzL.Pro/ExCom/52/55, Decision 52/17, para. 94 (g)).

The Fifty-fourth Meeting of the Executive Committee decided to approve, on an exceptional basis, the request by the Government of Lebanon for an additional US \$62,200 (US \$57,300 for UNDP and US \$4,900 for UNIDO) plus agency support costs of US \$4,666 (US \$4,298 for UNDP and US \$368 for UNIDO) to cover the losses incurred by the project during the extraordinary events in the country in 2006.  
(UNEP/OzL.Pro/ExCom/54/59, Decision 54/14, para. 98).



**Agreed conditions for phase-out of methyl bromide in Lebanon**

1. The Executive Committee agrees to approve in principle US \$3,774,450 (US \$2,510,000 for the project to be implemented through UNDP and US \$1,264,450 for the project to be implemented through UNIDO reflecting the changes of technologies requested by the Government of Lebanon and approved by the Executive Committee at its 43rd and 47th Meetings) as the total funds that will be available to achieve the commitments noted in this document for the complete phase-out of methyl bromide used in the production of vegetables, tobacco, cut flowers and strawberries, subject to the following understandings and considerations:
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Lebanon is 236.4 ODP tonnes, and the methyl bromide consumption for 2000 is 236.5 ODP tonnes. Accordingly, Lebanon must reduce its 2000 consumption of methyl bromide by at least 47.4 ODP tonnes to achieve compliance with the Protocol 20 per cent reduction in 2005.
3. Reductions in accordance with the terms of the two methyl bromide phase-out investment projects (one for vegetables, tobacco, and cut flowers production to be implemented by UNDP and the other for strawberries production to be implemented by UNIDO), will ensure that Lebanon meets the Protocol's 2005 requirements. Lebanon commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following levels of consumption during the 12-month period of the following years:

Year	Maximum level of methyl bromide consumption by crop (ODP tonnes)			
	Vegetables/tobacco/ cut flowers	Strawberries	Total phased out	Consumption level
2001				236.5
2002	25.8	6.0	31.8	204.7
2003	36.0	10.1	46.1	158.6
2004	54.0	14.2	68.2	90.4
2005	36.0	11.1	47.1	43.3
2006	0.0	0.0	0.0	43.3
2007	17.0	5.0	22.0	21.3
2008	17.3	4.0	21.3	0.0
2009	0	0	0	0.0

4. Upon completion of the projects, Lebanon will have completely phased out the use of methyl bromide. Lebanon also commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary. UNDP and UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the reductions required by the two projects.
5. Following an initial disbursement of US \$800,000 to UNDP for the vegetable, tobacco and cut flower sectors and US \$350,000 to UNIDO for the strawberry sector in the year 2001, funding for later years will be disbursed by UNDP and UNIDO in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	Level of funding (US \$)		
	Vegetable/tobacco/cut flower	Strawberries(*)	Total level of funding
2001	800,000	350,000	1,150,000
2002	600,000	421,946	1,021,946
2003	500,000	450,000	950,000
2004	400,000		400,000
2005	210,000	42,504	252,504

(\*) Adjusted at the 43rd and 47th Meetings of the Executive Committee to reflect change of the technologies requested by the Government of Lebanon.

6. The Government of Lebanon will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment noted above. UNDP and UNIDO agree to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met. (UNEP/OzL.Pro/ExCom/34/58, Decision 34/58, para. 76).  
(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex XII).

(UNEP/OzL.Pro/ExCom/43/61, Decision 34/28, para. 109).

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/31, para.115)

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/17, para. 94 (g(ii))).

**National phase-out management plan for Annex A (Group I) substances (CFCs) for Lebanon**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC phase-out management plan for Lebanon at a total level of funding of US \$2,091,420 plus agency support costs of US \$156,857 for UNDP;
- (b) also to approve the Agreement between the Government of Lebanon and the Executive Committee attached to the present document; and
- (c) further to approve funding of US \$1,061,420 plus support costs of US \$79,607 for UNDP for the first tranche of the phase-out plan.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/33, para. 149).*

The Fifty-second Meeting of the Executive Committee decided:

- (a) to take note of the progress report on the implementation of the national CFC phase-out plan for Lebanon, the performance verification report of the annual implementation programmes for 2005 and 2006, and the annual implementation programme for 2007 submitted by UNDP;
- (b) to request UNDP to continue assisting the Government of Lebanon in implementing CFC phase-out activities in Lebanon; and
- (c) to note that UNDP would submit a request for the release of the fourth tranche of the national CFC phase-out plan for Lebanon at the 53rd Meeting of the Executive Committee, subject to the submission of a satisfactory supplementary progress report on the activities implemented and the level of funding disbursed in 2007.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/22, para. 111).*

**Agreement between Lebanon and the Executive Committee for the phase-out of Annex-A, Group-I substances**

1. This Agreement represents the understanding between Lebanon (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2009.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (the “Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 5 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 (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 paragraph 9.
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 will have maximum flexibility for allocating the approved funding in a way that is determined to be the best for achieving the project objectives and compliance obligations and may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector will be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the "Lead IA") has agreed to be the lead implementing agency in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in all the Appendix 1-A Sectors 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of Annex A Group I substances limit (Appendix 2-A) in any one year.

11. 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.

12. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

### Appendix 1-A: The Substances

Annex-A, Group-I: CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115

### Appendix 2-A: The Targets and Funding

Row	Milestone/Parameter	2004	2005	2006	2007	2008	2009	Total
1.	Compliance milestone* (ODP tonnes)		362		109			
2.	Maximum allowable consumption of Annex-A Group-I substances (ODP tonnes)	499	362	235	75	35	0	
3.	Reduction from ongoing projects (ODP tonnes)	82	0	0	0	0	0	82
4.	New reduction under the Plan (ODP tonnes)	55**	127	160	40	35	0	417
5.	Total annual reduction of Annex-A Group-I subs. (ODP tonnes)	137	127	160	40	35	0	499
6.	Lead IA (US \$)	1,061,420	500,000	365,000	100,000	65,000	0	2,091,420
7.	Support costs (US \$)	79,607	37,500	27,375	7,500	4,875		156,857
8.	Total cost (US \$)	1,141,027	537,500	392,375	107,500	69,875	0	2,248,277

\*According to the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol.

\*\* New reduction in 2004 is unfunded.

### Appendix 3-A: Funding Approval Schedule

Funding other than payments in 2004, will be considered for approval at the first meeting of the year of the annual implementation programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	No. of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

5. **Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned expenditures (US \$)
<b>Total</b>	

7. **Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The monitoring process will be covered by the Ministry of Environment through the Ozone Office.
2. The consumption will be monitored through receiving the data from relevant government departments and

crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, the Ozone Office and the Implementation Team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.

3. The reporting process will be responsibility of the Ozone Office. They have to timely collect and analyze all information and regularly submit the following reports:

- (a) annual reports on consumption of the Substances to be submitted to the Ozone Secretariat;
- (b) annual reports on progress of implementation of NPMP to be submitted to the Executive Committee of the Multilateral Fund; and
- (c) project-related reports to the Lead IA.

4. Concerning the evaluation process, the Ministry of Environment and the Lead IA will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.

5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.

6. The consultant will prepare and submit to the Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures annually. After consideration by the Lead IA the reports will be sent to the Ozone Office and the Implementation Team for consideration and follow up.

7. The responsibilities of the consultant will also include:

- (a) development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
- (b) take into consideration comments from the Lead IA and the Ozone Office to the reports and react accordingly; and
- (c) assist in the organization and participate in possible evaluation visits by the Lead IA or the Multilateral Fund Secretariat.

8. On the other hand, the Lead IA should:

- (a) provide the independent consultant with all relevant information;
- (b) provide the consultant with necessary support and advice;
- (c) consider and comment on the submitted reports in a timely manner
- (d) control the performance of the consultant in the most suitable manner.

#### **Appendix 6-A: Role of the Lead Implementing Agency**

The Lead IA will be responsible for the following activities:

- (a) ensuring performance and financial verification in accordance with this Agreement, with the rules and guidelines of the Multilateral Fund and with its specific internal procedures and requirements as set out in the Country's phase out plan;
- (b) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the last meeting of the Executive Committee of the year;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the

Annual Implementation Programme and accurate data reporting;

- (i) verification for the Executive Committee that consumption of the Substances has been reduced in accordance with the Targets;
- (j) ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) providing assistance with policy, management and technical support when required.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,365 per ODP tonne of the reductions in consumption not achieved in any one year.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/33, para. 149).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex VIII).*



## LESOTHO

**Terminal CFC phase-out management plan for Lesotho**

The Forty-first Meeting of the Executive Committee decided to approve the terminal CFC phase-out management plan for Lesotho, on the understanding that:

- (a) the total level of funding of the terminal phase-out management plan (TPMP) is US \$127,300 plus support costs of US \$16,549. This is the total funding that would be available to the Government of Lesotho from the Multilateral Fund for the total elimination of CFCs in Lesotho;
- (b) the Government of Lesotho commits itself to the phased reduction and complete phase-out of consumption of Annex A, Group I substances used in Lesotho, according to the following phase out schedule, which is at a minimum consistent with the Montreal Protocol's control measures for CFCs:

Year	2004	2005	2006	2007
Annual CFC phase-out target (ODP tonnes)	1.4	0.8	0.4	0

- (c) the total funding would be requested at the last meeting of the Executive Committee in 2003, 2004 and 2005 according to the following schedule:

Year	2003	2004	2005	Total
Project cost (US \$)	75,000	35,000	17,300	127,300
Agency support cost (US \$)	9,750	4,550	2,249	16,549
Total cost (US \$)	84,750	39,550	19,549	143,849

- (d) the Government of Lesotho agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of Annex A, Group I substances. The Executive Committee agrees to provide Lesotho with flexibility in using the agreed funds consistent with operational procedures as agreed between Lesotho and the Government of Germany in the TPMP;
- (e) the Government of Lesotho agrees to ensure accurate monitoring of the phase out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (f) the bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually that the CFC consumption reductions in the TPMP have been completed according to the above schedule.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/21, para. 55).

(Supporting document: UNEP/OzL.Pro/ExCom/41/42 and Corr.1).

**LIBERIA****Terminal CFC phase-out management plan for Liberia**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Liberia and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs of US \$39,570 (US \$27,690 for UNEP and US \$11,880 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (i), para. 88 (i)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XII).*

**Agreement between Liberia and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Liberia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	8.4	8.4	8.4	0.0	
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	8.4	8.4	8.4	0.0	
3	New reduction under plan (ODP tones)	0.0	0.0	8.4	0.0	8.4
4	Lead IA agreed funding (US \$)	131,500	0	81,500	0	213,000
5	Cooperating IA agreed funding (US\$)	104,000	0	28,000	0	132,000
6	Total agreed funding (US \$)	235,500	0	109,500	0	345,000
7	Lead IA support costs (US \$)	17,095	0	10,595	0	27,690
8	Cooperating IA support cost (US\$)	9,360	0	2,520	0	11,880
9	Total agency support costs (US \$)	26,455	0	13,115	0	39,570
10	Grand Total agreed costs (US \$)	261,955	0	122,615	0	384,570

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

5. **Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned expenditures (US \$)
Total	

7. **Administrative Fees**

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and

Management Unit", within the National Ozone Unit.

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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Liberia for related auditing. Based on discussion with the Lead IA, Liberia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Liberia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

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
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (i), para. 88 (i)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XII).

## LIBYA

**Phase-out of the use of methyl bromide in Libya**

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve in principle the project for the phase-out of methyl bromide used as a soil fumigant in horticulture (tomatoes, cucumbers, peppers and others) at a total cost of US \$743,000 plus agency support costs of US \$55,725 for UNIDO and US \$500,000 plus agency support costs of US \$65,000 for the Government of Spain, on the understanding that no more funding would be provided from the Multilateral Fund for the phase out of controlled uses of methyl bromide in the Libyan Arab Jamahiriya, and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) to approve the draft agreement between the Government of the Libyan Arab Jamahiriya and the Executive Committee attached to the present report; and
- (c) to approve US \$743,000 plus support costs of US \$55,725 for UNIDO, for implementation of the first tranche of the project.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/32, para. 117).

The Fifty-ninth Meeting of the Executive Committee decided:

- (i) to approve the following revised schedule for the phase-out of methyl bromide in horticulture (tomatoes, cucumbers, peppers and others):

Year	Maximum level of MB consumption (ODP tonnes)	
	Original	Revised
2006	96.0	96.0
2007	75.0	75.0
2008	55.0	55.0
2009	30.0	30.0
2010	-	30.0
2011		25.0
2012		-

- (ii) to revise its agreement with the Libyan Arab Jamahiriya accordingly.

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. 51 (e)).

**Agreed conditions for the phase-out of methyl bromide in Libyan Arab Jamahiriya**

1. The Executive Committee at its 47th Meeting approved in principle, without prejudice to the operation of the Protocol's mechanism for dealing with non-compliance, US \$1,243,000 (US \$743,000 for UNIDO and US \$500,000 for the Government of Spain) plus agency support costs of US \$120,725 (US \$55,725 for UNIDO and US \$65,000 for the Government of Spain) as the total funds available to Libya to phase-out 96.0 ODP tonnes of methyl bromide (MB) used as a soil fumigant in horticulture (tomatoes, cucumbers, peppers and others), representing the total consumption of MB, excluding quarantine and pre-shipment applications.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Libya has been established at 94.1 ODP tonnes. Libya has also reported a MB consumption of 96.0 ODP tonnes for the year 2004, excluding quarantine and pre-shipment applications. As established by the Montreal Protocol, Libya is not in compliance with the 2002 freeze. Therefore, Libya must reduce its MB consumption by 2 ODP tonnes and by 21 ODP tonnes by 2005 to achieve compliance with the Montreal Protocol freeze and 20 per cent reduction, accordingly.
3. Reductions in accordance with the terms of this project, together with other commitments presented in the project document, would ensure that Libya would meet the reduction schedule listed below. In this regard, Libya will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2005	96.0
2007	75.0
2008	55.0
2009	30.0
2010	30.0
2011	25.0
2012	0.0

4. The Government of Libya has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. Funding for the project will be requested in the following two tranches:

Year	US \$
2005	743,000
2007	500,000

6. Funding disbursement for the project will be conditional upon that project achieving its milestones and the individual reduction schedule listed above. In case of unjustified delays, UNIDO and the Government of Spain will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the project may be cancelled.
7. The Government of Libya, in agreement with UNIDO and the Government of Spain, will have flexibility in organizing and implementing all project components it deems to be most important in order to meet MB phase-out commitments noted above. UNIDO and the Government of Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.
8. UNIDO and the Government of Spain shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project.
9. These agreed conditions between the Government of Libya and the Executive Committee supersede the agreement reached between the Government and the Executive Committee at the 47th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/32, para. 117).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex VI).

(UNEP/OzL.Pro/ExCom/59/59, Decision 59/8, para. 51 (e)).



**National phase-out plan for Libya**

The Forty-first Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC phase-out plan for the Libyan Arab Jamahiriya at a total level of funding of US \$2,497,947 plus agency support costs of US \$187,346 for UNIDO, in accordance with the Agreement between the Government of the Libyan Arab Jamahiriya and the Executive Committee attached to the present report; and
- (b) Also to approve US \$1,500,000 plus support costs of US \$112,500 for UNIDO for implementation of the first tranche of the national phase-out plan.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/56, para. 92).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/44 and Add.1 and Corr.1 and Add.2).*

**Agreement between Libyan Arab Jamahiriya and the Executive Committee for the phase-out of ODS**

1. This Agreement represents the understanding of the Libyan Arab Jamahiriya (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2009.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol. 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 the Substances.
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 5 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9; and
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead Implementing Agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A,

including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in all the Sectors 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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.

11. 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.

12. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
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### Appendix 2-A: The Targets, and Funding

	2003	2004	2005	2006	2007	2008	2009
Montreal Protocol Reduction Schedule *	710.0	610.0	358.0		107.0		0
1. Max allowable total consumption of Annex A Group I substances	700.0	461.0	300.0	176.0	52.0	11.6	0
2. Reduction from ongoing projects	239.0	10.5	0	0	0	0	0
3. New reduction under the plan	0	150.5	124.0	124.0	40.4	11.6	0
4. Total annual reduction of Annex A Group I substances	239.0	161.0	124.0	124.0	40.4	11.6	0
5. Lead IA agreed funding (US \$)	1,500,000		720,000	277,947	0	0	
6. Lead IA support cost (US \$)	112,500		54,000	20,846	0	0	
7. Total agreed funding (US \$)	1,612,500		774,000	298,793		0	

\*According to the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol.

### Appendix 3-A: Funding Approval Schedule

Except for 2004, funding will be considered for approval at the first meeting of the year of the annual programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	

Level of funding requested \_\_\_\_\_

Lead Implementing Agency \_\_\_\_\_

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
<b>Total</b>	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The monitoring process will be covered by the Ministry of Environment through the National Ozone Unit (NOU) and Implementation Team.

2. The consumption will be monitored through receiving the data from Customs Department and crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, the NOU and the Implementation Team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.

3. The reporting process will be responsibility of both the NOU and the Implementation Team. They have to timely collect and analyze all information and regularly submit the following reports:
  - (a) annual reports on consumption of the Substances to be submitted to the Ozone Secretariat (NOU);
  - (b) annual reports on progress of implementation of NPP to be submitted to the Executive Committee of the Multilateral Fund; and
  - (c) project-related reports to the Lead IA.
4. Concerning the evaluation process, the Ministry of Environment and the Lead IA will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.
5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.
6. The consultant will prepare and submit to the Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures annually. After consideration by the Lead IA the reports will be sent to the NOU and the Implementation Team for consideration and follow up.
7. The responsibilities of the consultant will also include:
  - (a) development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
  - (b) take into consideration comments from the Lead IA and the NOU and the Implementation Team to the reports and react accordingly; and
  - (c) assist in the organization and participate in possible evaluation visits by the Lead IA or the Multilateral Fund Secretariat.
8. On the other hand, the Lead IA should:
  - (a) provide the independent consultant with all relevant information;
  - (b) provide the consultant with necessary support and advice;
  - (c) consider and comment on the submitted reports and issue recommendations the to Implementation Team in a timely manner; and
  - (d) control the performance of both the consultant and the Implementation Team in the most suitable manner.

#### **Appendix 6-A: Role of the Lead IA**

UNIDO will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;

- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/56, para. 92).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex XIV).*

**MADAGASCAR****Terminal phase-out management plan for Madagascar**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Madagascar and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (g), para. 115 (g)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex VIII).*

**Agreement between Madagascar and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Madagascar (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5, and 8 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 12 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 13 and 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
Annex B:	Group I	Other fully halogenated CFCs
Annex B:	Group II	CTC

### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	7.2	7.2	7.2	0	n/a
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	2.3	2.3	2.3	0	n/a
3. New reduction under plan (ODP tonnes)	0	0	2.3	0	2.3
4. Montreal Protocol consumption limits of Annex B, Group I substances (ODP tonnes)	0	0	0	0	n/a
5. Maximum allowable consumption of Annex B, Group I substances (ODP tonnes)	0	0	0	0	n/a
6. New reduction under plan (ODP tonnes)	0	0	0	0	0
7. Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	0.1	0.1	0.1	0	n/a
8. Maximum allowable consumption of Annex B, Group II substances (ODP tonnes)	0	0	0	0	n/a
9. New reduction under plan (ODP tonnes)	0	0	0	0	0

	2007	2008	2009	2010	Total
10. Lead IA agreed funding (US \$)	133,000	87,000	-	-	220,000
11. Cooperating IA agreed funding (US \$)	78,000	47,000	-	-	125,000
12. Total agreed funding (US \$)	211,000	134,000	-	-	345,000
13. Lead IA support costs (US \$)	17,290	11,310	-	-	28,600
14. Cooperating IA support cost(US \$)	7,020	4,230	-	-	11,250
15. Total agreed support costs (US \$)	24,310	15,540	-	-	39,850
16. Grand total agreed funding (US \$)	235,310	149,540	-	-	384,850

The "Montreal Protocol consumption limits" figures are presented to one decimal place in accordance with the guidance of the Eighteenth Meeting of the Parties; however, the actual level of consumption of Annex B, Group I substances for the years 2007-2009 in the country is higher than zero. All other figures are presented as exact calculated values, for consistency with the agreed maximum allowable consumption levels

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

##### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Madagascar for related auditing. Based on discussion with the Lead IA, Madagascar should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Madagascar consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

**Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Madagascar in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (g), para. 115 (g)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex VIII).*

**MALAWI****Phase-out of the use of methyl bromide in Malawi**

The Thirty-second Meeting of the Executive Committee decided to approve the project for the phase-out of all non-essential and non-QPS methyl bromide; release of first tranche in Malawi, with the agreed conditions attached to the present report.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/57, para. 70).*

**Agreed conditions for phase-out of methyl bromide in Malawi**

1. The Executive Committee agrees to approve US \$2,999,824 as the total project funds that will be available forthwith to achieve commitments noted in this document for a total phase-out in the use of methyl bromide in Malawi (85 per cent non-QPS use of methyl bromide in tobacco). The total methyl bromide phase-out will proceed subject to the following understandings and considerations below. It is to be noted, however, that 15 per cent non-QPS use of methyl bromide in grain storage will be replaced by phosphine to be converted by Government on their own with assistance from the Government of the United Kingdom.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Malawi had a consumption of 129 ODP tonnes of methyl bromide in 1999 covering fumigation, grain storage and other controlled uses. In accordance with this data submitted to the Ozone Secretariat by Malawi for the years 1995-1998, Malawi has a methyl bromide baseline of 112.7 ODP tonnes. Reduction in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Malawi meets that requirement, and will totally phase-out all non-QPS use of methyl bromide by December 2004.

3. Specifically, Malawi commits to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period of the following listed years:

December 2000: freeze level of 129 ODP;

December 2001: 109.7 ODP tonnes (reduction of 19.3 ODP tonnes from 2000 level);

December 2002: 90 ODP tonnes (reduction of 20.9 ODP tonnes from 2001 level);

December 2003: 49.3 ODP tonnes (reduction of 41.1 ODP tonnes from 2002 level);

December 2004: zero ODP tonnes (reduction of 49.3 ODP tonnes from 2003 level).

4. In addition, Malawi commits to sustain the reduction and total national phase-out of methyl bromide noted above through bans and legislative measures in the use of methyl bromide. The specific reductions in consumption noted above will be those achieved through this project. Since this project constitute a sector phase-out, there will be no additional projects that will be submitted for the methyl bromide sector.

5. UNDP shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the implementation of the phase-out indicated in the project document. Following initial disbursement in the year 2000-2001, funding for later years in the project will be required from the Multilateral Fund in accordance with the following schedule, with the understanding that additional grants will be approved by the Executive Committee based on prior years progress report and if Malawi does not meet the reduction requirements outlined in the proposal, UNDP will withhold funding for the subsequent tranche until such time as the required reduction has been met.

Mid-2001: US \$1,000,000

Mid-2002: US \$750,000

Mid-2003: US \$1,249,824

6. Finally, UNDP agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/57, para. 70).

(Supporting document: UNEP/OzL.Pro/ExCom/32/44 Annex XI).

**Terminal phase-out management plan for Malawi**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of the Malawi and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs of US \$37,930 (US \$22,360 for UNEP and US \$15,570 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (j), para. 88 (j)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XIII).*

**Agreement between Malawi and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Malawi (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	8.7	8.7	8.7	0.0	
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	8.7	8.7	8.7	0.0	
3	New reduction under plan (ODP tones)	0.0	0.0	8.7	0.0	8.7
4	Lead IA agreed funding (US \$)	95,000	0	77,000	0	172,000
5	Cooperating IA agreed funding (US\$)	125,500	0	47,500	0	173,000
6	Total agreed funding (US \$)	220,500	0	124,500	0	345,000
7	Lead IA support costs (US \$)	12,350	0	10,010	0	22,360
8	Cooperating IA support cost (US\$)	11,295	0	4,275	0	15,570
9	Total agency support costs (US \$)	23,645	0	14,285	0	37,930
10	Grand Total agreed costs (US \$)	244,145	0	138,785	0	382,930

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

5. **Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned expenditures (US \$)
Total	

7. **Administrative Fees**

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and

Management Unit", within the National Ozone Unit.

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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Malawi for related auditing. Based on discussion with the Lead IA, Malawi should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Malawi consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist Malawi in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (j), para. 88 (j)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XIII).

**MALAYSIA****Phase-out of the use of methyl bromide in Malaysia**

The Forty-third Meeting of the Executive Committee decided to approve the project proposal for the technical assistance programme to install alternatives and phase out all remaining non-QPS uses of methyl bromide in Malaysia on the understanding that the Government of Malaysia would phase out all controlled uses of methyl bromide by the end of 2007 without any further assistance from the Multilateral Fund.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/29, para. 111).*

**National CFC phase-out plan for Malaysia**

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to approve the National CFC phase-out plan for Malaysia, in accordance with the agreement between the Government of Malaysia and the Executive Committee (attached to the present report);
- (b) to approve the inclusion of MDIs in the agreement for national CFC phase-out, at a cost of US \$57,200, plus agency support costs;
- (c) to express its appreciation to the Government of Malaysia and the World Bank for the initiative taken in promoting the elaboration of the national CFC phase-out plan.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/53, para. 88).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/45 and 35/45/Add.1).*

**Agreement for the national CFC phase-out plan for Malaysia**

1. The Executive Committee decided to approve, in principle, a total of US \$11,517,005 in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I, CFCs in Malaysia. This is the total funding that would be available to Malaysia from the Multilateral Fund for the total elimination of the use of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC from its current level of consumption. The agreed level of funding would be paid out in installments in the exact amount specified in paragraph 3, and on the basis of the following understanding:

2. By this approval, Malaysia agrees that in exchange for the funding level specified in paragraph 3, it will eliminate its 1,1,1-TCA and CTC consumption by 2010 (except any consumption that is considered by the Parties as essential uses), and also agrees to reduce its total Annex A, Group I, CFCs consumption and undertake key activities in accordance with the following schedule:

Year	Max. allowable consumption level for Annex A Group I (ODP tonnes)	Max. allowable consumption level for 1,1,1-TCA (ODP tonnes)	Max. allowable consumption level for CTC (ODP tonnes)	Additional performance target
2002	1,855	51	4.51	Import control policy in place and operational
2003	1,566	48	4.51	Announcement of import quotas for CFCs from 2002 – 2010. Criteria and procedures for financial support for investment projects completed and distributed
2004	1,136	48	4.51	Announcement of the MAC inspection programme. Ban on the use of CFCs in the manufacturing sector in 2005 in place
2005	699	18	0.68	Annual MAC inspection requirement is operational. Database of trained technicians in the MAC sector is functional
2006	579	18	0.68	
2007	490	18	0.68	
2008	401	18	0.68	
2009	332	18	0.68	
2010	0	0	0	

3. In order to assist Malaysia in establishing its implementation structure within the country, and working toward the other reduction targets included in paragraph 2, the Executive Committee decides at its 35th meeting to provide US \$1,799,940 in funding to Malaysia upon approval of this agreement. The Executive Committee has also agreed in principle that it will continue to provide funds at the level indicated below to support annual programmes for this plan. In the annual work programme, a detailed description of the activities that have been implemented in the previous year as well as those undertaken in the year of plan with matching expenditures and a report on any changes that have been made from the original plan and budget, will be included. The funds for each annual programme will be provided before or within the period which the annual programme covers.

Annual programme	Actual amounts (US\$) to be paid
2001	1,799,940
2002	2,969,065
2003	2,013,100
2004	1,688,300
2005	1,208,300
2006	1,013,300
2007	275,000
2008	275,000
2009	275,000

Payments noted in this paragraph (other than the initial tranche for 2001 and 2002) are dependent upon submission of annual programmes. In addition, payments for 2004 onwards are also conditioned upon confirmation by the Implementing Agency that the agreed reduction targets noted in paragraph 2 and relevant performance milestone have been achieved. For example, payment in 2004 will be conditional on satisfactory verification by the Implementing Agency that Malaysia had, at a minimum, met its consumption target for 2002.

4. Malaysia agrees to ensure accurate monitoring of the phase-out, and to report regularly, consistent with its

obligations under the Protocol and this agreement. Malaysia also agrees to allow for independent technical audits administered by the Implementing Agency, a periodic mid-term examination, every 2 – 3 years, to be administered as part of the annual work programme of the monitoring and evaluation of the Fund, and in addition, as may be directed by the Executive Committee to verify that annual consumption targets of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC agreed in paragraph 2 are actually met.

5. The Executive Committee wishes to provide Malaysia with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in paragraph 2. Accordingly, while the National CFC Phase-out Plan discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that with the exception of US \$1.54 million which must be used by the Government of Malaysia solely to implement, monitor and effectuate full compliance with this agreement and the Annex A, Group I, CFCs; 1,1,1-TCA; and CTC phase-out, as long as expenditures are otherwise consistent with this agreement, the remaining funds provided to Malaysia pursuant to this agreement may be used in any manner that Malaysia believes will achieve the smoothest and most efficient phase-out of the above chemicals.

6. Malaysia agrees that the funds being agreed in principle by the Executive Committee at its 35th meeting for complete phase-out of its Annex A, Group I, CFCs; 1,1,1-TCA; and CTC consumption is the total funding that will be available to it to enable its full compliance with the consumption phase-out requirements of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that aside from the agency fee referred to in paragraph 8 below, Malaysia and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of consumption of Annex A, Group I, CFCs; 1,1,1-TCA and CTC in accordance with the schedule noted above and the terms of the strategy being approved.

7. Malaysia understands that if the Executive Committee meets its obligations under this agreement, but Malaysia does not meet the reduction requirements outlined in paragraph 2, and the other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for the subsequent tranche until such time Malaysia has demonstrated that the implementation of its National CFC Phase-out Plan has been brought back on track, according to the schedule in paragraph 2. It is clearly understood that the fulfillment of this agreement depends on satisfactory performance of its obligations by both Malaysia and the Executive Committee.

8. The World Bank has agreed to be the Implementing Agency for this project at a fee of 5 percent for the project implementation and monitoring activity and 9 percent for all investment and other activities. The fee will be distributed over the timeframe of this Plan. The World Bank is given flexibility, on request of the Government of Malaysia, to subcontract Sweden to undertake activities in certain sectors covered under the National CFC Phase-out Plan. As the Implementing Agency, the World Bank agrees to be responsible for:

- (a) ensuring that technical reviews undertaken by the World Bank are undertaken by appropriate independent technical experts such as the OORG;
- (b) assisting Malaysia in the development of its annual work programme which incorporates achievements of previous annual programmes;
- (c) carrying out supervision missions as required;
- (d) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of actual consumption reduction against the targets listed in paragraph 2;
- (e) ensuring that disbursements are made to Malaysia based on agreed performance targets in the project, and the provisions of this agreement;

9. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/53, para. 88).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/45 and 35/45/Add.1).*

**MALDIVES****Terminal phase-out management plan for Maldives**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Maldives and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$180,000 plus agency support costs of US \$20,000 (US \$12,350 for UNEP and US \$7,650 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (k), para. 88 (k)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XIV).*

**Agreement between Maldives and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Maldives (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex I, Group I substances (ODP tonnes)	0.69	0.69	0.69	0	N/A
2	Max. allowable total consumption of Annex I, Group I substances (ODP tonnes)	0.69	0	0	0	N/A
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0	N/A
4	New reduction under plan (ODP tonnes)	0.69	0.69	0	0	0.69
5	Unfunded reductions (ODP tonnes)	0	0	0	0	0
6	Total annual reduction (ODP tonnes)	0.69	0.69	0	0	0.69
7	Lead IA agreed funding (US \$)	80,000	0	15,000	0	95,000
8	Cooperating IA agreed funding (US \$)	85,000	0	0	0	85,000
9	Total agreed funding (US \$)	165,000	0	15,000	0	180,000
10	Lead IA support costs (US \$)	10,400	0	1,950	0	12,350
11	Cooperating IA support costs (US \$)	7,650	0	0	0	7,650
12	Total agreed support costs (US \$)	18,050	0	1,950	0	20,000
13	Grand total agreed funding (US \$)	183,050	0	16,950	0	200,000

**Appendix 3-A: Funding Approval Schedule**

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
- |  |       |
|--|-------|
| Country                                      | _____ |
| Year of plan                                 | _____ |
| # of years completed                         | _____ |
| # of years remaining under the plan          | _____ |
| Target ODS consumption of the preceding year | _____ |
| Target ODS consumption of the year of plan   | _____ |
| Level of funding requested                   | _____ |
| Lead Implementing Agency                     | _____ |

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. 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 terminal phase-out management plan. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Maldives Department of Pollution Control, Ministry of Environment) with assistance from UNDP and UNEP Regional Offices in Bangkok.
2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Maldives for related auditing. Based on discussion with the Lead IA, Maldives should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Maldives consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Maldives in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (k), para. 88 (k)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XIV).*

**MALI****Terminal phase-out management plan for Mali**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Mali and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$520,000 plus agency support costs of US \$49,890 (US \$25,740 for UNEP and US \$24,150 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (I), para. 88 (I)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XV).*

**Agreement between Mali and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Mali (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	16.2	16.2	16.2	0.0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	16.2	16.2	16.2	0.0	
3	New reduction under plan (ODP tonnes)	0.0	0.0	16.2	0.0	16.2
4	Lead IA agreed funding (US \$)	120,000	0	78,000	0	198,000
5	Cooperating IA agreed funding (US \$)	172,000	0	150,000	0	322,000
6	Total agreed funding (US \$)	292,000	0	228,000	0	520,000
7	Lead IA support costs (US \$)	15,600	0	10,140	0	25,740
8	Cooperating IA support cost(US \$)	12,900	0	11,250	0	24,150
9	Total agency support costs (US \$)	28,500	0	21,390	0	49,890
10	Grand total agreed funding (US \$)	320,500	0	249,390	0	569,890

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**



1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase out plan. 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 Unit.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Mali for related auditing. Based on discussion with the Lead IA, Mali should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Mali consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Mali in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (I), para. 88 (I)).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XV).

**MAURITANIA****Terminal phase-out management plan for Mauritania**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Mauritania and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$295,000 plus agency support costs of US \$32,750 (US \$20,150 for UNEP and US \$12,600 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (m), para. 88 (m)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XVI).*

**Agreement between Mauritania and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Mauritania (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	3.0	3.0	3.0	0.0	
2	Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	3.0	3.0	3.0	0.0	
3	New reduction under plan (ODP tonnes)	0.0	0.0	3.0	0.0	3.0
4	Lead IA agreed funding (US \$)	96,000		59,000		155,000
5	Cooperating IA agreed funding (US \$)	85,000		55,000		140,000
6	Total agreed funding (US \$)	181,000		114,000		295,000
7	Lead IA support costs (US \$)	12,480		7,670		20,150
8	Cooperating IA support cost(US \$)	7,650		4,950		12,600
9	Total agency support costs (US \$)	20,130		12,620		32,750
10	Grand total agreed funding (US \$)	201,130		126,620		327,750

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase out plan. 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 Unit.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Mauritania for related auditing. Based on discussion with the Lead IA, Mauritania should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Mauritania consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

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
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (m), para. 88 (m)).  
(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XVI).

## MAURITIUS

**Terminal ODS phase-out management plan for Mauritius**

The Forty-first Meeting of the Executive Committee decided to approve the terminal ODS phase-out management plan for Mauritius, on the understanding that:

- (a) the total level of funding of the terminal phase-out management plan (TPMP) is US \$212,030 plus support costs of US \$27,564. This is the total funding that would be available to the Government of Mauritius from the Multilateral Fund for the total elimination of all ozone depleting substances in Mauritius;
- (b) the Government of Mauritius commits itself to the phased reduction and complete phase-out of the consumption of ODS in Mauritius, according to the following phase out schedule, which is at a minimum consistent with the Montreal Protocol's control measures for the relevant ozone-depleting substances:

Year	2004	2005	2006	2007
Annual ODS (ODP tonnes)*	2.0	1.0	1.0	0

\* Including CFCs and methyl bromide

- (c) the total funding would be requested at the last meeting of the Executive Committee in 2003, 2004 and 2005 according to the following schedule:

Year	2003	2004	2005	Total
Project cost (US \$)	110,000	62,030	40,000	212,030
Agency support cost (US \$)	14,300	8,064	5,200	27,564
Total cost (US \$)	124,300	70,094	45,200	239,594

- (d) the Government of Mauritius agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of ODS. The Executive Committee agrees to provide Mauritius with flexibility in using the agreed funds consistent with operational procedures as agreed between Mauritius and the Government of Germany in the TPMP;
- (b) the Government of Mauritius agrees to ensure accurate monitoring of the phase out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (c) the bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually that the ODS consumption reductions in the TPMP have been completed according to the above schedule.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/22, para. 56).

(Supporting document: UNEP/OzL.Pro/ExCom/41/47 and Corr.1).

**MEXICO****Foam sector phase-out plan in Mexico**

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to note that the Government of Mexico had provided a commitment that implementation of its foam sector phase-out plan would yield a sustained permanent reduction of 543.4 ODP tonnes (subject to confirmation by audits to be undertaken) from Mexico's 2000 national aggregate CFC consumption of 3,059.5 ODP tonnes;
- (b) to approve in principle the foam sector phase-out plan and to allocate the amount of US \$833,150, including US \$100,000 as project management funding, on condition that UNDP and the Government of Mexico will:
  - (i) implement within a period of 18 months an initial phase of the plan for enterprises which should be identified through an audit of their baseline conditions with the objective of phasing out 145 ODP tonnes. In implementing this initial phase, while exercising flexibility, UNDP and the Government should take due care to ensure that funding of the enterprises selected is consistent with the policies and guidelines of the Multilateral Fund;
  - (ii) prepare final audit(s) of the remaining enterprises and, on the basis of such audit or audits, prepare the final phase of the plan, including incremental costs, reflecting fully the amount of US \$833,150 approved at this Meeting in the final plan and taking into account the comments provided in Annex V to this document, for submission to the Executive Committee not later than its 38th Meeting; and UNDP will communicate to the Secretariat the results of the audits to be conducted and all other relevant information used to determine the eligible costs of the plan;
  - (iii) ensure that the total national Annex A Group I consumption in Mexico is permanently reduced to a level no higher than the 2000 national aggregate consumption reported to the Ozone Secretariat from which the consumption to be phased out from approved but not yet implemented projects (306.8 ODP tonnes) and the phase-out resulting from the foam sector plan have been taken;
- (c) to request UNDP to report on the status of implementation of this initial phase of the plan at its 38th Meeting.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/47, para. 82).



**Methyl bromide phase-out plan for Mexico**

The Fifty-fourth Meeting of the Executive Committee decided:

- (a) to approve the national methyl bromide phase-out plan at a total amount in principle of US \$9,222,379, plus agency support costs of US \$897,291, to be implemented by the Governments of Canada, Italy and Spain and by UNIDO on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of controlled uses of methyl bromide in Mexico;
- (b) to approve the agreement between the Government of Mexico and the Executive Committee on the national methyl bromide phase-out plan as attached to the present report; and
- (c) to approve the first tranche of the project as follows:
  - (i) US \$500,000 plus agency support costs of US \$58,527 for the Government of Canada;
  - (ii) US \$1,000,000 plus agency support costs of US \$120,000 for the Government of Italy; and
  - (iii) US \$2,000,000 plus agency support costs of US \$150,000 for UNIDO.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/31, para. 147).*

**Agreed conditions for the phase-out of methyl bromide in Mexico**

## 1. The Executive Committee:

- (a) at its 42nd Meeting, approved US \$1,105,000 as the total funds that will be available to Mexico in order to achieve the 2005 allowable level of methyl bromide consumption (phase-out of 162.4 ODP tonnes);
- (b) at its 54th Meeting, approved in principle an additional US \$9,222,379, as the total funds that will be available to Mexico to achieve the complete phase-out of controlled uses of methyl bromide in soil and commodities fumigation (895 ODP tonnes).

2. As reported to the Ozone Secretariat, the methyl bromide baseline for compliance for Mexico is 1,130.8 ODP tonnes; the 2007 methyl bromide consumption was 894.6 ODP tonnes. Accordingly, Mexico has achieved compliance with the Montreal Protocol's 2002 freeze obligation and is in compliance with the Protocol's 20 per cent reduction in 2005.

3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project document will ensure that Mexico meets the reduction schedule presented below. In this regard, Mexico will reduce the national consumption of controlled uses of methyl bromide, excluding quarantine and pre-shipment applications, to no more than the following levels of consumption in the years listed below:

Year	Annual phase-out (ODP tonnes)	Allowable consumption (ODP tonnes)
2008	0	895
2009	100	795
2010	120	675
2011	150	525
2012	200	325
2013	325	

4. Mexico commits to permanently sustaining the consumption levels indicated above through the use of import quotas and other policies it may deem necessary.

5. Funding for the projects will be disbursed by UNIDO and the Governments of Canada, Italy and Spain and with the following yearly budget breakdown:

Year	Soil fumigation			Commodities	Total funding (US\$)
	UNIDO (US\$)	Italy (US\$)	Spain (US\$)	Canada (US\$)	
2008	2,000,000	1,000,000		500,000	3,500,000
2010	2,000,000		800,000	500,000	3,300,000
2012	1,000,000		800,000	200,000	2,000,000
2013	204,857			217,522	422,379
Total	5,204,857	1,000,000	1,600,000	1,417,522	9,222,379

6. The Government of Mexico has reviewed the consumption data identified in all sectors covered by the project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, in case any additional methyl bromide consumption is identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government of Mexico.

7. The Government of Mexico, in agreement with UNIDO and the Governments of Canada, Italy and Spain, will have flexibility in organizing and implementing the project's components that it deems more important in order to meet the methyl bromide phase-out commitments noted above. UNIDO, and the Governments of Canada, Italy and Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.

8. UNIDO shall report annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in all sectors, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/31, para. 147).

(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XVII).

**Mexico's CFC production sector agreement**

The Fortieth Meeting of the Executive Committee decided to approve the Agreement for the Mexican CFC Production Sector, as attached to the present report.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/54, para. 107 (h)).*

**Agreement for the Mexican CFC production sector**

1. The Executive Committee decides to approve in principle a total of US \$31.85 million in funding for the closure of the entire CFC production capacity in Mexico. This includes US \$0.85 million for the project management unit.
2. This is the total funding that would be available to Mexico from the Multilateral Fund for the total permanent closure of all capacity for the production of Group I Annex A and Group I Annex B CFCs, and/or the development of capacity to produce alternatives to these CFCs.
3. The agreed level of funding would be paid out in installments in the exact amounts specified in Table 1, and on the basis of the following understanding:
  - (a) by this approval, Mexico agrees that in exchange for the funding level specified in Table 1, it will reduce its total Group I Annex A and Group I Annex B substances production in an accelerated manner as compared to the allowable production in the same table:

Year	2003	2004	2005	2006	2007	2008	2009	2010	Total
Maximum allowable production (metric tonnes)*	12,355	12,355	6,739	6,739	2,808	2,808	2,808	0**	
Maximum production levels agreed (metric tonnes)	22,000***			0	0	0	0	0	22,000
MLF funding (US\$ million)	5.3	10.7	4.0	11.85	0	0	0	0	31.85
Agency fees (US\$)	397,500	802,500	300,000	888,750	0	0	0	0	2,388,750

(\*) Including 10% of its baseline production for meeting the basic domestic needs of other Article 5 countries.

(\*\*) Save for any CFC production that may be agreed by the Parties to meet essential uses for Mexico.

(\*\*\*) Total maximum production for the years 2003 to 2005. It is understood that Mexico may not exceed its allowable production limit during any one year.

The Executive Committee has also agreed in principle that it will continue to provide funds on the basis of annual programmes submitted in accordance with the schedule indicated above. The first tranche will be paid upon signature of this agreement and the Executive Committee will strive to ensure that the subsequent tranches are approved each year at the first meeting of the Executive Committee upon the submission by UNIDO and approval by the Executive Committee of the independent verification of the production in the preceding year within the Montreal Protocol requirement and within the total allowable production specified in Table 1. UNIDO will disburse the funds according to its rules and procedures;

- (b) Mexico agrees to ensure accurate monitoring of the phase-out, and to report regularly, consistent with their obligations under the Montreal Protocol and this Agreement. Mexico also agrees to allow for independent technical audits administered by the Implementing Agency, and in addition, as may be directed by the Executive Committee to verify annual CFC production levels agreed in Table 1;
- (c) the Executive Committee wishes to provide Mexico with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in subparagraph (a). Accordingly, while Mexico's country programme, sector strategy or other ancillary production-related documentation discussed during the preparation of this Agreement may have included estimates of specific funds that were thought to be needed for specific items, it is the Executive Committee's understanding that during implementation, as long as it is consistent with this Agreement and the mode of implementation included in the Mexico project proposal, the funds provided to Mexico pursuant to this Agreement may be used in any manner that Mexico believes will achieve the smoothest possible CFC production phase-out.
- (d) Mexico agrees that the funds being agreed in principle by the Executive Committee at its 40th Meeting for complete closure of its CFC production capacity is the total funding that will be available to it to enable its full compliance with the CFC production phase-out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that, apart from the agency fee referred to in subparagraph (f) below and reflected in Table 1, Mexico, the

Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.

- (e) Mexico understands that, if the Executive Committee meets its obligations under this Agreement, but Mexico does not meet the reduction requirements outlined in subparagraph (a), and the other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in Table 1 until the required reduction has been met. In addition, Mexico understands that the Multilateral Fund will reduce the last tranche in 2006, and therefore, total funding for the CFC production closure on the basis of \$1,000 per ODP tonne of phase-out not achieved in 2006 of this Agreement. It is clearly understood that the fulfillment of this Agreement depends on satisfactory performance of obligations by both Mexico and the Executive Committee.
- (f) UNIDO has agreed to be the Implementing Agency for this project. The fee for the project will be 7.5 per cent for project costs distributed during that time period. As the Implementing Agency during that time period, UNIDO agrees to be responsible for:
  - (i) ensuring/providing independent verification to the Executive Committee that the phase-out targets and associated activities have been met;
  - (ii) ensuring that technical reviews undertaken by UNIDO are undertaken by the appropriate independent technical experts;
  - (iii) assisting Mexico in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - (iv) carrying out supervision missions as required;
  - (v) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (vi) incorporating its work into the existing agreement between Mexico and UNIDO; and
  - (vii) ensuring that disbursements are made to Mexico based on agreed performance targets in the project, and the provisions of this Agreement.

1. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector or any related activity.

(UNEP/OzL.Pro/ExCom/40/50, Decision 40/54, para.107 (h)).

(Supporting document: UNEP/OzL.Pro/ExCom/40/50 Annex V).

**National CFC phase-out plan for Mexico**

The Forty-second Meeting of the Executive Committee decided:

- (a) to approve, in principle, the project proposal for a national phase-out plan for Mexico at a total level of funding of US \$8,794,500 plus agency support costs of US \$659,588 for UNIDO;
- (b) also to approve the agreement between the Government of Mexico and the Executive Committee attached to the present report; and
- (c) further to approve US \$3,517,000 plus support costs of US \$263,775 for UNIDO for the implementation of the first tranche of the national CFC phase-out plan.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/32, para.115).

(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex XI).

NOTE: This agreement was subsequently modified at the 45th Meeting of the Executive Committee.

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to note with appreciation that Mexico had reported that its actual 2004 CFC consumption was substantially lower than the maximum allowable consumption;
- (b) to amend the agreement between the Government of Mexico and the Executive Committee to include the World Bank as cooperating implementing agency as attached to the present report;
- (c) to approve funding for the 2005 tranche of US \$500,000, plus support costs of US \$37,500 for the World Bank, and US \$4,478,000, plus support costs of US \$335,850 for UNIDO;
- (d) to note that disbursement of the funding approved for UNIDO should not commence until agreement between the Secretariat and UNIDO had been reached that the verification of the 2004 objectives had been completed and that a satisfactory annual implementation programme for 2005 had been submitted; and
- (e) to request the Secretariat to inform the Executive Committee of the progress achieved at its 46th Meeting.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/51, para. 165).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to approve the national transition strategy for the phase-out of CFC metered-dose inhalers (MDIs) and the project for the phase-out of CFC consumption in the manufacture of aerosol MDIs in Mexico at the amount of US \$2,630,503 plus agency support costs of US \$197,288 for UNIDO, on the understanding that no further funding would be provided for CFC-MDI conversion in Mexico;
- (b) to note that in respect of the adjustment required by paragraph (b) of Executive Committee decision 52/30 a total of US \$285,950 is to be deducted to eliminate double-counting of funds provided under the national phase-out plan approved by the Executive Committee at its 42nd Meeting as follows:
  - (i) US \$85,950 from the project for the phase out of CFC consumption in the manufacture of aerosol MDIs mentioned in paragraph (a) above; and
  - (ii) UNIDO would return the remaining US \$200,000 plus agency support costs of US \$15,000 from the national phase-out plan to the 54th Meeting.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/24, para. 128).

**Agreement between Mexico and the Executive Committee for the phase-out of ODS**

1. This Agreement represents the understanding of Mexico (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 11 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.
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 (the “Lead IA”) has agreed to be the lead implementing agency and the World Bank (“Co-operating IA”) has agreed to be a co operating Implementing Agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed

in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows 8 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 the reductions in consumption (as measured according to Article 7 of the Protocol) not achieved in any one year.

11. 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 or production sector projects or any other related activities in the Country.

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

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The targets, and funding

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol reduction schedule (ODP tonnes)	4,625	2,312	2,312	694	694	694	0
1. Max allowable total consumption of CFCs <sup>2</sup> (ODP tonnes)	4,403	2,205	150	50	50	50	0
2. Total demand of CFCs (ODP tonnes) <sup>1</sup>	1,932	1,667	1,190	725	425	195	140 <sup>3</sup>
3. Reduction from on-going projects (ODP tonnes)	40	165	77	15	0	0	0
4. New reduction under plan <sup>4</sup> (ODP tonnes)	0	100	400	450	300	230	55
5. Total annual reduction (ODP tonnes)	40	265	477	465	300	230	55
6. Stockpile <sup>5</sup> (ODP tonnes)	2,815	3,353	2,314	1,639	1,264	1,119	979
7. Lead I.A. agreed funding (US \$)	3,517,000	4,478,000	299,500	0	0	0	0
8. Lead I.A. support costs (US \$)	263,775	335,850	22,463	0	0	0	0
9. Co-operating I.A. agreed funding (US \$)	0	500,000	0	0	0	0	0
10. Co-operating I.A. support costs (US \$)	0	37,500	0	0	0	0	0
11. Total agreed funding (US \$)	3,517,000	4,978,000	299,500	0	0	0	0



12. Total agency support costs (US \$)	263,775	373,350	22,463	0	0	0	0
13. Total agreed grant for tranche (US\$)	3,780,775	5,351,350	321,963	0	0	0	0

1 Estimated.

2 Article 7 data (production – export + import) constitute the target under this Agreement.

3 Save for essential uses.

4 Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

5 For information purposes.

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the first meeting in the year of the annual plan.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

**Appendix 5-A: Monitoring Institutions and Roles**

1. The National Ozone Unit (SEMARNAT) monitors the consumption data of all ODS. Inspections at converted companies are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.
2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Mexico.
3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.
4. Monitoring activity will be done by:
  - (a) establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
  - (b) setting up adequate office facilities including a computer system to collect and analyse the data;
  - (c) regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
  - (d) occasional visits to service workshops, recycling and reclamation centres.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

CFC quantity

- number of appliances subjected to refrigerant recovery and type (commercial. MAC, domestic etc.) of these appliances at every service workshop;
- amount of recovered CFC refrigerants at every workshop;
- amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- amount of recovered CFC refrigerants stored at every workshop;
- amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- amount of virgin refrigerant by type consumed in workshops and its application;
- amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- cost of recovery at every service workshop and parties who bear the cost;

- cost of recycling at every recycling centre and parties who bear the cost;
  - price of recycled CFC refrigerants;
  - cost of reclaiming at every reclamation centre and parties who bear the cost;
  - price of reclaimed CFC refrigerants;
  - other financial information relevant to monitoring the recovery recycling and reclamation scheme.
6. Data and information collected will be analysed to check the adequate operations of the scheme.
  7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.
  8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

#### **Appendix 6-A: Role of the lead Implementing Agency**

1. The Lead IA will be responsible for:
  - (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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
  - (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
  - (j) ensuring that disbursements are made to the Country in a timely and effective manner;
  - (k) providing assistance with policy, management and technical support when required.

#### **Appendix 6-B: Role of the co-operating implementing agency**

1. The Co-operating IA will be responsible for executing the second stage of the programme of substitution of cooling air systems (chillers). The responsibility will include:
  - (a) selection and final quotation from the suppliers of efficient equipment;
  - (b) compilation of administrative and financial information for the formalization of the financing and to make the corresponding evaluations;
  - (c) authorization process of the projects;
  - (d) elaboration and signature of the agreement and contracts;
  - (e) payment process of advance payment of 50% to the supplier for the initiation of the projects;
  - (f) requisition of the efficient equipment;
  - (g) retirement of the inefficient cooling units to proceed with the extraction of the cooling gas R-11 and oil for its recycling;
  - (h) physical destruction of the inefficient units;
  - (i) rise and signature of corresponding acts;

- (j) supply, starting and putting in operation of the efficient equipment;
- (k) payment process of advance of project by 35%;
- (l) verification of the obtained savings of electrical energy;
- (m) payment process of settlement of project by the last 15%;
- (n) elaboration of the corresponding reports;
- (o) ensuring that disbursements are made to the Country in a timely and effective manner;
- (p) reporting to the Lead IA on these activities and
- (q) providing assistance relating to the activities being undertaken when required.

**Appendix 7-A: Reductions in funding for failure to comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,440 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/32, para. 115).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex XI).*

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/51, para. 165).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex XVI).*

## MONGOLIA

**Terminal phase-out management plan for Mongolia**

The Fourty-seventh Meeting of the Executive Committee decided to approve the the TPMP for Mongolia on the understanding that:

- (a) the Executive Committee approves in principle the TPMP for Mongolia at a total cost of US \$205,000 plus support cost of US \$26,650 for the Government of Japan, as the total funding available to the Government of Mongolia from the Multilateral Fund for the total elimination of CFC in Mongolia;
- (b) the Government of Mongolia commits to the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Mongolia, according to the following phase out schedule which is consistent with the Montreal Protocol's control measures for CFCs:

Year	2006	2007	2008	2009	2010
Annual CFC phase-out target (ODP tonnes)	3.3	1.5	1.0	0.8	0.0

- (c) the Executive Committee approves US \$150,000, plus support costs of US \$19,500 for the Government of Japan, for the implementation of the 2006 2007 work programme of the TPMP for Mongolia. A final tranche amounting to US \$55,000 plus support costs of US \$7,150 for the Government of Japan would be requested in the last meeting of the Executive Committee in 2007;
- (d) the Executive Committee agrees to provide Mongolia with flexibility in using the agreed funds consistent with operational procedures as agreed between Mongolia and the Government of Japan in the TPMP;
- (e) the Government of Mongolia agrees to ensure accurate monitoring of the phase out and provide regular reports by 30 September each year, as required under Article 7 of the Montreal Protocol;
- (f) annual reporting on the implementation of the activities undertaken in the previous year, as well as a thorough and comprehensive work plan for the implementation of the following year's activities, will be submitted by the Government of Japan for consideration by the Executive Committee;
- (g) the amount of funding provided may be reduced by US \$10,000 per ODP tonne of consumption reductions not achieved in a given year.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/11, para. 60).

**MONTENEGRO****Terminal phase-out management plan for Montenegro**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Montenegro and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$270,295 plus agency support costs of US \$20,272 for UNIDO and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (n), para. 88 (n)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XVII).*

**Agreement between Montenegro and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of Montenegro (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5 and 7 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 (the “Lead IA”) has agreed to be the lead implementing agency (“Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5 (b). The country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115
Annex A:	Group II	Halons
Annex B:	Group II	CTC

### Appendix 2-A: The Targets, And Funding

		2006	2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	52.5	15.75	15.75	15.75	0	n/a
2	Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)		5	4	2	0	n/a
3	New reduction under plan (ODP tonnes)		0	1	2	2	5
4	Montreal Protocol consumption limits of Annex A, Group II substances (ODP tonnes)	1.2	1.2	1.2	1.2	0	n/a
5	Maximum allowable consumption of Annex A, Group II (ODP tonnes)		0	0	0	0	n/a
6	Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	0.2	0.2	0.2	0.2	0	n/a
7	Maximum allowable consumption of Annex B, Group II substances (ODP tonnes)		0.15	0.15	0.15	0	n/a
8	New reduction under plan (ODP tonnes)		0	0	0	0.15	0.15
9	Total agreed funding (US \$)		175,000	0	95,295	0	270,295
10	Total agreed support costs (US \$)		13,125	0	7,147	0	20,272
11	Grand total agreed funding (US \$)		188,125	0	102,442	0	290,567



**Appendix 3-A: Funding Approval Schedule**

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
- |  |       |
|--|-------|
| Country                                      | _____ |
| Year of plan                                 | _____ |
| # of years completed                         | _____ |
| # of years remaining under the plan          | _____ |
| Target ODS consumption of the preceding year | _____ |
| Target ODS consumption of the year of plan   | _____ |
| Level of funding requested                   | _____ |
| Lead Implementing Agency                     | _____ |

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase out plan (TPMP). 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 Unit.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Montenegro for related auditing. Based on discussion with the Lead IA, Montenegro should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Montenegro consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (n), para. 88 (n)).  
(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XVII).

## MOROCCO

**Phase-out of the use of methyl bromide in Morocco**

The Thirty-second Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide for soil fumigation in strawberry production in Morocco, and the thirty-fourth Meeting of the Executive Committee also decided to approve the project for the phase-out of methyl bromide for soil fumigation in tomato production (first tranche).

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/58, para. 71).

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/54, para. 74).

Subsequently, at its Forty-fourth Meeting, the Executive Committee decided:

- (a) to approve the change of the technologies in the project for the phase-out of methyl bromide for soil fumigation in tomato production in Morocco;
- (b) to approve the revised Agreement between the Government of Morocco and the Executive Committee as attached to the present report, that would:
  - (i) include a revised completion date of 2009;
  - (ii) reduce the overall cost approved in principle from US \$3,957,844 to US \$3,912,949;
- (c) to note that, in 2001, US \$400,000 plus support costs of US \$52,000 for UNIDO had been approved for the implementation of the tomato sector project as part of the overall methyl bromide phase-out project; and
- (d) to approve the balance of the first tranche of the revised project at the amount of US \$607,513 plus support costs of US \$45,563 for UNIDO.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/45, para. 180).

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to approve in principle the terminal project for the phase-out of methyl bromide used as a soil fumigant in the production of green beans and cucurbits in Morocco, at a total cost of US \$1,437,594 plus agency support costs of US \$84,750 for UNIDO and US \$40,300 for the Government of Italy, on the understanding that no additional funding would be provided for Morocco for the phase-out of controlled uses of methyl bromide in the country,
- (b) to approve the revised agreement between the Government of Morocco for the phase-out of controlled uses of methyl bromide attached to the present report, and
- (c) to approve the first tranche of the project at a total cost of US \$690,000 plus agency support costs for US \$51,750 for UNIDO and US \$310,000 plus agency support costs of US \$40,300 for the Government of Italy.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/55, para. 208).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XIV).

The Fifty-eighth Meeting of the Executive Committee decided:

- (i) to note that the total methyl bromide phase-out in Morocco would be achieved in 2012 and that no additional funding was being requested for the phase-out of 58.7 ODP tonnes;
- (ii) to adjust the schedule for the phase-out of methyl bromide consumption in the revised agreed conditions for Morocco as shown in the table in the revised agreement.

(UNEP/OzL.Pro/ExCom/58/63, Decision 58/15, para. 79 (c)).

**Revised agreed conditions for phase-out of methyl bromide in Morocco**

## 1. The Executive Committee:

- (a) at its 29th Meeting, approved US \$1,006,652 as the total funds that will be available to Morocco to achieve the complete phase-out of methyl bromide (MB) used in cut flowers and banana production (61 ODP tonnes);
- (b) at its 32nd Meeting, approved additional US \$2,189,729 as the total funds that will be available to Morocco to achieve the complete phase out of MB used in strawberry sector (additional 151.6 ODP tonnes);
- (c) at its 34th Meeting, approved in principle additional US \$3,957,844 as the total funds that will be available to Morocco to achieve the complete phase out of MB used in tomato sector (additional 389.9 ODP tonnes);
- (d) at its 44th Meeting, agreed for a change of technology, to replace the negative pressure steam pasteurization with grafting technology, adjusting the funding level of the project to US \$3,912,949 to achieve the complete phase out of MB used in tomato sector; and
- (e) at its 56th Meeting, approved in principle an additional US \$1,437,594 as the total funds that will be available to Morocco to achieve the complete phase out of MB used in green beans and cucurbits (melon) sector (additional 106.2 ODP tonnes).

2. As reported to the Ozone Secretariat, the MB baseline for compliance for Morocco is 697.2 ODP; the 2007 methyl bromide consumption was 263.8 ODP tonnes. Accordingly, Morocco has achieved compliance with the Montreal Protocol's 2002 freeze obligation and it is in compliance with the Protocol's 20 per cent reduction in 2005.

3. Through the implementation of the above investment projects, the Government of Morocco commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the following levels:

Year	ODP tonnes						
	Strawberry	Banana and cut flowers	Tomato	Green beans and melon	Other(*)	Total phased out	Total consumption
2001	23.4	-	-			23.4	744.0
2002	15.6	40.0	-			55.6	688.4
2003	20.4	21.0	34.1			75.5	612.9
2004	42.2	0.0	-			42.2	570.7
2005	50.0	-	39.0			89.0	481.7
2006	0.0	-	56.4			56.4	425.3
2007	-	-	78.0			78.0	347.3
2008	-	-	86.4			86.4	260.9
2009	-	-	96.0	20.0		116.0	144.9
2010	-	-	0.0	30.0	20.0	50.0	94.9
2011				28.2	20.0	48.2	46.7
2012				28.0	18.7	46.7	
2013				0.0			
<b>Total</b>	<b>151.60</b>	<b>61.00</b>	<b>389.90</b>	<b>106.2</b>	<b>58.7</b>	<b>767.4</b>	

(\*) Consumption to be phased out by the Government of Morocco without funding from the Multilateral Fund

4. Upon completion of the projects, controlled uses of MB in Morocco will be completely phased out. Morocco also commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary. UNIDO shall report back each year to the Executive Committee on the progress achieved in meeting the reductions required by the projects.

5. For the phase-out of MB in the tomato sector, funding will be disbursed by UNIDO in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	US \$
2001	400,000

2004	607,513
2005	1,670,995
2006	411,633
2007	424,381
2008	398,427
Total	3,912,949

6. For the phase-out of MB in the green bean and melon sector, funding will be disbursed by UNIDO and the Government of Italy in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	UNIDO (US \$)	Italy (US \$)
2008	690,000	310,000
2010	437,594	
Total	1,127,594	310,000

7. The Government of Morocco has reviewed the consumption data identified in the cut flower, banana, strawberry, tomato, green beans and cucurbits sectors and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

8. The Government of Morocco shall have flexibility in the implementation of the different project components, which it considers important to meet its phase out commitments. UNIDO and Italy agree to manage the funding for the projects in a manner designed to ensure that the specific annual reductions agreed are met.

9. These agreed conditions between the Government of Morocco and the Executive Committee have taken into account the already approved MB phase out projects in the cut flower, banana, strawberry and tomato sectors and, therefore, supersede the agreed conditions at the 32nd, 34th and 44th Meetings of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/58, para. 71).*

*(UNEP/OzL.Pro/ExCom/34/58, Decision 34/54, para. 74).*

*(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex X)*

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/45, para. 180).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XIII)*

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/55, para. 208).*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XIV).*

*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/15, para. 79 (c)).*

**MOZAMBIQUE****Terminal phase-out management plan for Mozambique**

The Fifty-sixth Meeting of the Executive Committee decided:

- (i) to approve the agreement between the Government of Mozambique and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$251,500 (US \$134,000 for UNEP and US \$117,500 for UNDP) plus agency support costs of US \$27,995 (US \$17,420 for UNEP and US \$10,575 for UNDP);
- (ii) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan;
- (iii) to approve the first tranche of the plan at US \$175,500 (US \$75,000 for UNEP and US \$100,500 for UNDP) plus agency support costs of US \$18,795 (US \$9,750 for UNEP and US \$9,045 for UNDP).

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (d), para. 84 (d)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex VII).

**Agreement between Mozambique and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Mozambique (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets and Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	2.7	2.7	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	2.3	0	0	
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	2.3	0	0	2.3
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	2.3	0	0	2.3
7	Lead IA agreed funding (US \$)	75,000	59,000	0	134,000
8	Cooperating IA agreed funding (US \$)	100,500	17,000	0	117,500
9	Total agreed funding (US \$)	175,500	76,000	0	251,500
10	Lead IA support costs (US \$)	9,750	7,670	0	17,420
11	Cooperating IA support costs (US \$)	9,045	1,530	0	10,575
12	Total agreed support costs (US \$)	18,795	9,200	0	27,995
13	Grand total agreed funding (US \$)	194,295	85,200	0	279,495

### Appendix 3-A: Funding Disbursement Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.



**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Control Unit", within the National Ozone Unit (NOU).
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 terminal phase out plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Mozambique for related auditing. Based on discussion with the Lead IA, Mozambique should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Mozambique in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Mozambique consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Roles of Cooperating Implementing Agencies

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist Mozambique in the implementation and verification of the activities funded for by the Cooperating IA; and
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (d), para.84 (d)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/64, Annex VII).*

## NAMIBIA

**Terminal CFC phase-out management plan for Namibia**

The Forty-first Meeting of the Executive Committee decided to approve the terminal CFC phase-out management plan for Namibia, on the understanding that:

- (a) the total level of funding of the terminal phase-out management plan (TPMP) is US \$252,500 plus support costs of US \$32,825. This is the total funding that would be available to the Government of Namibia from the Multilateral Fund for the total elimination of CFCs in Namibia;
- (b) the Government of Namibia commits itself to the phased reduction and complete phase-out of consumption of Annex A, Group I substances used in Namibia, according to the following phase out schedule, which is at a minimum consistent with the Montreal Protocol's control measures for CFCs:

Year	2004	2005	2006	2007	2008
Annual CFC phase-out target (ODP tonnes)	4.0	3.0	3.0	2.0	0

- (c) the total funding would be requested at the last meeting of the Executive Committee in 2003 and 2005 according to the following schedule:

Year	2003	2005	Total
Project cost (US \$)	160,000	92,500	252,500
Agency support cost (US \$)	20,800	12,025	32,825
Total cost (US \$)	180,800	104,525	285,325

- (d) the Government of Namibia agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of Annex A, Group I substances. The Executive Committee agrees to provide Namibia with flexibility in using the agreed funds consistent with operational procedures as agreed between Namibia and the Government of Germany in the TPMP;
- (e) the Government of Namibia agrees to ensure accurate monitoring of the phase out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (d) the bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually that the CFCs consumption reductions in the TPMP have been completed according to the above schedule.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/23, para. 57).

(Supporting document: UNEP/OzL.Pro/ExCom/41/49 and Corr.1).

## NEPAL

**Terminal phase-out management plan for Nepal**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Nepal and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report a total amount in principle of US \$170,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (i), para. 115 (i)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex X).*

The Fifty-fifth Meeting of the Executive Committee decided to defer approval of the second tranche of the CFC national phase-out plan for Nepal to its 56th Meeting on the condition that substantial progress in implementation of the activities in the first tranche has been demonstrated.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/38, para. 165).*

**Agreement between Nepal and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Nepal (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
CFCs	1 Montreal Protocol reduction schedule (ODP tonnes)	4.1	4.1	4	0	n/a
	2 Max. allowable total consumption of CFCs (ODP tonnes)	4.1	4.1	4	0	n/a
	3 Reduction from on-going projects (ODP tonnes)	0	0	0	0	0
	4 New reduction under plan (ODP tonnes)	8	0	4	0	12
	5 Unfunded reductions (ODP tonnes)	0	0	0	0	0
	6 Total annual reduction (ODP tonnes)	8	0	4	0	12
	7 Lead IA agreed funding (US \$)	35,000	35,000	-	-	70,000
	8 Cooperating IA agreed funding (US \$)	75,000	25,000	-	-	100,000
	9 Total agreed funding (US \$)	110,000	60,000	-	-	170,000
	10 Lead IA support costs (US \$)	4,550	4,550	-	-	9,100
	11 Cooperating IA support costs (US \$)	6,750	2,250	-	-	9,000
	12 Total agreed support costs (US \$)	11,300	6,800	-	-	18,100
	13 Grand total agreed funding (US \$)	121,300	66,800	-	-	188,100

### Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the second meeting of 2007 and 2008.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	



## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. 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 national phase out plan. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Nepal Bureau of Standards and Metrology) with assistance from UNDP and UNEP Regional Offices in Bangkok.
2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Nepal for related auditing. Based on discussion with the Lead IA, Nepal should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Nepal consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Nepal in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (i), para. 115 (i)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex X).*

## NICARAGUA

**Terminal phase-out management plan for Nicaragua**

The Fifty-sixth Meeting of the Executive Committee decided:

- (i) to approve the agreement between the Government of Nicaragua and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$520,000 (US \$200,000 for UNEP and US \$320,000 for UNDP) plus agency support costs of US \$50,000 (US \$26,000 for UNEP and US \$24,000 for UNDP);
- (ii) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan;
- (iii) to approve the first tranche of the plan at US \$450,000 (US \$130,000 for UNEP and US \$320,000 for UNDP) plus agency support costs of US \$40,900 (US \$16,900 for UNEP and US \$24,000 for UNDP).

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (e), para. 84 (e)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex VIII).

**Agreement between Nicaragua and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Nicaragua (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-12
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### Appendix 2-A: The Targets and Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	12.4	12.4	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	3.7	2	0.0	
3	New reduction under plan (ODP tonnes)	1.7	2.0	0.0	3.7
4	Lead IA agreed funding (US \$)	130,000	70,000		200,000
5	Cooperating IA agreed funding (US \$)	320,000			320,000
6	Total agreed funding (US \$)	450,000	70,000		520,000
7	Lead IA support costs (US \$)	16,900	9,100		26,000
8	Cooperating IA support costs (US \$)	24,000			24,000
9	Total agreed support costs (US \$)	40,900	9,100		50,000
10	Grand total agreed funding (US \$)	490,900	79,100		570,000

### Appendix 3-A: Funding Disbursement Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Control Unit", within the National Ozone Unit (NOU).
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 terminal phase out plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Nicaragua for related auditing. Based on discussion with the Lead IA, Nicaragua should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Nicaragua in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Nicaragua consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Roles of Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist Nicaragua in the implementation and verification of the activities funded for by the Cooperating IA; and
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (e), para.84 (e)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64, Annex VIII).

**NIGER****Terminal phase-out management plan for Niger**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of Niger and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$333,000 plus agency support costs of US \$35,930 (US \$19,370 for UNEP and US \$16,560 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (f), para. 100 (f)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XII).*



**Agreement between Niger and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Niger (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A..

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	4.8	4.8	0	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	4.8	4.8	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)		4.8	0.0	4.8
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	4.8	0	4.8
7	Lead IA agreed funding (US \$)	81,000	68,000	0	149,000
8	Cooperating IA agreed funding (US \$)	131,000	53,000	0	184,000
9	Total agreed funding (US \$)	212,000	121,000	0	333,000
10	Lead IA support costs (US \$)	10,530	8,840	0	19,370
11	Cooperating IA support costs (US \$)	11,790	4,770	0	16,560
12	Total agreed support costs (US \$)	22,320	13,610	0	35,930
13	Grand total agreed funding (US \$)	234,320	134,610	0	368,930

**Appendix 3-A: Funding Approval Schedule**

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)

Total	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

#### Verification and reporting

2. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Niger for related auditing. Based on discussion with the Lead IA, Niger should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Niger consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist Niger in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (f), para. 100 (f)).

(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XII).

## NIGERIA

**National CFC phase-out plan for Nigeria**

The Thirty-eighth Meeting of the Executive Committee decided to approve the national CFC phase-out plan for Nigeria, which included the reduction of US \$29,600 to take account of the Japanese bilateral activity, in accordance with the agreement between the Government of Nigeria and the Executive Committee, attached to the present report.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/48, para. 84).*

*(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex XII).*

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) that verification of consumption had to be provided as part of the request for every second funding tranche under the Agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting;
- (b) to take note of the annual implementation report of the national CFC phase-out plan (NPP) in Nigeria for 2008;
- (c) to approve the programme for implementation of the NPP for Nigeria for 2009; and
- (d) to approve the sixth tranche (2007) of the NPP for Nigeria at a total cost of US \$385,000, plus agency support costs of US \$32,770 for UNDP, with the expectation that verification reports for 2007 and 2008 would be submitted to the Secretariat in time for the 58th Meeting of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/29, para. 159).*

**Agreement for the national CFC phase-out plan for Nigeria**

1. The Executive Committee approves in principle a total of US \$13,130,786, excluding agency support costs, in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I substances in Nigeria. This together with the Japan bilateral project approved at the 38th Meeting is the total funding that would be available to Nigeria from the Multilateral Fund for the total elimination of the use of Annex A, Group I substances in Nigeria. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement. This Agreement is being approved by the Executive Committee without prejudice to the operation of the Montreal Protocol mechanisms for dealing with non-compliance.

2. By this Agreement, Nigeria commits that in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I substances in accordance with the annual consumption limits given in Table 1 and the performance targets in this Agreement and as detailed in the annual implementation programmes.

**Table 1: Funding levels and profile under the National CFC Phase-out Plan**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol consumption limits (ODP tonnes)	3,650	3,650	3,650	3,650	3,650	1,825	1,825	547.5	547.5	547.5	0	n/a
Reported/expected consumption ODP tonnes	4094.8*	4,115.5	3,686.2	-	-	-	-	-	-	-	-	-
Maximum allowable total consumption (ODP tonnes)	-	-	-	3,352.7	3,137.0	1,725.4	1,015.9	507.6	286.1	86.1	0	-
Reduction from ongoing projects (ODP tonnes)	171.3	429.3	333.5	194.2	560.7	0.0	0.0	0.0	0.0	0.0	0	1689
New reduction under plan (ODP tonnes)	0.0	0.0	0.0	0.0	845.3	688.0	491.8	200.0	200.0	64.6	0	2,489.7
Ineligible ODS reduction (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	16.5	0.0	0.0	0.0	0	16.5
Reduction for IS component \$12.1/kg (ODP tonnes) and Japan bilateral	0.0	0.0	0.0	21.5	5.7	21.5	0.0	21.5	0.0	21.5	0	91.7
Total annual reduction	171.3	429.3	333.5	215.7	1,411.6	709.5	508.3	221.5	200.0	86.1	0	4,286.8
Annual funding installment where applicable in \$	UNDP agreed funding	-	-	5,013,929	2,976,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0 12,193,400
	UNDP support costs	-	-	449,318	264,834	183,863	69,261	42,146	32,770	28,228	8,290	0 1,078,710
	UNIDO agreed funding	-	-	682,386	255,000	-	-	-	-	-	-	0 937,386
	UNIDO support cost	-	-	82,521	33,150	-	-	-	-	-	-	0 115,671
	Total agreed funding	-	-	5,696,315	3,231,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0 13,130,786
	Total agency support cost	-	-	531,839	297,984	183,863	69,261	42,146	32,770	28,228	8,290	0 1,194,381
	Total cost to MLF	-	-	6,228,154	3,529,811	2,261,004	866,383	531,327	417,770	369,428	121,290	0 14,325,167

\* The starting point for reductions in consumption is the 1999 reported data of 4,268.8 ODP tonnes.

Notes: A breakdown of the above table showing details by sector is shown in Table 2 at the end of this Agreement.

3. In order to assist Nigeria in establishing its implementation structure within the country, achievement of Nigeria's 2003 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Table 1, the Executive Committee decides at its 38th Meeting to provide US \$5,696,315 plus agency support costs to Nigeria.

4. The Executive Committee also agrees in principle to payments in 2003 and subsequent years in the exact amount listed in Table 1, subject to:

- achievement of the consumption limits and reductions specified in Table 1 and the other performance requirements contained in this agreement;

- (b) compliance with the performance indicators contained in relevant annual implementation programme; and
  - (c) approval of annual implementation programme for the following year.
5. Thus, for example, the payment indicated in year 2002 will be for activities to be implemented in 2003, and so on. The Executive Committee will strive to provide the specified funding at the last meeting of the year concerned.
6. Payments noted in Table 1, other than the payments in 2002 and 2003, will be released based on confirmation that: the agreed maximum consumption targets noted in Table 1 for the previous year have been achieved; it has been verified that the amounts specified for CFC phase-out have been achieved, and that a substantial proportion of the activities planned for the previous year were undertaken in accordance with the annual implementation plan.
7. For example, payment in 2004 for the 2005 implementation programme will be conditional on satisfactory verification that Nigeria has, as a minimum: met its consumption targets for 2003 as specified in Table 1, and; completed a substantial proportion of 2002 implementation activities and the 2003 activities planned for completion before the 2003 reporting date. Payment in 2005 for the 2006 implementation plan will be released based on confirmation that the 2004 consumption targets have been met, and so on for future years.
8. The Government of Nigeria agrees to ensure accurate monitoring of the phase-out. The Government of Nigeria will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures reported under this Agreement will be, as a minimum, consistent with Nigeria's compliance with the Montreal Protocol regarding Annex A, Group I substances and will be reported to the Ozone Secretariat pursuant to Article 7 of the Montreal Protocol no later than 30 September of each year.
9. The Government of Nigeria also agrees to allow independent verification audits as provided for in this Agreement, a biennial verification to be implemented as part of the relevant annual work programme of monitoring and evaluation of the Multilateral Fund and in addition, such external evaluation as may be directed by the Executive Committee, to verify that annual CFC reduction targets and consumption levels correspond to those agreed in Table 1 and that implementation of the National CFC Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.
10. The National CFC Phase-out Plan for Nigeria may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Nigeria with maximum flexibility in using the agreed funds to meet the reduction targets and the consumption limits agreed in Table 1. The Executive Committee understands that during implementation, the funds provided to Nigeria pursuant to this Agreement may be used in any manner that Nigeria believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between Nigeria, UNDP as the lead Implementing Agency, and UNIDO as co-Implementing Agency, in the National CFC Phase-out Plan for Nigeria as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to Nigeria to achieve a complete CFC phase-out, it is noted that Nigeria is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 1 of this Agreement.
11. The Government of Nigeria agrees that the funding agreed in principle by the Executive Committee at its 38th Meeting for complete phase-out of consumption of Annex A, Group I substances is the total funding that will be available to Nigeria to allow its full compliance with the reductions in consumption and the phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any additional activities related to phase-out of Annex A Group I substances. It is also understood that aside from the agency fee referred to in paragraph 13 below, the Government of Nigeria, the Multilateral Fund, and its implementing and bilateral agencies will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of Annex A, Group I substances.
12. The Government of Nigeria agrees that if the Executive Committee meets its obligations under this Agreement, but Nigeria does not meet the phase-out and reduction requirements outlined in Table 1, and other requirements outlined in this Agreement, the Implementing Agencies and the Multilateral Fund will withhold funding for subsequent tranches of funding stipulated in Table 1 until such time as the required reduction has

been met. It is clearly understood that the fulfillment of this Agreement depends on satisfactory performance of its obligations by both the Government of Nigeria and the Executive Committee of their obligations. In addition, Nigeria understands that with respect to all calendar year targets beginning with 2003, as set out in paragraph 2 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for Annex A, Group I substances phase-out on the basis of US \$10,540 per ODP tonne of reduction not achieved in any year unless the Executive Committee decides otherwise.

13. For UNDP, a fee of 5 per cent of the annual funding for project implementation and monitoring and 9 per cent of the annual funding for all other activities has been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1. Since UNIDO's activities consist of two terminal projects with no management components, the support costs are calculated separately, using 13 per cent for the first US \$500,000 and 11 per cent thereafter for each individual project, with the required adjustment for the retroactive component (6 per cent) of the refrigeration project.

14. The components of National CFC Phase-out Plan related to the phase-out plan for the foam manufacturing sector and for the refrigeration-servicing sector were prepared with the assistance of UNDP and the phase-out plan for the refrigeration manufacturing sector and the aerosol sector were prepared with assistance from UNIDO. UNDP, as the lead Implementing Agency, will assist the Government of Nigeria to carry out all activities required to achieve the above targets and implement the overall National CFC Phase-out Plan, and also activities related to policy and regulatory development. UNIDO, as a co-Implementing Agency, will provide necessary support and assistance to Nigeria for activities related to the refrigeration manufacturing sector and aerosol sector.

15. As the lead Implementing Agency, UNDP will be responsible for the following:

- (a) ensuring performance and financial verification in accordance with this Agreement and with specific UNDP procedures and requirements as specified in the National CFC Phase-out Plan for Nigeria, as revised;
- (b) providing verification to the Executive Committee that the consumption targets listed in Table 1 and the associated annual activities have been met;
- (c) assisting Nigeria in preparation of annual implementation programmes;
- (d) ensuring that achievements in previous annual programmes are reflected in future programmes;
- (e) reporting on the implementation of the annual implementation programmes commencing with the submission for the 2004 annual implementation programme to be prepared and submitted in 2003;
- (f) ensuring that technical reviews undertaken by UNDP are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (i) verification for the Executive Committee that national Annex A, Group I substances for Nigeria has been completed based on the schedules listed in Table 1;
- (j) ensuring that disbursements are made to Nigeria based on agreed performance targets in the annual work programme and provisions in this Agreement; and
- (k) providing policy development assistance when required.

16. UNIDO, as co-Implementing Agency, will:

- (a) assist the Government of Nigeria in the implementation and verification of the activities funded for UNIDO – namely phase-out in the refrigeration manufacturing sector and in the aerosol sector; and
- (b) provide reports to UNDP on these activities, for inclusion in the consolidated reports.
- (c) the funding components of this Agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.



**Table 2: Sector-wise details of funding levels and profile under the National CFC Phase-out Plan**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL
Montreal Protocol consumption limits (ODP tonnes)	3,650	3,650	3,650	3,650	3,650	1,825	1,825	547.5	547.5	547.5	0	N/a
Reported/Expected Consumption	4094.8*	4,115.5	3,686.2	-	-	-	-	-	-	-	-	-
Maximum allowable total consumption (ODP tonnes)	-	-	-	3,352.7	3,137.0	1,725.4	1,015.9	507.6	286.1	86.1	0	-
Reduction from ongoing projects - foam sector	167.8	426.3	310.5	179.3	552.1	0.0	0.0	0.0	0.0	0.0	0	1636
Reduction from ongoing projects - refrigeration sector	3.5	3.0	23.0	14.9	8.6	0.0	0.0	0.0	0.0	0.0	0	53
Reduction from ongoing projects - aerosol sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Total reduction from all ongoing projects (ODP tonnes)	171.3	429.3	333.5	194.2	560.7	0.0	0.0	0.0	0.0	0.0	0	1689
New reduction under plan - foam sector	0.0	0.0	0.0	0.0	830.3	480	291.8	0.0	0.0	0.0	0	1602.1
New reduction under plan - refrigeration sector	0.0	0.0	0.0	0.0	15.0	150.0	200.0	200.0	200.0	64.6	0	829.6
New reduction under plan - aerosol sector	0.0	0.0	0.0	0.0	0.0	58.0	0.0	0.0	0.0	0.0	0	58
Total new reduction under plan (ODP tonnes)	0.0	0.0	0.0	0.0	845.3	688.0	491.8	200.0	200.0	64.6	0	2,489.7
Ineligible ODS reduction - foam sector	0.0	0.0	0.0	0.0	0.0	0.0	16.5	0.0	0.0	0.0	0	16.5
Ineligible ODS reduction - refrigeration sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Ineligible ODS reduction - aerosol sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Total ineligible ODS reduction (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	16.5	0.0	0.0	0.0	0	16.5
Total annual reduction (ODP tonnes) - Foam sector	167.8	426.3	310.5	179.3	1,382.4	480.0	308.3	0.0	0.0	0.0	0	3,254.6
Total annual reduction (ODP tonnes) - Refrigeration sector	3.5	3.0	23.0	14.9	23.6	150.0	200.0	200.0	200.0	64.6	0	882.6
Total annual reduction (ODP tonnes) - Aerosol sector	0.0	0.0	0.0	0.0	0.0	58.0	0.0	0.0	0.0	0.0	0	58
Reduction for I.S. component @\$12.1 per kg	0.0	0.0	0.0	21.5	5.7	21.5	0.0	21.5	0.0	21.5	0	91.7
Total annual reduction (ODP tonnes)- all sectors	171.3	429.3	333.5	215.7	1,411.7	709.5	508.3	221.5	200.0	86.1	0	4,286.9

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/48, para. 84).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1, Annex IV).

**Terminal ODS phase-out umbrella project in the solvent sector in Nigeria**

The Forty-third Meeting of the Executive Committee decided:

- (a) to approve in principle the terminal ODS phase-out umbrella project in the solvent sector for Nigeria at a total level of funding of US \$1,575,200 plus support costs of US \$118,140. This is the total funding that would be available to the Government of Nigeria from the Multilateral Fund for the complete phase out of consumption of CTC and TCA;
- (b) also to approve funding of US \$530,000 plus agency support costs for UNIDO of US \$39,750 for the first tranche in 2004;
- (c) that the remainder of the funding, as indicated in the table below, would be requested at the last Meeting of the Executive Committee in the relevant years:

Year	2005	2006	2007	2008
Project cost (US \$)	317,000	425,000	303,200	0
Agency support cost (US \$)	23,775	31,875	22,740	0
Total cost (US \$)	340,775	456,875	325,940	0

- (d) to establish the conditions indicated below:
  - (i) the Government of Nigeria agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of these substances;
  - (ii) the Government of Nigeria commits itself to the phased reduction and complete phase-out of consumption of CTC and TCA in Nigeria, according to the following schedule which is, at a minimum, consistent with the Montreal Protocol's control measures for CTC and TCA:

Year	2004	2005	2006	2007	2008	2009	2010
Annual CTC consumption limit (ODP tonnes)	166.7	22.9	22.9	22.9	0	0	0
Annual TCA consumption limit (ODP tonnes)	31.3	23.0	23.0	23.0	23.0	23.0	0

- (iii) the Executive Committee agrees to provide Nigeria with flexibility in using the agreed funds consistent with operational procedures as agreed between the Government of Nigeria and UNIDO;
- (iv) the Government of Nigeria agrees to ensure accurate monitoring of the phase out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (v) UNIDO will be responsible for reporting annually on the implementation of activities funded under the project and for providing verification to the Executive Committee annually that the CTC and TCA consumption limits in the project have been achieved according to the above schedule.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/31, para. 115).

(Supporting document: UNEP/OzL.Pro/ExCom/43/40 and Add.1).

The Fifty-second Meeting of the Executive Committee decided:

- (a) to approve the fourth tranche of the project at the amount of US \$303,200, with the associated support costs of US \$22,740 for UNIDO to be disbursed only after confirmation by the Fund Secretariat that an amendment to the verification report provided a clear indication that the legal instruments were sufficient to control the import of ozone-depleting substances (ODS); and
- (b) to request UNIDO to present a status report on the controls on the import of ODS into Nigeria at the 53rd Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/42, para. 178).

**NORTH MACEDONIA****Phase-out of the use of methyl bromide in Macedonia, FYR**

The Thirty-second Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in tobacco seedling and horticulture production sector in Macedonia FYR, with the agreed conditions attached to the present report.

*(UNEP/OzL.Pro/ExCom/32/44, Decision 32/56, para. 69).*

**Agreed conditions for phase-out of methyl bromide in the Former Yugoslav Republic of Macedonia**

1. The Executive Committee agrees to approve US \$1,075,207 as the total funds that will be available to achieve commitments noted in this document for the phase reduction in the use of methyl bromide in Macedonia subject to the following understandings and considerations:
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Macedonia FYR had consumption of 27.2 ODP tonnes of methyl bromide in 1999. In accordance with the data submitted to the Secretariat by Macedonia FYR for the years 1995-1998, Macedonia has a methyl bromide baseline of 12.2 ODP tonnes. Accordingly, Macedonia FYR must reduce its 1999 consumption of methyl bromide by at least 15.0 ODP tonnes to achieve compliance with the Protocol's 2002 freeze obligation and by at least 17.4 ODP tonnes to achieve compliance with the Protocol's 2005, 20 per cent reduction.
3. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Macedonia FYR meets that requirement, and exceeds subsequent phase-out requirements of the Montreal Protocol.
4. Specifically, Macedonia FYR commits to reduce its total national consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period of the following listed years:
 

2001-2002	12.2 ODP tonnes
2002-2003	9.7 ODP tonnes
2003-2004	7.8 ODP tonnes
2004-2005	zero
5. In addition, Macedonia FYR commits to sustain this phase-out of methyl bromide through the use of bans in the use of methyl bromide for all non-exempt methyl bromide uses. The specific reductions in consumption noted above will be those achieved through this project. Since this project constitutes a sector phase-out, there will be no additional projects that will be submitted for the methyl bromide sector.
6. UNIDO shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the use of the floating system inputs being purchased with the project funds.
7. Following initial disbursement of 30 per cent in the year 2000-2001, funding for later years in the project will be disbursed by UNIDO in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior years progress report.
 

2002 – 2003	25 per cent of funds
2003 – 2004	25 per cent of funds
2004 – 2005	20 per cent of funds
8. Finally, UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

(UNEP/OzL.Pro/ExCom/32/44, Decision 32/56, para. 69).

(Supporting document: UNEP/OzL.Pro/ExCom/32/44 Annex X).

**Terminal phase-out management plan for CFCs for the Former Yugoslav Republic of Macedonia**

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan for CFCs for The Former Yugoslav Republic of Macedonia, at a total level of funding of US \$279,081, plus agency support costs of US \$20,931 for UNIDO;
- (b) to approve the agreement between the Government of The former Yugoslav Republic of Macedonia and the Executive Committee attached to the present report; and
- (c) to approve the first tranche of the plan at a funding level of US \$154,210, plus support costs of US \$11,566 for UNIDO.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/42, para. 142).*

*Supporting document: UNEP/OzL.Pro/ExCom/45/35 and Add.1).*

**Agreement Between the Former Yugoslav Republic of Macedonia and the Executive Committee for the phase-out of ODSs**

1. This Agreement represents the understanding of The Former Yugoslav Republic of Macedonia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 1 January 2009, a year in advance of Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 5 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 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 Target for the applicable year;
  - (b) that the meeting of these Targets have been independently verified as described in paragraph 8; and
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 8.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 8.
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. UNIDO has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programme of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.
9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

10. 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.

11. 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.

12. 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, and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12 and CFC-115
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### Appendix 2-A: The Targets, and Funding

Year	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	492.53	246.26	246.6	73.88	73.88	73.88	0	n.a.
1. Max allowable total CFC consumption (ODP tonnes)	49.34	25.0	15.0	10.0	5.0	0	0	n.a.
2. Reduction of CFC consumption from on going projects (ODP tonnes)	0	0	0	0	0	0	0	0
3. New reduction under the present plan (ODP tonnes)	24.34	10.0	5.0	5.0	5.0	0	0	49.34
4. Total annual reduction of CFC (ODP tonnes)	24.34	10.0	5.0	5.0	5.0	0	0	49.34
5. Lead I.A. agreed funding (US\$)	-	154,210	79,871	15,000	15,000	15,000	-	279,081
6. Lead I.A. support cost (US\$)	-	11,566	5,990	1,125	1,125	1,125	-	20,931
7. Total agreed funding (US\$)	-	165,776	85,861	16,125	16,125	16,125	-	300,012

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the first meeting of the year of the "Annual Implementation Programme" including that for the 2005 "Annual Implementation Programme", which is requested at the 45th Meeting.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	Macedonia, FYR
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	UNIDO

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation

### 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. The monitoring of this TPMP (Terminal phase-out management plan) will be coordinated by the National Ozone Unit in cooperation with respective governmental bodies and also national experts recruited for particular tasks which would arise in the course of the project implementation.

2. The following activities will be carried out during the implementation of the TPMP at different levels. Monitoring of the impact of all measures will be carried out throughout the implementation period, and consists of measures such as:

- (a) evaluation of training courses;
- (b) assessment of the level of knowledge of service technicians in good practice;
- (c) check up of all applicants for new R&R equipment in order to verify their capability;



- (d) monitoring of service shops in order to check whether the equipment is used in the most appropriate way and providing technical assistance if needed;
- (e) verification of the data for recovered and recycled quantities;
- (f) monitoring of the educational centres during the training courses at the vocational schools; and
- (g) monitoring of market developments.

3. An independent chartered national auditing organization will be recruited to verify consumption.

#### **Appendix 6-A: Role of the Lead IA**

UNIDO will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the first year, the report about the implementation to be prepared and submitted until March 2006;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) ensuring that disbursements made to the Country are based on the use of the Indicators;
- (k) providing assistance with policy, management and technical support when required;
- (l) assisting the Country in the implementation and verification of the activities to be undertaken by UNIDO as funded in row 5 of Appendix 2-A and as specified in the project document; and
- (m) ensuring that disbursements are made to the Country in a timely and effective manner.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$11,312 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/42, para. 142).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex XI).*

## OMAN

**Terminal phase-out management plan for Oman**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Oman and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report a total amount in principle of US \$470,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (j), para. 115 (j)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XI).*

**Agreement between Oman and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Oman (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 8 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix-4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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 fulfill 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
CFCs	1. Montreal Protocol reduction schedule (ODP tonnes)	37.3	37.3	37.3	0	n/a
	2. Max. allowable total consumption of CFCs (ODP tonnes)	35	25	20	0	n/a
	3. Reduction from on-going projects (ODP tonnes)	0	0	0	0	0
	4. New reduction under plan (ODP tonnes)	10	5	20	0	35
	5. Unfunded reductions (ODP tonnes)	0	0	0	0	0
	6. Total annual reduction (ODP tonnes)	10	5	20	0	35
	7. Lead IA agreed funding (US \$)	305,800	164,200	0	0	470,000
	8. Total agreed funding (US \$)	305,800	164,200	0	0	470,000
	9. Lead IA support costs (US \$)	22,935	12,315	0	0	35,250
	10. Total agreed support costs (US \$)	22,935	12,315	0	0	35,250
	11. Grand total agreed funding (US \$)	328,735	176,515	0	0	505,250

### Appendix 3-A: Funding Approval Schedule

1. Funding, other than the payment in 2007, will be considered for approval at the third meeting of the Executive Committee in 2008.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed by the NOU and UNIDO through the project funding, which is included within this TPMP.

2. UNIDO will play a key 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 TPMP. UNIDO in cooperation with the NOU, national agencies and relevant Government Authorities will monitor the illegal ODS imports and exports.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Oman for related auditing. Based on discussion with the Lead IA, Oman should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Oman consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

No relevant.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (j), para. 115 (j)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XI).*

**PAKISTAN****Pakistan CTC phase-out plan**

The Forty-first Meeting of the Executive Committee decided:

- (a) to approve in principle the sector phase-out plan for CTC in Pakistan at a total level of funding of US \$2,745,665 plus agency support costs of US \$205,924 for UNIDO, in accordance with the Agreement between the Government of Pakistan and the Executive Committee attached to the present report;
- (b) to request UNIDO to ensure equipment for conversion was provided only to small enterprises whose eligibility had been verified; and
- (c) to approve US \$1,200,000 plus agency costs of US \$90,000 for the first tranche of the project.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/75, para. 111).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/51, Add.1 and Add.2).*

**Agreement between Pakistan and the Executive Committee for the phase-out of CTC**

1. This Agreement represents the understanding of Pakistan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances CTC (the “Substance”) set out in Appendix 1-A, prior to 31 December 2008.
2. The Country agrees to phase out the controlled use of the Substance in the solvent sector in accordance with the annual phase-out targets set out in row 1A of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substance.
3. Subject to compliance with the following paragraphs 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 5 of Appendix 2-A (the “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 the Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 8;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes of the year for which funding is being requested).
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”) 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 paragraph 8.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 8.
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 fulfill the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead Implementing Agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.
9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance in the solvent sector 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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.

10. 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.

11. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

12. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex B:	Group II	CTC
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### Appendix 2-A: The Targets, and Funding

	2003(*)	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedules			CTC-85%					
1. Max allowable consumption of Annex B Group II substance under Protocol (ODP tonnes)	-	-	61.9	63.5	63.5	63.5	63.5	0
1A. Max allowable consumption of Annex B Group II substance under sector plan (ODP tonnes)	650	389.3	61.9	42.0	32.0	15.0	0	0
2. Reduction from ongoing projects	-	160.7	0	0	0	0	0	0
3. New reduction under plan	-	100.0	326.5	20.5	10.0	17.0	15.00	0
4. Total annual reduction of Annex B Group II (ODP tonnes)	-	260.7	326.5	20.5	10.0	17.0	15.00	0
5. Lead I.A. agreed funding (US \$)	1,200,000	1,300,000	245,665	0	0	0	0	0
6. Lead I.A. support costs (US \$)	90,000	97,500	25,924	0	0	0	0	0
7. Total agreed funding (US \$)	1,290,000	1,397,500	271,589	0	0	-	-	-

(\*)Estimated consumption figure

### Appendix 3-A: Funding Approval Schedule

Apart from 2003, funding will be considered for approval at the first meeting of the year of the annual programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

## 2. Targets

Indicators		Preceding year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

\*For ODS-producing countries

## 3. Industry Action

Sector	Actual consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Process Agents						
Solvents						
Other						
Total						
Servicing						
Total						
Grand total						

## 2. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 3. Government Action

Policy/activity planned	Schedule of implementation
Type of Policy Control on ODS Import: servicing, etc	
Public awareness	
Others	

## 4. Annual Budget

Activity	Planned expenditures (US \$)
TOTAL	

## 5. Administrative Fees

## Appendix 5-A: Monitoring Institutions and Roles

1. The overall management of the Plan will be carried out as described in Section 5.1 of the project document, by the National Ozone Unit (NOU), of the Government of Pakistan. The implementation of the Plan will be carried out by the NOU through a dedicated management unit to be established and in close cooperation with the Lead IA.

2. The NOU within the purview of the Federal Ministry of Environment will be responsible for monitoring and coordination of the implementation of the Sector Phase-out Plan. The NOU will be responsible for tracking promulgation and enforcement of policy/legislations and assist the Lead IA with the preparation of

annual implementation plans and progress reports to the Executive Committee of MLF. The NOU in collaboration with the Lead IA would supervise Plan implementation activities and conduct an annual independent audit for verifying ODS consumption levels under this Plan, including spot checks and random inspection visits.

#### **Appendix 6-A: Role of the Lead Implementing Agency**

1. UNIDO will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$12,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/41/87, Decision 41/75, para. 111).*

*(Supporting document: UNEP/OzL.Pro/ExCom/41/87 Annex XVI).*

**PANAMA****National phase-out plan for Annex A (Group I) substances for Panama**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle the national phase-out plan for Annex A (Group I) substances for Panama, at a total level of funding of US \$993,152 plus agency support costs of US \$77,237 for UNDP and UNEP;
- (b) also to approve the Agreement between the Government of Panama and the Executive Committee attached to the present report; and
- (c) further to approve US \$250,152 plus support costs of US \$18,762 for UNDP and US \$25,000 plus support costs of US \$3,250 for UNEP for implementation of the first year of the national CFC phase-out plan.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/34, para. 151).*

**Agreement between Panama and the Executive Committee for the phase-out of Annex A Group I ODS**

1. This Agreement represents the understanding of the Republic of Panama (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (The “Substances”) prior to 2010, compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 10 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 (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 and Institutions 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration-servicing sector will be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 fulfill the obligations under this Agreement. UNDP (the “Lead IA”) has agreed to be the lead implementing agency and UNEP (“Cooperating IA”) has agreed to be co-operating Implementing Agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in

Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows 7 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 installment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
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#### Appendix 2-A - The Targets and Funding

	2004	2005	2006	2007	2008	2009	Total
Montreal Protocol Reduction Schedules	384.20	192.10	192.10	57.63	57.63	57.63	n.a.
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	168.42	131.97	65.98	37.22	18.61	0	n.a.
2. Reduction from ongoing projects (ODP tonnes)	0	0	0	0	0	0	0
3. New reduction under the plan (ODP tonnes)	0	36.45	65.99	28.76	18.61	18.61	168.42
4. Unfunded reductions (ODP tonnes)	0	0	0	0	0	0	0
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0	36.45	65.99	28.76	18.61	18.61	168.42
6. Lead IA agreed funding (US\$)	250,152	238,000	200,000	184,000	71,000	0	943,152
7. Lead IA support costs (US\$)	18,762	17,850	15,000	13,800	5,325	0	70,737
8. Co-operating IA agreed funding (US\$)	25,000	15,000	10,000	0	0	0	50,000
9. Co-operating IA support costs (US\$)	3,250	1,950	1,300	0	0	0	6,500
10. Total agreed funding (US \$)	275,152	253,000	210,000	184,000	71,000	0	993,152
11. Total agency support costs (US \$)	22,012	19,800	16,300	13,800	5,325	0	77,237
12. Total grant for tranche	297,164	272,800	226,300	197,800	76,325	0	1,070,389

	2004	2005	2006	2007	2008	2009	Total
(US\$)							

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Technical Assistance for Implementation and monitoring", which is included within this National Phase out Plan. The actual monitoring activities will be delegated to Ozone Unit of the Ministry of Health, and they will be developed by a personnel hired for this purpose.

2. The success of the monitoring programme will be based on three axes: 1) Well designed forms for data collection, evaluation and reporting, 2) Regular programme of monitoring visits, and 3) Appropriate cross-checking of information from different sources.

#### Verification and reporting

3. The outcome of the different elements of the National Phase out Plan and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

4. The Government of Panama wishes to designate UNDP, with the support of UNEP, as the organizations to carry out the verification of the National Phase out Plan results and the monitoring programme.

#### Frequency of verification and reporting

5. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.



**Appendix 6-B Role of the Co-Operating IA**

The Co-operating IA will be responsible for:

- (a) assisting the Country in the implementation and verification of the activities to be undertaken by the Lead IA as funded in row 8 of Appendix 2-A and as specified in the project document;
- (b) ensuring that disbursements are made to the Country in a timely and effective manner;
- (c) reporting to the Lead IA on these activities; and
- (d) providing assistance relating to the activities being undertaken when required.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,780 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/34, para. 151).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex IX).*

**PAPUA NEW GUINEA****Terminal phase-out management plan for ODS for Papua New Guinea**

The Thirty-ninth Meeting of the Executive Committee decided to approve in principle US \$700,000 for a terminal phase-out management plan for ODS in Papua New Guinea in accordance with the agreement between the Government of Papua New Guinea and the Executive Committee attached to the present report and on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance.

*(UNEP/OzL.Pro/ExCom/39/43, Decision 39/21, para. 58).*

*(Supporting document: UNEP/OzL.Pro/ExCom/39/43, Annex VI).*

**Agreement for the terminal ODS phase-out management plan for Papua New Guinea**

1. The Executive Committee approves in principle a total of US \$700,000 in funding for the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Papua New Guinea. This is the total funding that would be available to Papua New Guinea from the Multilateral Fund for the total elimination of CFC use in Papua New Guinea. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.
2. By this Agreement, Papua New Guinea commits that, in exchange for the funding level specified below in Table 1, it will eliminate its total CFC consumption in accordance with the annual consumption limits given in Table 2.

**Table 1: Funding levels under the TPMP for Papua New Guinea**

Funding level (US\$)	2003	2004	2005	2006	2007	Total
Project costs	480,000			220,000		700,000
Agency support costs	59,700			27,300		87,000
Total costs	539,700			247,300		787,000

**Table 2: Maximum allowable consumption for Annex A, Group I substances**

Year	Consumption (ODP tonnes)
April 2003 – March 2004	35.0
April 2004 – March 2005	26.0
April 2005 – March 2006	17.0
April 2006 – March 2007	8.0
April 2007 – December 2007	4.5
2008 - 2010	0

3. The Executive Committee also agrees in principle that the funds will be provided at the first meetings of the Executive Committee in 2003 and 2006 in accordance with Table 1 for the exact amounts listed in the table and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this Agreement. On this basis, the payment indicated in year 2003 will be for activities to be undertaken from 2003 to 2005; while payment in the year 2006 will be for activities in 2006 and 2007.
4. Payments noted in Table 1, other than the 2003 implementation programme, will be released based on confirmation that the agreed phase-out targets noted in Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year have been undertaken in accordance with the annual implementation plan. Hence, payment in 2006 would be released based on confirmation that the April 2004 March 2005 consumption target had been met and all 2003–2005 implementation plan activities had been completed.
5. The Government of Papua New Guinea also agrees to ensure accurate monitoring of the phase-out. The Government of Papua New Guinea will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement will be consistent with Papua New Guinea's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.
6. The Government of Papua New Guinea also agrees to allow independent verification audits as provided for in this Agreement and, in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 2.
7. The Papua New Guinea Terminal CFC Phase-out Management Plan, which supports this Agreement, the Papua New Guinea Country Programme, and other related documentation, may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Papua New Guinea with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 2. The Executive Committee understands that during implementation, as long as it is consistent with this Agreement, the funds provided to Papua New Guinea pursuant to this Agreement may be used in any manner that Papua New Guinea believes will achieve the smoothest possible CFC sector phase-

out, consistent with operational procedures as agreed between the Government of Papua New Guinea and the Government of Germany in the Terminal Phase-out Management Plan and as indicated in the implementation programmes.

8. The Government of Papua New Guinea agrees that the funds being agreed in principle by the Executive Committee at its 39th Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to Papua New Guinea to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that, apart from the agency fee referred to in paragraph 10 below, the Government of Papua New Guinea, the Multilateral Fund, its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of CFC in the country.

9. The Government of Papua New Guinea agrees that, if the Executive Committee meets its obligations under this Agreement, but the Government of Papua New Guinea does not meet the reduction requirements outlined in paragraph 2 and other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this agreement depends on the satisfactory performance of its obligations by both the Government of Papua New Guinea and the Executive Committee. In addition, Papua New Guinea understands that, regarding all calendar year targets in paragraph 2 of this Agreement beginning with the 2003-2004 annual period, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for CFC phase-out on the basis of US \$15,000 per ODP tonne of reduction not achieved in any year.

10. The Government of Germany has agreed to be the Implementing Agency for the implementation of this Terminal Phase-out Management Plan, which will be completed in 2007. A total agency fee of US \$87,000 has been agreed in accordance with the provisions of this Agreement and distributed as shown in Table 1. The Government of Germany would be responsible for the following:

- (a) ensuring performance and financial verification in accordance with specific Government of Germany procedures and requirements, as specified in the Papua New Guinea CFC Phase-out Management Plan;
- (b) reporting annually on the implementation of the annual implementation programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by the Government of Germany are undertaken by appropriate independent technical experts;
- (e) assisting Papua New Guinea in the preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme and accurate data reporting;
- (h) ensuring that disbursements are made to Papua New Guinea based on agreed performance targets in the project and provisions in this Agreement; and
- (i) providing policy development assistance when required.

11. The funding components of this Agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

(UNEP/OzL.Pro/ExCom/39/43, Decision 39/21, para. 58).

(Supporting document: UNEP/OzL.Pro/ExCom/39/43, Annex VI).

**PARAGUAY****Terminal phase-out management plan for ODS for Paraguay**

The Fifty-first Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan (TPMP) for Paraguay, at the amount of US \$565,000 plus agency support costs of US \$27,825 for UNDP and US \$25,220 for UNEP, on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) to approve the agreement between the Government of Paraguay and the Executive Committee for the implementation of the TPMP as attached to the present document;
- (c) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP; and
- (d) to approve the first tranche of the plan at the level of funding, on the understanding that UNDP and UNEP would not disburse any funding until the Government of Paraguay had submitted to the Ozone Secretariat a plan of action with specific time benchmarks to ensure a prompt return to compliance, as required under decision XVIII/32 of the Eighteenth Meeting of the Parties to the Montreal Protocol.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/31 para. 152).*

*(Supporting document: UNEP/OzL.Pro/ExCom/51/46 Annex XI).*

**Agreement between Paraguay and the Executive Committee of the Multilateral Fund for the phase-out of Annex A Group I ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Paraguay (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the project document
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 5 of Appendix 2 A (the “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 by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation program in the form of Appendix 4-A (the “Annual Implementation Programme”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management 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 UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 6 and 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A Group I substances (ODP tonnes)	105.3	31.6	31.6	31.6	0.00	
2. Max. allowable total consumption of Annex A Group I substances (ODP tonnes)		31.6	31.6	31.6	0.00	
3. Lead IA agreed funding (US \$)		80,000	60,000	30,000	24,000	194,000
4. Cooperating IA agreed funding (US \$)		160,000	140,000	50,000	21,000	371,000
5. Total agreed funding costs (US \$)		240,000	200,000	80,000	45,000	565,000
6. Lead IA support costs (US \$)		10,400	7,800	3,900	3,120	25,220
7. Cooperating IA support costs (US \$)		12,000	10,500	3,750	1,575	27,825
8. Total agreed support costs (US \$)		22,400	18,300	7,650	4,695	53,045
9. Grand total agreed funding (US \$)		262,400	218,300	87,650	49,695	618,045

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the first meeting of the year prior to the year of the Annual Implementation Programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data \_\_\_\_\_

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead Implementing Agency \_\_\_\_\_

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The monitoring of the initiatives within the TPMP and of the compliance with the CFC consumption limits will be carried out within the project "TPMP Implementation, Monitoring, and Control".



2. The project will produce quarterly operational reports for the purpose of timely identification of problems or obstacles and design of corrective measures. The quarterly reports will be consolidated into an Annual Progress Report, which in turn will be the basis for the “TPMP Annual Implementation Report” and the “TPMP Annual Implementation Plan” to be submitted to the Executive Committee.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Paraguay for related auditing. Based on discussion with the Lead IA, Paraguay should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead IA;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### **Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist the Government in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/51/46, Decision 51/31 para. 152).

(Supporting document: UNEP/OzL.Pro/ExCom/51/46 Annex X1).

**PERU****Terminal phase-out management plan for Peru**

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan for Peru, at the amount of US \$155,000 plus agency support costs of US \$20,150 for UNEP and US \$367,000 plus agency support costs of US \$27,525 for UNDP;
- (b) to approve the agreement between the Government of Peru and the Executive Committee for implementation of the terminal phase-out management plan, as attached to the present report;
- (c) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase out management plan; and
- (d) to approve the first tranche of the plan.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/39, para.169).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XIV).*

**Agreement between Peru and the Executive Committee for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Peru (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	43.4	43.4	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	35.0*	20.0	0	
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	15.0	20.0	0	35.0
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	15.0	20.0	0	35.0
7	Lead IA agreed funding (US \$)	77,500	77,500		155,000
8	Cooperating IA agreed funding (US \$)	183,500	183,500		367,000
9	Total agreed funding (US \$)	261,000	261,000		522,000
10	Lead IA support costs (US \$)	10,075	10,075		20,150
11	Cooperating IA support costs (US \$)	13,762	13,763		27,525
12	Total agreed support costs (US \$)	23,837	23,838		47,675
13	Grand total agreed funding (US \$)	284,837	284,838		569,675

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Peru for related auditing. Based on discussion with the Lead IA, Peru should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Peru in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Peru consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Peru in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by

US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/39, para.169).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XIV).*

## PHILIPPINES

**Phase-out of the use of methyl bromide in Philippines**

The Forty-fourth Meeting of the Executive Committee decided to approve the technical assistance for a national methyl bromide phase-out strategy, on the understanding that this project would phase out all remaining controlled uses of methyl bromide and that the Government of the Philippines would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/43, para. 175).

**National CFC phase-out plan for Philippines**

The Thirty-eighth Meeting of the Executive Committee decided to approve the national CFC phase-out plan for Philippines, in accordance with the agreement between the Government of Philippines and the Executive Committee, attached to the present report.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decisions 38/20 and 38/49, paras.52 and 87).

(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex V).

The Sixty-fifth Meeting of the Executive Committee decided:

- (e) (i) To note the progress report on the implementation of the national CFC phase-out plan (NPP) for the Philippines for the period 2003-2011 and the verification report on the CFC consumption for 2008;
- (ii) To note that the grant agreement between the World Bank and the Government of the Philippines had closed on 30 June 2011;
- (iii) To request the World Bank to return the remaining balance of the NPP to the 66th meeting;
- (iv) To further note the request by the Government of the Philippines to select UNEP as the implementing agency for the additional activities needed to ensure the sustainability of the NPP and the CFC phase-out; and
- (di) To request the Government of the Philippines, with the assistance of UNEP, to submit a verification report on the CFC consumption for 2009 and 2010, and an implementation plan for 2012-2013 for the remaining funds under the NPP to the 66th Meeting;

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/10(e), para.58(e)).

The Sixty-sixth Meeting of the Executive Committee decided:

- (f) (i) To note:
  - a. The verification report of 2009 and 2010 CFC consumption in the Philippines and the country's compliance with its phase-out obligations for CFC consumption;
  - b. That the Philippines had reported zero consumption of CFCs under Article 7 of the Montreal Protocol for 2010;
- (ii) To approve the annual implementation plan under the national CFC phase-out plan for April 2012 to April 2013, submitted by UNEP on behalf of the Government of the Philippines, and the activities contained therein, for the disbursement of no more than US \$471,630 for this period and to request UNEP to provide a report to the Executive Committee at the 70th meeting on progress made;
- (iii) To request the Government of the Philippines, through UNEP, to submit a subsequent work plan to the 68th meeting of the Executive Committee, taking into account that the remaining balance of US \$1,407,221 should support activities that would facilitate the phase-out of HCFCs within the context of the country's HCFC phase-out management plan (HPMP), in line with decision 60/11;
- (iv) To encourage the Government of the Philippines and the World Bank to submit the overarching HPMP for the Executive Committee's consideration no later than the 68th meeting; and
- (v) To further encourage the Government of the Philippines and UNEP to utilize the remaining balance in sub-paragraph (iii) above to defray HPMP costs to the extent possible

(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15(f), para.73(f)).



**Agreement for the national CFC phase-out plan for Philippines**

1. The Executive Committee approves in principle a total of US \$10,575,410, excluding agency support costs, in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I, chemicals in the Philippines. This is the total funding that would be available to the Philippines from the Multilateral Fund for the total elimination of the consumption and use of Annex A, Group I substances in the Philippines. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement. This amount is being approved by the Executive Committee without prejudice to the operation of the Montreal Protocol mechanisms for dealing with non-compliance issues.

2. By this Agreement, the Philippines commits that in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I substances consumption in accordance with the maximum allowable total consumption limits given in Table 1 and the performance targets outlined in Table 12.2 of Chapter 12 of the National CFC Phase-out Plan (NCP) of the Philippines, as detailed in the annual implementation programmes.

**Table 1: Disbursement schedule and control targets for total CFC phase-out in the Philippines (ODP tonnes and US \$)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Maximum allowable CFC consumption	2,049.3	2,049.3	1,960	1,810	1,509	1,360	453	400	300	
Reduction from ongoing projects	-	31.7	-	-	-	-	-	-	-	31.7
New reduction under plan	-	-	89.3	150	301	149	907	53	100	1,749
Total annual reduction	-	31.7	89.3	150	301	149	907	53	100	1,781
Agreed funding (WB Component I)	-	2,858,473	1,877,418	2,160,071	2,873,197	337,717	110,000	0	0	10,216,876
WB support costs	-	248,663	160,968	186,006	248,588	20,795	5,500	-	-	870,520
Agreed funding (Swedish Component II)	-	152,400	166,134	40,000	0	0	0	0	0	358,534
Swedish bilateral support costs	-	11,316	12,952	2,000	0	0	0	0	0	26,268
Total agreed funding (\$)	-	3,010,873	2,043,552	2,200,071	2,873,197	337,717	110,000	0	0	10,575,410
Total agency support costs (\$)	-	259,979	173,920	188,006	248,588	20,795	5,500	0	0	896,788
Total cost to the MLF	-	3,270,852	2,217,472	2,388,077	3,121,785	358,512	115,500	0	0	11,472,198

3. In order to assist the Philippines in establishing its implementation structure within the country, achievement of the Philippines' 2003 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Table 1, the Executive Committee decides at its 38th Meeting to provide US \$3,010,873 to the Philippines plus agency support costs of US \$259,979.

4. The Executive Committee also agrees in principle to payments in 2003 and subsequent years in the exact amount listed in Table 1, subject to:

- (a) achievement of the reduction targets and consumption limits specified in Table 1 and the other performance requirements contained in this Agreement;
- (b) approval of annual implementation programme for the following year; and
- (c) compliance with the milestones outlined in Table 12.2 of Chapter 12 of the NCP and the relevant annual implementation programme.

5. Thus, for example, the payment indicated in year 2003 will be for activities to be implemented in 2004, and so on. The Executive Committee will strive to provide the specified funding at the last meeting of the year concerned.

6. Payments noted in Table 1, other than the payments in 2002 and 2003, will be released based on confirmation that: the agreed reductions and maximum consumption targets noted in Table 1 for the previous year have been achieved; it has been verified that CFC phase-out has taken place; and that a substantial proportion of the activities planned for the previous year were undertaken in accordance with the annual implementation programme.

7. For example, payment in 2004 for the 2005 implementation programme will be conditional on satisfactory verification that the Philippines has, as a minimum: met its reduction and consumption targets for 2003 as specified in Table 1, and completed the 2002 implementation plan activities and the 2003 activities planned for completion before the 2003 reporting date. Payment in 2005 for the 2006 implementation plan will be released based on confirmation that the 2004 reduction and consumption targets have been met, and so on for future years.

8. The Government of the Philippines agrees to ensure accurate monitoring of the phase-out. The Government of the Philippines will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement will be, as a minimum, consistent with the Philippines' compliance with the Montreal Protocol regarding Annex A, Group I substances and will be reported to the Ozone Secretariat pursuant to Article 7 of the Montreal Protocol no later than 30 September each year.

9. The Government of the Philippines also agrees to allow independent verification audits as provided for in this Agreement, a biennial verification to be implemented as part of the relevant annual work programme of monitoring and evaluation of the Multilateral Fund and in addition, such external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1 and that implementation of the National CFC Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.

10. The National CFC Phase-out Plan for the Philippines may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide the Philippines with maximum flexibility in using the agreed funds to meet the reduction targets and the consumption limits agreed in Table 1. The Executive Committee understands that during implementation, the funds provided to the Philippines pursuant to this Agreement may be used in any manner consistent with this Agreement that the Philippines believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between the Philippines, the World Bank as the lead Implementing Agency, and the Government of Sweden as co-Implementing Agency, in the National CFC Phase-out Plan for the Philippines as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to the Philippines to achieve a complete CFC phase-out, it is noted that the Philippines is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 1 of this Agreement.

11. The Government of the Philippines agrees that the funding agreed in principle by the Executive Committee at its 38th Meeting for complete phase-out of consumption of Annex A, Group I substances is the total funding that will be available to the Philippines to allow its full compliance with the reductions in consumption and the phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any additional activities related to phase-out of Annex A Group I substances. It is also understood that aside from the agency fee referred to in paragraph 13 below, the Government of the Philippines, the Multilateral Fund, and its implementing and bilateral agencies will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of Annex A, Group I substances.

12. The Government of the Philippines agrees that if the Executive Committee meets its obligations under this Agreement, but the Philippines does not meet the reduction requirements outlined in Table 1, and other requirements outlined in this document, the implementing and bilateral agencies and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in Table 1 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on satisfactory performance by both the Government of the Philippines and the Executive Committee of their obligations. In addition, the Philippines understands that with respect to all calendar year targets beginning with 2003, as set out in paragraph 2 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for Annex A, Group I substances phase-out on the basis of US \$10,480 per ODP tonne of reduction not achieved in any year, unless the Executive Committee decides otherwise.

13. A fee of 5 per cent of the annual funding for project implementation and monitoring and 9 per cent of the annual funding for all other activities has been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1 (details are in Annex VII of the NCPP proposal).

14. The NCPP consists of a phase-out plan for the manufacturing sector prepared with the assistance of the World Bank and a phase-out plan for the servicing sector prepared with assistance from the Government of

Sweden. The World Bank, as the lead Implementing Agency, will assist the Government of the Philippines to implement the overall National CFC Phase-out Plan, to carry out the activities required to achieve the phase-out targets specified in the Plan and also to carry out activities related to policy and regulatory development under the World Bank part of the Plan (Component I). The Government of Sweden, as a co-Implementing Agency, will provide support for activities related to the service sector and will provide assistance to the Philippines to implement the train-the-trainer, CFC reclamation programmes and activities related to policy and regulatory development relevant for the servicing sector (Component II). The funding provided by the Government of Sweden as stated in Table 1, will be counted against the Swedish bilateral quota of its contribution to the Multilateral Fund in annually specified tranches.

15. As the lead Implementing Agency, the World Bank will be responsible for the following:

- (a) ensuring performance and financial verification in accordance with this Agreement and with specific World Bank procedures and requirements as specified in the National CFC Phase-out Plan for the Philippines, as revised;
- (b) providing verification to the Executive Committee that the consumption targets listed in Table 1 and the associated annual activities have been met;
- (c) assisting the Philippines in preparation of annual implementation programmes;
- (d) ensuring that achievements in previous annual programmes are reflected in future programmes;
- (e) reporting on the implementation of the annual implementation programmes commencing with the submission for the 2004 annual implementation programme to be prepared and submitted in 2003;
- (f) ensuring that technical reviews undertaken by the World Bank are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (i) verification for the Executive Committee that phase-out of national Annex A Group I substances for the Philippines has been completed based on the schedules listed in Table 1;
- (j) ensuring that disbursements are made to the Philippines based on agreed performance targets in the annual work programmes and provisions in this Agreement; and
- (k) providing policy development assistance when required.

16. The Government of Sweden, as co-Implementing Agency, will:

- (a) assist the Government of the Philippines in the implementation and verification of the activities funded as a bilateral co-operation for the years 2002 - 2004 as indicated in Table 1, including the development and implementation of regulations, policy and targeted public awareness activities;
- (b) provide reports to the World Bank on these activities, for inclusion in the consolidated reports.

17. The funding components of this Agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

*(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decisions 38/20 and 38/49, paras.52 and 87).  
(Supporting document: UNEP/OzL.Pro/ExCom/38/70/Rev.1 Annex V).*

**QATAR****Terminal phase-out management plan for Qatar**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Qatar and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$432,500 plus agency support costs of US \$39,038 (US \$23,438 for UNIDO and US \$15,600 for UNEP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (o), para. 88 (o)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XVIII).*

**Agreement between Qatar and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Qatar (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex I, Group I substances (ODP tonnes)	15.2	15.2	15.2	0	n/a
2	Max. allowable total consumption of Annex I, Group I substances (ODP tonnes)	15.0	12.0	8.0	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0	
4	New reduction under plan (ODP tonnes)	3.0	4.0	8.0		15
5	Unfunded reductions (ODP tonnes)	0	0	0	0	
6	Total annual reduction (ODP tonnes)	3.0	4.0	8.0		15
7	Lead IA agreed funding (US \$)	242,500	0	70,000	0	312,500
8	Cooperating IA agreed funding (US \$)	65,000	0	55,000	0	120,000
9	Total agreed funding (US \$)	307,500	0	125,000	0	432,500
10	Lead IA support costs (US \$)	18,188	0	5,250	0	23,438
11	Cooperating IA support costs (US \$)	8,450	0	7,150	0	15,600
12	Total agreed support costs (US \$)	26,638	0	12,400	0	39,038
13	Grand total agreed funding (US \$)	334,138	0	137,400	0	471,538

**Appendix 3-A: Funding Approval Schedule**

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
- |  |       |
|--|-------|
| Country                                      | _____ |
| Year of plan                                 | _____ |
| # of years completed                         | _____ |
| # of years remaining under the plan          | _____ |
| Target ODS consumption of the preceding year | _____ |
| Target ODS consumption of the year of plan   | _____ |
| Level of funding requested                   | _____ |
| Lead Implementing Agency                     | _____ |

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
2. UNIDO will play a key 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 TPMP. UNIDO in cooperation with UNEP, NOU, national agencies and relevant Government Authorities will monitor the illegal ODS imports and exports.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Qatar for related auditing. Based on discussion with the Lead IA, Qatar should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA (UNIDO) will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Qatar consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA (UNEP) will:
  - (a) provide policy development assistance when required;
  - (b) assist Qatar in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.



(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (o), para. 88 (o)).  
(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XVIII).

**REPUBLIC OF MOLDOVA****Terminal phase-out management plan for Moldova, Republic of**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Moldova, Rep and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$520,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (h), para. 115 (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex IX).*

**Agreement between Moldova, Republic of and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Moldova, Rep (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 8 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 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-115
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### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	11.0	11.0	11.0	0.0	
Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	11.0	11.0	11.0	0.0	
Reduction from on-going projects (ODP tonnes)	1.0	0.0	0.0	0.0	1.0
New reduction under plan (ODP tonnes)	0.0	0.0	10.0	0.0	10.0
Total reduction (ODP tonnes)	1.0	0.0	10.0	0.0	11.0
Lead IA agreed funding (US \$)	74,500	140,500	0	0	215,000
Cooperating IA agreed funding (US \$)	152,500	152,500	0	0	305,000
Total agreed funding (US \$)	227,000	293,000	0	0	520,000
Lead IA support costs (US \$)	9,685	18,265	0	0	27,950
Cooperating IA support costs (US \$)	11,438	11,438	0	0	22,875
Total agreed support costs (US \$)	21,123	29,703	0	0	50,825
Grand total agreed funding (US \$)	248,123	322,703	0	0	570,825

### Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the third meeting of the year of the Annual Implementation Programme. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, the approval or disbursement of the subsequent tranche might be delayed until the verification is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
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Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the National Ozone Unit (NOU) and project TPMP team, which is included within this TPMP.
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 TPMP. 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 NOU.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Moldova, Rep for related auditing. Based on discussion with the Lead IA, Moldova, Rep should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Moldova, Rep consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Moldova, Rep in the implementation and assessment of the activities funded for by the Cooperating IA; and

- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (h), para. 115 (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex IX).*

**ROMANIA****Phase-out of the use of methyl bromide in Romania**

The Thirty-fourth Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in horticulture according to the conditions stipulated in the annex to the present report.

*(UNEP/OzL.Pro/ExCom/34/58, Decision 34/25, para. 45).*



**Agreed conditions for phase-out of methyl bromide in Romania**

1. The Executive Committee agrees to approve in principle US \$630,517 as the total funds that will be available to achieve commitments noted in this document for the phased reduction in the use of methyl bromide in Romania, subject to the following understandings and considerations.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Romania had a consumption of 93.9 ODP tonnes of methyl bromide in 1998. In accordance with the data submitted to the Ozone Secretariat by Romania for the years 1995-1998, Romania has a methyl bromide baseline of 111.49 ODP tonnes. Accordingly, Romania has achieved compliance with the Protocol's 2002 freeze obligation.
3. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Romania will exceed subsequent phase-out requirements of the Montreal Protocol. Specifically, Romania commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period of the following listed years:

2001	93.9 ODP tonnes
2002	84.5 ODP tonnes (reduction of 9.4 ODP tonnes).
2003	56.4 ODP tonnes (reduction of 28.1 ODP tonnes).
2004	28.5 ODP tonnes (reduction of additional 27.9 ODP tonnes).
2005	0.0 ODP tonnes (reduction of the last 28.5 ODP tonnes).
4. In addition, Romania commits to sustain this phase-out of methyl bromide by banning its use as a soil fumigant, completely banning production of methyl bromide for soil fumigation and, if necessary and when required, producing methyl bromide only for storage and/or quarantine and pre-shipment applications. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project, will ensure that Romania exceeds subsequent phase-out requirements of the Montreal Protocol.
5. The Government of Italy shall report annually to the Executive Committee on the progress in meeting the reductions required by this project, as well as on annual costs related to the equipment being purchased with the project funds. The Government of Italy agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/25, para. 45).

(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex VIII).

**Romania CTC phase-out plan**

The Fiftieth Meeting of the Executive Committee decided:

- (a) to approve the terminal phase-out management plan for CTC production and consumption for process agent uses in Romania at the amount of US \$1,389,800 plus agency support costs of US \$104,235 for UNIDO;
- (b) to note that the Government of Romania had agreed to limit its production and consumption of CTC for use as a process agent to the level indicated in the table below;

ODP Tonnes	2006	2007	2008 and onwards
CTC production for PA use	121	187	0
CTC PA consumption	121	187	0

- (c) to request UNIDO to include in its verification reports on the production sector to be submitted to the second meeting of the Executive Committee in 2007, 2008 and 2009, information on the levels of production and consumption of CTC for process agent applications in Romania containing an independently audited confirmation of their consistency with the limits indicated in the table above; and
- (d) to request the Chair of the Executive Committee to write a letter to the Parties, through the Ozone Secretariat, stating that, for the purposes of decision X/14 3(b) of the Tenth Meeting of the Parties the Executive Committee agreed that the emission levels of CTC from the process agent use set out in the above table met the criterion of being reasonably achievable in a cost-effective manner without undue abandonment of infrastructure, and that the letter should also state that the Executive Committee would report to the Parties in the years 2007, 2008 and 2009, in accordance with decision X/14 3(b), on whether Romania had met the agreed emission reduction targets.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/37 para. 157).

**Romania's CFC production sector agreement**

The Forty-seventh Meeting of the Executive Committee decided to approve the agreement for the Romania ODS production sector at a total level of funding of US \$6.3 million, in principle, as attached to the present report, and the first tranche at US \$3,200,000 plus the support costs of US \$240,000 for UNIDO, with the understanding that the funding would eliminate the entire CTC production capacity, including the capacity for CTC co production.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/54, para.209 (a)).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex XIII).

The Fifty-third Meeting of the Executive Committee decided:

- (a) to take note of the verification report submitted by UNIDO on the 2007 carbon tetrachloride (CTC) production and consumption as process agent until August 2007;
- (b) to approve the fourth tranche of funding of US \$1,200,000 for the implementation of the 2008 annual programme of the Agreement on the Romania ODS production sector and US \$90,000 as support costs to UNIDO, in view of the progress already achieved in establishing the CTC incinerator in Chimcomplex and the completion of the removal of the capability to produce CTC at Oltchim;
- (c) to request UNIDO to withhold disbursement until it had verified completion of the 2007 work programme and had cleared with the Secretariat that the targets for 2007 had been achieved; and
- (d) to request UNIDO to carry out the verification of the ODS production sector and the terminal phase-out of CTC for the process agent project in 2008 and 2009.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/35, para. 163).

**Agreement for the Romania ODS production sector**

1. The Executive Committee at its 47th Meeting decided to approve in principle a total of US \$ 6,300,000 in funding for the phased reduction and closure of the entire ODS production capacity in Romania consisting of 19,800 ODP tonnes of CTC, 90 ODP tonnes of methyl bromide and 4,750 ODP tonnes of CFC.
2. This is the total funding that would be available to the Government of Romania from the Multilateral Fund for the total permanent closure of all capacities for the production and where applicable, the co-production of the controlled substances in Group I Annex A and Group I Annex B (CFCs), Group II (carbon tetrachloride) and Group I Annex E (methyl bromide), dismantling of methyl bromide and CFC production facilities and/or development of capacity to produce alternatives to these ODSs.
3. The agreed level of funding would be paid out in instalments in the exact amounts specified in Table 1, and on the basis of the following understanding:
  - (a) by this approval, the Government of Romania agrees that in exchange for the funding level specified in Table 1, it will reduce its total Group I Annex A and Group I Annex B (CFCs), Group II (carbon tetrachloride) and Group I Annex E (methyl bromide) production in accordance with the maximum allowable production in the same table:

Table 1

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Max. annual allowable production of CFC (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0						
Max. annual allowable production of CTC for controlled uses* (ODP tonnes)	170.0	170.0	170.0	0.0	0.0	0.0						
Max. annual allowable production of methyl bromide (ODP tonnes)	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Max. annual allowable production of TCA (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total grant (US\$'000)	3,440	968	1,075	1,290	0	0	0	0	0	0	0	6,773
Project cost (US\$ '000)	3,200	900	1,000	1,200	0	0	0	0	0	0	0	6,300
Agency fees (US\$ '000)	240	67.5	75	90	0	0	0	0	0	0	0	472.5

\* - except for the uses exempted by a Decision of the Parties to Montreal Protocol

the Executive Committee has also agreed in principle that it will provide funds on the basis of annual programmes. Payments noted in this paragraph (other than the initial tranche for 2005) are conditioned upon completion of agreed production decreases noted in Table 1 being independently verified and maintained and the Government of Romania meeting the other requirements of this agreement.

the funds are to be approved at the second meeting each year, upon the submission by UNIDO and acceptance by the Executive Committee of the verification of the reduction target in the preceding year specified in Table 1, with the exception of the first tranche, which will be released upon approval of this agreement.

- (b) the Government of Romania agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Protocol and this agreement. The Government of Romania also agrees to allow for independent technical audits administered by the implementing agency, and in addition, as may be directed by the Executive Committee to verify annual ODS production levels agreed in Table 1 and plant dismantling and/or retrofitting or destruction.
- (c) the Executive Committee wishes to provide to the Government of Romania with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1. Accordingly, while Romania's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this agreement and the mode of implementation included in the Romania project proposal, the funds provided to the Government of Romania pursuant to

this agreement may be used in any manner that the Government of Romania believes will achieve the smoothest ODS production phase out possible.

- (d) the Government of Romania agrees that the funds being agreed in principle by the Executive Committee at its 47th Meeting for complete closure of its ODS production capacity, is the total funding that will be available to it to enable its full compliance with the ODS production phase out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in paragraph (f) below and reflected in Table 1, the Government of Romania and the Multilateral Fund and its Implementing Agency will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of ODS production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- (e) the Government of Romania understands that if the Executive Committee meets its obligations under this agreement, but the Government of Romania does not meet the reduction requirements outlined in paragraph (a), and the other requirements outlined in this document, the implementing agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in Table 1 until such time as the required reduction has been met or the required dismantling has been recorded. In addition, the Government of Romania understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the ODS production closure on the basis of US \$1,000 per ODP tonne of reductions not achieved in any year of this agreement. It is clearly understood that the fulfilment of this agreement depends on satisfactory performance of its obligations by both the Government of Romania and the Executive Committee.
- (f) UNIDO has agreed to be the implementing agency for this project. The agency fee for the project will be at a fee of 7.5% of project costs, and released together with the annual tranches. As the implementing agency during that time period, UNIDO agrees to be responsible for:
  - (i) ensuring/providing independent verification to the Executive Committee that the phase out targets and associated activities have been met;
  - (ii) ensuring that technical reviews arranged by UNIDO are undertaken by appropriate independent technical experts;
  - (iii) assisting the Government of Romania in the development of its annual work programme, which incorporates achievements in previous annual programmes;
  - (iv) carrying out supervision missions as required;
  - (v) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (vi) ensuring that disbursements are made to the Government of Romania based on agreed performance targets in the project, and the provisions of this agreement; and
  - (vii) independently verifying for the Executive Committee that any dismantling of ODS production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.
- (g) the funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the ODS production sector or any related activity.
- (h) 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 described to them in the Montreal Protocol unless otherwise defined herein.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/54, para. 209 (a)).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex XIII).

**National CFC phase-out plan for Romania**

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national CFC phase-out plan for Romania, at a total level of funding of US \$545,300, plus agency support costs of US \$47,470 for UNIDO and Sweden;
- (b) to approve the agreement between the Government of Romania and the Executive Committee attached to the present report, and
- (c) to approve the first tranche of the plan at a funding level of US \$159,050, plus support costs of US \$11,929 for UNIDO, and US \$119,500, plus support costs of US \$15,535 for Sweden.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/43, para. 143).

(Supporting document: UNEP/OzL.Pro/ExCom/45/41).

NOTE: This agreement was subsequently modified at the 60th Meeting.

The Sixtieth Meeting of the Executive Committee decided to approve the transfer to UNIDO of the project ROM/PHA/45/TAS/31 from Sweden, as well as the transfer of project costs, as requested by Sweden in its letter to the Secretariat of 12 February 2010, and thereby: reduce the bilateral funding approved for the Government of Sweden for the implementation of the project ROM/PHA/45/TAS/31 by US \$83,219, plus agency support costs of US \$10,818, and to increase the funding approved for UNIDO for implementation of the same project by US \$83,219, plus agency support costs of US \$6,241, as agreed mutually between the Governments of Romania and Sweden and UNIDO; the text of the present decision would form an amendment to the Agreement between the Government of Romania and the Executive Committee.

(UNEP/OzL.Pro/ExCom/60/54, Decision 60/3(b), para. 39).

**Agreement between Romania and the Executive Committee for the phase-out of ODS**

1. This Agreement represents the understanding of Romania and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 2010 (compliance with Protocol schedules).
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 10 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9; and
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (“Lead IA”) and Sweden has agreed to be a co operating Agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to ensure

verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows 7 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### Appendix 2-A: The Targets, and Funding

	2004	2005	2006	2007	2008	2009	2010	Total*
Montreal Protocol reduction schedule (ODP tonnes)	675.8	337.9	337.9	101.4	101.4	101.4	0.0	-
1. Max allowable total consumption of CFCs (ODP tonnes)	250.0**	220	146.8	69.7	33.2	16.0	0.0	-
2. Reduction from on-going projects (ODP tonnes)	0	0	0	46.5	0	0	0	46.5
3. New reduction under plan (ODP tonnes)	0	14.6	35.8	14.9	17.8	8.4	7.8	99.3
4. Unfunded reductions (ODP tonnes)	112.1***	15.4	37.4	15.6	18.7	8.8	8.2	104.2
5. Total annual reduction (ODP tonnes)	112.1***	30.0	73.2	77.04	36.5	17.2	16.0	250.0
6. Lead IA agreed funding (US \$)	-	159,050	236,750	30,000	-	-	83,219	509,019
7. Lead IA support costs (US \$)	-	11,929	17,756	2,250	-	-	6,241	38,176
8. Co-operating IA agreed funding (US\$)	-	119,500	-	-	-	-	(83,219)	36,281
9. Co-operating IA support costs (US\$)	-	15,535	-	-	-	-	(10,818)	4,717
10. Total agreed funding (US\$)	-	278,550	236,750	30,000	-	-	-	545,300
11. Total agency support costs (US \$)	-	27,464	17,756	2,250	-	-	(4,577)	42,893
12. Total agreed grant for tranche (US\$)	-	306,014	254,506	32,250	-	-	(4,577)	588,193

	2004	2005	2006	2007	2008	2009	2010	Total*
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\* Total for 2004–2010.

\*\* Estimated Consumption in 2004.

\*\*\* Reduction from the 2003 Article 7 data.

### Appendix 3-A: Funding Approval Schedule

Funding other than the payments in 2005, will be considered for approval at the first meeting of the year of the annual implementation plan.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	



Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The National Ozone Unit (NOU) monitors the consumption data of all ozone depleting substances by mainly review of official statistics on imports and exports; quota issued versus actual and information from authorized of importers and distributors. In this work the licensing system is an important tool to monitor and ensure compliance of the control measures.
2. A project management unit (PMU) will be set up as part of monitoring and implementation of the NCPP to ensure that the project is successfully implemented and the target CFC phase out is fully achieved.
3. The NOU and the PMU will during the NCPP (National CFC phase-out plan) implementation have regular communications with the regional environmental and industry departments, customs offices, education and training institutions and industry associations. The NOU and the PMU will through these discussions secure the correctness of the data reported; training quality and percentage trained and also serve as a basis for analysis and reporting the progress to the Multilateral Fund Secretariat.
4. In order to secure relevant information regarding the CFC quantity and costs (as examples), the recycling and reclamation centres and selected substantive size service workshops will at least be contacted annually by the NOU/PMU for information collection and analysis.

### Appendix 6-A: Role of the Lead IA

UNIDO will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

### Appendix 6-B Role of the Co-operating Implementing Agency

The Government of Sweden, as co-implementing agency, will be:

- (a) assisting the Country in the implementation and verification of the activities funded by the Swedish bilateral quota during 2005 as specified in rows 8 and 9 of Appendix 2-A;
- (b) ensuring that disbursements are made to the Country in a timely and effective manner;
- (c) reporting to the Lead IA on these activities; and
- (d) providing assistance to the country related to the activities being undertaken, when required and within the funds available.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$10,980 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/43, para. 144).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex XII).*

**RWANDA****Terminal CFC phase-out management plan for Rwanda**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Rwanda and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs of US \$38,130 (US \$23,010 for UNEP and US \$15,120 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (p), para. 88 (p)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XIX).*

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/3(b), para. 39).*

**Agreement between Rwanda and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Rwanda (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	4.6	4.6	4.6	0	
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	4.6	4.56	4.6	0	
3	New reduction under plan (ODP tones)	0	0	4.6	0	4.6
4	Lead IA agreed funding (US \$)	110,000	0	67,000	0	177,000
5	Cooperating IA agreed funding (US\$)	124,500	0	43,500	0	168,000
6	Total agreed funding (US \$)	234,500	0	110,500	0	345,000
7	Lead IA support costs (US \$)	14,300	0	8,710	0	23,010
8	Cooperating IA support cost (US\$)	11,205	0	3,915	0	15,120
9	Total agency support costs (US \$)	25,505	0	12,625	0	38,130
10	Grand Total agreed costs (US \$)	260,005	0	123,125	0	383,130

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase out plan. 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 Unit.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Rwanda for related auditing. Based on discussion with the Lead IA, Rwanda should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Rwanda consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

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
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by

US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (p), para. 88 (p)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XIX).*



**SAINT KITTS AND NEVIS****National CFC phase-out plan for Saint Kitts and Nevis**

The Forty-eighth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal CFC phase-out management plan for Saint Kitts and Nevis, at the amount of US \$252,000 plus agency support costs of US \$28,440 for UNDP and UNEP;
- (b) to approve the agreement between the Government of Saint Kitts and Nevis and the Executive Committee, as amended, for implementation of the terminal phase out management plan attached to the present report; and
- (c) to approve the first tranche of the terminal phase out management plan at the amount of US \$50,000 plus agency support costs of US \$4,500 for UNDP and US \$40,000 plus agency support costs of US \$5,200 for UNEP.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/34, para. 144).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/45 Annex XIII).*

**Agreement between the Government of Saint Kitts and Nevis and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Saint Kitts and Nevis (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. 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 the Substances as described in the TPMP document.
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 5 of Appendix 2 A (the “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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of these Targets will be independently verified if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the “Lead IA”) has agreed to be the lead implementing agency and UNDP (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12 and CFC-115
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### Appendix 2-A: The Targets and Funding

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	1.847	0.554	0.554	0.554	0	
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	1.847	0.554	0.554	0.554	0	
3. Lead IA (UNEP) agreed funding (US \$)	40,000	60,000	30,000	14,000	0	144,000
4. Cooperating IA (UNDP) agreed funding (US \$)	50,000	45,000	10,000	3,000	0	108,000
5. Total agreed funding (US \$)	90,000	105,000	40,000	17,000	0	252,000
6. Lead IA (UNEP) support costs (US \$)	5,200	7,800	3,900	1,820	0	18,720
7. Cooperating IA (UNDP) support cost(US \$)	4,500	4,050	900	270	0	9,720
8. Total agency support costs (US \$)	9,700	11,850	4,800	2,090	0	28,440
9. Total agreed costs (US \$)	99,700	116,850	44,800	19,090	0	280,440

### Appendix 3-A: Funding Disbursement Schedule

Funding other than payments in 2006, will be considered for approval at the first meeting of the year of the annual implementation programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.
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 TPMP. 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.

#### Verification and reporting

3. Under this component there are two independent types of verification as follows:
  - (a) in accordance to decision 45/54, the Executive Committee reserves the right for independent verification in case the Executive Committee selects Saint Kitts and Nevis for related auditing;
  - (b) verification for monitoring and in accordance to the TPMP and the TPMP Annual Implementation Programme objectives. The outcome of the different elements of the TPMP and of the monitoring activities will be verified independently by an external organization. The Government, the Lead IA and the independent organization will jointly design the verification procedures.

#### Institution for conducting the verification

4. Based on the discussion with the Lead IA, the Government of Saint Kitts and Nevis should select the independent organization (auditing) to carry out the verification of the TPMP results and the monitoring programme as per paragraph 5 (b) above.

#### Frequency of verification and reporting

5. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with paragraph (d) of decision 45/54. For this undertaking, separate funding will be provided by the Executive Committee to the Lead Agency;
- (d) assist the country in Preparation of the Annual Implementation Programme;
- (e) ensure that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
- (f) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
- (g) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (h) carrying out required supervision missions;
- (i) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;

- (j) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (k) coordinating the activities of the Coordinating IA;
- (l) ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (m) providing assistance with policy, management and technical support when required.

**Appendix 6-B: Roles of Cooperating Implementing Agencies**

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist the Government of Saint Kitts and Nevis in the implementation and verification of the activities funded for by the UNDP; and
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/48/45, Decision 48/34, para. 144).*

*(Supporting document: UNEP/OzL.Pro/ExCom/48/45, Annex XIII).*

**SAINT LUCIA****Terminal phase-out management plan for Saint Lucia**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Saint Lucia and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report a total amount in principle of US \$205,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (k), para. 115 (k)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XII).*

**Agreement between Saint Lucia and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Saint Lucia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 4 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. Canada has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 5 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	1.2	1.2	1.2	0.0	
2. Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	1.2	1.2	1.2	0.0	
3. New reduction under plan (ODP tonnes)		0.0	1.2	0.0	1.2
4. Lead IA agreed funding (US \$)		156,000	49,000		205,000
5. Lead IA support costs (US \$)		20,280	6,370		26,650
6. Grand total agreed funding (US \$)		176,280	55,370		231,650

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____

# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase out plan (TPMP). This

organization will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the NOU.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Saint Lucia for related auditing. Based on discussion with the Lead IA, Saint Lucia should select an independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Saint Lucia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

Not applicable.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (k), para. 115 (k)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XII).*

## SAINT VINCENT AND THE GRENADINES

**National CFC phase-out plan for Saint Vincent and the Grenadines**

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out plan for Saint Vincent and the Grenadines, at the amount of US \$237,000 plus agency support costs of US \$25,690 for UNDP and UNEP;
- (b) to approve the associated agreement between Saint Vincent and the Grenadines and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances, attached to the present report; and
- (c) to approve the first tranche of the plan at the amount of US \$101,000 plus support costs of US \$9,090 for UNDP and US \$67,000 plus support costs of US \$8,710 for UNEP.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/44, para. 62).

(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex XI).

**Agreement between the Government of Saint Vincent and the Grenadines and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Saint Vincent and the Grenadines (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the use of the Substances in Annex A (Group I) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 2 and 3 of Appendix 2-A (the “Targets”) and this Agreement. 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 the Substances as described in the TPMP document.
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 8 of Appendix 2 A (the “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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 Target for the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (the “Lead IA”) has agreed to be the lead implementing agency and UNDP (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol 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 instalment 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.

11. 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.

12. 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 [and the Cooperating IA] with access to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12 and CFC-115
Annex B:	Groups I and II	CTC and TCA

### Appendix 2-A: The Targets, and Funding

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes) according to Montreal Protocol Schedule	0.90	0.90	0.27	0.27	0.27	0.00	n/a
2. Max allowable total consumption of CTC and TCA (ODP tons)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes) as per MOP decision XVI/30	1.39	0.83	0.45	0.22	0.10	0.00	n/a
4. Reduction from ongoing projects	0	0	0	0	0	0	0
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.69+0.56	0.38	0.23	0.12	0.10	0	2.08
6. UNEP agreed funding (US \$)	67,000	0	14,000	14,000	14,000	0	109,000
7. UNDP agreed funding (US \$)	101,000	0	21,000	6,000	0	0	128,000
8. Total agreed funding (US \$)	168,000	0	35,000	20,000	14,000	0	237,000
9. UNEP support costs (US \$)	8,710	0	1,820	1,820	1,820	0	14,170
10. UNDP support cost (US \$)	9,090	0	1,890	540	0	0	11,520
11. Total agency support costs (US\$)	17,800	0	3,710	2,360	1,820	0	25,690

### Appendix 3-A: Funding Approval Schedule

Funding other than payments for 2006, will be considered for approval at the first meeting of the year of the

annual implementation programme. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)

<b>Total</b>	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.
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 TPMP. 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.

#### Verification and reporting

3. Under this component there are two independent types of verification as follows:
  - (a) in accordance to Decision 45/54 of the Executive Committee. The Executive Committee reserves the right for independent verification in case the Executive Committee selects Saint Vincent and the Grenadines for related auditing as per decision 45/54;
  - (b) verification for monitoring and in accordance to the TPMP and the TPMP Annual Implementation Programme objectives. The outcome of the different elements of the TPMP and of the monitoring activities will be verified independently by an external organization. The Government, Lead Agency and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

4. Based on the discussion with the United Nations Environment Programme, the Government of Saint Vincent and the Grenadines should select the independent organization (auditing) to carry out the verification of the TPMP results and the monitoring programme as per paragraph 5.b above.

#### Frequency of verification and reporting

5. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### Appendix 6-A: Role of the Lead IA

1. The Lead IA will be responsible for a range of activities 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead Agency;
  - (e) assist the country in Preparation of the Annual Implementation Programme;
  - (f) ensuring that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
  - (g) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
  - (h) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;



- (i) carrying out required supervision missions;
- (j) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (k) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (l) coordinating the activities of the Coordinating IAs, if any;
- (m) ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (n) providing assistance with policy, management and technical support when required.

**Appendix 6-B Role of the Co-operating Implementing Agency**

1. The cooperating implementing agency, will:
  - (a) provide policy development assistance when required;
  - (b) assist the Government of Saint Vincent and the Grenadines in the implementation and verification of the activities funded for by the United Nations Development Programme; and
  - (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/44, para. 162).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex XI).*

## SAMOA

**Terminal CFC phase-out management plan for Samoa**

The Fifty-third Meeting of the Executive Committee decided to approve the agreement between the Government of Samoa and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$345,000 plus agency support costs of US \$38,130 (US \$23,010 for UNEP and US \$15,120 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (q), para. 88 (q)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XX).*

**Agreement between Samoa and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Samoa (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in row 12 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	0.67	0.67	0.67	0	n/a
2	Max. allowable total consumption of CFCs (ODP tonnes)	0.67	0.67	0.67	0	n/a
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0	
4	New reduction under plan (ODP tonnes)	0	0	0	0	
5	Unfunded reductions (ODP tonnes)	0	0	0	0	
6	Total annual reduction (ODP tonnes)	0	0	0	0	
7	Lead IA agreed funding (US \$)	55,000	0	20,000	0	75,000
8	Cooperating IA agreed funding (US \$)	45,000	0	30,000	0	75,000
9	Total agreed funding (US \$)	100,000	0	50,000	0	150,000
10	Lead IA support costs (US \$)	7,150	0	2,600	0	9,750
11	Cooperating IA support costs (US \$)	4,050	0	2,700	0	6,750
12	Total agreed support costs (US \$)	11,200	0	5,300	0	16,500
13	Grand total agreed funding (US \$)	111,200	0	55,300	0	166,500

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. 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 terminal phase-out management plan. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Samoa Meteorology Division, Ministry of Natural Resources and Environment) with assistance from UNDP and UNEP Regional Offices in Bangkok.
2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Samoa for related auditing. Based on discussion with the Lead IA, Samoa should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Samoa consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of the Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Samoa in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/16 (q), para. 88 (q)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XX).*

## SAO TOME AND PRINCIPE

**Terminal CFC phase-out management plan for Sao Tome and Principe**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of Sao Tome and Principe and the Executive Committee for the terminal CFC phase-out management plan attached to the present report at a total amount in principle of US \$190,000 plus agency support costs of US \$20,100 (US \$9,750 for UNEP and US \$10,350 for UNIDO) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (g), para. 100 (g)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XIII).*

The Sixty-sixth Meeting of the Executive Committee decided:

- (g) (i) To take note of the verification report on 2007-2009 CFC consumption in Sao Tome and Principe and the country's compliance with its phase-out obligations for CFC consumption; and
- (ii) To further note that Sao Tome and Principe had reported zero consumption of CFCs under Article 7 of the Montreal Protocol for 2009 and 2010;

*(UNEP/OzL.Pro/ExCom/66/54, Decision 66/15 (g), para. 73 (g)).*



**Agreement between Sao Tome and Principe and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Sao Tome and Principe (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	0.7	0.7	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	0.7	0.7	0	
3	New reduction under plan (ODP tonnes)	0	0.7	0	0.7
4	Lead IA agreed funding (US \$)	54,000	21,000	0	75,000
5	Cooperating IA agreed funding (US \$)	66,000	49,000	0	115,000
6	Total agreed funding (US \$)	120,000	70,000	0	190,000
7	Lead IA support costs (US \$)	7,020	2,730	0	9,750
8	Cooperating IA support costs (US \$)	5,940	4,410	0	10,350
9	Total agreed support costs (US \$)	12,960	7,140	0	20,100
10	Grand total agreed funding (US \$)	132,960	77,140	0	210,100

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

Verification and reporting

2. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Sao Tome and Principe for related auditing. Based on discussion with the Lead IA, Sao Tome and Principe should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

**Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Sao Tome and Principe consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

**Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist Sao Tome and Principe in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (g), para. 100 (g)).

(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XIII).

**SAUDI ARABIA****Terminal phase-out management plan for Saudi Arabia**

The Fifty-third Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national phase-out plan (NPP) for Saudi Arabia at the amount of US \$1,835,000 plus agency support costs of US \$107,250 for UNIDO and US \$52,650 for UNEP on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) to approve the agreement between the Government of Saudi Arabia and the Executive Committee for the implementation of the NPP as attached to the present report;
- (c) to urge UNEP and UNIDO to take full account of the requirements of Executive Committee decisions 41/100 and 49/6 during the implementation of the NPP;
- (d) to approve the biennial implementation plan for the years 2008 and 2009; and
- (e) to approve the first tranche of the plan at the level of funding.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/28, para. 140).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXIV).*

**Agreement between Saudi Arabia and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Saudi Arabia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5, 8, and 10 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances. In addition, the Country also accepts that, by its acceptance of this Agreement, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the substance in Annex E, Group I, namely methyl bromide.
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 13 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (c) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 14 and 15 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
Annex A:	Group II	Halons
Annex B:	Group II	CTC
Annex B:	Group III	TCA

### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of CFC as per Annex A, Group I substances: CFC (ODP tonnes)	269.7	269.7	269.7	0	n/a
2	Maximum allowable CFC consumption under the agreement	n/a	n/a	250.0	0	n/a
3	New CFC reduction under the agreement	n/a	n/a	250.0	0	n/a
4	Montreal Protocol consumption limits of halon as per Annex A, Group II substances (ODP tonnes)	532.0	532.0	532.0	0	n/a
5	Maximum allowable halon consumption under the agreement	532.0	532.0	532.0	0	n/a
6	New halon reduction under the agreement	0	0	532.0	0	n/a
7	Montreal Protocol consumption limits of Carbon tetrachloride as per Annex B, Group II	38.9	38.9	38.9	0	n/a

		2007	2008	2009	2010	Total
	substances (ODP tonnes)					
8	Maximum allowable Carbon tetrachloride consumption under the agreement	0	0	0	0	n/a
9	Montreal Protocol consumption limits of TCA as per Annex B, Group III substances (ODP tonnes)	20.9	20.9	20.9	8.9	n/a
10	Maximum allowable TCA consumption under the agreement	0	0	0	0	n/a
11	Lead IA (UNIDO) agreed funding (US \$)	1,287,000	0	0	143,000	1,430,000
12	Cooperating IA (UNEP) agreed funding (US \$)	364,500	0	0	40,500	405,000
13	Total agreed funding (US \$)	1,651,500	0	0	183,500	1,835,000
14	Lead IA (UNIDO) support costs @ 7.5% (US \$)	96,525	0	0	10,725	107,250
15	Cooperating IA (UNEP) support costs @ 13% (US \$)	47,385	0	0	5,265	52,650
16	Total agreed support costs	143,910	0	0	15,990	159,900
17	Grand total agreed funding (US \$)	1,795,410	0	0	199,490	1,994,900

### Appendix 3-A: Funding Approval Schedule

- Funding for the second tranche will be considered for approval at the first meeting of 2010.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						



Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

#### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed by the NOU and UNIDO in cooperation with UNEP through the project funding, which is included within this NPP.
2. UNIDO will play a key 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 NPP. UNIDO in cooperation with UNEP, NOU, national agencies and relevant Government Authorities will monitor the illegal ODS imports and exports.

#### Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Saudi Arabia for related auditing. Based on discussion with the Lead IA, Saudi Arabia should select the independent organization (auditing) to carry out the verification of the NPP results and this independent monitoring programme.

#### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and 2009 and preparing for Annual Implementation Programme for 2010 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

Annual Implementation Programme and accurate data reporting;

- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:

- (a) provide policy development assistance when required;
- (b) assist Saudi Arabia in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/28, para. 140).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXIV).*

**SENEGAL****Terminal phase-out management plan for Senegal**

The Fifty-second Meeting of the Executive Committee decided to approve the agreement between the Government of Senegal and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan attached to the present report a total amount in principle of US \$565,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (I), para. 115 (I)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XIII).*

**Agreement between Senegal and the Executive Committee of the Multilateral Fund for the phase-out of ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Senegal (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and the Government of 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113,CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	23.4	23.4	23.4	23.4	n/a
2. Maximum allowable consumption of Annex A, Group I substances(ODP tonnes)	23.4	23.4	23.4	0	n/a
3. New reduction under plan (ODP tonnes)	0	0	23.4	0	23.4
4. Lead IA agreed funding (US \$)	109,500	100,500	-	-	210,000
5. Cooperating IA agreed funding (US \$)	220,000	135,000	-	-	355,000
6. Total agreed funding (US \$)	329,500	235,500	-	-	565,000
7. Lead IA support costs (US \$)	14,235	13,065	-	-	27,300
8. Cooperating IA support cost(US \$)	28,600	17,550	-	-	46,150
9. Total agency support costs (US \$)	42,835	30,615	-	-	73,450
10. Grand total agreed funding (US \$)	372,335	266,115	-	-	638,450

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that

the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

#### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Senegal for related auditing. Based on discussion with the Lead IA, Senegal should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Senegal consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist Senegal in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/52/55, Decision 52/23 (l), para. 115 (l)).

(Supporting document: UNEP/OzL.Pro/ExCom/52/55 Annex XIII).

**SERBIA**

**National CFC phase-out plan for Serbia**

The Forty-third Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC phase-out plan for Serbia and Montenegro at a total level of funding of US \$2,742,544 plus agency support costs of US \$180,204 for UNIDO and US \$44,180 for Sweden;
- (b) also to approve the agreement between the Government of Serbia and Montenegro and the Executive Committee attached to the present report; and
- (c) to approve US \$474,700 plus support costs of US \$35,603 for UNIDO and US \$148,000 plus support costs of US \$19,240 for Sweden for implementation of the 2004 annual programme of the national CFC phase out plan.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/32, para. 117).*

*(Supporting document: UNEP/OzL.Pro/ExCom/43/61 Annex V).*

NOTE: This agreement was subsequently modified at the 50th Meeting.

At its Fiftieth Meeting the Executive Committee noted that in 2006, Montenegro had separated from Serbia and formed the Republic of Montenegro. The Republic of Serbia "continues to exercise its rights and commitments deriving from international treaties concluded by Serbia and Montenegro". Montenegro became a new Party to the Montreal Protocol and its amendments in October 2006. Subsequently, the Executive Committee decided

- (a) to approve the revised agreement for the national CFC phase-out plan for Serbia attached to the present report;
- (b) to approve the third tranche for the national CFC phase-out plan for Serbia at the amount of US \$1,033,344 plus agency support costs of US \$77,501 for UNIDO.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/34 para. 151).*

NOTE: This agreement was subsequently modified at the 60th Meeting.

The Sixtieth Meeting of the Executive Committee decided to approve the transfer to UNIDO of the project YUG/PHA/43/TAS/22 from Sweden, as well as the transfer of project costs, as requested by Sweden in its letter to the Secretariat of 12 February 2010, and thereby: reduce the bilateral funding approved for the Government of Sweden for the implementation of the project YUG/PHA/43/TAS/22 by US \$40,678, plus agency support costs of US \$5,288, and to increase the funding approved for UNIDO for implementation of the same project by US \$40,678, plus agency support costs of US \$3,051, as agreed mutually between the Governments of Serbia and Sweden and UNIDO; the text of the present decision would form an amendment to the Agreement between the Government of Serbia and the Executive Committee.

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/3(b), para. 39).*



**Agreement between Serbia and the Executive Committee for the national phase-out of Annex A (Group I) substances**

1. This Agreement represents the understanding of Serbia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 2010, compliance with Protocol schedules. This replaces the Agreement between Serbia and Montenegro and the Executive Committee of the Multilateral Fund for the national phase-out of Annex A (Group I) substances.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A as Maximum Allowable Total Consumption of CFCs (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 N° 9 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in particular the servicing sector:
  - (a) the Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation; and
  - (b) the recovery and reuse programme for the refrigeration service sector would be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools, if the proposed results are not achieved and will be closely monitored in accordance with Chapter 10 in the project document.

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 ("Lead IA") and Sweden ("Co-operating IA") had agreed to be a co-operating Implementing Agency under the lead of the Lead IA in respect of the Country's activities under this Agreement. From the 50th Meeting of the Executive Committee onwards, based on a request by the Government of Serbia, Sweden, and UNIDO, Sweden discontinues its role of co-operating agency, its tasks being taken over by UNIDO. The Lead IA will be responsible for carrying out the activities listed in Appendix 6- A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IA was responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows N° 6 and N° 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors 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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
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### Appendix 2-A: The Targets, and Funding

	2004	2005	2006	2007	2008	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	849.2	424.6	424.6	127.38	127.38	0	
1. Max allowable total consumption of CFCs* (ODP tonnes)	410	392	268	125	85	0	
2. Reduction from on-going projects (ODP tonnes)	0	0	0	0	0	0	0
3. New reduction under plan (ODP tonnes)	2	18	124	143	40	0	327
4. Total annual reduction (ODP tonnes)	2	18	124	143	40	0	327
5. Lead IA agreed funding (US \$)	562,700	893,000	1,033,344	123,500	70,000	40,678	2,682,544
6. Lead IA support costs (US \$)	42,203	66,975	77,501	9,263	5,250	3,051	211,599
7. Co-operating IA agreed funding (US\$)	60,000	-	-	-	-	(40,678)	60,000
8. Co-operating IA support costs (US\$)	7,800	-	-	-	-	(5,288)	7,800
9. Total agreed funding (US \$)	622,700	893,000	1,033,344	123,500	70,000	-	2,742,544

	2004	2005	2006	2007	2008	2010	Total
10. Total agency support costs (US \$)	50,003	66,975	77,501	9,263	5,250	(2,237)	219,399
11. Total agreed grant for tranche (US\$)	672,703	959,975	1,110,845	132,763	75,250	(2,237)	2,961,943

### Appendix 3-A: Funding Disbursement Schedule

Funding will be considered for approval at the last meeting of the year of the annual implementation plan.

2. Funding other than the payments in 2004, will be considered for approval at the first meeting of the year of the annual implementation plan.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation
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Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

### 1. Annual Budget

Activity	Planned expenditures (US \$)
Total	

### Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

- The National Ozone Unit monitors the consumption data of all Substances through regional teams. Inspections at reconverted companies are foreseen to ensure the non uses of Substances after project completion. The licensing System will be a tool to monitor and ensure compliance of control measures.
- The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Serbia and Montenegro.
- After the establishment of the countrywide scheme of refrigerant recovery and reuse, the monitoring activity will be initiated to know whether the project is successfully implemented and the target CFC phase out is achieved.
- Monitoring activity will be done by:
  - establishing a system to ensure that every reuse centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and reuse scheme. This may be enabled through forms to be filled by reuse centres and service workshops.
  - setting up adequate office facilities including a computer system to collect and analyse the data.
  - regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations.
  - occasional visits to service workshops, reuse centres.
- Information regarding CFC quantity and cost information will have to be supplied by the reuse centres and substantive size service workshops.
- Data and information collected will be analysed to check the adequate operations of the scheme.
- In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.
- UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

### Appendix 6-A: Role of the Lead IA

The Lead IA under the mandate of the Multilateral Fund will be responsible for a range of activities to be specified in the project document along the lines of the following:

- 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;
- providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- assisting the Country in preparation of the Annual Implementation Programme;
- ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;

- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

#### **Appendix 6-B: Roles of Cooperating Implementing Agencies**

1. The Government of Sweden, as Cooperating IA, will be:
  - (a) assisting the Country in the implementation and verification of the activities funded by the Swedish bilateral quota during 2004-2006 as specified in rows N° 7 and N° 8 of Appendix 2-A.
  - (b) ensuring that disbursements are made to the Country in a timely and effective manner;
  - (c) reporting to the Lead Agency on these activities and
  - (d) providing assistance relating to the service sector when required and within the funds available.
2. Subsequently, Sweden decided to withdraw from being a Co-operating Implementing Agency. This withdrawal is effective with the approval of this agreement at the 50th Meeting of the Executive Committee. This concerns a number of activities foreseen for the first tranche and all activities for subsequent tranches. The funding information provided in Appendix 2-A of this agreement represents for both UNIDO and Sweden the status reached with conclusion of this amended agreement. UNIDO has agreed to be an implementing agency for all activities not already implemented by Sweden, and to take over all responsibilities under this Agreement. The balance of remaining funds will be returned by Sweden as cash contributions to the Fund to enable the Treasurer to transfer the funds to UNIDO.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,300 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/43/61, Decision 43/32, para. 117).*

*(Supporting document: UNEP/OzL.Pro/ExCom/43/61 Annex V).*

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/34 para. 151).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex XVI).*

*(UNEP/OzL.Pro/ExCom/60/54, Decision 60/3(b), para. 39).*

**SEYCHELLES****Terminal phase-out management plan for CFCs for Seychelles**

The Fifty-first Meeting of the Executive Committee decided to approve the agreement between the Government of the Seychelles and the Executive Committee for the TPMP attached to the present report at a total amount in principle of US \$193,000 plus agency support costs and the first tranche for the project

(*UNEP/OzL.Pro/ExCom/51/46, Decision 51/ para.*).

(*Supporting document: UNEP/OzL.Pro/ExCom/51/46 Annex IX*).

**Agreement between Seychelles and the Executive Committee for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of Seychelles (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 compliance with Protocol.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 1 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the project document.
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 2 of Appendix 2 A (the “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 by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programme”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on the implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme will be implemented in stages so that remaining resources can be diverted to other activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the Country and the implementing agency will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management 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 fulfill the obligations under this Agreement. France has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 3 of Appendix 2 A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Appendix 1-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 instalment 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Max. allowable total consumption of Annex A Group I substances (ODP tonnes)	1.4	0.4	0.4	0.4	0	
2. Lead IA agreed funding (US \$)		120,000	60,000	13,000		193,000
3. Lead IA support costs (US \$)		15,600	7,800	1,690		25,090
4. Grand total agreed funding (US \$)		135,600	67,800	14,690		218,090

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the first meeting of the year prior to the year of the Annual Implementation Programme.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets



Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

### 7. Administrative Fees

#### Appendix 5-A: Monitoring Institutions and Roles

1. Discussions with the National Ozone Unit and the Lead IA will determine the need for a monitoring unit or whether the tasks could be done through the joint efforts of both the agencies.

Institution involved	Role	Responsibility type and frequency of reporting	Evaluation
Ozone Office	Overall monitoring	Meetings with Lead IA; meeting reports, MoU	By Lead IA
Lead IA	Lead IA	Expenditure report, quarterly report	By Lead IA
Lead IA	Lead IA	Progress report (annual), quarterly report	By Ozone Officer

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Seychelles for related auditing. Based on discussion with the Lead IA, Seychelles should select the independent organization (auditing) to carry out the verification of

the TPMP results and this independent monitoring programme. The monitoring reports will be produced and verified each year, previous to the third meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Seychelles consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future Annual Implementation Programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

Not relevant.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/17 (c) para. 104 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/51/46 Annex IX).*

**SIERRA LEONE****Terminal phase-out management plan for CFCs for Sierra Leone**

The Fifty-seventh Meeting of the Executive Committee decided to approve the Agreement between the Government of Equatorial Guinea and the Executive Committee for the terminal phase-out management plan (TPMP), attached to the present report, at a total amount in principle US \$150,000, plus agency support costs of US \$15,950 (US \$12,350 for UNEP and US \$3,600 for UNDP), and the first tranche for the project.

(UNEP/OzL.Pro/ExCom/57/69, Decision 57/16 (e), para. 111 (e)).

(Supporting document: UNEP/OzL.Pro/ExCom/57/69 Annex XII).

**Agreement between Sierra Leone and the Executive Committee for the terminal phase-out management plan**

1. This Agreement represents the understanding of the Government of Sierra Leone (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2 and 4 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12 and CFC-115
Annex B:	Group II	CTC

### Appendix 2-A: The targets, and funding

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	11.8	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	11.8	0.0	
3	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0.4	0.0	
4	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0.4	0.0	
5	New reduction under plan Annex A (ODP tonnes)	11.8	0.0	11.8
6	New reduction under plan Annex B (ODP tonnes)	0.4	0.0	0.4
7	Lead IA agreed funding (US \$)	95,000	55,000	150,000
8	Cooperating IA agreed funding (US \$)	40,000	20,000	60,000
9	Total agreed funding (US \$)	135,000	75,000	210,000
10	Lead IA support costs (US \$)	12,350	7,150	19,500
11	Cooperating IA support costs (US \$)	3,600	1,800	5,400
12	Total agreed support costs (US \$)	15,950	8,950	24,900
13	Grand total agreed funding (US \$)	150,950	83,950	234,900

**Appendix 3-A: Funding disbursement schedule**

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)

Total	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit. 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 terminal phase-out plan. 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 Unit.

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Sierra Leone for related auditing. Based on discussion with the Lead IA, Sierra Leone should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Sierra Leone consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Role of Cooperating IA

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Sierra Leone in the implementation and assessment of the activities funded for by the cooperating IA; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/16 (e), para. 111 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/57/69 Annex XII).*



## SRI LANKA

## National compliance action plan for Sri Lanka

The Forty-second Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national compliance action plan for Sri Lanka at a funding level of US \$1,015,000 plus appropriate agency support costs; and
- (b) to request the bilateral and Implementing Agencies to continue discussions with the Government of Sri Lanka in order to finalize the agreement between the Government of Sri Lanka and the Executive Committee for submission to the Forty-third Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/42/54, Decision 42/40, para. 133).

Subsequently, the Forty-third Meeting of the Executive Committee decided to approve the national compliance action plan for Sri Lanka on the understanding that:

- (a) the total level of funding of the national compliance action plan for Sri Lanka was US \$1,015,000 plus support costs of US \$131,950. This was the total funding that would be available to the Government of Sri Lanka from the Multilateral Fund for the complete elimination of ODS consumption in the country. The funding would be distributed as follows:

Project title	Project Funding (US\$)	Support Cost (US\$)	Agency
Incentive programme for commercial and industrial refrigeration end-users	144,000	18,720	Japan
Recovery and recycling programme	290,400	37,752	Japan
MAC recovery, recycling and retrofit programme	123,000	15,990	Japan
Enhancement of national capacity to monitor trade and prevent illegal trade of ODS	135,000	17,550	UNEP
Extension training of the established refrigeration technicians	174,600	22,698	UNEP
Halon bank management programme	40,000	5,200	UNEP
Monitoring the activities included in the phase-out plan	108,000	14,040	Japan

- (b) the Government of Sri Lanka committed itself to the phased reduction and complete phase-out of consumption of ODS in Sri Lanka, according to the following phase out schedule which was, at a minimum, consistent with the Montreal Protocol control measures:

ODP tonnes	2004	2005	2006	2007	2008	2009	Total
Montreal Protocol phase-out schedule	445.7	222.9	222.9	66.9	66.9	66.9	
Maximum allowable consumption	178.0	155.0	106.1	65.2	21.8		
Total reduction from ongoing projects	20.4	2.5	2.5	0.0	0.0	0.0	25.4
Total reduction under national compliance action plan	2.6	46.4	38.4	43.4	18.7	3.2	152.7
Total annual reduction	23.0	48.9	40.9	43.4	18.7	3.2	178.1

- (c) the Government of Sri Lanka agreed that no additional resources would be requested from the Multilateral Fund for activities related to the phase-out of ODS. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan (as the lead Implementing Agency) in the national compliance action plan;
- (d) the Government of Sri Lanka agreed to ensure accurate monitoring of the phase out and to provide regular reports, as required under Article 7 of the Montreal Protocol, by 30 September each year; and
- (e) the Government of Japan would be responsible for reporting annually on the implementation of activities funded under the national compliance action plan and for providing verification to the Executive Committee annually that the ODS consumption reductions in the national compliance action plan had been completed according to the above schedule.

(UNEP/OzL.Pro/ExCom/43/61, Decision 43/18, para. 80).

(Supporting document: UNEP/OzL.Pro/ExCom/43/43).

**SUDAN****National CFC/CTC phase-out plan for Sudan**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle the national CFC/CTC phase-out plan for Sudan at a total level of funding of US \$1,139,480 plus agency support costs of US \$85,461 for UNIDO;
- (b) also to approve the Agreement between the Government of Sudan and the Executive Committee attached to the present document; and
- (c) further to approve funding of US \$499,480 plus support costs of US \$37,461 for UNIDO for the first tranche of the phase-out plan.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/35, para. 153).*

**Agreement between Sudan and the Executive Committee for the phase-out of ODSs**

1. This Agreement represents the understanding of Sudan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 13 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (“Lead IA”). The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation

work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in the row 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs and CTC limit (Appendix 2-A) in any one year.

11. 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.

12. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A The Substances

Annex	Group	Chemical
A	I	CFCl <sub>3</sub> (CFC-11), CF <sub>2</sub> Cl <sub>2</sub> (CFC-12)
B	II	CCl <sub>4</sub> , Carbon tetrachloride
B	III	C <sub>2</sub> H <sub>3</sub> Cl <sub>3</sub> , 1,1,1-trichloroethane (methyl choroform)

#### Appendix 2-A The Targets, And Funding\*

	2004	2005	2006	2007	2008	2009	2010	Total
1. Montreal Protocol reduction schedule of CFCs (ODP tonnes)	456.8	228.4	228.4	68.52	68.52	68.52	0	
2. Max allowable total consumption of CFCs (ODP tonnes)	216	200	130	65	45	25	0	
3. Reduction of CFCs from on-going projects (ODP tonnes)	0	0	0	0	0	0	0	0
4. New reduction of CFCs under plan (ODP tonnes)	0	16	70	65	20	20	25	216
5. Unfunded reductions of CFCs (ODP tonnes)	-	-	-	-	-	-	-	-
6. Total annual reduction of CFCs (ODP tonnes)	0	16	70	65	20	20	25	216
7. Montreal Protocol reduction schedule of CTC (ODP tonnes)	n.a.	0.33	0.33	0.33	0.33	0.33	0	
8. Max allowable total consumption of CTC (ODP tonnes)	1.1	0.33	0	0	0	0	0	
9. Reduction of CTC from on-going projects (ODP tonnes)	0	0	0	0	0	0	0	
10. New reduction of CTC under plan (ODP tonnes)	0	0.77	0.33	0	0	0	0.33	
11. Unfunded reductions of CTC (ODP tonnes)	-	-	-	-	-	-	-	
12. Total annual reduction of CTC (ODP tonnes)	0	0.77	0.33	0	0	0	0.33	
13. Lead IA agreed funding (US \$)	499,480	0	220,000	220,000	200,000	0	0	1,139,480
14. Lead IA support costs (US \$)	37,461	0	16,500	16,500	15,000	0	0	85,461

	2004	2005	2006	2007	2008	2009	2010	Total
15. Total agreed funding (US \$)	536,941	0	236,500	236,500	215,000	0	0	1,224,941

\* The consumption of Annex B, Group II substance (1,1,1-trichloroethane) was negligibly small and the Government of Sudan reported as nil. However, the Government agrees to ensure the total phase-out of this substance under the present Agreement.

### Appendix 3-A: Funding Disbursement Schedule

Funding will be considered for approval at the last meeting of the year preceding the year of the annual implementation plan.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 2. Annual Budget

Activity	Planned expenditures (US \$)
Total	

### Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The NOU monitors the consumption data of all ODS. Inspections at reconverted companies are foreseen to ensure the non-uses of CFCs after project completion. The licensing system will be a tool to monitor and ensure compliance with control measures.
2. The Government has offered and intends continuing to offer continuity of activities and endorsement for the projects through the National Ozone Unit over the next years. This will guarantee the success of any activity approved for Sudan.
3. After the establishment of a countrywide system for reuse of ODS, the monitoring activity will be initiated to confirm that the project is being successfully implemented and that the CFC phase-out target is achieved.
4. The monitoring activity will include:
  - (a) establishing a system in conjunction with the counterpart institute to ensure that every recycling/reclaim centre and service workshop is encouraged or obliged to report data and other information concerning the recovery, recycling and reclamation scheme. This will be enabled through forms to be filled by reclaim centres and service workshops.
  - (b) setting up adequate office facilities including a computer system to collect and analyse the data.
  - (c) communicating regularly with the counterpart institute.
  - (d) occasional visits to workshops and reclaim centres.
  - (e) communicating regularly with customs offices.
5. Information will be collected from recycling centres and workshops in terms of CFC quantity and material price and cost.

### Appendix 6-A: Role of the Lead IA

The Lead IA under the mandate of the Multilateral Fund will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,500 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/35, para. 153).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex X).*

**SURINAME****Terminal phase-out management plan for Suriname**

The Fifty-sixth Meeting of the Executive Committee decided:

- (i) to approve the agreement between the Government of Suriname and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$278,000 (US \$153,000 for UNEP and US \$125,000 for UNDP) plus agency support costs of US \$31,140 (US \$19,890 for UNEP and US \$11,250 for UNDP);
- (ii) to urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan;
- (iii) To approve the first tranche of the plan at US \$225,000 (US \$100,000 for UNEP and US \$125,000 for UNDP) plus agency support costs of US \$24,250 (US \$13,000 for UNEP and US \$11,250 for UNDP).

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (f), para. 84 (f)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex IX).



**Agreement between Suriname and the Executive Committee for the terminal phase out management plan**

1. This Agreement represents the understanding of the Government of Suriname (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-115
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### Appendix 2-A: The Targets and Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	6.2	6.2	0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	6.2 <sup>1</sup>	3.1	0	
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	3.1	3.1	0	6.2
5	Unfunded reductions (ODP tonnes)	0.0	0.0	0	0
6	Total annual reduction (ODP tonnes)	3.1	3.1	0	6.2
7	Lead IA agreed funding (US \$)	100,000	53,000	0	153,000
8	Cooperating IA agreed funding (US \$)	125,000	0	0	125,000
9	Total agreed funding (US \$)	225,000	53,000	0	278,000
10	Lead IA support costs (US \$)	13,000	6,890	0	19,890
11	Cooperating IA support costs (US \$)	11,250	0	0	11,250
12	Total agreed support costs (US \$)	24,250	6,890	0	31,140
13	Grand total agreed funding (US \$)	249,250	59,890	0	309,140

<sup>1</sup> Consumption quota set by the country for 2008.

**Appendix 3-A: Funding Disbursement Schedule**

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The government will establish a project monitoring mechanism (PMM) to monitor project implementation, report on progress, monitor the impact of projects and recommend remedial actions if project implementation is delayed or impacts not achieved. UNEP, as the lead IA will be responsible for establishing this mechanism and UNDP, as the cooperating IA will support UNEP in executing this function.

#### Verification and reporting

2. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Suriname for related auditing. Based on discussion with the Lead IA, Suriname should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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 Suriname in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Suriname consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

### Appendix 6-B: Roles of Cooperating Implementing Agencies

The Cooperating IAs will be responsible for:

- (a) provide policy development assistance when required;
- (b) assist Suriname in the implementation and verification of activities funded for by the Cooperating IA;
- (c) provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/15 (f), para.84 (f)).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64, Annex IX).

**SYRIAN ARAB REPUBLIC****Phase-out of the use of methyl bromide in Syria**

The Thirty-fourth Meeting of the Executive Committee decided to approve the projects for the phase-out of the use of methyl bromide in grain storage (first tranche) according to the conditions stipulated in the annex to the present report.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/57, para. 77).

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to take note of the request to change the schedule for the project for the complete phase-out of methyl bromide in grain storage, submitted by the Government of the Syrian Arab Republic;
- (b) to approve the revisions to the agreement between the Government of the Syrian Arab Republic and the Executive Committee to reflect the following phase-out schedule:

Year	ODP tonnes
2001	105.0
2002	100.8
2003	99.0
2004	65.7
2005	43.4
2006	18.0
2007	6.0
2008	0.0

- (c) to approve the third tranche of the project at the amount of US \$432,414 plus agency support costs of US \$32,431 for UNIDO, on the understanding that the remaining methyl bromide consumption eligible for funding would be 8.0 ODP tonnes once the project for the phase-out of methyl bromide in grain storage had been completed.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/33, para. 120).

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to approve the methyl bromide national phase-out plan (soil fumigation) for the Syrian Arab Republic at the amount of US \$240,000 plus agency support costs of US \$21,600 for UNIDO; and
- (b) to approve the revised agreement between the Government of the Syrian Arab Republic and the Executive Committee for the complete phase-out of methyl bromide contained in the annex to the present report.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/24, para. 117).

**Agreed conditions for the phase-out of the use of methyl bromide in Syria**

## 1. The Executive Committee:

- (a) At its 34th Meeting, approved US \$1,084,139 as the total funds available to achieve the complete phase-out of methyl bromide used in grain storage (105 ODP tonnes), on the understanding that the remaining consumption of controlled uses of methyl bromide eligible for funding would be 8 ODP tonnes; and
- (b) At its 49th Meeting, approved an additional US \$240,000 as the total funds available to achieve the complete phase-out of methyl bromide used in soil fumigation (48 ODP tonnes, of which 40 ODP tonnes will be phased out with financial assistance from outside the Multilateral Fund).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for the Syrian Arab Republic has been established at 188.55 ODP tonnes. The Syrian Arab Republic has also reported MB consumption of 91.398 ODP tonnes for 2005, excluding quarantine and pre shipment applications. Accordingly, the Syrian Arab Republic would therefore appear to be in compliance with the 2005 Montreal Protocol 20 per cent reduction.

3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project documents will ensure that the Syrian Arab Republic meets the reduction schedule presented below. In this regard, the Syrian Arab Republic will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below: methyl bromide to no more than the following levels during the 12-month period of the following listed years:

Year	Maximum level of methyl bromide consumption (ODP tonnes)		
	Grain fumigation	Soil fumigation	Maximum level
2001	105.0		105.0
2002	100.8		100.8
2003	99.0		99.0
2004	65.7		65.7
2005	43.4		43.4
2006	18.0	48.0*	66.0
2007	6.0	39.0	45.0
2008	0.0	27.0	27.0
2009		0.0	0.0

\* Including 40 ODP tonnes to be phased out by the Government with financial assistance from outside the Multilateral Fund.

4. Upon successful completion of the projects, the Syrian Arab Republic commits to permanently sustaining the consumption levels indicated in the table above through import restrictions and other policies it may deem necessary. UNIDO shall report to the Executive Committee on the progress achieved in meeting the reductions required by the projects.

5. Disbursement of the funding approved for UNIDO will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	Level of funding (US \$)		
	Grain fumigation	Soil fumigation	Total
2001	300,000		300,000
2003	351,725		351,725
2005	432,414		432,414
2006		240,000*	240,000

6. The Government of Syria will have flexibility in implementing the project components it considers important to meet its phase-out commitments. UNIDO agrees to manage the funding for the projects in a manner designed to ensure that the agreed specific annual reductions are met.

7. These agreed conditions between the Government of the Syrian Arab Republic and the Executive Committee have taken into account the already approved methyl bromide phase-out project in grain storage and, therefore, supersede the agreements approved at the 34th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/57, para. 77).

*(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex XIII).*

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/33, para. 120).*

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/24, para. 177).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex VI).*

**Sector phase-out plan for CFCs in the refrigeration (manufacturing) sector in Syria**

The Thirty-eighth Meeting of the Executive Committee decided to approve the Sector Phase-out Plan for CFCs in the Refrigeration (Manufacturing) Sector in the Syrian Arab Republic at a cost of US \$1,665,188, plus support costs of US \$191,422 to UNDP and US \$353,100 plus support cost of US \$40,590 to UNIDO, with the following understanding:

- (a) the Government of the Syrian Arab Republic commits to phase-out 312 ODP tonnes through implementation of the Sector Phase-out Plan for CFCs in the Refrigeration (Manufacturing) Sector according to the following phase-out schedule:

Year	2003	2004	2005	2006	Total
Annual CFC phase-out target (ODP tonnes) from the sector plan	0	100	100	112	312

- (b) under this agreement the total remaining eligible CFC consumption in the Syrian Arab Republic would be reduced from the current level of 465.1 ODP tonnes by 312 ODP tonnes, leaving 153.1 ODP tonnes as the maximum remaining CFC consumption eligible for funding;
- (c) the Government of the Syrian Arab Republic agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities in the Refrigeration (Manufacturing) Sector. The Executive Committee agrees to provide the Syrian Arab Republic with flexibility in using the agreed funds consistent with operational procedures as agreed between the Syrian Arab Republic and the agencies (UNDP and UNIDO) in the Refrigeration (Manufacturing) Sector Phase-out Plan;
- (d) the Government of the Syrian Arab Republic agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol, by 30 September each year;
- (e) the lead Implementing Agency, UNDP, will be responsible for:
- reporting annually on the implementation of all activities funded under the sector plan;
  - providing verification to the Executive Committee annually that CFC consumption phase-out in the Refrigeration (Manufacturing) Sector has been completed based on the schedules listed in the table above.

(UNEP/OzL.Pro/ExCom/38/70/Rev.1, Decision 38/50, para. 86).

**National CFC phase-out plan for Syria**

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national CFC phase-out plan for the Syrian Arab Republic at the amount of US \$754,050 plus agency support costs of US \$56,554 for UNIDO;
- (b) to approve the agreement between the Government of the Syrian Arab Republic and the Executive Committee for the implementation of the national CFC phase-out plan as attached to the present report; and
- (c) to approve the 2006-2007 annual implementation programme and associated first tranche of the plan at the amount of US 430,000 plus support costs of US \$32,250 for UNIDO.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/27, para. 124).

(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex IX).



**Agreement between the Syrian Arab Republic and the Executive Committee for the phase-out of ODSs**

1. This Agreement represents the understanding of Syrian Arab Republic (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) before 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 9 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the target for the applicable year;
  - (b) that the meeting of the target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 Institution 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub sector:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration-servicing sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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 (“Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A

including but not limited to independent verification in collaboration with NOU as per Guideline for the verification of national consumption targets of multi-year agreements. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 and 12 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

#### Appendix 1-A The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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#### Appendix 2-A The Targets, And Funding

	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	1,112.32	1,112.32	333.7	333.7	333.7	0	-
1. Max allowable total consumption of CFCs (ODP tonnes)	869.7	869.7	328.7	207.2	70.0	0.0	1,475.4
2. Reduction from on-going projects (ODP tonnes)	-	441	0	0	0	0	441
3. New reduction under plan (ODP tonnes)	-	100.0	121.5	207.2	70.0	0.0	
4. Unfunded reductions (ODP tonnes)	-	65.7	87.2	102.9	35.7	0.0	291.6
5. Funded reductions (ODP tonnes)	-	34.3	34.3	34.3	34.3	0.0	137.1
6. Total annual reduction (ODP tonnes)		541.0	121.5	137.2	70.0	0.0	869.7
7. Lead IA agreed funding (US \$)	-	430,000	0	170,000	154,050	0	754,050
8. Lead IA support costs (US \$)	-	32,250	0	12,750	11,554	0	56,554

#### Appendix 3-A: Funding Disbursement Schedule

Funding will be considered for approval at the second meeting of the year for which funding is being requested.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	

Target ODS consumption of the year of plan \_\_\_\_\_

Level of funding requested \_\_\_\_\_

Lead Implementing Agency \_\_\_\_\_

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

**3. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The National Ozone Unit monitors the consumption data of all ODS. Inspections at converted companies are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Syria.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity will be done by:

- (a) establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
- (b) setting up adequate office facilities including a computer system to collect and analyse the data;
- (c) regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
- (d) occasional visits to service workshops, recycling and reclamation centres.

5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

#### CFC quantity

- Number of appliances subjected to refrigerant recovery and type (commercial. MAC, domestic etc.) of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- Amount of virgin refrigerant by type consumed in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

#### Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
  - Cost of recycling at every recycling centre and parties who bear the cost;
  - Price of recycled CFC refrigerants;
  - Cost of reclaiming at every reclamation centre and parties who bear the cost;
  - Price of reclaimed CFC refrigerants;
  - Other financial information relevant to monitoring the recovery recycling and reclamation scheme.
6. Data and information collected will be analysed to check the adequate operations of the scheme.
7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.
8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA under the mandate of the Multilateral Fund 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the Annual Implementation Programme;

- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceeding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,000 per ODP tonne of reductions in consumption not achieved.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/27, para. 124).*

*(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex IX).*

**THAILAND****Phase-out of the use of methyl bromide in Thailand**

The Forty-fourth Meeting of the Executive Committee decided:

- (a) to approve in principle the national methyl bromide phase-out plan for Thailand at a total level of funding of US \$2,901,600 plus agency support costs of US \$217,620 for the World Bank, noting that approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non compliance;
- (b) also to approve the Agreement between the Government of Thailand and the Executive Committee attached to the present document; and
- (c) further to approve funding of US \$546,991 plus support costs of US \$41,024 for the World Bank for the first tranche of the phase-out plan.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/44, para. 177).*

The Fifty-sixth Meeting of the Executive Committee decided to defer the request for funding the third tranche of the national methyl bromide phase-out plan to a future Meeting, once the activities initiated with the previously approved tranches had been implemented and the available funding had been disbursed or committed.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/56, para. 212).*

### Agreement between Thailand and the Executive Committee for the national methyl bromide phase-out plan

1. At its 44th Meeting, the Executive Committee approved in principle a total of US \$2,901,600, excluding agency support costs, as the total funds that will be available to Thailand to achieve the phased reduction and complete phase-out of all controlled uses of methyl bromide (241.8 ODP tonnes). This amount is being approved by the Executive Committee without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non compliance.
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the Methyl Bromide baseline for Thailand is 183.14 ODP tonnes. Thailand's methyl bromide consumption in 2002 was 241.8 ODP tonnes, excluding 228.6 ODP tonnes that was used for quarantine and pre-shipment applications. Accordingly, Thailand must reduce its consumption of methyl bromide in 2004 to 183.14 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to 146.4 ODP tonnes to achieve compliance with the Protocol's 20 per cent reduction in 2005.
3. Through the implementation of the national methyl bromide phase-out plan, the Government of Thailand commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the following levels:

Year	Maximum level of consumption of controlled uses of methyl bromide (ODP tonnes)*
2002**	241.8
2004	183.1
2005	146.6
2006	146.6
2007	146.6
2008	146.6
2009	73.3
2010	73.3
2011	36.6
2012	18.3
2013	0

\* Excluding any exemptions for quarantine and pre-shipment applications and critical uses.

\*\* Implementation of the national methyl bromide phase-out plan will ensure that Thailand returns to compliance with its Montreal Protocol methyl bromide obligations by 2004.

4. The Government of Thailand has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
5. Thailand commits to permanently sustain the consumption levels indicated in the above table through the use of import restrictions and other policies that it may deem necessary. In exchange for the funding level specified below, Thailand commits to eliminate its total national consumption of controlled uses of methyl bromide in accordance with the limits specified in the above table:

Year	Funding (US\$)	Agency support costs (US \$)	Total (US \$)
2004	546,991	41,024	588,015
2006	1,412,214	105,916	1,518,130
2008	942,395	70,680	1,013,075

6. The Government of Thailand, in agreement with the World Bank, will have the flexibility to organize and implement the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. The World Bank agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. The World Bank shall also report back to the Executive Committee annually on the progress in meeting the reductions required by this project.
7. The funding components of this agreement shall not be modified on the basis of future Executive

Committee decisions that may affect the funding of any other consumption sector projects or any related activities in Thailand.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/, para.).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73, Annex XII).*



**National CFC phase-out plan for Thailand**

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to approve the National CFC phase-out plan for Thailand, in accordance with the agreement between the Government of Thailand and the Executive Committee (attached to the present report);
- (b) to approve the inclusion of MDIs in the agreement for national CFC phase-out, at a cost of US \$57,200, plus agency support costs;
- (c) to express its appreciation to the Government of Thailand and the World Bank for the initiative taken in promoting the elaboration of the national CFC phase-out plan.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/54, para. 90).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/53 and 35/53/Add.1).*

**Agreement for the national CFC phase-out plan for Thailand**

1. The Executive Committee decided to approve, in principle, a total of US \$14,728,626 in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC in Thailand. This is the total funding that would be available to Thailand from the Multilateral Fund for the total elimination of the use of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC from its current level of consumption. The agreed level of funding would be paid out in installments in the exact amount specified in paragraph 3, and on the basis of the following understanding:

2. By this approval, Thailand agrees that in exchange for the funding level specified in paragraph 3, it will eliminate its 1,1,1-TCA and CTC consumption by 2010 (except any consumption that is considered by the Parties as essential uses), and also agrees to reduce its total Annex A, Group I, CFCs consumption and undertake key activities in accordance with the following schedule:

Year	Max. allowable consumption level for Annex A Group I (ODP tonnes)	Max. allowable consumption level for 1,1,1-TCA (ODP tonnes)	Max. allowable consumption level for CTC (ODP tonnes)	Additional performance target
2002	3,066	34	7.52	Import control policy in place and operational
2003	2,777	34	7.52	Announcement of import quotas for CFCs from 2002 – 2010. Criteria and procedures for financial support for investment projects completed and distributed
2004	2,291	34	7.52	Announcement of the MAC inspection programme. Ban on the use of CFCs in the manufacturing sector in 2005 in place
2005	1,364	4.5	1.13	Annual MAC inspection requirement is operational. Database of trained technicians in the MAC sector is functional
2006	1,121	4.5	1.13	
2007	912	4.5	1.13	
2008	704	4.5	1.13	
2009	496	4.5	1.13	
2010	0	0	0	

3. In order to assist Thailand in establishing its implementation structure within the country, and working toward the other reduction targets included in paragraph 2, the Executive Committee decides at its 35<sup>th</sup> Meeting to provide US \$540,000 in funding to Thailand upon approval of this agreement. The Executive Committee has also agreed in principle that it will continue to provide funds at the level indicated below to support annual programmes for this plan. In the annual work programme, a detailed description of the activities that have been implemented in the previous year as well as those undertaken in the year of plan with matching expenditures and a report on any changes that have been made from the original plan and budget, will be included. The funds for each annual programme will be provided before or within the period which the annual programme covers.

Annual programme	Actual amounts (US\$) to be paid
2001	540,000
2002	5,194,380
2003	4,011,846
2004	1,315,400
2005	1,330,400
2006	851,600
2007	550,000
2008	550,000
2009	385,000

Payments noted in this paragraph (other than the initial tranche for 2001 and 2002) are dependent upon submission of annual programmes. In addition, payments for 2004 onwards are also conditioned upon confirmation by the Implementing Agency that the agreed reduction targets noted in paragraph 2 and relevant performance milestone have been achieved. For example, payment in 2004 will be conditional on satisfactory verification by the Implementing Agency that Thailand had, at a minimum, met its consumption target for

2002.

4. Thailand agrees to ensure accurate monitoring of the phase-out, and to report regularly, consistent with its obligations under the Protocol and this agreement. Thailand also agrees to allow for independent technical audits administered by the Implementing Agency, a periodic mid-term examination, every 2 – 3 years, to be administered as part of the annual work programme of the monitoring and evaluation of the Fund, and in addition, as may be directed by the Executive Committee to verify that annual consumption targets of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC agreed in paragraph 2 are actually met.

5. The Executive Committee wishes to provide Thailand with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in paragraph 2. Accordingly, while the National CFC Phase-out Plan discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that with the exception of US \$1.54 million which must be used by the Government of Thailand solely to implement, monitor and effectuate full compliance with this agreement and the Annex A, Group I, CFCs; 1,1,1-TCA; and CTC phase-out, as long as expenditures are otherwise consistent with this agreement, the remaining funds provided to Thailand pursuant to this agreement may be used in any manner that Thailand believes will achieve the smoothest and most efficient phase-out of the above chemicals.

6. Thailand agrees that the funds being agreed in principle by the Executive Committee at its 35th meeting for complete phase-out of its Annex A, Group I, CFCs; 1,1,1-TCA; and CTC consumption is the total funding that will be available to it to enable its full compliance with the consumption phase-out requirements of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that aside from the agency fee referred to in paragraph 8 below, Thailand and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase-out of consumption of Annex A, Group I, CFCs; 1,1,1-TCA; and CTC in accordance with the schedule noted above and the terms of the strategy being approved.

7. Thailand understands that if the Executive Committee meets its obligations under this agreement, but Thailand does not meet the reduction requirements outlined in paragraph 2, and the other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for the subsequent tranche until such time Thailand has demonstrated that the implementation of its National CFC Phase-out Plan has been brought back on track, according to the schedule in paragraph 2. It is clearly understood that the fulfillment of this agreement depends on satisfactory performance of its obligations by both Thailand and the Executive Committee.

8. The World Bank has agreed to be the Implementing Agency for this project at a fee of 5 percent for the project implementation and monitoring activity and 9 percent for all investment and other activities. The fee will be distributed over the timeframe of this Plan. The World Bank is given flexibility, on request of the Government of Thailand, to subcontract Sweden to undertake activities in certain sectors covered under the National CFC Phase-out Plan. As the Implementing Agency, the World Bank agrees to be responsible for:

- (a) ensuring that technical reviews undertaken by the World Bank are undertaken by appropriate independent technical experts such as the OORG;
- (b) assisting Thailand in the development of its annual work programme which incorporates achievements of previous annual programmes;
- (c) carrying out supervision missions as required;
- (d) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of actual consumption reduction against the targets listed in paragraph 2;
- (e) ensuring that disbursements are made to Thailand based on agreed performance targets in the project, and the provisions of this agreement;

9. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions.

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/54, para. 90).

(Supporting document: UNEP/OzL.Pro/ExCom/35/53 and 35/53/Add.1).

**TOGO****Terminal CFC phase-out management plan for Togo**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of Togo and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$316,000 plus agency support costs of US \$34,800 (US \$20,670 for UNEP and US \$14,130 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (i), para. 100 (i)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XV).*

**Agreement between Togo and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Togo (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and

- (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	5.9	5.9	0	n/a
2	Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	5.9	5.9	0	n/a
3	New reduction under plan (ODP tonnes)		5.9	0	5.9
4	Lead IA agreed funding (US \$)	89,000	70,000		159,000
5	Cooperating IA agreed funding (US \$)	95,000	62,000		157,000
6	Total agreed funding (US \$)	184,000	132,000		316,000
7	Lead IA support costs (US \$)	11,570	9,100		20,670
8	Cooperating IA support cost (US \$)	8,550	5,580		14,130
9	Total agency support costs (US \$)	20,120	14,680		34,800
10	Grand total agreed funding (US \$)	204,120	146,680		350,800

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees**

**Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

**Verification and reporting**

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Togo for related auditing. Based on discussion with the Lead IA, Togo should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

**Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Togo consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

**Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Togo in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.



**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (i), para. 100 (i)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XV).*

**TRINIDAD AND TOBAGO****Terminal phase-out management plan for CFCs for Trinidad and Tobago**

The Fortieth Meeting of the Executive Committee, after a discussion in which concerns were expressed about the advisability of making exceptions to the recently adopted criteria for project funding to accelerate phase-out, the Executive Committee decided to approve the terminal phase-out management plan for CFCs (first tranche) for Trinidad and Tobago, in accordance with the Agreement between the Government of Trinidad and Tobago and the Executive Committee attached to the present report.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/55, para. 109).*

*(Supporting document: UNEP/OzL.Pro/ExCom/40/44).*

**Agreement for the terminal CFC phase-out management plan for Trinidad and Tobago**

1. The Executive Committee approves a total of US \$460,000 in funding for the phased reduction and complete phase-out in the consumption of Annex A Group I substances used in Trinidad and Tobago. This is the total funding that would be available to the Government of Trinidad and Tobago from the Multilateral Fund for the total elimination of CFCs in Trinidad and Tobago. The agreed level of funding would be paid in two installments, each covering specific objectives spelled out in Action Programmes, in the exact amount of US dollars specified below, and on the basis of the understanding set out in this Agreement.
2. By this Agreement, Trinidad and Tobago commits that in exchange for the funding level specified below, it will eliminate its total CFC consumption in accordance with the annual consumption limits indicated below in the installation and servicing of refrigeration and air conditioning equipment.

Table 1 - Targets and schedule and budget for implementing the action programmes

Programme	Time period		ODS consumption (MT)		ODS reduction (MT)	Funding requested (US\$)*
	Start	End	Start	End		
First action programme	1 December 2003	30 June 2006	77.0	34.1 (2005)	42.9	220,000
Second action programme	1 July 2006	31 December 2007	34.1	0 (2007)	34.1	240,000
End of action programmes		1 January 2008	-	0 (2008)	77.0	-
Total						460,000

(\*) Excluding 7.5 per cent agency support costs

3. At its 40th Meeting, the Executive Committee approved funding of US \$220,000 plus agency support costs for activities to be carried out during the period 1 December 2003 – 30 June 2006. The Executive Committee also agrees, in principle, that funds will be provided at the 49th Meeting of the Executive Committee in mid-2006, for a two and a half year period, in accordance with the above table, for the exact amount listed and on the basis of submission of an action programme, subject to the performance requirements contained in this Agreement.
4. The payment in 2006 noted in Table 1 will be released based on confirmation that the first reduction target has been met and that the activities specified in the action programme for 2003-2006 contained in the project document have been substantially completed.
5. The Government of Trinidad and Tobago agrees to ensure accurate monitoring of the phase-out programme. The Government of Trinidad and Tobago will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement will be consistent with Trinidad and Tobago's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.
6. The Government of Trinidad and Tobago also agrees to allow independent verification audits as provided for in this Agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1, and that implementation of the TPMP is proceeding as scheduled and agreed in the first and second action programmes.
7. The Trinidad and Tobago Terminal CFC Phase-out Management Plan, which supports this Agreement, the Trinidad and Tobago Country Programme and other related documentation, may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Trinidad and Tobago with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 1. It is the Executive Committee's understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to Trinidad and Tobago pursuant to this Agreement may be used in any manner that Trinidad and Tobago believes will achieve the smoothest possible CFC refrigeration sector phase-out, consistent with operational procedures as agreed between the Government of Trinidad and Tobago and UNDP in the Terminal Phase-out Management Plan, as indicated in the first and second action programmes.
8. The Government of Trinidad and Tobago agrees that the funds being agreed in principle by the Executive Committee at its 40th Meeting for the complete phase-out of Annex A Group I substances represent the total funds that will be available to Trinidad and Tobago to enable its full compliance with the reduction and phase-

out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that apart from the agency fee referred to in paragraph 10 below, the Government of Trinidad and Tobago, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of CFC in the refrigeration sector.

9. The Government of Trinidad and Tobago agrees that if the Executive Committee meets its obligations under this Agreement, but the Government of Trinidad and Tobago does not meet the reduction requirements outlined in paragraph 2 and other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on the satisfactory performance of its obligations by both the Government of Trinidad and Tobago and the Executive Committee.

10. UNDP has agreed to be the Implementing Agency for the implementation of this Sector Plan, which will be completed in 2008. A fee of a total of 7.5 per cent of the annual funds has been agreed in accordance with the provisions of this Agreement and distributed as shown in Table 1. As the Implementing Agency, UNDP will be responsible for the following:

- (a) ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Trinidad and Tobago Terminal CFC Phase-out Management Plan;
- (b) reporting annually on the implementation of the two action programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) ensuring that technical reviews by UNDP are undertaken by appropriate independent technical experts;
- (e) assisting Trinidad and Tobago in preparation of the second action programme, which will incorporate achievements in the first action programme;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme and accurate data reporting;
- (h) verification for the Executive Committee that CFC consumption for the refrigeration sector has been completed based on the schedule listed in Table 1;
- (i) ensuring that disbursements are made to Trinidad and Tobago based on agreed performance targets in the project and provisions in this Agreement; and
- (j) providing policy development assistance when required.

11. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

*(UNEP/OzL.Pro/ExCom/40/50, Decision 40/55, para. 109).*

*(Supporting document: UNEP/OzL.Pro/ExCom/40/44).*

## TUNISIA

**National ODS phase-out plan for Tunisia**

The Forty-ninth Meeting of the Executive Committee decided:

- (a) to note that UNIDO would replace the refrigerant management plan component in its 2006 business plan with another activity at a later date;
- (b) to approve, in principle, the national ODS phase-out plan for Tunisia at the amount of US \$1,135,395 plus agency support costs of US \$85,155 for the World Bank;
- (c) to approve the Agreement between the Government of Tunisia and the Executive Committee for the implementation of the national ODS phase-out plan as attached to the present report; and
- (d) to approve the first tranche of the plan for the 2006-2007 annual implementation programme at the amount of US \$790,000 plus support costs of US \$59,250 for the World Bank, on the understanding that the report covering its implementation, to be submitted with the request for a second tranche, would include a detailed account of the institutional set-up, in particular the monitoring and reporting responsibilities, and cover the 2007 CFC and halon consumption data.

(UNEP/OzL.Pro/ExCom/49/43, Decision 49/28, para. 129).

(Supporting document: UNEP/OzL.Pro/ExCom/49/43 Annex X).

The Sixty-fifth Meeting of the Executive Committee decided:

- (f) (i) To note the submission of the verification report on the consumption of CFCs and halons for 2008 and 2009 and the annual progress report for 2010 and the first half of 2011 on the implementation of the national ODS phase-out plan (NPP) for Tunisia;
- (ii) To approve the biennial implementation plan for the NPP, as modified, for the remainder of 2011 and 2012; and
- (iv) To request the World Bank to submit a verification report on consumption of CFCs and halons for 2010 to the 67th meeting;

(UNEP/OzL.Pro/ExCom/65/60, Decision 65/10(f), para. 58(f)).

The Sixty-eighth Meeting of the Executive Committee decided to approve:

- (i) The transfer of the national ODS phase-out plan for Tunisia from the World Bank to UNIDO;
- (ii) The transfer of the balance of US \$758,432, including US \$52,914 in agency support costs, from the World Bank to UNIDO; and
- (iii) The revised Agreement between the Government of Tunisia and the Executive Committee contained in Annex III to the present report.

(UNEP/OzL.Pro/ExCom/68/53, Decision 68/2(e), para. 29(e)).

(Supporting document: UNEP/OzL.Pro/ExCom/68/53 Annex III).

**Revised agreement between Tunisia and the Executive Committee for the phase-out of ODSs**

1. This Agreement represents the understanding of Tunisia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) by January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3 and consistent with existing MLF policies and guidelines, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs 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 6 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 will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 56 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the target for the applicable year;
  - (b) That the meeting of the target has been independently verified as described in paragraph 9;
  - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:
  - (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) The recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.
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, in a revision to this Agreement approved at the 68th Meeting, has agreed to be the lead implementing

agency ("Lead IA") instead of the World Bank. The Lead IA will be responsible for carrying out the activities listed in Appendix 6 A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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. In 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 instalment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

14. This revised Agreement supersedes the Agreement reached between the Government of Tunisia and the Executive Committee at the 49th Meeting of the Executive Committee.

#### APPENDIX 1-A: THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex	Group	Chemical
Annex A	I	CFC-11, CFC-12 and CFC-115
Annex A	II	Halon-1211 and Halon-1301

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

	2004	2005	2006	2007	2008	2009	2010	Total
1. Annex A, Group I Montreal Protocol Reduction Schedule (ODP tonnes)	870.1	435.05	435.05	130.5	130.5	130.5	0	
2. Max allowable total consumption of CFCs under the NOPP (ODP tonnes)	NA	NA	300	130.5	130.5	130.5	0	
3. Annex A, Group II Montreal Protocol Reduction Schedule (ODP tonnes)	104.3	52.15	52.15	52.15	52.15	52.15	0	
4. Max allowable total consumption of CFCs under the NOPP (ODP tonnes)	NA	NA	42	42	42	42	0	
6. Total agreed NOPP funding (US\$)	0	0	790,000*	0	345,395	0	0	1,135,395
7. UNIDO support costs (US\$)			59,250**	0	25,905	0	0	85,155

8. Total agreed grant for tranche, including support cost (US\$)			849,250	0	371,300	0	0	1,220,550
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(\*) Of the total amount, US \$429,877 was disbursed by the World Bank (as the former Lead IA) and the balance of US \$360,123 was transferred to UNIDO as the current Lead IA at the 68th meeting of the Executive Committee.

(\*\*) US \$32,241 for the World Bank and the balance of US \$27,009 for UNIDO.

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding other than the payments in 2006, will be considered for approval at the second Executive Committee meeting in 2008 together with the 2008-2009 implementation plan.

### APPENDIX 4-A: FORMAT FOR 2008-2009 IMPLEMENTATION PLAN

1. Data

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead implementing agency	
Co-operating agency(ies)	

2. Targets

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

\* For ODS-producing countries



**3. Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-Out (in ODP tonnes)
<b>Servicing</b>						
Aerosol						
Foam						
Halon						
Refrigeration						
<b>Total</b>						
<b>GRAND TOTAL</b>						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import: servicing, etc	
Public Awareness	
Others	

**6. Annual Budget**

Activity	Planned Expenditures (US \$)
<b>TOTAL</b>	

**7. Administrative Fees****APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The NOU within ANPE has the overall responsibility for monitoring of the implementation of the NOPP;
2. All monitoring activities will be coordinated and managed through a project management team to be

established within the NOU. The management team will consist of staff appointed within NOU, supported by sector specific consultants as needed;

3. Consistent with the existing ODS import control system, of all imports of ODSs substances are based on import permits issued by NOU and monitored and recorded by NOU. With the initiation of the NOPP, the import will be controlled within the limits given in the agreement and the overall national ODS policies. The NOU will provide UNIDO with regular updates on ODS import during the year; and

4. Annual verification of ODS import, as required by this agreement, will be carried out by an independent party each year. Based on agreed TOR, ANPE will select an independent consultant/company to carry the annual verification of the ODS imports during the year and status of implementation of activities planned for the same year. The annual verification report will be submitted to the UNIDO not later than May 1 each year.

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

1. The Lead IA will be responsible for a range of activities 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 ODS phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the implementation programme;
- (c) Assisting the Country in preparation of the 2008-2009 Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Implementation Programmes;
- (e) Reporting on the implementation of the Implementation Programme of the preceding years and preparing an Implementation Programme for the year 2008-2009 for submission to the Executive Committee;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Target;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) Providing assistance with policy, management and technical support when required.

#### **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 \$14.4/kg of ODS reduction in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/68/53, Decision 68/2(e), para. 29(e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/68/53 Annex III.*

**TURKEY****Phase-out of the use of methyl bromide in Turkey**

The Thirty-first Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in Turkey, and the thirty-fifth Meeting of the Executive Committee also decided to approve the project for the phase-out of methyl bromide in protected tomato, cucumber and carnation crops according to the conditions stipulated in the annex to the present report.

*(UNEP/OzL.Pro/ExCom/31/61, Decision 31/38, para. 61).*

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/45, para. 80).*

**Agreed conditions for phase-out of methyl bromide in Turkey**

## 1. The Executive Committee:

- (a) at its 31st Meeting, approved US \$479,040 (World Bank) as the total funds that will be available to Turkey to achieve the complete phase-out of methyl bromide (MB) used in the dried fig sector (30 ODP tonnes);
- (b) at its 35th Meeting, approved in principle, an additional US \$3,408,844 (UNIDO) as the total funds that will be available to Turkey to achieve the complete phase-out of MB used in protected tomato, cucumber, and carnation crops (additional 292.2 ODP tonnes).

2. The methyl bromide baseline for compliance for Turkey was calculated at 479.7 ODP tonnes. The 1999 consumption was 342.6 ODP tonnes (reported to the Ozone Secretariat), and the 2000 consumption was 363.6 ODP tonnes (as reported in the project document). Accordingly, Turkey will have achieved compliance with both the Montreal Protocol's 2002 freeze and the 20 per cent reduction by 2005, if it does not exceed its current consumption level.

3. Through the implementation of the above investment projects, the Government of Turkey commits to reduce its total national consumption of controlled uses of MB, from its 1999 consumption, as follows:

Year	Annual level of MB to be phased out by crop (ODP tonnes)		Maximum national level of consumption (ODP tonnes)
	Dried figs	Tomatoes, cucumbers, carnations	
2000	0.0	0.0	342.6
2001	10.0	0.0	332.6
2002	10.0	29.2	293.4
2003	10.0	58.0	225.4
2004	0.0	58.0	167.4
2005	0.0	89.0	78.4
2006	0.0	58.0	20.4

4. Upon completion of the projects, the remaining level of MB consumption in Turkey will be 20.4 ODP tonnes. Turkey also commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary. UNIDO and the World Bank shall report back annually to the Executive Committee on the progress achieved in meeting the reductions required by the two investment projects.

5. Following an initial disbursement of US \$1,000,000 in the year 2001, funding for later years in the protected tomato, cucumber and carnation crops project will be disbursed by UNIDO in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

2002	US \$1,000,000
2003	US \$700,000
2004	US \$708,844

6. The Government of Turkey has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should further MB consumption in addition to that indicated in the above table (20.4 ODP tonnes) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Turkey will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment. UNIDO and the World Bank agree to manage the funding of the projects in a manner designed to ensure that the specific annual reductions agreed are met.

8. The agreed conditions between the Government of Turkey and the Executive Committee have taken into account the already approved MB phase-out projects in dried figs; therefore, this agreement supersedes the conditions agreed at the 31st Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/31/61, Decision 31/38, para. 61).

(UNEP/OzL.Pro/ExCom/35/67, Decision 35/45, para. 80).

(Supporting document: UNEP/OzL.Pro/ExCom/31/61 Annex VIII, UNEP/OzL.Pro/ExCom/35/67 Annex X).

**Total CFC phase-out sector plan for Turkey**

The Thirty-fifth Meeting of the Executive Committee decided:

- (a) to approve the Total CFC phase-out sector plan for Turkey, in accordance with the agreement between the Government of Turkey and the Executive Committee (attached to the present report);
- (b) to express its appreciation to the Government of Turkey and the World Bank for the initiative taken in promoting the elaboration of the total CFC phase-out sector plan.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/55, para. 91).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/54, 35/54/Corr.1 and 35/54/Add.1).*

### Agreement for the total phase-out of CFCs in Turkey

1. The Executive Committee approves in principle a total of US \$9 million in funding for the phased reduction and complete phase-out of consumption of CFC-11, CFC-12 and CFC-115 in Turkey by 2006. This level of funding takes into account the significant acceleration of the agreed phase-out in Turkey and the resulting reduction in ODS emissions. This is the total funding that will be available to Turkey from the Multilateral Fund for the total elimination of CFC use in the refrigeration sector in Turkey as well as for all other sectors using these substances, (e.g., foams, aerosols, solvents, etc.). The agreed level of funding will be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this agreement.
2. By this agreement, Turkey commits that in exchange for the funding specified below, it will eliminate its total CFC consumption in accordance with the individual and aggregate consumption targets as indicated in Table 1 below.

**Table 1. National control targets for CFC-11, CFC-12 and CFC-115 consumption in ODP tonnes**

	1999 Baseline	2001	2002	2003	2004	2005	2006	2007	2008	2009
Maximum allowable CFC-12 consumption (ODP tonnes)	736	700	650	334	166	100	0	0	0	0
Maximum allowable CFC-11 consumption (ODP tonnes)	1,049	300	250	200	150	50	0	0	0	0
Maximum allowable CFC-115 consumption (ODP tonnes)	9	9	9	0	0	0	0	0	0	0
Maximum allowable total ODP (ODP tonnes)		977	909	534	316	150	0	0	0	0
Total agreed funding (US\$ million)		3.5	2.5	1	0.75	0.75	0.5	0	0	0
Agency support cost (US\$ million)		0.295	0.175	0.150	0.045	0.03	0.03	0.03	0.03	0.025

3. The Executive Committee also agrees in principle that the funds will be provided at the last meeting of the Executive Committee in a given year, for the exact amount listed in the above table for that year and on the basis of an annual implementation plan for the following year, subject to the performance requirements contained in this agreement. Thus, for example, the payment indicated in year 2001 will be for activities to be undertaken in 2002, and so on.
4. Payments noted in Table 1, other than those for 2001, will be released based on confirmation that: the agreed phase-out targets noted in Table 1 for the previous year have been achieved; it has been verified that the activities planned for the previous year were undertaken in accordance with the annual implementation plan, and CFC phase-out contracts have been signed amounting to at least 80 per cent of the Multilateral Fund funding approved for the relevant annual programme. For example, payment in 2002 for the implementation of the 2003 work programme will be conditional on satisfactory verification that Turkey has, as a minimum, met its consumption targets for 2001 as specified in Table 1 and as provided in detail in the 2002 implementation plan. Payment in 2003 for the 2004 implementation plan will be released based on confirmation that the 2002 consumption targets have been met, all 2002 implementation plan activities have been completed and contracts amounting to at least 80 per cent of the 2002 Multilateral Fund grant have been signed; and so on for future years. In the event that contracts totaling 80 per cent of the Multilateral Fund funding available for a given year have not been signed, funding equivalent to the deficit will be held back and considered for release by the Executive Committee when all additional contracts have been signed and the targets met.
5. The Government of Turkey agrees to ensure accurate monitoring of the phase-out. The Government of Turkey will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this agreement will be consistent with Turkey's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.
6. The Government of Turkey also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1 and that implementation of the sector plan proceeds as scheduled and agreed in annual implementation programmes.
7. The Turkish refrigeration plan which supports this Agreement, Turkish Country Programme and other

related documentation may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Turkey with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 1. The Executive Committee understands that during implementation, the funds provided to Turkey pursuant to this Agreement may be used in any manner consistent with this Agreement that Turkey believes will achieve the smoothest possible CFC phase-out in the refrigeration sector, consistent with operational procedures as agreed between Turkey and the World Bank in the refrigeration sector plan as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to Turkey to achieve a complete CFC refrigeration sector phase-out, it is noted that Turkey is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in paragraph 2 of this agreement.

8. The Government of Turkey agrees that the funds being agreed in principle by the Executive Committee at its 35th Meeting for the complete phase-out of CFC-11, CFC-12 and CFC-115 consumption are the total funding that will be available to Turkey to allow its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the refrigeration sector. It is also understood that aside from the agency fee referred to in paragraph 10 below, the Government of Turkey, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of CFCs in the refrigeration sector.

9. The Government of Turkey agrees that if the Executive Committee meets its obligations under this Agreement, but Turkey does not meet the reduction requirements outlined in paragraph 2, or other requirements outlined in this document, the Implementing Agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this agreement depends on satisfactory performance by both the Government of Turkey and the Executive Committee of their obligations. In addition, Turkey understands that with respect to all calendar year targets beginning with 2002, as set out in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for CFC-11, CFC-12 and CFC-115 phase-out on the basis of US \$15,000 per ODP tonne of reduction not achieved in any year.

10. The World Bank has agreed to be the Implementing Agency for the implementation of this sector plan which will be completed in 2006. It is also agreed that monitoring will continue until 2009 in order to ensure compliance during the period 2006 to 2009. A fee of 9 per cent of the sector plan annual funding has been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1. As the Implementing Agency, the World Bank will be responsible for the following:

- (a) ensuring performance and financial verification in accordance with specific World Bank procedures and requirements as specified in the Turkish refrigeration sector plan, as revised;
- (b) reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- (c) providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by the World Bank are carried out by appropriate independent technical experts;
- (e) assisting Turkey in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (h) verification for the Executive Committee that CFC consumption for the refrigeration sector has been completed based on the schedules listed in Table 1;
- (i) ensuring that disbursements are made to Turkey based on agreed performance targets in the project

and provisions in this Agreement;

(j) providing policy development assistance when required.

9. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

*(UNEP/OzL.Pro/ExCom/35/67, Decision 35/55, para. 91).*

*(Supporting document: UNEP/OzL.Pro/ExCom/35/54, 35/54/Corr.1 and 35/54/Add.1).*



**TURKMENISTAN****Phase-out of the use of methyl bromide in Turkmenistan**

The Fifty-ninth Meeting of the Executive Committee decided to approve the technical assistance programme for the elimination of methyl bromide in the post-harvest sector in Turkmenistan at a total cost of US \$179,586 plus agency support costs of US \$16,163 for UNIDO, on the understanding that no additional funding would be provided for Turkmenistan for the phase-out of controlled uses of methyl bromide in the country.

*(UNEP/OzL.Pro/ExCom/59/59, Decision 59/38, para. 183).*

*(Supporting document: UNEP/OzL.Pro/ExCom/59/46).*

## UGANDA

**Phase-out of the use of methyl bromide in Uganda**

The Thirty-fourth Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in cut flowers according to the conditions stipulated in the annex to the present report.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/55, para. 75).

The Forty-first Meeting of the Executive Committee decided:

- (i) to note with concern that, even though UNIDO had received funding for the preparation of a project proposal for the methyl bromide sector, in which participation by major stakeholders is foreseen, as required by the guidelines for preparation of such projects, UNIDO submitted a project for Uganda that did not reflect its actual methyl bromide consumption;
- (ii) also to note that Uganda is in non-compliance with both the terms of the Montreal Protocol and the Executive Committee agreement;
- (iii) further to note, however, that, with the same level of assistance originally agreed by the Fund, the Government of Uganda has undertaken a commitment to the Executive Committee and the Parties to the Montreal Protocol to achieve significant reductions leading to a complete phase-out of methyl bromide by 2007; and
- (iv) to approve the change of technology foreshadowed in the progress report submitted by UNIDO and to request UNIDO to implement the project within the time and in the manner now proposed, on the understanding that UNIDO will submit annual progress reports prior to disbursement of annual tranches.

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/78, para. 116(c)).

**Agreed conditions for phase-out of methyl bromide in cut flowers in Uganda**

- (h) The Executive Committee agrees to approve in principle US \$228,800 as the total funds that will be available to achieve commitments stipulated in this document for the phase-out of methyl bromide in Uganda, subject to the following understandings and considerations:
- (i) As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Uganda is 1.9 ODP tonnes, and the methyl bromide consumption for 2000 is 12.0 ODP tonnes. Therefore, Uganda will not be able to meet the 2002 methyl bromide freeze. However, the Government of Uganda commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following levels:

2002	30.0 ODP tonnes (reduction of 2.0 ODP tonnes).
2003-2004	24.0 ODP tonnes (reduction of 6.0 ODP tonnes).
2005	6.0 ODP tonnes (reduction of 18.0 ODP tonnes).
2006	4.8 ODP tonnes (reduction of 1.2 ODP tonnes).
2007	0.0 ODP tonnes (reduction of 4.8 ODP tonnes).

(Note: Phase-out schedule amended as per Decision 41/78(c)).

- (j) Uganda also commits to sustain the phase-out of methyl bromide at the level indicated above through the use of import restrictions and other policies it may deem necessary. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Uganda exceeds subsequent phase-out requirements of the Montreal Protocol.

4. UNIDO shall report annually to the Executive Committee on the progress in meeting the reductions required by this project. The Government of Uganda will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment noted above. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/55, para. 75).

(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex XI).

(UNEP/OzL.Pro/ExCom/41/87, Decision 41/78, para. 116(c)).

(UNEP/OzL.Pro.15/9, Decision XV/43).

**Terminal phase-out management plan for Uganda**

The Fifty-fifth Meeting of the Executive Committee decided to approve the agreement between the Government of Uganda and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$215,000 plus agency support costs of US \$27,950 for France and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/15 (e), para.95 (e)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex VIII).*

**Agreement between Uganda and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Uganda (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 11 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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 fulfill the obligations under this Agreement. France has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 13 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC
Annex B	Group II	CTC

### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	1.9	1.9	0	0
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	1.9	1.9	0	0
3	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0.1	0.1	0	0
4	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0	0	0	0
5	Reduction from on-going projects (ODP tonnes)				
6	New reduction under plan (ODP tonnes)				
7	Unfunded reductions (ODP tonnes)				
8	Total annual reduction (ODP tonnes) Annex A, Group I		1.9		1.9
9	Total annual reduction (ODP tonnes) Annex B, Group II		0		0
10	Lead IA agreed funding (US \$)	152,500	62,500		215,000
11	Total agreed funding (US \$)	152,500	62,500		215,000
12	Lead IA support costs (US \$)	19,825	8,125		27,950
13	Total agreed support costs (US \$)	19,825	8,125		27,950
14	Grand total agreed funding (US \$)	172,325	70,625		242,950

**Appendix 3-A: Funding Approval Schedule**

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)

Total	
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## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).
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 terminal phase-out management plan (TPMP). 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 Unit (NOU).

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Uganda for related auditing. Based on discussion with the Lead IA, Uganda should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Uganda in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects the Uganda consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (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.

### Appendix 7-A: Reductions in Funding for Failure to Comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/14 (f), para.95 (f)).  
(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex IX).



**UNITED REPUBLIC OF TANZANIA****Terminal CFC phase-out management plan for Tanzania**

The Fifty-fourth Meeting of the Executive Committee decided to approve the agreement between the Government of the United Republic of Tanzania and the Executive Committee for the terminal phase-out management plan attached to the present report at a total amount in principle of US \$485,000 plus agency support costs of US \$47,870 (US \$27,170 for UNEP and US \$20,700 for UNDP) and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (h), para. 100 (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XIV).*

**Agreement between Tanzania and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of United Republic of Tanzania (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5, and 8 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 13 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and

- (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 14 and 15 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A	Group I	CFC-12, CFC-115
Annex A	Group II	Halons
Annex B	Group II	CTC

### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	38.1	38.1	-	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	38.1	38.1	-	n/a
3	New reduction under plan (ODP tonnes)	15.9	38.1	-	54
4	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	0.1	0.1	-	n/a
5	Max. allowable total consumption of Annex A, Group II substances (ODP tonnes)	0	0	0	n/a
6	New reduction under plan (ODP tonnes)	0	0	0	0
7	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0	0	-	n/a
8	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0	0	0	n/a

		2008	2009	2010	Total
9	New reduction under plan (ODP tonnes)	0	0	0	0
10	Total annual reduction (ODP tonnes)	0	0	54	54
11	Lead IA agreed funding (US \$)	131,000	78,000	-	209,000
12	Cooperating IA agreed funding (US \$)	204,000	72,000	-	276,000
13	Total agreed funding (US \$)	335,000	150,000	-	485,000
14	Lead IA support costs (US \$)	17,030	10,140	-	27,170
15	Cooperating IA support costs (US \$)	15,300	5,400	-	20,700
16	Total agreed support costs (US \$)	32,330	15,540	-	47,870
17	Grand total agreed funding (US \$)	367,330	165,540	-	532,870

### Appendix 3-A: Funding Approval Schedule

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

- Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

#### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects United Republic of Tanzania for related auditing. Based on discussion with the Lead IA, United Republic of Tanzania should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

### Appendix 6-A: Role of the Lead IA

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

- 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;
- assisting the Country in preparation of the Annual Implementation Programme;
- providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects United Republic of Tanzania consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 for submission to the Executive Committee;
- ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- carrying out required supervision missions;
- ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- coordinating the activities of the Cooperating IA;
- ensuring that disbursements made to the Country are based on the use of the indicators; and
- providing assistance with policy, management and technical support when required.

### Appendix 6-B: Role of the Cooperating IA

- The Cooperating IA will:
  - provide policy development assistance when required;

- (b) assist United Republic of Tanzania in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/54/59, Decision 54/15 (h), para. 100 (h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/54/59 Annex XIV).*

## URUGUAY

**Phase-out of the use of methyl bromide in Uruguay**

The Thirty-fourth Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in horticulture: tomatoes and cut flowers according to the conditions stipulated in the annex to the present report.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/58, para. 78).

The Forty-sixth Meeting of the Executive Committee decided:

- (i) to note the report containing the request to change the phase-out schedule;
- (ii) to approve the revised implementation schedule for the agreement between the Government of Uruguay and the Executive Committee contained in the annex attached to the present report, on the understanding that the approval was subject to a possible decision by the Seventeenth Meeting of the Parties that would be consistent with the timetable in the annex to the present report, and to note that approval of the revision was without prejudice to the Montreal Protocol's mechanism for addressing non compliance; and
- (iii) to note that, before the end of 2010, the Government of Uruguay and UNIDO would submit a full report on the implementation of the phase-out plan and that, at that time, Uruguay would consider the possibility of completing the phase-out of methyl bromide earlier than 2013.

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/16, para. 85 (b)).

### Agreed conditions for phase-out of methyl bromide in horticulture: tomatoes and cut flowers in Uruguay

1. The Executive Committee agrees to approve US \$469,370 as the total funds available to achieve the commitments stipulated in this document for the phase-out of the use of methyl bromide in Uruguay subject to the following understandings and considerations:
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Uruguay had a consumption of 23.79 ODP tonnes of methyl bromide in 2000. In accordance with the data submitted to the Ozone Secretariat by Uruguay for the years 1995-1998, Uruguay has a methyl bromide baseline of 11.2 ODP tonnes. Accordingly, Uruguay had to freeze consumption at the 1995-1998 level by the end of 2001 to achieve compliance with the Protocol's 2002 freeze. However, the Government of Uruguay is requesting some flexibility from the Executive Committee and proposes the following phase-out schedule:

Year	ODP tonnes
2002	17.7*
2003	8.7*
2004	11.1*
2005	8.9
2006	8.9
2009	8.9
2010	6.0
2011	6.0
2012	6.0
2013	0

(\*) As reported under Article 7 of the Montreal Protocol

3. In addition, Uruguay commits to sustaining this phase-out of methyl bromide through the use of bans in the use of methyl bromide for the uses covered by this project. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Uruguay exceeds subsequent phase-out requirements of the Montreal Protocol.
4. UNIDO shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the use of the selected technology inputs being purchased with the project funds. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.
5. This agreement supersedes the agreement approved at the 34th meeting of the Executive Committee. Entry into force of this agreement is subject to a possible decision by the 17th Meeting of the Parties being consistent with the timetable in paragraph 2 above.

(UNEP/OzL.Pro/ExCom/34/58, Decision 34/58, para. 78).

(Supporting document: UNEP/OzL.Pro/ExCom/34/58 Annex XIV).

(UNEP/OzL.Pro/ExCom/46/47, Decision 46/16, para. 85 (b)).

(Supporting document: UNEP/OzL.Pro/ExCom/46/47 Annex III).



**Terminal phase-out management plan for CFCs for Uruguay**

The Fiftieth Meeting of the Executive Committee decided to approve the agreement between the Government of Uruguay and the Executive Committee for the phase-out of Annex A Group I ozone-depleting substances attached to the present report at a total amount in principle of US \$565,000 plus agency support costs and the first tranche for the project.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (h) para.86(h)).*

**Agreement between Uruguay and the Executive Committee of the Multilateral Fund for the phase-out of Annex A Group I ozone-depleting substances**

1. This Agreement represents the understanding of the Government of Uruguay (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1 A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances as described in the TPMP document.
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 9 of Appendix 2 A (the “Funding”) to the Country, commencing with the entry into force of the import/export licensing system to monitor and control trade in ozone depleting substances. 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 by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Targets for the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
  - (b) the technical assistance programme for the refrigeration servicing sub sectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the Country and the implementing agencies will take full account of the requirements of decisions

41/100 and 49/6 during the implementation of the technical assistance programme for the refrigeration servicing sub sectors.

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 the Government of Canada 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6 A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2 A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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 instalment 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of first substance/sector (ODP tons)	99.53	29.86	29.86	29.86	0.00	
2. Reduction from ongoing projects		69.67				69.67
3. New reduction under plan					29.86	29.86
4. Total annual reduction of first substance (ODP tons)		69.67			29.86	99.53
5. Lead IA agreed funding	240,000	48,000		45,000		333,000
6. Cooperating IA agreed funding	160,000	42,000		30,000		232,000
7. Total agreed funding (US \$)	400,000	90,000		75,000		565,000
8. Lead IA support costs	18,000	3,600		3,375		24,975
9. Cooperating IA support costs	20,800	5,460		3,900		30,160
10. Total agency support costs (US \$)	38,800	9,060		7,275		55,135
11. Total agreed costs (US \$)	438,800	99,060		82,275		620,135

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the last meeting of the year prior to the year of the Annual Implementation Programme.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. The monitoring of the TPMP results and CFC consumption will be carried out within the project “TPMP Implementation, Monitoring, and Control”, with the general oversight of UNDP as Lead IA.
2. The monitoring activities will be based on three key elements: (a) well designed forms for data collection, evaluation and reporting, (b) program of regular monitoring visits, and (c) appropriate cross-checking of information from different sources.
3. The monitoring reports will be produced, verified and acted upon every quarter, for the purpose of project monitoring and control. The quarterly reports will be consolidated each year, previous to the first meeting of the Executive Committee. These reports will be used as input for the annual implementation reports required by the Executive Committee.

#### Verification and reporting

4. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Uruguay for related auditing Based on discussion with the Lead IA, Uruguay should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive Committee to the Lead IA;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of Cooperating IA**

The Cooperating IA, will:

- (a) provide policy development assistance when required;
- (b) assist the Government in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 7 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/15 (h) para. 86(h)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex X).*

**VENEZUELA, BOLIVARIAN REPUBLIC OF****Venezuela's CFC production sector agreement**

The Forty-fourth Meeting of the Executive Committee decided to approve the Agreement for the Venezuela CFC Production Sector, as contained in the annex to this report.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/59, para.247 (c)).*

The Fifty-eighth Meeting of the Executive Committee decided:

- (i) to commend the Government of the Bolivarian Republic of Venezuela and the World Bank for the good efforts made to comply with decision 54/15(a) and for successfully implementing the audit for 2008 to confirm the sustained cessation of CFC production at the PRODUVEN plant in Venezuela;
- (ii) to request:
  - (a) the Government of the Bolivarian Republic of Venezuela and the World Bank to submit the annual plan for 2009 to the Fund Secretariat for inclusion in the report on approved projects with special reporting requirements, to be submitted to the 59th Meeting;
  - (b) the World Bank to urge PRODUVEN to implement the measures it suggested to minimize losses, including a thorough assessment of leaks and an effort to produce the best possible vacuum in emptying vessels and hoses; and
  - (c) the World Bank to continue the verification of the PRODUVEN facility for a report on 2009 activities to be submitted in time for consideration at the second meeting of 2010, to ensure the permanent closure of the CFC production capacity at the plant.

*(UNEP/OzL.Pro/ExCom/58/53, Decision 58/15 (d), para. 79 (d)).*

**Agreement for the Venezuela production sector**

1. The Executive Committee at its 44th Meeting decided to approve in principle a total of US \$16.5 million in funding for the phased reduction and closure of the entire CFC production capacity in Venezuela.
2. This is the total funding that would be available to Venezuela from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of Group I Annex A and Group I Annex B CFCs, and/or development of capacity to produce alternatives to these CFCs.
3. The agreed level of funding would be disbursed in instalments in the exact amounts specified in Table 1, and on the basis of the following understanding:
  - (a) by this approval, Venezuela agrees that in exchange for the funding level specified in Table 1, it will reduce its total Group I Annex A and Group I Annex B CFC production in accordance with the maximum allowable production in the same table:

Table.1

<b>Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Total</b>
Max. annual allowable production (MT)	4,400	2,913	2,913	0	0	10,226
Total MLF grant (US\$ million)	3.30	8.1	1.75	2.3	1.05	16.50
PRODUVEN (*)	3.2	8	1.65	2.2	1	16.05
TA (FONDOIN)	0.1	0.1	0.1	0.1	0.05	0.45
Agency fees	0.2475	0.6075	0.1312	0.1725	0.0787	1.2375

- (\*) Labor compensation will be paid according to the requirements of the Venezuelan laws, and will be absorbed by PRODUVEN

the Executive Committee has also agreed in principle that it will provide funds on the basis of annual programmes submitted in accordance with the schedule indicated above. The funds are to be approved at the first meeting each year, upon the submission by the World Bank and acceptance by the Executive Committee of the verification of the reduction target in the preceding year specified in Table 1, with the exception of the first tranche, which will be released upon approval of this agreement.

- (b) Venezuela agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Protocol and this agreement. Venezuela also agrees to independent technical audits administered by the implementing agency, and in addition, as directed by the Executive Committee to verify annual CFC production levels agreed in Table 1 and plant dismantling/retrofitting or destruction.
- (c) the Executive Committee wishes to provide Venezuela with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1. Accordingly, while Venezuela's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this agreement and the mode of implementation included in the Venezuela project proposal, the funds provided to Venezuela pursuant to this agreement may be used in any manner that Venezuela believes will achieve the smoothest possible CFC production phase out.
- (d) Venezuela agrees that the funds being agreed in principle by the Executive Committee at its 44th Meeting for complete closure of its CFC production, is the total funding that will be available to it to enable its full compliance with the CFC production phase out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in paragraph (f) below and reflected in Table 1, Venezuela and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- (e) Venezuela understands that if the Executive Committee meets its obligations under this agreement, but



Venezuela does not meet the reduction requirements outlined in paragraph (a), and the other requirements outlined in this document, the implementing agency and Multilateral Fund will withhold funding for each tranche of funding outlined in Table 1 until the required reduction has been met. In addition, Venezuela understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of US \$1,000 per ODP tonne of reductions not achieved in any year of this agreement. It is clearly understood that the fulfilment of this agreement depends on satisfactory performance of its obligations by both Venezuela and the Executive Committee.

- (f) the World Bank has agreed to be the implementing agency for this project. The fee for the project will be at a fee of 7.5% of project costs, distributed during that time period. As the implementing agency during that time period, the World Bank agrees to be responsible for:
  - (i) ensuring/providing independent verification to the Executive Committee that the phase out targets and associated activities have been met;
  - (ii) ensuring that technical reviews undertaken by World Bank are undertaken by the appropriate independent technical experts such as the OORG;
  - (iii) assisting Venezuela in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - (iv) carrying out supervision missions as required;
  - (v) ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (vi) incorporating its work into the existing agreement between Venezuela and the World Bank;
  - (vii) ensuring that disbursements are made to Venezuela based on agreed performance targets in the project, and the provisions of this agreement; and
  - (viii) independently verifying for the Executive Committee that any dismantling /retrofitting of CFC production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled/retrofitted and rendered unusable for future CFC production, and are disposed of.
- (g) the funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector or any related activity.
- (h) 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.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/59, para. 247 (c)).*

*(Supporting document: UNEP/OzL.Pro/ExCom/44/73 Annex XVIII).*

**National CFC phase-out plan for Venezuela**

The Forty-second Meeting of the Executive Committee decided:

- (a) to approve, in principle, the project proposal for a national CFC phase-out plan for Venezuela at a total level of funding of US \$6,240,555 plus agency support costs of US \$468,042 for UNIDO;
- (b) also to approve the agreement between the Government of Venezuela and the Executive Committee attached to the present report; and
- (c) further to approve US \$1,895,062 plus support costs of US \$142,129 for UNIDO for the implementation of the first tranche of the national phase-out plan.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/33, para.116).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex XII).*

The Fifty-seventh Meeting of the Executive Committee decided:

- (a) to note:
  - (i) the progress report on the implementation of the national phase-out plan (NPP) for the Bolivarian Republic of Venezuela during the years 2007 and 2008;
  - (ii) that the Bolivarian Republic of Venezuela was in non-compliance with its Agreement with the Executive Committee for the year 2006;
  - (iii) that the Bolivarian Republic of Venezuela had taken action to effectively return to compliance with the Agreement referred to in sub-paragraph (a)(ii) above, for the year 2007;
  - (iv) the commitment of the Government of the Bolivarian Republic of Venezuela, as reported by UNIDO, to export or destroy any remaining stockpiled CFCs;
- (b) to apply the penalty clause in the Agreement calculated at 20 per cent of the amount of the tranche being submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis of the following considerations that:
  - (i) it was the first time that the country had been in non-compliance with the Agreement;
  - (ii) non-compliance with the Agreement would not lead to aggregated consumption for all years of the Agreement being larger than the aggregated values of the agreed consumption for those years; and
  - (iii) the country had returned to compliance without additional assistance from the Fund;
- (c) using the method outlined in sub-paragraph (b) above, to apply a penalty of US \$128,366 to the fourth tranche of the NPP for the Bolivarian Republic of Venezuela;
- (d) to approve the fourth tranche of the NPP for the Bolivarian Republic of Venezuela at the amount of US \$513,465, plus agency support costs of US \$38,510 for UNIDO, which took into account the penalty calculated using the method outlined in sub-paragraph (b) above;
- (e) to request UNIDO to submit, no later than eight weeks prior to the 61st Meeting of the Executive Committee, a verification of the level of stockpiles of CFCs at the end of the years 2008 and 2009, any export of CFCs during 2008 and 2009, and the destruction of any remaining CFCs not exported prior to December 2009; and
- (f) to approve the implementation programme for 2009, with the flexibility to include the need for the additional verification requested in sub-paragraph (e) above.

*(UNEP/OzL.Pro/ExCom/57/69, Decision 57/30, para. 164).*

**Agreement between Venezuela and the Executive Committee for the phase-out of ODSs**

1. This Agreement represents the understanding of Venezuela (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 7 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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”) 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 paragraph 9.
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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.
8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:
  - (a) the Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
  - (b) the recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.
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 (the “Lead IA”) has agreed to be the lead Implementing Agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which

will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 the reductions in consumption not achieved in any one year.

11. 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 or production sector projects or any other related activities in the Country.

12. 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 access to the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## **Appendices**

### **Appendix 1-A: The substances**

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### **Appendix 2-A: The targets, and funding**

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	3,322.0	1,661.0	1,661.0	498.0	498.0	498.8	0
1. Max allowable total consumption of CFCs <sup>2</sup> (ODP tonnes)	3,262.0	1,661.0	1,661.0	400.0	0.0	0.0	0.0
2. Total demand of CFCs (ODP tonnes) <sup>1</sup>	1,650.3	1,400.5	1,200.5	765.4	515.4	415.4	110.03
3. Reduction from on-going projects (ODP tonnes)	36	100	200	0	0	0	0
4. New reduction under plan <sup>4</sup> (ODP tonnes)	0	0	50	200	435	250	100
5. Total annual reduction (ODP tonnes)	36	100	250	200	435	250	100
6. Stockpile <sup>5</sup> (ODP tonnes)	1,634.2	1,894.7	2,355.2	1,989.8	1,474.4	1,059.0	949.0
7. Lead IA agreed funding (US\$)	1,895,062	1,631,831	2,071,831	641,831			
8. Lead IA support costs (US \$)	142,129	122,387	155,387	48,137			
9. Total agreed funding (US \$)	2,037,191	1,754,218	2,227,218	689,968			

1 Estimated.

2 Article 7 data (production – export + import) constitute the target under this Agreement.

3 Save for essential uses.

4 Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

5 For information purposes.

### **Appendix 3-A: Funding disbursement schedule**

Funding will be considered for approval at the first meeting in the year of the annual plan.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. The National Ozone Unit (FONDOIN) monitors the consumption data of all ODS. Inspections at converted companies are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.
2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Argentina.
3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.
4. Monitoring activity will be done by:
  - (a) establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
  - (b) setting up adequate office facilities including a computer system to collect and analyse the data;
  - (c) regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
  - (d) occasional visits to service workshops, recycling and reclamation centres.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

#### CFC quantity

- number of appliances subjected to refrigerant recovery and type (commercial, MAC, domestic etc.) of these appliances at every service workshop;
- amount of recovered CFC refrigerants at every workshop;
- amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- amount of recovered CFC refrigerants stored at every workshop;
- amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- amount of virgin refrigerant by type consumed in workshops and its application;
- amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

#### Cost information

- cost of recovery at every service workshop and parties who bear the cost;
  - cost of recycling at every recycling centre and parties who bear the cost;
  - price of recycled CFC refrigerants;
  - cost of reclaiming at every reclamation centre and parties who bear the cost;
  - price of reclaimed CFC refrigerants;
  - other financial information relevant to monitoring the recovery recycling and reclamation scheme.
6. Data and information collected will be analysed to check the adequate operations of the scheme.
  7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.
  8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

**Appendix 6-A: Role of the lead Implementing Agency**

1. The Lead IA will be responsible for:
  - (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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
  - (c) assisting the Country in preparation of the Annual Implementation Programme;
  - (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
  - (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
  - (g) carrying out required supervision missions;
  - (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
  - (j) ensuring that disbursements are made to the Country in a timely and effective manner;
  - (k) providing assistance with policy, management and technical support when required.

**Appendix 7-A: Reductions in funding for failure to comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,920 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/42/54, Decision 42/33, para. 117).*

*(Supporting document: UNEP/OzL.Pro/ExCom/42/54 Annex XII).*

**VIET NAM****Phase-out of the use of methyl bromide in Viet Nam**

The Fiftieth Meeting of the Executive Committee decided:

- (a) to approve in principle the national methyl bromide phase-out plan for Viet Nam at a funding level of US \$1,098,284, plus support costs of US \$82,371 for the World Bank on the condition that the Government of Viet Nam would not seek further funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide;
- (b) to approve the agreed conditions for phase-out of methyl bromide in Viet Nam as attached to the present report; and
- (c) to approve the first tranche for the project at the amount of US \$230,000 plus agency support costs of US \$17,250 for the World Bank.

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/31 para. 141).*



**Agreement between Viet Nam and the Executive Committee for the methyl bromide phase-out plan**

1. At its 50th Meeting, the Executive Committee approved in principle a total of US \$1,098,284, plus agency support costs of US \$82,371, as the total funds that will be made available to Viet Nam to achieve the phased reduction and complete phase-out of all controlled use of methyl bromide (85.2 ODP tonnes).
2. Through the implementation of the methyl bromide phase-out plan, the Government of Viet Nam commits to a permanent reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following levels:

Year	Maximum level of consumption of controlled uses of methyl bromide (ODP tonnes)*
2008	85.20
2009	80.00
2010	80.00
2011	70.00
2012	70.00
2013	50.00
2014	35.00
2015	0.00

\*Excluding any exemptions for quarantine and pre-shipment applications and critical uses.

3. The Government of Vietnam has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government of Viet Nam is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
4. Vietnam commits to permanently sustain the consumption levels indicated in the above table through the use of import restrictions and other policies that it may deem necessary. In exchange for the funding level specified below, Viet Nam commits to eliminate its total national consumption of controlled uses of methyl bromide in accordance with the limits specified in the above table:

Year	Funding (US\$)	Agency support costs (US\$)	Total (US\$)
2006	230,000	17,250	247,250
2008	650,000	48,750	698,750
2011	120,000	9,000	129,000
2013	58,284	4,371	62,655
2014	40,000	3,000	43,000

5. The Government of Viet Nam, in agreement with the World Bank, will have the flexibility to organize and implement the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. The World Bank agrees to manage the funding for this project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. The World Bank shall also report back to the Executive Committee annually on the progress in meeting the reductions required by this project.
6. The funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any related activities in Viet Nam.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/31 para. 141).

(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex XIV).

**National CFC and halon phase-out plan tonnes for Viet Nam**

The Forty-fourth Meeting of the Executive Committee decided

- (a) to approve the national CFC and halon phase-out plan in principle, at a funding level of US \$1,260,000 plus agency support costs of US \$94,500 to the World Bank, with the following conditions:
  - (i) the Government of Viet Nam was committed to achieving complete phase out of CFCs, halons, CTC and TCA in the country, without further requests for funding from the Multilateral Fund, and at least according to the reduction schedule of the Montreal Protocol;
  - (ii) the World Bank would submit a revised proposal for a phase-out plan at least 10 weeks before the 45th Meeting of the Executive Committee. The project proposal should be at the level of funding indicated above, be closely related to the phase-out plan submitted previously, and include a draft Agreement between the Government of Viet Nam and the Executive Committee with verifiable consumption targets; and
  - (iii) the World Bank would start non-administrative activities in Viet Nam directly related to ODS phase-out within eight months of approval of funding of the first tranche of the project. Commencement of such activities would be reported as part of the annual reporting.

(UNEP/OzL.Pro/ExCom/44/73, Decision 44/46, para. 185).

The Forty-fifth Meeting of the Executive Committee decided:

- (a) to approve the agreement between the Government of Viet Nam and the Executive Committee, as attached to the present report; and
- (b) to approve the first annual work programme for 2005 at a funding level of US \$495,537, plus support costs of US \$37,165 for the World Bank.

(UNEP/OzL.Pro/ExCom/45/55, Decision 45/44, para. 146).

(Supporting document: UNEP/OzL.Pro/ExCom/45/44 and Add.1).

**Agreement for the national CFC and halon phase-out plan for Viet Nam**

1. This Agreement represents the understanding of the Social Republic of Viet Nam (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the Substances) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase-out the controlled use of the Substances in the consumption sector in accordance with the annual phase-out targets set out in rows 1, 5 and 9 of Appendix 2 A (the “Targets, and Funding”) of this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 13 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 Substance as indicated in rows 1, 5 and 9 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 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 the applicable year;
  - (b) that the meeting of these Targets has been independently verified as described in paragraph 8; and
  - (c) that the Country has substantially completed all actions set out in the 2005 annual or the following Biennium Implementation Programmes, as applicable;
  - (d) that the Country has submitted and received endorsement from the Executive Committee for a biennium implementation programme in the form of Appendix 4-A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 paragraph 8.
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 use the funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any major changes in the use of the Funding must, however, be documented in advance in the Country’s Annual/Biennium Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 8. Reallocations that are minor changes may be accounted for in the verification report and reviewed by the Executive Committee.
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 fulfill the obligations under this Agreement. The World Bank (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 14 of Appendix 2-A.
9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in

Appendix 1-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. In 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 installment 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 the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

10. 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/production sector projects or any other related activities in the Country.

11. 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.

12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
	Group II	Halon 1211, Halon 1301, and Halon 2402
Annex B:	Group II	CTC
	Group III	TCA

### Appendix 2-A: The Targets, and Funding

	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol reduction schedule Annex A Group I	250	250	75	75	75	0	n.a.
Montreal Protocol reduction schedule Annex A Group II	18.5	18.5	18.5	18.5	18.5	0	n.a.
Montreal Protocol reduction schedule Annex B Group II	0.24	0.24	0.24	0.24	0.24	0	n.a.
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	240	200	75	40	10	0	0
2. Reduction from ongoing projects	0	0	0	0	0	0	0
3. New reduction under plan	n.a.	40(+3.2)*	125	35	30	10	240(+3.2)*
4. Total annual reduction of Annex A Group I substance (ODP tonnes)	-	40(+3.2)*	125	35	30	10	240(+3.2)*
5. Max allowable total consumption of Annex A Group II substance (ODP tonnes)	18.5	18.5	18.5	18.5	18.5	0	18.5.
6. Reduction from ongoing projects	0	0	0	0	0	0	0
7. New reduction under plan	0	0	0	0	18.5	n.a.	18.5
8. Total annual reduction Annex A Group II substances (ODP tonnes)	0	0	0	0	18.5	n.a.	18.5
9. Max allowable total consumption of Annex B Group II substance (ODP tonnes)	0.19	0.19	0.19	0.19	0.19	0	n.a.
10. Reduction from ongoing projects	0	0	0	0	0	0	0
11. New reduction under plan	0	0	0	0	0.19	n.a.	0.19.
12. Total annual reduction of Annex B Group II substance (ODP tonnes)	0	0	0	0	0.19	n.a.	0.19.
13. Total agreed funding (US \$)	495,537	586,000	0	178,463	0	0	1,260,000
14. Total agency support costs (US \$)	37,165	43,950	0	13,385	0	0	94,500
15. Total agreed funding (US \$)	532,702	629,950	0	191,848	0	0	1,354,500

\*: phase-down from last reported consumption to reach 2005 target

### Appendix 3-A: Funding Approval Schedule

1. The first funding tranche will be submitted for the Executive Committee's approval as part of its approval of this Plan. Disbursement of not more than US \$265,537 of the total project funds could be made to Viet Nam

until the ODS import/export control system is in place and operational.

2. The second funding tranche will be submitted for the Executive Committee's consideration at the second meeting of 2006 along with the biennium implementation programme for 2006 and 2007, and a verification report confirming the achievement of the 2005 targets. The third and final tranche will be submitted at the second meeting of 2008 along with the biennium implementation programme for 2008 and 2009, and a verification report confirming the achievement of the 2006 and 2007 targets.

3. In case the Executive Committee decides in the future to held only two meetings a year, the funding request for each respective tranche will be made at the first Executive Committee meeting of the year.

#### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

#### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

#### 5. Government Action

Policy activity planned	Schedule of implementation
-------------------------	----------------------------

Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. Various activities will be managed and carried out by the Project Management Unit but not limited to regulations, project implementation, public awareness, and monitoring as indicated in the following paragraphs.

#### Regulations

2. The Project Management Unit will assist the National Ozone Office to undertake the following:

- (a) collaboration with the Ministry of Trade, Ministry of Industry, and the Customs Bureau, to establish and implement the import/control system for ODS;
- (b) collaboration with the National Ozone Office to assist the Government of Viet Nam to issue measures to eliminate CFC use in the manufacturing of all new products (for example, foam, domestic and commercial refrigerators) by the end of 2006;
- (c) providing assistance to the National Ozone Office to review annual ODS import/export license applications to ensure that the list of end-users are provided by importers/exporters, and to ensure that no CFC supply will be offered to applications where the bans have already been issued by the Government;
- (d) assisting the National Ozone Office to develop and publish the annual import quotas for CFCs and halons for the period 2005 – 2010;
- (e) collaboration with the Viet Nam Register to include MAC inspection as part of the existing vehicle inspection programme by starting with the two larger cities (Ho Chi Minh and Hanoi) first;
- (f) assisting the Viet Nam Register to review experience gained from the MAC inspection programme in Hanoi and Ho Chi Minh with the objective of expanding this requirement to all 80 existing inspection stations throughout the country;
- (g) assisting the National Ozone Office and the Viet Nam Register to review the need for including MAC inspection as part of the conditions for renewal of vehicle registrations; and
- (h) assisting the Viet Nam Register to review and adopt standards for new non-halon fire protection systems.

#### Project implementation

3. The Project Management Unit will undertake the following activities in close cooperation or under supervision of the National Ozone Office:

- (a) preparation of a standard implementation procedure for eligible enterprises that would like to seek funding from the resources provided by the Multilateral Fund;
- (b) assisting eligible CFC and halon consuming enterprises to prepare proposals to obtain financial support from the funds provided by the Multilateral Fund to phase out their use of these chemicals;
- (c) arranging technical support, on a need basis, for enterprises to identify appropriate non-ODS technology;
- (d) review and approve proposals submitted by eligible enterprises;
- (e) coordination of the establishment of the networks of training centers of the General Department of Vocational Training for the refrigeration and MAC servicing sectors;

- (f) facilitation of the selection of qualified suppliers to supply tools and equipment for MAC and refrigeration service shops;
- (g) develop and maintain, in collaboration with the General Department of Vocational Training, a database of refrigeration and MAC certified technicians including names and addresses of service shops that already have their technicians trained;
- (h) assisting the Viet Nam Register to train their inspection stations to identify various refrigerant types in the MAC systems;
- (i) organizing training for the six regional offices of the Ministry of Trade that are responsible for issuing ODS import quotas on the issues related to the ozone layer depletion, the obligations of the Montreal Protocol, and experience of other countries in the region pertaining to implementation of their import control systems;
- (j) maintain and update, in close cooperation with Vietsopetro, the halon databank and communicate with the local users and other international halon banks on the issues related to availability of recycled halons;
- (k) provide advice and recommendation on the allocation of annual import quotas of all Annex A chemicals to the National Ozone Office of the Ministry of Natural Resources and Environment (MONRE) and the Ministry of Trade; and
- (l) preparation of Biennium Implementation Programmes of the overall implementation of the National CFC and Halon Phase-out Plan and other reports as required by the Executive Committee.

#### Public awareness

4. The Project Management Unit will undertake the following tasks under supervision of the National Ozone Office:
- (a) disseminate information related to the Government's policy to phase out CFCs in the manufacturing sector by the end of 2006;
  - (b) inform the industry of the availability of funds provided by the Multilateral Fund to support CFC and halon phase-out in Viet Nam;
  - (c) organize a promotional programme to encourage the public to have their refrigeration and MAC systems repaired by technicians certified by the General Department of Vocational Training; and
  - (d) undertake the public outreach programmes for the refrigeration and MAC servicing sectors to ensure that all service shops are equipped with proper tools for servicing CFC-12 and HFC-134a refrigeration and MAC systems.

#### Monitoring

5. The Project Management Unit will assist the National Ozone Office to carry out the following tasks:
- (a) functioning of the industry advisory group for the refrigeration sector in order to ensure maximum outreach to existing CFC refrigeration and MAC service shops;
  - (b) development of a web site with a list of importers, their annual quotas, and the actual amount already imported within the current calendar year;
  - (c) update the information on the actual amount of imported CFCs and halons with the Customs Bureau on a quarterly basis;
  - (d) report of any incidents of illegal import of CFCs and halons; and
  - (e) carry out safety and technical audits of all relevant activities undertaken under this plan.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of 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) providing verification to the Executive Committee that the Targets have been met and associated

annual activities have been completed as indicated in the annual implementation programme

- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2005 year to be prepared and submitted in 2006;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) ensuring that disbursements made to the Country are based on the use of the Indicators;
- (k) providing assistance with policy, management and technical support when required;
- (l) assisting the Country in the implementation and verification of the activities to be undertaken by UNIDO as funded in row 5 of Appendix 2-A and as specified in the project document; and
- (m) ensuring that disbursements are made to the Country in a timely and effective manner.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$9,780 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/45/55, Decision 45/44, para. 146).*

*(Supporting document: UNEP/OzL.Pro/ExCom/45/55 Annex XIII).*



## YEMEN

**Phase-out of the use of methyl bromide in Yemen**

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to approve, in principle, the project for the terminal phase-out of methyl bromide in Yemen, at an amount of US \$601,450 plus agency support costs of US \$76,159 for Germany, on the understanding that no additional funding would be provided for Yemen for the phase-out of controlled uses of methyl bromide in the country;
- (b) to approve the revised draft agreement between the Government of Yemen and the Executive Committee for the phase-out of controlled uses of methyl bromide attached to the present report; and
- (c) to approve the first tranche of the terminal phase-out of methyl bromide in Yemen, at a total cost of US \$201,450 plus agency support costs of US \$25,509 for Germany, on the understanding that of that amount US \$123,636 would be approved at the present Meeting and the balance of US \$103,323 including agency support costs would be requested by the Government of Germany at the 57th Meeting of the Executive Committee.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/57, para. 214).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XV).

**Agreed conditions for the phase-out of methyl bromide in Yemen**

1. The Executive Committee:
  - (a) at its 41st Meeting, approved US \$250,000 as the total funds available to Yemen in order to achieve the 2005 allowable level of methyl bromide consumption (phase-out of 9.1 ODP tonnes); and
  - (b) at its 56th Meeting, approved in principle an additional US \$601,450 as the total funds that will be available to Yemen to achieve the complete phase-out of controlled uses of methyl bromide in soil fumigation (35.9 ODP tonnes).
2. As reported to the Ozone Secretariat, the methyl bromide baseline for compliance for Yemen is 54.5 ODP tonnes; the 2007 methyl bromide consumption was 35.7 ODP tonnes. Accordingly, Yemen has achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005.
3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project document will ensure that Yemen meets the reduction schedule presented below. In this regard, Yemen will reduce the national consumption of controlled uses of methyl bromide, excluding quarantine and pre-shipment applications, to no more than the following levels of consumption in the years listed below:

Year	MB phase out (ODP tonnes)	Allowable consumption (ODP tonnes)
2008 - 2009	5.9	30.0
2010 - 2011	10.0	20.0
2012 - 2013	10.0	10.0
2014 - 2015	10.0	0

4. Yemen commits to permanently sustaining the consumption levels indicated above through the use of import quotas and other policies it may deem necessary.
5. Funding for the project will be disbursed by the Government of Germany in line with the following budget breakdown:

Year	Project (US \$)	Agency fee (US \$)
2008	201,450	25,509
2010	200,000	25,325
2012	200,000	25,325
Total	601,450	76,159

6. The Government of Yemen has reviewed the consumption data identified in all sectors covered by the projects and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, in case any additional methyl bromide consumption is identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government of Yemen.
7. The Government of Yemen, in agreement with the Government of Germany, will have flexibility in organizing and implementing the project's components that it deems more important in order to meet the methyl bromide phase-out commitments noted above. The Government of Germany agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. The Government of Yemen may choose to accelerate the methyl bromide reduction schedule without penalty to the project budget.
8. The Government of Germany shall report annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in all sectors, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.  
(UNEP/OzL.Pro/ExCom/56/64, Decision 56/57, para. 214).  
(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XV).

**Terminal phase-out management plan for Yemen**

The Fifty-fifth Meeting of the Executive Committee decided:

- (a) to take note of the specific situation in Yemen, namely that
  - (i) the only commercially available and proven CFC-11 replacement technology available as a foam blowing agent in the country was HCFC-141b;
  - (ii) the limited time available for implementation before the complete phase-out of CFCs in 2010 would not allow for the timely introduction of a new non HCFC based technology, thus putting the country at risk of non-compliance;
  - (iii) the amount of CFC-11 to be phased out under the phase-out plan represented only 2.2 per cent of the national CFC baseline;
- (b) to note that intensive consultations had taken place within the Executive Committee with a view to finding the best way forward in order to reconcile the spirit expressed in decision XIX/6 of the Nineteenth Meeting of the Parties regarding HCFC phase-out with the conditions of the phase-out plan. In particular, a two-stage approach to ODS phase out with HCFC-141b as an interim step was the most suitable approach in view of the urgency of the assistance needed at a time when alternatives to CFC-11 other than HCFC-141b were not yet widely available in Article 5 countries;
- (c) to approve, in principle, the national ODS phase-out plan for Yemen, at an amount of US \$455,000 plus agency support costs of US \$59,150 for UNEP and US \$1,370,500 plus support costs of US \$102,788 for UNIDO, on the understanding that:
  - (i) the Government of Yemen would not request any more funding from the Multilateral Fund in relation to the phase-out of CFC MDIs in the country;
  - (ii) once other ODS-free technologies became available, the Government of Yemen could submit a request for a second-stage conversion to a non-ODS technology for those enterprises covered under the ODS phase-out plan as part of their HPMP;
  - (iii) no aspect of the decision on the phase-out plan would constitute a precedent for future decisions of the Executive Committee;
- (d) to approve the agreement between the Government of Yemen and the Executive Committee for implementation of the national ODS phase-out plan, attached to the present report;
- (e) to urge UNEP and UNIDO to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during implementation of the terminal phase-out management plan; and
- (f) to approve the first tranche of the plan.

(UNEP/OzL.Pro/ExCom/55/53, Decision 55/40, para. 174).

(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XV).

**Agreement between Yemen and the Executive Committee for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Yemen (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2 and 4 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 7 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme. Any remaining funds will be returned to the Multilateral Fund Secretariat upon closure of the last phase of the project.
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;
  - (b) the technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 8 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFCs
Annex B	Group III	TCA

### Appendix 2-A: The Targets, And Funding

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	269.4	269.4	0	
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	268.74	268.74	0	
3	Montreal Protocol reduction schedule of Annex B, Group III substances (ODP tonnes)	0.63	0.63	0.27	
4	Max allowable total consumption of Annex B, Group III substances (ODP tonnes)	0.63	0.63	0.27	
5	Lead IA agreed funding (US \$)	315,000	140,000		455,000
6	Cooperating IA agreed funding (US \$)	1,137,500	233,000		1,370,500
7	Total agreed funding (US \$)	1,452,500	373,000		1,825,500
8	Lead IA support costs (US \$)	40,950	18,200		59,150
9	Cooperating IA support costs (US \$)	85,313	17,475		102,788
10	Total support cost	126,263	35,675		161,938

11	Total agreed costs (US \$)	1,578,763	408,675		1,987,438
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### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the last meeting of 2009.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data
 

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

### 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

### 4. Technical Assistance

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

### 5. Government Action

Policy activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

### 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. Government of Yemen in consultation with UNEP will select and contract an independent local organization/firm to undertake this task and report annually on the outcomes and deliverables of the National ODS phase-out plan (NPP). The selection of this organization/firm will depend on the outcomes of the capacity building exercise as proposed in the policy component of the NPP.
2. The organisation will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the substances for reliable data collection and cross checking.
3. The organisation will prepare and submit to the NOU and Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the substances and consumption figures annually for consideration and follow up.
4. The responsibility of the selected organization will be:
  - (a) to develop and present to UNEP and NOU the approach to independent monitoring of the NPP implementation;
  - (b) to undertake independent monitoring of all the activities implemented in the NPP;
  - (c) to present reports on NPP implementation status and CFC consumption in the country on half-yearly basis;
  - (d) to prepare periodic (annual) assessment of the consumption of ODS in the refrigeration sector and evaluate the impact of the projects being undertaken; and
  - (e) to take into consideration comments and recommendations of UNEP and NOU on activities and react accordingly.
5. The NOU will be responsible for:
  - (a) providing the selected organization with all relevant information in possession;
  - (b) providing the selected organization with full information on NOU activities and partners;
  - (c) providing the selected organization with the necessary support/documentation to ensure its access to relevant official institutions and other organizations; and
  - (d) providing the reasonable support in independent data collection.

### Verification and reporting

8. Based on discussion with the country, the Lead IA, should mandate an independent organization to carry out the annual verification of the NPP and of the consumption of the substances mentioned in Appendix 1-A.

### Appendix 6-A: Role of the Lead IA

The Lead IA will be responsible for a range of activities 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 Yemen in preparation of the Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for annual implementation programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

**Appendix 6-B: Role of the Cooperating IA****1. The Cooperating IA will:**

- (a) provide policy development assistance when required;
- (b) assist Yemen 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.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/55/53, Decision 55/40, para.174).*

*(Supporting document: UNEP/OzL.Pro/ExCom/55/53 Annex XV).*



**ZAMBIA****Phase-out of the use of methyl bromide in Zambia**

The Fifty-sixth Meeting of the Executive Committee decided:

- (a) to approve the technical assistance programme for the total phase-out of methyl bromide in tobacco, cut flowers, horticulture and post-harvest uses in Zambia, at an amount of US \$289,548 plus agency support costs of US \$21,716 for UNIDO, on the understanding that no additional funding would be provided for Zambia for the phase-out of controlled uses of methyl bromide in the country; and
- (b) to approve the draft agreement between the Government of Zambia and the Executive Committee for the phase-out of controlled uses of methyl bromide contained in Annex XVI to the present report.

*(UNEP/OzL.Pro/ExCom/56/64, Decision 56/58, para.216).*

*(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XVI.)*

**Agreed conditions to phase out methyl bromide in Zambia**

1. The Executive Committee agrees to approve in principle US \$289,548 as the total funds that will be available to achieve commitments stipulated in this document for the complete phase-out of the controlled uses of use of methyl bromide in Zambia, excluding quarantine and pre-shipment applications, subject to the following understandings and considerations.
2. As reported to the Ozone Secretariat, the methyl bromide baseline for compliance for Zambia is 29.4 ODP tonnes; the 2007 methyl bromide consumption was 6.0 ODP tonnes. Accordingly, Zambia has achieved compliance with the Montreal Protocol's 2002 freeze obligation and it is in compliance with the Protocol's 20 per cent reduction in 2005.
3. Reductions in accordance with the terms of the above-mentioned project and other commitments presented in the project document will ensure that Zambia meets the reduction schedule presented below. In this regard, Zambia will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	(ODP tonnes)	
	Amount to be phased out	Remaining consumption*
2008	0.0	7.4
2009	2.0	5.4
2010	2.0	3.4
2011	3.4	0.0
<b>Total</b>	7.4	

\* Controlled uses of methyl bromide.

4. Zambia commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.
5. The Government of Zambia has reviewed the consumption data identified in the tobacco, cut flower, horticulture and post-harvest sectors and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
6. The Government of Zambia, in agreement with UNIDO, will have flexibility in organizing and implementing the projects' components that it deems more important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon.
7. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in the in the tobacco, cut flower, horticulture and post harvest sectors, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.

(UNEP/OzL.Pro/ExCom/56/64, Decision 56/58, para.216).

(Supporting document: UNEP/OzL.Pro/ExCom/56/64 Annex XVI)

**Terminal CFC phase-out management plan for Zambia**

The Fifty-third Meeting of the Executive Committee decided:

- (a) to approve, in principle, the terminal phase-out management plan (TPMP) for Zambia at the amount of US \$245,000 plus agency support costs of US \$17,680 for UNEP and US \$9,810 for UNDP;
- (b) to note that the level of funding had been determined taking into account outstanding activities under the refrigerant management plan update implemented by Germany, and on the understanding that those activities would be coordinated between Germany and UNEP and were consistent with the needs identified in the project proposal;
- (c) to approve the agreement between the Government of Zambia and the Executive Committee for the implementation of the TPMP attached to the present report;
- (d) to urge UNEP and UNDP to take full account of the requirements of Executive Committee decisions 41/100 and 49/6 during the implementation of the TPMP; and
- (e) to approve the first tranche of the plan.

*(UNEP/OzL.Pro/ExCom/53/67, Decision 53/29, para. 144).*

*(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXV).*

**Agreement between Zambia and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances**

1. This Agreement represents the understanding of the Government of Zambia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 6 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 by the relevant implementing agency 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 the applicable year;
  - (b) that the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) that the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4 A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
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 annual implementation programme 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 annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5 A of this Agreement; and
  - (c) the 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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP 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 Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6 B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 7 and 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2 A of the Montreal Protocol 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.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and 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.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The Substances

Annex-A	Group-I	CFC-12, CFC-115
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### Appendix 2-A: The Targets, And Funding

		2007	2008	2009	2010	Total
1	Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	4.11	4.11	4.11	0	n/a
2	Max allowable total consumption of Annex A Group I substances (ODP tonnes)	4.11	4.11	4.11	0	n/a
3	New reduction under plan (ODP tones)	0	0	4.11	0	4.11
4	Lead IA agreed funding (US \$)	94,000	0	42,000	0	136,000
5	Cooperating IA agreed funding (US\$)	109,000	0	0	0	109,000
6	Total agreed funding (US \$)	203,000	0	42,000	0	245,000
7	Lead IA support costs (US \$)	12,220	0	5,460	0	17,680
8	Cooperating IA support cost (US\$)	9,810	0	0	0	9,810
9	Total agency support costs (US \$)	22,030	0	5,460	0	27,490
10	Grand Total agreed costs (US \$)	225,030	0	47,460	0	272,490

### Appendix 3-A: Funding Approval Schedule

1. Funding for the second tranche will be considered for approval at the first meeting of 2009.

**Appendix 4-A: Format of Annual Implementation Programme**

1. Data
 

Country	
Year of plan	
# of years completed	
# of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead Implementing Agency	

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

**5. Government Action**

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees****Appendix 5-A: Monitoring Institutions and Roles**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.
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 terminal phase out plan (TPMP). 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 Unit.

#### Verification and reporting

3. In accordance with decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Zambia for related auditing. Based on discussion with the Lead IA, Zambia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

#### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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 Annual Implementation Programme;
- (c) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Zambia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for Annual Implementation Programme for 2009 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 Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) coordinating the activities of the Cooperating IA;
- (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.

#### **Appendix 6-B: Role of the Cooperating IA**

1. The Cooperating IA will:
  - (a) provide policy development assistance when required;
  - (b) assist Zambia in the implementation and assessment of the activities funded for by the Cooperating IA;
  - (c) provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

#### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

(UNEP/OzL.Pro/ExCom/53/67, Decision 53/29, para. 144).

(Supporting document: UNEP/OzL.Pro/ExCom/53/67 Annex XXV).

**ZIMBABWE****Phase-out of the use of methyl bromide in Zimbabwe**

The Thirty-first Meeting of the Executive Committee decided to approve the project for the phase-out of methyl bromide in Zimbabwe according to the conditions stipulated in the annex to the present report. (UNEP/OzL.Pro/ExCom/31/61, Decision 31/39, para. 62).

The Forty-seventh Meeting of the Executive Committee decided:

- (a) to approve in principle the project for phasing out methyl bromide use in the fumigation of tobacco seedlings, at a total cost of US \$3,724,972 plus agency support costs of US \$279,373 for UNIDO;
- (b) to approve the draft revised agreement between the Government of Zimbabwe and the Executive Committee attached to the present report; and
- (c) to approve US \$1,862,486, plus support costs of US \$139,686 for UNIDO, for implementation of the first tranche of the project.

(UNEP/OzL.Pro/ExCom/47/61, Decision 47/35, para.126).

The Fiftieth Meeting of the Executive Committee decided:

- (a) to approve the project for the phase-out of methyl bromide used in grain fumigation at a total cost of US \$192,073, plus agency support costs of US \$17,287 for UNIDO; and
- (b) to approve the revised agreed conditions for the complete phase-out of methyl bromide in Zimbabwe as contained in the annex to the present report.

(UNEP/OzL.Pro/ExCom/50/62, Decision 50/32 para. 143).



**Agreed conditions for phase-out of methyl bromide in Zimbabwe**

1. The Executive Committee:
  - (a) at its 31st Meeting, approved US \$904,200 as the total funds available to Zimbabwe to achieve the complete phase-out of methyl bromide (MB) used in cut flowers. The project was completed in 2005 with a total phase-out of 132 ODP tonnes of MB;
  - (b) at its 47th Meeting, approved in principle an additional US \$3,724,972 as the total funds available to Zimbabwe to achieve the complete phase-out of MB used in tobacco seedbeds (additional 170 ODP tonnes);
  - (c) at its 50th Meeting, approved in principle US \$192,073 as the total funds that will be available to Zimbabwe to achieve the complete phase out of methyl bromide used in grain fumigation (additional 10.2 ODP tonnes).
2. As reported to the Ozone Secretariat, the methyl bromide baseline for compliance for Zimbabwe is 557 ODP tonnes; the 2005 methyl bromide consumption was 155.4 ODP tonnes. Accordingly, Zimbabwe has achieved compliance with the Montreal Protocol's 2002 freeze obligation and it is in compliance with the Protocol's 20 per cent reduction in 2005.
3. Reductions in accordance with the terms of the above-mentioned project and other commitments presented in the project documents will ensure that Zimbabwe meets the reduction schedule presented below. In this regard, Zimbabwe will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2005	180.0
2006	170.0
2007	130.0
2008	65.0
2009	0.0

4. The projects will phase out all remaining controlled uses of methyl bromide in Zimbabwe, excluding quarantine and pre-shipment applications. Zimbabwe commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.
5. Funding for the remaining tranches of the project to phase-out methyl bromide in tobacco seedbeds will be disbursed by UNIDO in line with the following yearly budget breakdown:

Year	Flowers (US\$)	Tobacco (US\$)	Grain (US\$)	Total funding (US \$)
2001	298,320	0	0	298,320
2002	298,320	0	0	298,320
2003	307,560	0	0	307,560
2004	0	0	0	0
2005	0	1,862,486	0	1,862,486
2006	0	0	192,073	192,073
2007	0	1,862,486	0	1,862,486
2008	0	0	0	0
Total	904,200	3,724,972	192,073	4,821,245

6. The Government of Zimbabwe has reviewed the consumption data identified in the grain fumigation project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
7. The Government of Zimbabwe, in agreement with UNIDO, will have the flexibility in organizing and implementing the projects' components that it deems more important in order to meet methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.
8. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in the cut flowers, tobacco seedbeds and grain fumigation sectors, as well

as on annual costs related to the use of the alternative technologies selected and the inputs purchased with the project funds.

9. These agreed conditions between the Government of Zimbabwe and the Executive Committee have taken into account the already approved methyl bromide phase-out projects in cut flowers and tobacco seedbeds. Subsequently, they supersede the conditions agreed at the 31st and 47th Meetings of the Executive Committee.

*(UNEP/OzL.Pro/ExCom/31/61, Decision 31/39, para. 62).*

*(Supporting document: UNEP/OzL.Pro/ExCom/31/61 Annex IX).*

*(UNEP/OzL.Pro/ExCom/47/61, Decision 47/35, para. 126).*

*(Supporting document: UNEP/OzL.Pro/ExCom/47/61 Annex VII).*

*(UNEP/OzL.Pro/ExCom/50/62, Decision 50/32 para. 143).*

*(Supporting document: UNEP/OzL.Pro/ExCom/50/62 Annex XV).*

**Terminal phase-out management plan for CFCs for Zimbabwe**

The Forty-fourth Meeting of the Executive Committee decided to approve Phase I of the terminal CFC phase-out management plan for Zimbabwe subject to the following conditions:

- (a) Zimbabwe would achieve at least the 2005 Montreal Protocol CFC reduction target without further assistance from the Multilateral Fund; and
- (b) in 2006, the Government of Zimbabwe would submit a comprehensive report on the implementation of Phase I together with a request for Phase II of the project to achieve complete CFC phase-out in the servicing sector. Phase II would contain activities best suited to the circumstances and needs of the country identified at that time. The progress report should include the activities undertaken and the results achieved, the amount of CFCs permanently phased out and the remaining level of consumption to be phased out.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/51, para. 203).*

The Fifty-first Meeting of the Executive Committee decided:

- (a) to approve, in principle, the national phase-out plan for Annex A (Group I) substances (Phase II) for Zimbabwe, at the amount of US \$565,000 plus agency support costs of US \$72,150 for the Government of Germany;
- (b) to approve the agreement between the Government of Zimbabwe and the Executive Committee for the implementation of the phase-out plan as attached to the present report;
- (c) to urge the Government of Germany to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the phase-out plan; and
- (d) to approve the first tranche of Phase II of the phase-out plan at the level of funding indicated in the annex to the present report.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/33 para. 157).*

**Agreement between Zimbabwe and the Executive Committee for the national phase-out plan of Annex (a) (Group I) substances**

1. This Agreement represents the understanding of the Government of Zimbabwe (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 2 of Appendix 2-A (the “Targets and Funding”) in this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 5 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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 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 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) that the Country has met the Target for the applicable year;
  - (b) that the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
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 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 paragraph 9.
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 Annual Implementation Programme 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 Annual Implementation Programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.
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;
  - (b) the technical assistance programme for the refrigeration servicing subsectors will be implemented in stages so that resources can be diverted to other phase-out activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement;
  - (c) the Country and the Lead IA will take full account of the requirements 41/100 and 49/6 during the

implementation of the NPP.

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. Germany (the "Lead IA") has agreed to be the lead implementing agency in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-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 instalment 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.

11. 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.

12. 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 access by the Lead IA to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

## Appendices

### Appendix 1-A: The substances

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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### Appendix 2-A: The targets, and funding

	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	225.7	67.7	67.7	67.7	0.0	
2. Max agreed total consumption of Annex A Group I substances (ODP tonnes)		65	40	20		
3. Reduction from ongoing projects				0.0		
4. New reduction under plan		25	20	20	0.0	65.0
5. Lead IA agreed funding (US \$)		175,000	175,000	175,000	40,000	565,000
6. Lead IA support costs (US \$)		22,347	22,347	22,347	5,108	72,150
7. Total agreed funding (US \$)		197,347	197,347	197,347	45,108	637,150

### Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the first meeting of the year prior to the year of the Annual Implementation Programme.

### Appendix 4-A: Format of Annual Implementation Programme

1. Data	
Country	
Year of plan	
# of years completed	
# of years remaining under the plan	

Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead Implementing Agency	_____

## 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

## 3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
<b>Servicing</b>						
Refrigeration						
Total						
Grand total						

## 4. Technical Assistance

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

## 5. Government Action

Policy activity planned	Schedule of implementation
Policy control on ODS import: servicing, etc	
Public awareness	
Others	

## 6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. 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 NPP. All the monitoring activities have so far been done through the efforts of the NOU together with the local GTZ office in Harare and GTZ Proklima in Namibia. However efforts are ongoing to find a suitable individual who could undertake the tasks of the Project Monitoring Unit.

2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

#### Verification and reporting

3. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Frequency of verification and reporting

4. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### **Appendix 6-A: Role of the Lead IA**

The Lead IA will be responsible for a range of activities 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) providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme ;
- (c) assisting the Country in preparation of the Annual Implementation Programme;
- (d) ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the Annual Implementation Programme combined with the report on the 2007 Annual Implementation programme;
- (f) ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (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.

### **Appendix 6-B: Role of Cooperating IA**

Not relevant.

### **Appendix 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

*(UNEP/OzL.Pro/ExCom/51/46, Decision 51/33 para. 157).*

*(Supporting document: UNEP/OzL.Pro/ExCom/51/46 Annex XII).*

## **PACIFIC ISLAND COUNTRIES**

### **Regional strategy to comply with the Montreal Protocol in Pacific Island countries**

The Thirty-sixth Meeting of the Executive Committee decided:

- (a) to approve the UNEP component of the regional strategy for Pacific Island countries, on the understanding that the Governments of the countries concerned would achieve a complete phase-out of ODS by 2005 and would have flexibility on the use of the funding approved;
- (b) to request the Government of Australia and UNEP not to disburse funding for the second tranche pending confirmation that at least 25 per cent of the current ODS consumption in those countries had been phased out;
- (c) also to request the Governments of Kiribati, Marshall Islands, Federated States of Micronesia, Palau, Solomon Islands, Tonga, Tuvalu and Vanuatu to present information to the Executive Committee annually on progress being made in the implementation of the national compliance strategies, in accordance with the decision of the Executive Committee on implementation of country programmes. The initial report, covering the period 1 April to 31 December 2002, should be submitted to the Fund Secretariat no later than 1 May 2003;
- (d) to note that the funding provided under this project would be the total funding from the Multilateral Fund for those countries to achieve complete phase out by 2005.

*(UNEP/OzL.Pro/ExCom/36/36, Decision 36/27, para. 65).*

Subsequently, at its Forty-fourth Meeting, the Executive Committee decided to approve the extension of the regional strategy for Pacific Island countries to include the Cook Islands, Nauru and Niue, on the understanding that:

- (a) the Governments of the countries concerned would achieve complete phase-out of ODS by 2005 and would have flexibility on the use of the funding approved;
- (b) the Governments of the Cook Islands, Nauru and Niue would present information to the Executive Committee annually on progress being made in the implementation of the national compliance strategies, in accordance with the decision of the Executive Committee on implementation of country programmes. The initial report, covering the period 1 December 2004 to 31 December 2005, should be submitted to the Fund Secretariat no later than 1 May 2006; and
- (c) the funding provided under the project would represent the total funding from the Multilateral Fund for those countries to maintain complete phase-out of CFCs from 2005 onwards.

*(UNEP/OzL.Pro/ExCom/44/73, Decision 44/22, para. 112).*

The Forty-ninth Meeting of the Executive Committee decided to request UNEP, in conjunction with the Government of Australia, if relevant, to submit the following no later than the 51st Meeting:

- (i) a comprehensive report on the implementation of the Pacific Island Countries strategy to date covering all the countries concerned; and
- (ii) an integrated proposal detailing any potential extension of assistance under the Multilateral Fund to all the countries covered by the Pacific Island Countries strategy, including all the institutional strengthening projects, in the light of relevant Executive Committee decisions and guidelines. The proposal should also include other projects that might be submitted under bilateral assistance.

*(UNEP/OzL.Pro/ExCom/49/43, Decision 49/22, para. 112 (c)).*