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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-fifth Meeting  
Montreal, 5-7 December 2001

**REPORT OF THE TWENTY-FOURTH MEETING OF THE  
SUB-COMMITTEE ON PROJECT REVIEW**

Introduction

1. The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol met in Montreal, on 3 and 4 December 2001.
2. The meeting was attended by representatives of Colombia, Germany, India, Japan (Chair), Malaysia, Tunisia and the United States of America.
3. In accordance with the Terms of Reference of the Sub-Committee, the following attended the meeting as observers:
  - (a) Representatives from Australia and Finland;
  - (b) Representatives of the implementing agencies and the Ozone Secretariat;
  - (c) The representative of Greenpeace International.

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

4. The meeting was opened by the Chairman of the Sub-Committee, Mr. Tadanori Inomata (Japan), at 10 a.m. on Monday, 3 December 2001.

## **AGENDA ITEM 2: ADOPTION OF THE AGENDA**

5. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/24/1:

1. Opening of the meeting
2. Adoption of the agenda
3. Introductory remarks by the Chief Officer
4. Organization of work
5. Overview of issues identified during project review
6. Bilateral cooperation
7. Work programmes:
  - (a) 2001 work programme amendments of UNDP
  - (b) 2001 work programme amendments of UNEP
  - (c) 2001 work programme amendments of UNIDO
  - (d) 2001 work programme amendments of the World Bank
  - (e) Work programme of UNEP for the year 2002
  - (f) Work programme advances for UNDP, UNIDO and the World Bank for the year 2002
8. Investment projects
9. Policy papers:
  - (a) Funding of technology that is not in the public domain
10. Other matters
11. Adoption of the report
12. Closure of the meeting.

## **AGENDA ITEM 3: INTRODUCTORY REMARKS BY THE CHIEF OFFICER**

6. The Chief Officer welcomed the members of the Sub-Committee on Project Review. He said that the agenda of the current meeting would focus mainly on issues identified during project review, as well as on investment projects and amendments to the 2001 work programmes submitted by the implementing and bilateral agencies. The Sub-Committee would also consider the work programme of UNEP for the year 2002 and work programme advances for UNDP, UNIDO and the World Bank, also for the year 2002.

7. He indicated that a number of addenda and corrigenda providing updated information on projects and sector plans had been issued since the meeting documents were dispatched to the Committee members. He drew attention to sector plans for CFC phase-out in Malaysia and Thailand and for phase-out in the refrigeration sector in Turkey, on each of which important additional information had been provided.

8. He pointed out that the total value of projects and activities received, including sectoral strategies and plans for submission to the 35<sup>th</sup> Meeting, was over US \$213 million and the requested funding at the current meeting amounted to US \$73.3 million, including tranches for sector plans and methyl bromide projects.

9. The review by the Secretariat resulted in a recommendation for blanket approval of 116 projects in the amount of US \$28 million. A total of 26 investment projects and other activities with a total value of US \$5.3 million had been withdrawn or deferred, including projects which did not provide adequate information or the eligibility of which was in doubt. Twelve investment projects and nine sectoral strategies and plans were being submitted for individual consideration with a total value as requested of US \$37.3 million.

10. He reported that the funds available for commitment from the Multilateral Fund currently stood at a record US \$102.4 million, which would fund all of the projects recommended for approval at the current meeting.

#### **AGENDA ITEM 4: ORGANIZATION OF WORK**

11. Following the suggestion of the Chair, the Sub-Committee decided to organize its work in accordance with the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/24/1 and the provisional annotated agenda contained in document UNEP/OzL.Pro/ExCom/24/1/Add.1/Rev.1.

#### **AGENDA ITEM 5: ISSUES IDENTIFIED DURING PROJECT REVIEW**

##### **(a) Review of guidelines for liquid carbon dioxide (LCD) technology in foam projects**

12. The Chair drew the attention of the Sub-Committee to paragraphs 4 to 7 of the overview paper (UNEP/OzL.Pro/ExCom/35/20 and Corr.1). He pointed out that this issue concerned a proposal from the Secretariat to review the guidelines for liquid carbon dioxide technology (LCD) in foam projects and, in particular, to cease allocating funding of US \$50,000 as a licence fee to the equipment supplier. This issue affected three projects submitted to the current meeting.

13. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Request the Secretariat, in consultation with the implementing agencies, to re-examine LCD technology and the guidelines for projects converting to the technology and to report on its findings to the 37<sup>th</sup> Meeting of the Executive Committee.
- (b) Approve the three LCD foam projects submitted to the 35<sup>th</sup> Meeting which contain provision for licence fees, on the condition that the fee not be committed for expenditure until the Executive Committee had considered the review of the LCD guidelines.

##### **(b) Inclusion of additional projects in existing methyl bromide phase-out agreements**

14. The Chair drew the attention of the Sub-Committee to paragraph 8 of the overview paper (UNEP/OzL.Pro/ExCom/35/20 and Corr.1). He pointed out that the issue concerned the inclusion of additional projects in existing methyl bromide phase-out agreements. In the case

illustrated here, the country had reported a sharp decrease in methyl bromide consumption since the agreement was signed. He indicated that the Secretariat was seeking guidance on how to include additional projects in existing agreements when the consumption had, in the meantime, decreased.

15. Following a discussion, the Sub-Committee recommended that the Executive Committee decide that the project from a country which had reported exceptional decreases in consumption below the agreed baseline should be deferred, pending clarification of the exceptional circumstances and whether the decrease was in fact only temporary.

(c) Unreported consumption from illegal imports

16. The Chair drew the attention of the Sub-Committee to paragraph 9 of the overview paper (UNEP/OzL.Pro/ExCom/35/20 and Corr.1). He pointed out that the issue was related to unreported consumption from illegal imports. The Secretariat advised that the German Agency for Technical Cooperation (GTZ) had informed the Secretariat that additional methyl bromide was being imported into the country illegally and was not reported as consumption. A bilateral project had been submitted by the Government of Germany to phase out this additional methyl bromide. The Syrian Arab Republic had already signed an agreement with the Executive Committee to address the methyl bromide consumption so far reported, except for eight ODP tonnes.

17. The representative of Germany reported that the project had been withdrawn, pending clarification of discrepancies in the data.

(d) Funding for technology transfer and trials: implementation of Decisions 33/2 (j) and (k) and 34/16

(e) Projects with data discrepancies: implementation of Decision 34/18

(f) Format for reporting undertakings from countries: Decision 34/14 (d)

(g) Thailand institutional strengthening project: change of implementing agency

18. The representative of the Secretariat drew the attention of the Sub-Committee to paragraphs 10 to 18 of the overview paper (UNEP/OzL.Pro/ExCom/35/20 and Corr.1). He outlined the principal issues in each of the above items and noted that the items were being provided for information only, as required by relevant decisions of the Executive Committee.

19. The Sub-Committee recommended that the Executive Committee take note of the above items and that existing approved funding of US \$197,746 plus agency support costs be transferred from UNDP to the World Bank for the remainder of Thailand's current institutional strengthening project.

## **AGENDA ITEM 6: BILATERAL COOPERATION**

20. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/21 and Corr.1 and Corr.2 on bilateral cooperation. A total

of 16 requests, totalling US \$5.9 million for bilateral cooperation, had been submitted by the Governments of Canada and Germany.

21. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the requests for approval of bilateral cooperation, as contained in document UNEP/OzL.Pro/ExCom/35/21 and Corr.1 and Corr.2 with the amendments below, at the level of funding indicated in Annex I to the present report.

Chile: Implementation of the refrigerant management plan: training programme for refrigeration technicians (Government of Canada)

Chile: Implementation of the refrigerant management plan: recovery and recycling programme (Government of Canada)

22. The Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report, subject to the stipulation that Chile would commit to achieving the 50 per cent reduction in ODS consumption in the servicing sector (identified in the refrigerant management plan as 219.4 ODP tonnes) by 2005 and the 85 per cent reduction by 2007, with no further request for funding in this sector.

Algeria: Development of a country programme update (Government of Germany)

Zimbabwe: Development of a country programme update (Government of Germany)

23. The representative of Germany reported that the above projects had been withdrawn.

Islamic Republic of Iran: Conversion of the use of CFC to LCD in the manufacture of flexible foam at Esfanj Jajerood foam company (Germany) (UNEP/OzL.Pro/ExCom/35/21 and Corr.1 and Corr.2)

24. The Chair drew the attention of the Sub-Committee to pages 5 to 7 of document UNEP/OzL.Pro/ExCom/35/21, and to Corr.1 and Corr.2. He pointed out that the main issue with the project was discussed under agenda item 5, guidelines for LCD foam projects.

25. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that the US \$50,000 technology licence fee would not be committed for expenditure until the Executive Committee had considered the guidelines on LCD technology.

Sectoral phase-out programme: Establishment of a regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, Tanzania and Zimbabwe) (Government of Germany)

26. The Chair drew the attention of the Sub-Committee to paragraphs 30 to 38 of document UNEP/OzL.Pro/ExCom/35/21 and Corr.1 and Corr.2.

27. The Secretariat reported that the cost of the project proposal as originally submitted had not complied with the guidelines for halon banking (Decision 18/22). However, a revised proposal had now been submitted and was described in document UNEPOzL.Pro/ExCom/35/21/Corr.2. The cost of the revised proposal complied with the guidelines.

28. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project at the level of funding given in Annex I to the present report.

29. At the conclusion of its discussions on this agenda item, the Sub-Committee recommended that the Executive Committee request the Treasurer to offset the costs of the above bilateral projects, as follows:

- (a) US \$1,007,006 against the balance of Canada's bilateral contributions for 2001;
- (b) US \$1,537,727 against the balance of Germany's bilateral contributions for 2001.

#### **AGENDA ITEM 7: WORK PROGRAMMES AND AMENDMENTS**

30. The Sub-Committee recommended that the Executive Committee approve the projects submitted for blanket approval as contained in document UNEP/OzL.Pro/ExCom/SCPR/24/2, at the level of funding given in Annex I to the present report, with the conditions included in the corresponding Project Evaluation Sheets, where applicable.

##### **(a) 2001 work programme amendments of UNDP**

31. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/22, containing the 2001 work programme amendments of UNDP.

32. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNDP's 2001 work programme, as contained in document UNEP/OzL.Pro/ExCom/35/22, with the amendments below, at the level of funding indicated in Annex I to the present report.

##### Bangladesh: Renewal of institutional strengthening

33. The Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project, on the understanding that no funding would be disbursed until confirmation had been received from UNDP that the project to phase out CFCs in the aerosol sector had been completed and CFCs were no longer being used by the enterprise;

- (b) Express to the Government of Bangladesh its observations indicated in Annex II to the present report.

Costa Rica: Renewal of institutional strengthening

Pakistan: Renewal of institutional strengthening

34. The Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report; and express to the Governments concerned its observations indicated in Annex II to the present report.

**(b) 2001 work programme amendments of UNEP**

35. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/23, containing the 2001 work programme amendments of UNEP.

36. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNEP's 2001 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/35/23, with the amendments below, at the level of funding indicated in Annex I to the present report.

Albania: Institutional strengthening project

Guatemala: Renewal of institutional strengthening

Jamaica: Renewal of institutional strengthening

Mali: Renewal of institutional strengthening

Yemen: Renewal of institutional strengthening

37. The Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report; and express to the Governments concerned its observations indicated in Annex II to the present report.

China: Awareness-raising workshop to support ratification of the Copenhagen Amendment

China: Techno-economic evaluation of methyl bromide alternatives

38. The Chair drew the attention of the Sub-Committee to paragraphs 38 to 42 of document UNEP/OzL.Pro/ExCom/35/23.

39. Upon enquiry, the Sub-Committee was informed by UNEP that the proposed workshops and meetings with the relevant minister and high-level officials would take place in the first half of 2002

40. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report, subject to receipt by the Fund Secretariat of a letter from the Government of China indicating the intention to complete the ratification of the Copenhagen amendment within the following 12 months.

India: Action plan for integrated training and related non-investment activities to support the phase out of ODS in the solvent sector in the SMEs

41. The Chair drew the attention of the Sub-Committee to paragraphs 43 to 46 of document UNEP/OzL.Pro/ExCom/35/23. He pointed out that the strategy would cover both investment and non-investment activities; however, in the Secretariat's view the strategy should be prepared by an agency with a mandate for investment projects, since it would necessarily be oriented towards investment activities.

42. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that UNEP would liaise closely with UNIDO and the World Bank in relation to the investment projects included in the strategy.

Malaysia: Enhancing the capability of local agricultural organizations and non-governmental organizations in methyl bromide communication

43. The Chair drew the attention of the Sub-Committee to paragraphs 47 to 50 of document UNEP/OzL.Pro/ExCom/35/23. He pointed out that Malaysia had received a demonstration project for methyl bromide which was required to be followed by an investment project for phase-out of the total reported consumption for all controlled applications in the country.

44. Following a discussion, the Sub-Committee recommended that the Executive Committee not approve the above project.

New Parties: Formulation of national phase-out strategies and capacity-building (institutional strengthening)

Cambodia  
Cape Verde  
Sierra Leone  
Somalia

45. The Chair drew the attention of the Sub-Committee to paragraphs 55 to 57 of document UNEP/OzL.Pro/ExCom/35/23. He noted that the Secretariat was suggesting that the preparation of national phase-out strategies for each country should be approved at the current meeting, but that institutional strengthening projects should be delayed until the phase-out strategies had been presented to the Executive Committee.

46. It was the understanding of the Sub-Committee that these new parties would ensure active participation of all the official relevant components of the Governments in the preparation of the strategies. The Sub-Committee was also informed by UNEP of the intention of other new parties to submit requests for assistance for the formulation of national phase-out strategies and capacity-building.

47. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the strategy preparation components of the above projects at the level of funding indicated in Annex I to the present report, but defer consideration of the capacity-building components until the phase-out strategies had been presented to it.

Rwanda: Formulation of national phase-out strategy and capacity-building (institutional strengthening)

48. The representative of UNEP reported that a letter had been received from the Government of Rwanda, a new Party to the Montreal Protocol, formally requesting support from the Fund for the formulation of a national phase-out strategy and capacity-building. Following consultations with the Fund Secretariat, UNEP had formulated a new project proposal for submission to the current meeting, costed at US \$50,000 for the formulation of the national phase-out strategy for Rwanda.

49. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Approve the proposal to prepare a national phase-out strategy for Rwanda, at the level of funding indicated in Annex I to the present report;
  - (b) Clarify that, because of the special situation of Rwanda as a new Party, and to avoid delay in the provision of Fund assistance to help the country meet its obligations under the Montreal Protocol, the above project was being approved on an exceptional basis only, and approval of such projects in the future would be in conformity with the guidelines, procedures and practices of the Executive Committee.

**(c) 2001 work programme amendments of UNIDO**

50. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/24, containing the 2001 work programme amendment of UNIDO.

Former Yugoslav Republic of Macedonia: Renewal of institutional strengthening

51. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, and to express to the Government of the Former Yugoslav Republic of Macedonia its observations indicated in Annex II to the present report.

**(d) 2001 work programme amendments of the World Bank**

52. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/25, containing the 2001 work programme amendment of the World Bank.

Philippines: Project preparation for the national CFC phase-out plan

53. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The World Bank would coordinate closely with the Government of Sweden and UNEP to ensure that no overlapping would occur between the phase-out plan, the bilateral project in the refrigeration servicing sector and the customs training programme; and
- (b) No additional funding would be made available to the Philippines for project preparation and/or country programme update;
- (c) If the World Bank, in developing the national phase-out plan, determined, however, that the level of funding initially approved would be inadequate to complete the implementation of the project, and could provide appropriate justification for the need for further funding, the Executive Committee would be willing to give due consideration to such a request for additional funding.

**(e) Work programme of UNEP for the year 2002**

54. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/26 and Add.1, containing the UNEP work programme for the year 2002. He pointed out that, for the year 2002, UNEP had completely restructured its core programme. That restructuring was being considered by the Sub-Committee on Monitoring Evaluation and Finance, in the context of consideration of UNEP's business plan for 2002 (UNEP/OzL.Pro/ExCom/35/8 and Add.1).

55. The representative of UNEP submitted a conference room paper containing a revised programme and outlined its principle features.

56. Following a discussion, and on the basis of consultations with UNEP and with the members of the Sub-Committee on Monitoring, Evaluation and Finance, the Sub-Committee recommended that the Executive Committee approve the Compliance Assistance Programme (CAP) budget for UNEP, as contained in Annex III to the present report, with the following conditions:

- (a) The use of this budget and related CAP employees shall not be used for implementation of projects approved before 2002;
- (b) UNEP will submit a preliminary report to the 38<sup>th</sup> Meeting of the Executive Committee on the use of the Programme Support Cost, with a detailed report to be submitted at the 40<sup>th</sup> Meeting in 2003;
- (c) UNEP should also report during 2002 on the progress made in the implementation of the CAP programme to the Executive Committee, specifically on the lessons learned during the first steps of CAP implementation;
- (d) Request that funds approved annually for the CAP but not spent be returned to the Multilateral Fund for re-programming at the second meeting of the Executive Committee in the year following that for which they had been approved;
- (e) Consideration by the Executive Committee should be given to benefit of developing a unified in future years, and request UNEP to provide a proposal for such a budget at the 38<sup>th</sup> Meeting of the Executive Committee.

57. Several members of the group reviewing the UNEP budget urged UNEP to change the organizational structure of the OzonAction Programme to reflect and better implement the change to the programme being approved at the current meeting. Specifically, several members of the group noticed the increased importance of the network and policy manager's job, given the significant regional action of the programme. In that regard, and noting the fact that the Director of the OzonAction Programme could not devote full time to that position, it was thought important that the network coordinator have clear responsibility for the regional coordinators and have direct reporting line to both the OzonAction Director and UNEP/IE management.

**(f) Work programme advances for UNDP, UNIDO and the World Bank for the year 2002**

58. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/27, containing work programme advances for UNDP, UNIDO and the World Bank for the year 2002.

59. The Sub-Committee recommended that the Executive Committee approve advances on the 2002 work programmes of UNDP, UNIDO and the World Bank, as described in document UNEP/OzL.Pro/ExCom/35/27, at the level of funding indicated in Annex I to the present report.

## **AGENDA ITEM 8: INVESTMENT PROJECTS**

### **(a) Projects recommended for blanket approval**

60. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/SCPR/24/2.

61. The Sub-Committee recommended that the Executive Committee approve the investment projects submitted for blanket approval as contained in document UNEP/OzL.Pro/ExCom/SCPR/24/2, at the level of funding given in Annex I to the present report, with the conditions included in the corresponding Project Evaluation Sheets, where applicable.

62. The Sub-Committee recommended that the Executive Committee note that the Government of Germany would prepare, for submission to the Committee at its 36<sup>th</sup> Meeting, and for timely circulation to members, a policy paper on issues surrounding the choice of HCFC-141b for conversion projects.

### **(b) Projects for individual consideration**

#### Foam sector

Islamic Republic of Iran: Phasing out of ODS in the manufacture of flexible slab stock foam through the use of liquid CO<sub>2</sub> blowing technology at Abre Shomal Co (UNIDO) (UNEP/OzL.Pro/ExCom/35/41)

Libyan Arab Jamahiriya: Phase-out of CFC-11 by conversion to liquid carbon dioxide (LCD) in the manufacture of flexible polyurethane foam at El Houria Unit Plant (UNDP) (UNEP/OzL.Pro/ExCom/35/44)

63. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/24/1/Add.1/Rev.1. He pointed out that the main issue of these projects had already been considered by the Committee under agenda item 5 (a).

64. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report, on the understanding that the US \$50,000 licensing fee for the LCD technology would not be committed for expenditure until the Executive Committee had considered a report on revision of the guidelines for LCD technology.

#### Process agent sector

India: Conversion of carbon tetrachloride (CTC) as process agent to cyclohexane at Amoli Organics Limited, Mumbai (UNIDO) (UNEP/OzL.Pro/ExCom/35/39 and Corr.1)

Pakistan: Conversion of carbon tetrachloride (CTC) as process solvent to 1,2-dichloroethane at Himont Chemicals Ltd. (UNIDO) (UNEP/OzL.Pro/ExCom/35/50 and Rev.1)

65. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/24/1/Add.1/Rev.1. He observed that each project provided a profile of the relevant sub-sector and all cost issues had been resolved with UNIDO. The projects were for individual consideration because that had been the normal practice to date for all projects in the process agent sector.

66. A representative of the Secretariat reported that the Government of India had indicated, through UNIDO, that there were only two plants in India using this process: Amoli Organics Ltd, which was the subject of a proposal currently before the Committee, and one other enterprise using CTC, which would be the subject of a future project proposal to cover the remainder of the sub-sector.

67. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above projects at the level of funding indicated in Annex I to the present report;
- (b) Take note of:
  - (i) the expectation that, following the approval of funds for sector plans for the process agent sector in India, future proposals would be submitted in the context of a sector plan, and;
  - (ii) the need for full data to be provided on the relevant sub-sector, including the remaining consumption to be phased out in the sub-sector, with a view to considering the scope for industrial consolidation.

Solvent sector

Democratic People's Republic of Korea: Conversion of cleaning processes from CTC to aqueous and solvent cleaning techniques at Huichon February 26 Factory (HUI) (UNIDO) (UNEP/OzL.Pro/ExCom/35/43)

Democratic People's Republic of Korea: Conversion of cleaning installations from carbon tetrachloride (CTC) to aqueous and solvent cleaning techniques at the Gumsong Tractor Factory (GST) (UNIDO) (UNEP/OzL.Pro/ExCom/35/43)

68. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/43. He pointed out that all cost issues had been resolved. However, in view of the size of the projects, and the fact that the main basis of the projects concerned the exposure limit for the new TCE solvent, they were being referred for individual consideration.

69. Following a discussion, the Sub-Committee recommended that the Executive Committee defer consideration of the above two projects, pending clarification, at the 36<sup>th</sup> Meeting of the Executive Committee, of the cost-effectiveness as well as the total costs and the proportion of the costs to be borne by the recipient country for controlling impacts on environment, health and safety arising from the chosen technology. The two projects would be maintained in UNIDO's 2001 business plan.

Fumigant sector

Bolivia: Terminal methyl bromide phase-out (excluding QPS) (UNDP) (UNEP/OzL.Pro/ExCom/35/29 and Add.1)

70. The Chair drew the attention of the Sub-Committee to documents UNEP/OzL.Pro/ExCom/35/29 and Add. 1. He pointed out that, if the project were to be approved, methyl bromide would be completely phased out in Bolivia. However, Bolivia would not be able to meet the 2002 freeze, since it was required to phase out 0.9 ODP tonnes by the end of 2001, and that would not occur under the present project.

71. Following a discussion, the Sub-Committee recommended that the Executive Committee, taking into account the country's possible non-compliance with the 2002 freeze, and the fact that the project is similar to demonstration projects approved by the Executive Committee in this sector, approve the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Bolivia and the Executive Committee, contained in Annex IV to the present report.

Costa Rica: 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) (UNDP) (UNEP/OzL.Pro/ExCom/35/36 and Corr.1)

72. The Chair drew the attention of the Sub-Committee to documents UNEP/OzL.Pro/ExCom/35/36 and Corr.1. He pointed out that this project was the first part of a multi-phase project, aiming to phase out the total consumption of methyl bromide in the country, except for quarantine and pre-shipment applications. The Fund Secretariat and UNDP had reached an agreement on the total cost of the project; however the export component had not been considered in the calculation of the eligible incremental costs.

73. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Costa Rica and the Executive Committee, contained in Annex V to the present report.

Croatia: Phase-out of methyl bromide in tobacco seedling (UNIDO) (UNEP/OzL.Pro/ExCom/35/37)

74. The Chair drew the attention of the Sub-Committee to the document UNEP/OzL.Pro/ExCom/35/37. The Secretariat and UNIDO had agreed on the total cost of the project.

75. The representative of UNIDO announced that, following consultations at the current meeting, it had been possible to revise the original cost of the project downward to US \$476,833, excluding support costs.

76. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Approve the above project, on an exceptional basis, given the unfavourable cost-effectiveness of about US \$30 per kg, at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Croatia and the Executive Committee, contained in Annex VI to the present report;
  - (b) Call upon the Government of Croatia to undertake the utmost efforts to ensure cost-effectiveness and savings in the implementation of the project and full compliance with the phase-out schedule.

Turkey: Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/35/54 and Add.1 and Corr.1)

77. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/54 and Add.1 and Corr.1. He said that the Fund Secretariat and UNIDO had concluded their discussion on outstanding issues and agreed to calculate the project

cost on the basis of 1,656 ha as the surface area currently being treated with methyl bromide. Operating costs were not claimed. After project completion, only some 20 ODP tonnes of methyl bromide would remain for phase-out in the country.

78. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Turkey and the Executive Committee, contained in Annex VII to the present report.

Zimbabwe: Phase-out of non-essential/non-critical use of methyl bromide in grain storage (maize) (UNDP) (UNEP/OzL.Pro/ExCom/35/57)

79. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/57. He pointed out that the project aimed to phase out 27.2 ODP tonnes of methyl bromide used for non essential/non-critical use of methyl bromide in grain storage (maize), representing the total consumption of methyl bromide used for storage fumigation in the country.

80. Following a discussion, and taking into account the Sub-Committee's recommendation under agenda item 5 (b), on inclusion of additional projects in existing methyl bromide phase-out agreements, the Sub-Committee recommended that the Executive Committee defer approval of the above project, pending clarification of the exceptional circumstances and whether the decrease in consumption was in fact only temporary.

Sector strategies and plans

Mexico: Foam sector ODS phase-out plan (UNDP) (UNEP/OzL.Pro/ExCom/35/46 and Corr.1)

81. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/46 and Corr.1. He pointed out that the project had a considerable history and that the Secretariat had reached agreement with UNDP on the level of funding and had made a recommendation on how to proceed.

82. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) 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) Approve in principle the Foam Sector Phase-out Plan and 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 II to this document, for submission to the Executive Committee not later than its 38<sup>th</sup> Meeting; and request UNDP to 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 has been taken 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;
- (c) Request UNDP to report on the status of implementation of this initial phase of the plan at its 38<sup>th</sup> Meeting.

China: Foam sector phase-out plan (World Bank)

83. The Chair informed the Sub-Committee that the Executive Committee at its 34<sup>th</sup> Meeting requested the Secretariat and the World Bank, together with interested members of the Sub-Committee on Project Review, to continue discussions with a view to presenting a proposal, together with a draft agreement, by the time of the 35<sup>th</sup> Meeting, with such discussions being facilitated as appropriate by Germany (Decision 34/53).

84. The facilitator of the informal working group (Germany) constituted by the Executive Committee, reported that the group had met during the 34<sup>th</sup> Meeting of the Executive Committee, on the margins of the Thirteenth Meeting of the Parties to the Montreal Protocol, held in Sri Lanka in October 2001, and at the current Meeting. He presented to the Sub-Committee a conference room paper, containing a proposal, together with a draft Agreement for CFC Phase-out in the Polyurethane Foam Sector in China.

85. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the draft Agreement for CFC Phase-out in the Polyurethane Foam Sector in China, as contained in Annex VIII to the present report.

China: 2002 Annual programme: CFC Production Sector (World Bank)  
(UNEP/OzL.Pro/ExCom/35/34)

86. The Chair drew the attention of the Sub-Committee to paragraphs 21 to 25 of document UNEP/OzL.Pro/ExCom/35/34, regarding the 2002 annual programme for the CFC production sector in China. He pointed out that the Executive Committee was being asked to approve the annual programme, but no funding was sought at the present Meeting. Funding would be requested at the March meeting in 2002, on the basis of satisfactory verification of performance in 2001.

87. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the 2002 work programme of the China CFC production closure programme and note that the funding request would be submitted by the World Bank, to the 36<sup>th</sup> Meeting, along with a verification report on the implementation of the 2001 annual programme.

China: Commercial refrigeration compressor strategy (World Bank)  
(UNEP/OzL.Pro/ExCom/35/34)

88. The Chair drew the attention of the Sub-Committee to paragraphs 33 to 50 of document UNEP/OzL.Pro/ExCom/35/34, regarding the commercial refrigeration compressor strategy in China. He pointed out that the sector plan had been submitted in response to a request from the Executive Committee arising from its consideration, at its 34<sup>th</sup> Meeting, of an evaluation report on projects for conversion of compressor manufacturing facilities in China. The World Bank also submitted with the sector plan project proposals for the conversion of the five last compressor manufacturing enterprises envisaged in the sector. The Secretariat was seeking guidance on how the Committee viewed the information provided by the World Bank in response to the Committee's request in its decision 34/13.

89. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) 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) 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) 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 36<sup>th</sup> Meeting;

- (d) 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) Urge the Government of China to use the resources for identified incremental costs in the most cost-effective manner to contribute to effectuating phase-out activities in the commercial and industrial refrigeration sub-sector, which may or may not involve conversion of the five enterprises in question.

China: Solvent sector plan: Report on the implementation of the 2002 annual programme (UNDP) (UNEP/OzL.Pro/ExCom/35/34)

90. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/34, regarding the 2002 annual implementation programme for the solvent sector in China, which was attached to document UNEP/OzL.Pro/ExCom/35/34 as Annex III. He pointed out that funding for the 2002 annual programme was not being sought at the current meeting, but would be requested in 2002 when the necessary verification reports had been considered.

91. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the 2002 annual implementation programme for the solvent sector in China, as the basis for considering funding of the programme at a future meeting

Bahamas: Terminal phase-out management plan (World Bank) (UNEP/OzL.Pro/ExCom/35/28 and Corr.1)

92. The Chair drew attention to document UNEP/OzL.Pro/ExCom/35/28 and Corr.1, regarding a terminal phase-out management plan for Bahamas that would achieve a complete phase-out of ODS consumption in the country by the end of 2007. He pointed out that the plan had originally been submitted at a cost of some US \$750,000. However, subsequent discussions had resulted in submission of a revised proposal, on 29 November 2001, at a cost of US \$560,000. The revised proposal included a draft agreement between the Government of the Bahamas and the Executive Committee, with implementation modalities for a complete phase-out in the consumption of Annex A, Group I substances.

93. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of the Bahamas and the Executive Committee, contained in Annex IX to the present report.

Malaysia: National CFC phase-out plan (World Bank)  
(UNEP/OzL.Pro/ExCom/35/45 and Add.1)

94. The Chair drew attention of the Sub-Committee to the document UNEP/OzL.Pro/ExCom/35/45 and Add.1, regarding a national CFC phase-out plan for Malaysia and a draft performance-based agreement to be entered into between the Government of Malaysia and the Executive Committee. He pointed out that the project aimed at eliminating the remaining consumption of CFCs and would also address most of the consumption of TCA. The Secretariat and the World Bank had also agreed on most, but not all, of the elements of a draft agreement for the national CFC phase-out plan for Malaysia.

95. The Chief Officer clarified that, following additional discussions with the Secretariat, the World Bank had augmented the proposal to address the remaining consumption of TCA and CTC in Malaysia. Document UNEP/OzL.Pro/ExCom/35/45/Add.1 would be updated to reflect the inclusion of TCA and CTC in the national phase-out plan, and the related funding implications.

96. The representative of the World Bank said that, in order to have a comprehensive terminal phase-out package, the Bank had also requested the inclusion of the MDI component of the plan in the agreement for national CFC phase-out, at an additional cost of US \$57,200.

97. Following a discussion, which included adding funding for inclusion of MDIs in the agreement, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Malaysia and the Executive Committee, contained in Annex X to the present report;
- (b) Approve the inclusion of MDIs in the agreement for national CFC phase-out, at an additional cost of US \$57,200, plus agency support costs;
- (c) 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.

Thailand: National CFC phase-out plan (World Bank)  
(UNEP/OzL.Pro/ExCom/35/53 and Add.1)

98. The Chair drew attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/53 and Add.1, regarding a national CFC phase-out plan for Thailand and a draft performance-based agreement to be entered into between the Government of Thailand and the Executive Committee. He pointed out that agreement had also been reached to include in the overall plan the phase-out of the remaining consumption of the solvents TCA and CTC, which were not originally included. That extended the plan to a complete phase-out of

both CFCs and the other ODS used in the solvent sector. The Secretariat and the World Bank had also agreed on a draft agreement for the national CFC phase-out plan for Thailand.

99. Following a discussion, which included adding funding for inclusion of MDIs in the agreement, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Thailand and the Executive Committee, contained in Annex XI to the present report;
- (b) Approve the inclusion of MDIs in the agreement for national CFC phase-out, at an additional cost of US \$57,200, plus agency support costs;
- (c) 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.

Turkey: Refrigeration ODS phase-out sector plan (World Bank)  
(UNEP/OzL.Pro/ExCom/35/54 and Add.1)

100. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/35/54 and Add.1, regarding the phase out of ODSs in the refrigeration sector in Turkey. He pointed out that the documentation provided had stemmed from a decision taken at the 34<sup>th</sup> Meeting of the Executive Committee to approve in principle around US \$9 million for the implementation of the sector plan. That decision had been taken on the understanding that the Secretariat, the World Bank and interested Committee members would continue discussions to finalize project implementation details and a draft performance agreement and would submit those to the Executive Committee at its 35<sup>th</sup> Meeting. He pointed out that the content of the draft Agreement with regard to conditions for approval of funding, monitoring and reporting of performance, evaluation and other administrative matters had been agreed upon. The main remaining issue concerned the apparent inconsistency between the consumption indicated for phase-out in the sector plan and for other projects in Turkey, and the consumption reported to the Secretariat by the Government of Turkey, in particular for the year 2000. The sector plan currently indicated that some of the funding may be provided retroactively to enterprises that had already phased out in anticipation of approval of the sector plan, which assisted in clarifying the discrepancies.

101. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Turkey and the Executive Committee, contained in Annex XII to the present report.

**AGENDA ITEM 9: POLICY PAPER**

**(a) Funding of technology that is not in the public domain**

102. The Chief Officer reported that the Secretariat's discussions with the World Intellectual Property Organization (WIPO) and with an international patent law firm had not, so far, produced the desired document and the Secretariat would pursue the matter further with them, and indicated its intention to approach an academic institution, where necessary.

103. The Sub-Committee recommended that the Executive Committee take note of the information provided by the Secretariat.

**AGENDA ITEM 10: OTHER MATTERS**

104. No other matters were raised for consideration.

**AGENDA ITEM 11: ADOPTION OF THE REPORT**

105. The present report was adopted on 4 December 2001, on the basis of the draft report circulated as document UNEP/OzL.Pro/ExCom/SCPR/24/L.1.

**AGENDA ITEM 12: CLOSURE OF THE MEETING**

106. After the customary exchange of courtesies, the Chair declared the meeting closed at 6:15 p.m. on 4 December 2001.

# List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/35/19  
Annex I Page 1

Project Title	Agency	ODP (tonnes)	Funds Approved Project	(US\$) Support	C.E. Total (US\$/kg)
<b>ALBANIA</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Establishment of the Ozone Unit <i>Approved for one year in order to review the ODS consumption data for the completion of the country programme and RMP project.</i>	UNEP		\$42,000	\$5,460	\$47,460
<b>Total for Albania</b>			<b>\$42,000</b>	<b>\$5,460</b>	<b>\$47,460</b>
<b>ALGERIA</b>					
<b>HALON</b>					
<b>Banking</b>					
Sectoral phase out programme: establishment of a halon bank <i>Approved on the understanding that the importation of halon into Algeria would cease starting January 2004</i>	Germany	195.0	\$259,500	\$33,735	\$293,235 1.30
<b>Total for Algeria</b>			<b>195.0</b>	<b>\$259,500</b>	<b>\$33,735</b>
<b>BAHAMAS</b>					
<b>PHASEOUT PLAN</b>					
<b>CFC phase out plan</b>					
Terminal phaseout management plan <i>To be implemented in accordance with the conditions for the terminal CFC phase out management plan agreed between the Government of the Bahamas and the Executive Committee</i>	IBRD	68.0	\$560,000	\$72,800	\$632,800 8.23
<b>Total for Bahamas</b>			<b>68.0</b>	<b>\$560,000</b>	<b>\$72,800</b>
<b>BANGLADESH</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Renewal of the institutional strengthening project (phase III) <i>Approved on the understanding that no funding would be disbursed until confirmation had been received from UNDP that the project to phase out CFCs in the aerosol sector had been completed and CFCs were no longer being used by the enterprise.</i>	UNDP		\$100,000	\$13,000	\$113,000
<b>Total for Bangladesh</b>			<b>\$100,000</b>	<b>\$13,000</b>	<b>\$113,000</b>
<b>BOLIVIA</b>					
<b>FOAM</b>					
<b>Multiple-subsectors</b>					
Foam sector ODS phaseout <i>Approved on the understanding that the Government will not submit any further requests for assistance in the foam sector and that the Government will have the flexibility in disbursing the approved funds provided that all the project objectives are met.</i>	UNDP	4.9	\$161,211	\$20,957	\$182,168 20.55
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
Terminal methyl bromide phase-out, excluding QPS applications <i>Approved taking into account the country's possible non-compliance with the 2002 freeze, and the fact that the project is similar to demonstration projects approved by the Executive Committee in this sector. The project is to be implemented in accordance with the conditions for the phase-out of methyl bromide in Bolivia agreed between the Government of Bolivia and the Executive Committee (Note: the cost effectiveness of project excluding the demonstration component, is US \$33.6/kg)</i>	UNDP	1.5	\$221,032	\$28,734	\$249,766 145.41
<b>Total for Bolivia</b>			<b>6.4</b>	<b>\$382,243</b>	<b>\$49,692</b>

# List of projects and activities recommended for blanket approval

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Annex I Page 2

Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
<b>BOSNIA AND HERZEGOVINA</b>					
<b>FOAM</b>					
<b>Flexible slabstock</b>					
Conversion from CFC-11 to methylene chloride in the production of flexible slabstock foam at Inga Co.	UNIDO	21.0	\$101,950	\$13,254	\$115,204 5.50
<b>REFRIGERATION</b>					
<b>Domestic</b>					
Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with cyclopentane in the manufacture of commercial refrigeration equipment at Bira, Bihac	UNIDO	29.0	\$536,956	\$69,065	\$606,021 12.05
<b>Commercial</b>					
Replacement of refrigerants CFC-12 and R-502 with HFC-134a and R-404A, and foam blowing agent CFC-11 with HCFC-141b in the manufacture of commercial refrigeration equipment and cold refrigeration chambers at Soko	UNIDO	17.4	\$159,707	\$20,762	\$180,469 9.18
<b>Total for Bosnia and Herzegovina</b>		<b>67.4</b>	<b>\$798,613</b>	<b>\$103,081</b>	<b>\$901,694</b>
<b>BRAZIL</b>					
<b>REFRIGERATION</b>					
<b>Commercial</b>					
Umbrella project for two enterprises converting from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a at Argi and Hornburg	UNIDO	11.2	\$108,050	\$14,047	\$122,097 9.64
<b>Total for Brazil</b>		<b>11.2</b>	<b>\$108,050</b>	<b>\$14,047</b>	<b>\$122,097</b>
<b>BURUNDI</b>					
<b>AEROSOL</b>					
<b>Filling plant</b>					
Phase-out of CFC-11 and CFC-12 mixture in the manufacture of insecticides by conversion to hydrocarbon propellant at Fadi, S.A. (Fabrication d'insecticide et de product chimique)	UNDP	8.8	\$128,900	\$16,757	\$145,657
<b>FOAM</b>					
<b>Flexible slabstock</b>					
Phasing out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at Exim,	UNDP	26.3	\$78,262	\$10,174	\$88,436 2.98
<b>Total for Burundi</b>		<b>35.0</b>	<b>\$207,162</b>	<b>\$26,931</b>	<b>\$234,093</b>
<b>CAMBODIA</b>					
<b>SEVERAL</b>					
<b>Technical assistance/support</b>					
Formulation of national phase out strategy	UNEP		\$60,000	\$7,800	\$67,800
<b>Total for Cambodia</b>			<b>\$60,000</b>	<b>\$7,800</b>	<b>\$67,800</b>
<b>CAPE VERDE</b>					
<b>SEVERAL</b>					
<b>Technical assistance/support</b>					
Formulation of national phase out strategy	UNEP		\$40,000	\$5,200	\$45,200
<b>Total for Cape Verde</b>			<b>\$40,000</b>	<b>\$5,200</b>	<b>\$45,200</b>
<b>CHILE</b>					
<b>REFRIGERATION</b>					
<b>Refrigerant management plan</b>					
Implementation of the RMP: training programme for technicians and establishment of refrigeration standards	Canada		\$260,000	\$33,800	\$293,800

# List of projects and activities recommended for blanket approval

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Annex I Page 3

Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Implementation of the RMP: monitoring, evaluation and reporting of the activities in the RMP	UNEP		\$52,000	\$6,760	\$58,760
Implementation of the RMP: enabling a control and regulatory network	UNEP		\$111,400	\$14,482	\$125,882
Implementation of the RMP: end-users and public awareness programme	UNEP		\$172,000	\$22,360	\$194,360
Implementation of the RMP: recovery and recycling programme	Canada	40.0	\$531,620	\$53,162	\$584,782
<i>Approved on the understanding that the project will not commence until the legislation controlling CFCs import will be in place and the price of CFCs increase to a level equivalent to the local market price of non-ODS refrigerants.</i>					
<b>STERILANTS</b>					
<b>Ethylene oxide</b>					
Terminal conversion of ethylene oxide/CFC-12 mixtures to alternative non-ozone depleting technologies in 26 hospitals	UNDP	19.8	\$412,741	\$53,656	\$466,397 20.88
<b>Total for Chile</b>		<b>59.8</b>	<b>\$1,539,761</b>	<b>\$184,220</b>	<b>\$1,723,981</b>
<b>CHINA</b>					
<b>FOAM</b>					
<b>Polystyrene/polyethylene</b>					
Phase out of CFC-12 in the manufacturing of extruded polystyrene foams through the use of butane as a blowing agent at 7 enterprises (terminal umbrella project)	UNIDO	359.0	\$2,450,123	\$279,514	\$2,729,637 6.82
<b>Multiple-subsectors</b>					
CFC phase out in the polyurethane foam sector - 2002 annual programme	IBRD	2,000.0	\$9,940,000	\$886,600	\$10,826,600 4.97
<b>FUMIGANT</b>					
<b>Technical assistance/support</b>					
Awareness raising workshop to support ratification of the Copenhagen Amendment	UNEP		\$100,000	\$13,000	\$113,000
<i>Approved subject to receipt by the Fund Secretariat of a letter from the Government of China indicating its intention to complete the ratification of the Copenhagen amendment within the following 12 months.</i>					
Techno-economic evaluation of methyl bromide alternatives	UNEP		\$80,000	\$10,400	\$90,400
<i>Approved subject to receipt by the Fund Secretariat of a letter from the Government of China indicating its intention to complete the ratification of the Copenhagen amendment within the following 12 months.</i>					
<b>HALON</b>					
<b>General</b>					
Halon sector: 2002 annual programme (fifth tranche)	IBRD	16,131.0	\$3,700,000	\$370,000	\$4,070,000
<b>REFRIGERATION</b>					
<b>Domestic</b>					
Conversion of the use of CFC-12 to HC in the manufacture of thermostats at Foshan Tongbao Co., Ltd.		11.5	\$213,271	\$27,725	\$240,996 18.58
<b>Total for China</b>		<b>18,501.5</b>	<b>\$16,483,394</b>	<b>\$1,587,239</b>	<b>\$18,070,633</b>

# List of projects and activities recommended for blanket approval

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Annex I Page 4

Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E.	
			Project	Support	Total (US\$/kg)	
<b>COLOMBIA</b>						
<b>REFRIGERATION</b>						
<b>Training programme/workshop</b>						
Training programme for customs officers <i>Approved on the understanding that no additional funding will be requested for customs training in Colombia.</i>	Canada		\$106,150	\$13,799	\$119,949	
<b>Total for Colombia</b>			<b>\$106,150</b>	<b>\$13,799</b>	<b>\$119,949</b>	
<b>COMOROS</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: monitoring of RMP implementation and its impact in the service and end-users sectors	UNEP		\$18,000	\$2,340	\$20,340	
Implementation of the RMP: training of customs officers in identification and control of ODS imports	UNEP		\$39,000	\$5,070	\$44,070	
Implementation of the RMP: assessment of the end-users subsector	UNEP		\$30,000	\$3,900	\$33,900	
Implementation of the RMP: train the trainer and training of refrigeration service technicians	UNEP		\$51,000	\$6,630	\$57,630	
<b>Total for Comoros</b>			<b>\$138,000</b>	<b>\$17,940</b>	<b>\$155,940</b>	
<b>CONGO, DR</b>						
<b>FOAM</b>						
<b>Flexible slabstock</b>						
Phasing out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at	UNDP	38.0	\$190,820	\$24,807	\$215,627	5.02
Phasing out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at M.K. SPRL	UNDP	26.0	\$149,800	\$19,474	\$169,274	5.76
<b>Total for Congo, DR</b>			<b>64.0</b>	<b>\$340,620</b>	<b>\$44,281</b>	<b>\$384,901</b>
<b>COSTA RICA</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Total methyl bromide phase-out used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications (first tranche) <i>The Executive Committee agrees to approve, in principle, US \$4,845,283 as the total funds that will be available to achieve the phase-out of methyl bromide used for all purposes in Costa Rica, excluding quarantine and pre-shipment applications (for a total phase out of 426.9 ODP tonnes with a at a cost effectiveness of US \$11.35/kg), subject to the conditions agreed between the Government of Costa Rica and the Executive Committee.</i>	UNDP	84.4	\$1,211,321	\$143,245	\$1,354,566	14.35
<b>Total for Costa Rica</b>			<b>84.4</b>	<b>\$1,319,408</b>	<b>\$157,297</b>	<b>\$1,476,705</b>

# List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
<b>CROATIA</b>					
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
Phase-out of methyl bromide in tobacco seedlings <i>Approved on an exceptional basis, given the unfavourable cost-effectiveness of about US \$30 per kg; the Government of Croatia called upon to undertake the utmost efforts to ensure cost-effectiveness and savings in the implementation of the project and full compliance with the phase-out schedule. The project is to be implemented in accordance with the conditions for the phase-out of methyl bromide agreed between the Government of Croatia and the Executive Committee.</i>	UNIDO	16.2	\$476,833	\$61,988	\$538,821 29.43
<b>Total for Croatia</b>		<b>16.2</b>	<b>\$476,833</b>	<b>\$61,988</b>	<b>\$538,821</b>
<b>GEORGIA</b>					
<b>REFRIGERATION</b>					
<b>Refrigerant management plan</b>					
Implementation of the RMP: monitoring the activities in the RMP	UNDP		\$16,350	\$2,126	\$18,476
Implementation of the RMP: training programme in the refrigeration sector (phase III)	UNEP		\$20,000	\$2,600	\$22,600
Implementation of the RMP: incentive programme for the end-users in the commercial/industrial refrigeration and refrigerated transport sub-sectors	UNDP	1.5	\$101,000	\$13,130	\$114,130 20.20
<b>Total for Georgia</b>		<b>1.5</b>	<b>\$137,350</b>	<b>\$17,856</b>	<b>\$155,206</b>
<b>GUATEMALA</b>					
<b>REFRIGERATION</b>					
<b>Refrigerant management plan</b>					
Implementation of the RMP: establishment and enforcement of legislation	UNEP		\$62,000	\$8,060	\$70,060
<b>Training programme/workshop</b>					
Implementation of the RMP: customs training programme	UNEP		\$56,000	\$7,280	\$63,280
<b>Technical assistance/support</b>					
Implementation of the RMP: alternatives to the use of CFC-12	UNEP		\$58,000	\$7,540	\$65,540
Implementation of the RMP: monitoring the activities in the RMP	UNEP		\$31,800	\$4,134	\$35,934
Implementation of the RMP: establishment of licensing	UNEP		\$23,200	\$3,016	\$26,216
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Rnewal of the institutional strengthening project	UNEP		\$96,000	\$12,480	\$108,480
<b>Total for Guatemala</b>			<b>\$327,000</b>	<b>\$42,510</b>	<b>\$369,510</b>
<b>GUYANA</b>					
<b>REFRIGERATION</b>					
<b>Refrigerant management plan</b>					
Implementation of the RMP: assistance for implementation of additional activities in the RMP	UNEP		\$65,500	\$8,515	\$74,015
<b>Total for Guyana</b>			<b>\$65,500</b>	<b>\$8,515</b>	<b>\$74,015</b>

# List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved Project	(US\$) Support	C.E. Total (US\$/kg)
<b>INDIA</b>					
<b>PROCESS AGENT</b>					
<b>Process conversion</b>					
Conversion of carbon tetrachloride as process agent to cyclohexane at Amoli Organics Limited, Mumbai	UNIDO	38.5	\$385,367	\$50,098	\$435,465 10.01
<i>Approved on the basis of: (i) the expectation that, following the approval of funds for sector plans for the process agent sector in India, future proposals would be submitted in the context of a sector plan, and; (ii) the need for full data to be provided on the relevant sub-sector, including the remaining consumption to be phased out in the sub-sector, with a view to considering the scope for industrial consolidation.</i>					
<b>REFRIGERATION</b>					
<b>Commercial</b>					
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Ice-Make Refrigeration	UNDP	12.4	\$157,305	\$20,450	\$177,755 12.72
Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at nine enterprises	UNDP	56.5	\$726,448	\$89,909	\$816,357 12.85
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Konark Refrigeration Appliances P., Ltd.	UNDP	13.1	\$182,684	\$23,749	\$206,433 13.98
Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at fourteen enterprises	UNDP	68.0	\$960,097	\$115,611	\$1,075,708 15.21
<b>SOLVENT</b>					
<b>Training programme/workshop</b>					
Overall strategy for the solvent sector to support the phaseout of ODS in SMEs	UNEP		\$169,000	\$21,970	\$190,970
<i>Approved on the understanding that UNEP would liaise closely with UNIDO and the World Bank in relation to the investment projects included in the strategy.</i>					
<b>Total for India</b>		<b>188.5</b>	<b>\$2,580,901</b>	<b>\$321,786</b>	<b>\$2,902,687</b>
<b>INDONESIA</b>					
<b>FOAM</b>					
<b>Rigid</b>					
Phase out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (cooler box products) at Dua Roda Industrial Co.	IBRD	11.2	\$52,457	\$6,819	\$59,276 4.68
Phase out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (house ware products) at PT Maspion Plastic and Metal Industry	IBRD	18.1	\$141,723	\$18,424	\$160,147 7.83
Phase out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (steel door) at PT Bostinco	IBRD	11.3	\$88,479	\$11,502	\$99,981 8.53
<b>Integral skin</b>					
Phase out of CFC-11 by conversion to 100% water based technology in the manufacture of polyurethane integral skin shoe soles at PT Udapana Swasti	IBRD	28.0	\$165,201	\$21,476	\$186,677 5.90
Conversion from CFC-11 to fully water-based technology in the manufacture of flexible molded polyurethane foam at PT Kemenangan	UNDP	13.1	\$104,817	\$13,626	\$118,443 8.02

# List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved Project	(US\$) Support	C.E. Total (US\$/kg)
<b>REFRIGERATION</b>					
<b>Commercial</b>					
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid foam at PT Leindo Kreasi	UNDP	15.7	\$119,394	\$15,521	\$134,915 7.59
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid foam at PT Nikoteknik	UNDP	27.9	\$238,903	\$31,057	\$269,960 8.56
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at PT Sapporo Mestika	UNDP	11.2	\$153,768	\$19,990	\$173,758 13.76
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at PT Alfa Metalindo	UNDP	9.7	\$146,960	\$19,105	\$166,065 15.21
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at PT Gastro Gizi Sarana	UNDP	15.5	\$221,049	\$28,736	\$249,785 15.21
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at PT Hatindo Metal Utama	UNDP	9.6	\$145,894	\$18,966	\$164,860 15.21
	<b>Total for Indonesia</b>	<b>171.2</b>	<b>\$1,578,645</b>	<b>\$205,224</b>	<b>\$1,783,869</b>
<b>IRAN</b>					
<b>FOAM</b>					
<b>Flexible slabstock</b>					
Conversion of the use of CFC to LCD in the manufacture of flexible foam at Esfanj Jajerood foam company <i>Approved on the understanding that the US \$50,000 licencing fee for the LCD technology will not be committed for expenditure until the Executive Committee has considered a report on revision of the guidelines for LCD technology.</i>	Germany	89.0	\$499,299	\$64,909	\$564,208 5.63
Phasing out of ODS in the manufacture of flexible slab stock foam through the use of LCD blowing technology at Abre Shomal, Co. <i>Approved on the understanding that the US \$50,000 licencing fee for the LCD technology will not be committed for expenditure until the Executive Committee has considered a report on revision of the guidelines for LCD technology.</i>	UNIDO	90.4	\$552,148	\$70,736	\$622,884 6.10
<b>Integral skin</b>					
Conversion from CFC-11 to water-blown technology in the manufacture of flexible molded polyurethane foam at Sandalisazi Esfanje Ghalebi Iran	UNDP	22.4	\$188,820	\$24,547	\$213,367 8.43
<b>Preparation of project proposal</b>					
Project preparation for the phase out of ODS use in the flexible foam sub-sector in 5 companies	Germany		\$23,750	\$3,088	\$26,838
<b>REFRIGERATION</b>					
<b>Domestic</b>					
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic refrigeration equipment at Ariz Pooyaye Sanat (Ariz Co.)	UNIDO	7.6	\$86,365	\$11,227	\$97,592 11.40

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic refrigerators at Parto Shiva Sanaat	UNDP	23.9	\$283,948	\$36,913	\$320,861 11.90
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic refrigeration equipment at Yaghoubali Bazdid Vahdat (Isun	UNIDO	10.5	\$131,605	\$17,109	\$148,714 12.56
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic refrigerators at Garm Iran Co.	UNDP	11.8	\$153,447	\$19,948	\$173,395 13.00
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic refrigeration equipment at Borna Sanat Arak	UNIDO	8.0	\$108,238	\$14,071	\$122,309 13.52
<b>Commercial</b>					
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid foam at Tehran Sardaszi Industrial Co.	UNDP	15.5	\$125,244	\$16,282	\$141,526 8.08
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid foam at Mehran Sard, Co.	UNDP	17.7	\$144,715	\$18,813	\$163,528 8.20
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Havasaz Manufacturing and Industrial Co.	UNDP	24.5	\$252,294	\$32,798	\$285,092 10.30
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarma Gostar Co.	UNIDO	9.3	\$100,384	\$13,050	\$113,434 10.80
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sanaye Boroudati Maleki	UNDP	17.9	\$215,052	\$27,957	\$243,009 12.03
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarma Fan, Co.	UNDP	20.8	\$267,075	\$34,720	\$301,795 12.82
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sardintous Co.	UNIDO	10.3	\$145,879	\$18,964	\$164,843 14.19
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Abbaspour Company	UNIDO	9.7	\$144,206	\$18,747	\$162,953 14.83
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sard Va Garm	UNIDO	8.4	\$125,350	\$16,296	\$141,646 14.95
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Darvish Mohamad Nazari company (Jahan Nama)	UNIDO	9.3	\$139,970	\$18,196	\$158,166 15.08
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at the Sherkate Taavoni 435 (Khorsandi Co.)	UNIDO	5.4	\$82,107	\$10,674	\$92,781 15.18

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Alireza Abdolrezazadeh Co.	UNDP	7.7	\$116,646	\$15,164	\$131,810 15.21
<b>Domestic/commercial</b>					
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Ghotb Jonoub Industrial Group	UNDP	14.6	\$170,125	\$22,116	\$192,241 11.68
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Alborz Neishabour	UNIDO	16.0	\$189,669	\$24,657	\$214,326 11.88
Conversion from CFC-11 to HCF-141b and CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Bouran Saz Karaj (Kohsar Co.)	UNIDO	9.6	\$120,526	\$15,668	\$136,194 12.52
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Moradi company	UNIDO	6.4	\$82,400	\$10,712	\$93,112 12.91
Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Sain Electric Co.	UNDP	11.2	\$152,024	\$19,763	\$171,787 13.60
	<b>Total for Iran</b>	<b>477.6</b>	<b>\$4,601,286</b>	<b>\$597,124</b>	<b>\$5,198,410</b>
<b>JAMAICA</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Renewal of the institutional strengthening project	UNEP		\$44,000	\$5,720	\$49,720
	<b>Total for Jamaica</b>		<b>\$44,000</b>	<b>\$5,720</b>	<b>\$49,720</b>
<b>KENYA</b>					
<b>SOLVENT</b>					
<b>Preparation of project proposal</b>					
Project preparation for the solvent sector	Germany		\$15,000	\$1,950	\$16,950
	<b>Total for Kenya</b>		<b>\$15,000</b>	<b>\$1,950</b>	<b>\$16,950</b>
<b>KOREA, DPR</b>					
<b>REFRIGERATION</b>					
<b>Preparation of project proposal</b>					
Development of a refrigerant management plan	UNEP		\$60,000	\$7,800	\$67,800
	<b>Total for Korea, DPR</b>		<b>\$60,000</b>	<b>\$7,800</b>	<b>\$67,800</b>
<b>LIBYA</b>					
<b>FOAM</b>					
<b>Flexible slabstock</b>					
Phase out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Tasharoukiate El Hani	UNDP	28.0	\$112,440	\$14,617	\$127,057 4.02

## List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Phase out of CFC-11 by conversion to liquid carbon dioxide (LCD) in the manufacture of flexible polyurethane foam at El Houria Unit Plant <i>Approved on the understanding that the US \$50,000 licencing fee for the LCD technology will not be committed for expenditure until the Executive Committee has considered a report on revision of the guidelines for LCD technology.</i>	UNDP	96.0	\$520,405	\$67,245	\$587,650 5.42
Phase out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Tasharoukiate Ali Sannoga	UNDP	23.0	\$125,640	\$16,333	\$141,973 5.46
<b>Total for Libya</b>		<b>147.0</b>	<b>\$758,485</b>	<b>\$98,195</b>	<b>\$856,680</b>
<b>MACEDONIA</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Renewal of the institutional strengthening project (phase III)	UNIDO		\$101,950	\$13,254	\$115,204
<b>Total for Macedonia</b>			<b>\$101,950</b>	<b>\$13,254</b>	<b>\$115,204</b>
<b>MALAYSIA</b>					
<b>PHASEOUT PLAN</b>					
<b>CFC phase out plan</b>					
National CFC phaseout plan <i>Approved in accordance with the agreement between the Government of Malaysia and the Executive Committee.</i>	IBRD		\$1,799,940	\$140,395	\$1,940,335
<b>Total for Malaysia</b>			<b>\$1,799,940</b>	<b>\$140,395</b>	<b>\$1,940,335</b>
<b>MALI</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Renewal of the institutional strengthening project	UNEP		\$46,667	\$6,067	\$52,734
<b>Total for Mali</b>			<b>\$46,667</b>	<b>\$6,067</b>	<b>\$52,734</b>

# List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)	
			Project	Support		
<b>MEXICO</b>						
<b>FOAM</b>						
<b>Multiple-subsectors</b>						
Foam sector ODS phaseout plan (first trnache)	UNDP	145.0	\$833,150	\$101,647	\$934,797	5.74
<p><i>The Executive Committee (a) noted 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 the audits indicated below) from Mexico's 2000 national aggregate CFC consumption of 3,059.5 ODP tonnes;</i></p> <p><i>(b) approved in principle the Foam Sector Phase-out Plan and allocated 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, for submission to the Executive Committee not later than its 38th Meeting; and request UNDP to 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; and (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 has been taken 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.</i></p> <p><i>(c) requested UNDP to report on the status of implementation of this initial phase of the plan at its 38th Meeting.</i></p>						
<b>HALON</b>						
<b>Banking</b>						
National halon management and banking programme	UNDP	230.0	\$500,000	\$65,000	\$565,000	
<p><i>Approved with the understanding that this will be the final halon project for Mexico and that the consumption in Mexico will cease in January 2005.</i></p>						
<b>Total for Mexico</b>		<b>375.0</b>	<b>\$1,333,150</b>	<b>\$166,647</b>	<b>\$1,499,797</b>	
<b>MONGOLIA</b>						
<b>REFRIGERATION</b>						
<b>Recovery/recycling</b>						
Implementation of the RMP: recovery and recycling of CFC-12 refrigerant	UNDP	5.6	\$108,600	\$14,118	\$122,718	19.36
<b>Total for Mongolia</b>		<b>5.6</b>	<b>\$108,600</b>	<b>\$14,118</b>	<b>\$122,718</b>	
<b>MOROCCO</b>						
<b>REFRIGERATION</b>						
<b>Commercial</b>						
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Climatisation et Froid Loudaya (CFL)	UNIDO	15.0	\$177,312	\$23,051	\$200,363	11.80

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Etablissement Lahdar	UNIDO	7.4	\$101,451	\$13,189	\$114,640 13.76
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at First Clim Co.	UNIDO	9.0	\$135,258	\$17,584	\$152,842 15.09
<b>Total for Morocco</b>		<b>31.4</b>	<b>\$414,021</b>	<b>\$53,823</b>	<b>\$467,844</b>
<b>NIGERIA</b>					
<b>FOAM</b>					
<b>Flexible slabstock</b>					
Phasing out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at Bamako Industrial, Ltd.	UNDP	24.0	\$114,510	\$14,886	\$129,396 4.77
Conversion from CFC-11 to methylene chloride (MC) technology in the manufacture of flexible polyurethane at ten box-foam enterprises in Lagos area	UNDP	199.2	\$1,062,808	\$126,909	\$1,189,717 5.33
<b>Rigid</b>					
Phasing out of CFC-11 in the manufacture of rigid polyurethane foam by conversion to a combination of water+HCFC-141b based systems at Agric Services (Nig.), Ltd.	UNDP	43.7	\$239,160	\$31,091	\$270,251 5.47
<b>REFRIGERATION</b>					
<b>Domestic/commercial</b>					
Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with HCFC-141b in the manufacture of commercial refrigeration equipment at Polade	UNIDO	8.3	\$70,382	\$9,150	\$79,532 8.51
Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with HCFC-141b in the manufacture of domestic and commercial refrigeration equipment at Ristian	UNIDO	11.0	\$143,729	\$18,685	\$162,414 13.10
<b>Total for Nigeria</b>		<b>286.1</b>	<b>\$1,630,589</b>	<b>\$200,720</b>	<b>\$1,831,309</b>
<b>PAKISTAN</b>					
<b>PROCESS AGENT</b>					
<b>Process conversion</b>					
Conversion of carbon tetrachloride as process solvent to 1,2-dichloroethane at Himont Chemicals Ltd.	UNIDO	80.0	\$485,701	\$63,141	\$548,842 6.07
<i>Took note of the need for full data to be provided on the relevant sub-sector, including the remaining consumption to be phased out in the sub-sector, with a view to considering the scope for industrial consolidation.</i>					
<b>REFRIGERATION</b>					
<b>Domestic</b>					
Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with HCFC-141b in the production of domestic refrigerators at Ideal Appliances, Ltd.	UNIDO	12.9	\$173,101	\$22,503	\$195,604 13.73
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Renewal of the institutional strengthening project (phase II)	UNDP		\$172,666	\$22,447	\$195,113
<b>Total for Pakistan</b>		<b>92.9</b>	<b>\$831,468</b>	<b>\$108,091</b>	<b>\$939,559</b>

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Project Title	Agency	ODP (tonnes)	Funds Approved Project	(US\$) Support	C.E. Total (US\$/kg)
<b>PERU</b>					
<b>FOAM</b>					
<b>Multiple-subsectors</b>					
Foam sector ODS phaseout plan <i>Approved on the understanding that the Government will not submit any further requests for assistance in the foam sector and that the Government will have the flexibility in disbursing the approved funds provided that all the project objectives are met.</i>	UNDP	33.8	\$325,277	\$42,286	\$367,563 8.37
<b>Total for Peru</b>		<b>33.8</b>	<b>\$325,277</b>	<b>\$42,286</b>	<b>\$367,563</b>
<b>PHILIPPINES</b>					
<b>MULTI-SECTOR</b>					
<b>Preparation of project proposal</b>					
Preparation of a national CFC phaseout plan <i>Approved on the understanding that: (i) the World Bank will co-ordinate closely with the Government of Sweden and UNEP to ensure that no overlapping will occur between the phase-out plan, and the bilateral project in the refrigeration servicing sector and the customs training programme; (ii) no additional funding will be made available to Philippines for project preparation and/or country programme update; and (iii) if the World Bank, in developing the national phase-out plan, determined, however, that the level of funding initially approved would be inadequate to complete the implementation of the project, and could provide appropriate justification for the need for further funding, the Executive Committee would be willing to give due consideration to such a request for additional funding.</i>	IBRD		\$70,000	\$9,100	\$79,100
<b>REFRIGERATION</b>					
<b>Training programme/workshop</b>					
Training programme for customs officials and other key stakeholders <i>Approved on the understanding that no additional funding will be requested for customs training in the Philippines.</i>	UNEP		\$170,250	\$22,133	\$192,383
<b>Total for Philippines</b>			<b>\$240,250</b>	<b>\$31,233</b>	<b>\$271,483</b>
<b>RWANDA</b>					
<b>SEVERAL</b>					
<b>Technical assistance/support</b>					
Formulation of national phase out strategy <i>Approved on an approved on an exceptional basis only because of the special situation of Rwanda as a new Party, and to avoid delay in the provision of Fund assistance to help the country meet its obligations under the Montreal Protocol.</i>	UNEP		\$50,000	\$6,500	\$56,500
<b>Total for Rwanda</b>			<b>\$50,000</b>	<b>\$6,500</b>	<b>\$56,500</b>
<b>SAINT LUCIA</b>					
<b>REFRIGERATION</b>					
<b>Preparation of project proposal</b>					
Preparation of update of refrigerant management plan	Canada		\$7,500	\$975	\$8,475
<b>Total for Saint Lucia</b>			<b>\$7,500</b>	<b>\$975</b>	<b>\$8,475</b>
<b>SIERRA LEONE</b>					
<b>SEVERAL</b>					
<b>Technical assistance/support</b>					
Formulation of national phase out strategy	UNEP		\$40,000	\$5,200	\$45,200
<b>Total for Sierra Leone</b>			<b>\$40,000</b>	<b>\$5,200</b>	<b>\$45,200</b>

# List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved Project	(US\$) Support	C.E. Total (US\$/kg)
<b>SOMALIA</b>					
<b>SEVERAL</b>					
<b>Technical assistance/support</b>					
Formulation of national phase out strategy	UNEP		\$60,000	\$7,800	\$67,800
<b>Total for Somalia</b>			<b>\$60,000</b>	<b>\$7,800</b>	<b>\$67,800</b>
<b>SYRIA</b>					
<b>REFRIGERATION</b>					
<b>Commercial</b>					
Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Al-Saad Refrigeration	UNDP	20.1	\$166,323	\$21,622	\$187,945 8.28
<b>Total for Syria</b>			<b>\$166,323</b>	<b>\$21,622</b>	<b>\$187,945</b>
<b>THAILAND</b>					
<b>PHASEOUT PLAN</b>					
<b>CFC phase out plan</b>					
National CFC phaseout plan <i>Approved in accordance with the agreement between the Government of Thailand and the Executive Committee.</i>	IBRD		\$540,000	\$27,000	\$567,000
<b>Total for Thailand</b>			<b>\$540,000</b>	<b>\$27,000</b>	<b>\$567,000</b>
<b>TOGO</b>					
<b>REFRIGERATION</b>					
<b>Preparation of project proposal</b>					
Development of a refrigerant management plan	UNEP		\$60,000	\$7,800	\$67,800
<b>Total for Togo</b>			<b>\$60,000</b>	<b>\$7,800</b>	<b>\$67,800</b>
<b>TURKEY</b>					
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (first tranche) <i>The Executive Committee approved in principle US \$3,408,844 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 (for a total phase out of 292.2 ODP tonnes with a cost effectiveness of US \$11.67/kg), subject to the conditions agreed between the Government of Turkey and the Executive Committee.</i>	UNIDO	29.2	\$1,000,000	\$120,000	\$1,120,000 34.24
<b>SOLVENT</b>					
<b>Multiple solvents</b>					
Umbrella project for the phase-out of MCF used as solvent by water cleaning at 21 enterprises	IBRD	15.4	\$518,693	\$67,056	\$585,749 33.75
<b>PHASEOUT PLAN</b>					
<b>CFC phase out plan</b>					
Total phase out of CFCs plan: implementation of the 2001 and 2002 plan <i>Approved in accordance with the agreement between the Government of Turkey and the Executive Committee.</i>	IBRD	97.0	\$3,500,000	\$295,000	\$3,795,000 36.00
<b>Total for Turkey</b>			<b>\$5,018,693</b>	<b>\$482,056</b>	<b>\$5,500,749</b>

# List of projects and activities recommended for blanket approval

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Project Title	Agency	ODP (tonnes)	Funds Approved (US\$)		C.E. Total (US\$/kg)
			Project	Support	
<b>YEMEN</b>					
<b>REFRIGERATION</b>					
<b>Commercial</b>					
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Nagman Co.	UNIDO	7.3	\$105,641	\$13,733	\$119,374 14.58
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Styrco	UNIDO	6.1	\$90,231	\$11,730	\$101,961 14.85
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Renewal of the institutional strengthening project	UNEP		\$118,000	\$15,340	\$133,340
<b>Total for Yemen</b>		<b>13.3</b>	<b>\$313,872</b>	<b>\$40,803</b>	<b>\$354,675</b>
<b>YUGOSLAVIA</b>					
<b>FOAM</b>					
<b>Flexible slabstock</b>					
Conversion from CFC-11 to methylene chloride in the production of flexible slabstock foam at Prva Iskra-Poliuretani	UNIDO	34.4	\$100,240	\$13,031	\$113,271 3.30
<b>Rigid</b>					
Phase-out of CFC-11 by conversion to n-pentane technology in the production of continuous rigid polyurethane foam insulating panels at Prva Iskra-Fim, Co.	UNIDO	75.0	\$475,728	\$61,845	\$537,573 6.34
<b>HALON</b>					
<b>Banking</b>					
Halon bank management programme	UNIDO	370.0	\$249,700	\$32,461	\$282,161 0.67
<b>Total for Yugoslavia</b>		<b>479.4</b>	<b>\$825,668</b>	<b>\$107,337</b>	<b>\$933,005</b>
<b>REGION: AFR</b>					
<b>HALON</b>					
<b>Banking</b>					
Establishment of a regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, Tanzania and Zimbabwe)	Germany	27.0	\$350,000	\$45,500	\$395,500 1.30
<i>Approved on the condition that this would be the final project in the halon sector for the participating countries.</i>					
<b>Total for Region: AFR</b>		<b>27.0</b>	<b>\$350,000</b>	<b>\$45,500</b>	<b>\$395,500</b>

# List of projects and activities recommended for blanket approval

Project Title	Agency	ODP (tonnes)	Funds Approved (US\$) Project	Support	C.E. Total (US\$/kg)
<b>GLOBAL</b>					
<b>MULTI-SECTOR</b>					
<b>Technical assistance/support</b>					
2002 work programme: compliance assistance programme <i>Approved with the following conditions: (a) The use of this budget and related CAP employees shall not be used for implementation of projects approved before 2002; (b) UNEP will submit a preliminary report to the 38th Meeting of the Executive Committee on the use of the Programme Support Cost, with a detailed report to be submitted at the 40th Meeting in 2003; (c) UNEP should also report during 2002 on the progress made in the implementation of the CAP programme to the Executive Committee, specifically on the lessons learned during the first steps of CAP implementation; (d) Request that funds approved annually for the CAP but not spent be returned to the Multilateral Fund for re-programming at the second meeting of the Executive Committee in the year following that for which they had been approved; (e) Consideration by the Executive Committee should be given to benefit of developing a unified in future years, and request UNEP to provide a proposal for such a budget at the 38th Meeting of the Executive Committee.</i>	UNEP		\$5,351,450	\$428,116	\$5,779,566
<b>SEVERAL</b>					
<b>Preparation of project proposal</b>					
Project preparation advance (2002)	UNIDO		\$176,250	\$22,913	\$199,163
Project preparation advance (2002)	UNDP		\$200,000	\$26,000	\$226,000
Project preparation advance (2002)	IBRD		\$180,000	\$23,400	\$203,400
	<b>Total for Global</b>		<b>\$5,907,700</b>	<b>\$500,429</b>	<b>\$6,408,129</b>
	<b>GRAND TOTAL</b>	<b>21,601.0</b>	<b>\$53,301,569</b>	<b>\$5,734,842</b>	<b>\$59,036,411</b>

**Summary**

<b>Sector</b>	<b>Tonnes ODP</b>	<b>Funds Approved (US\$)</b>		
		<b>Project</b>	<b>Support</b>	<b>Total</b>
<b>BILATERAL COOPERATION</b>				
Foam	89.0	\$523,049	\$67,997	\$591,046
Halon	222.0	\$609,500	\$79,235	\$688,735
Refrigeration	51.5	\$1,118,541	\$129,461	\$1,248,002
Solvent		\$15,000	\$1,950	\$16,950
<b>TOTAL:</b>	<b>362.5</b>	<b>\$2,266,090</b>	<b>\$278,643</b>	<b>\$2,544,733</b>
<b>INVESTMENT PROJECT</b>				
Aerosol	8.8	\$128,900	\$16,757	\$145,657
Foam	3,371.8	\$18,275,169	\$1,911,799	\$20,186,968
Fumigant	131.3	\$2,909,186	\$353,968	\$3,263,154
Halon	16,731.0	\$4,449,700	\$467,461	\$4,917,161
Process agent	118.5	\$871,068	\$113,239	\$984,307
Refrigeration	677.0	\$8,939,262	\$1,147,634	\$10,086,896
Solvent	15.4	\$518,693	\$67,056	\$585,749
Sterilants	19.8	\$412,741	\$53,656	\$466,397
Phaseout plan	165.0	\$6,399,940	\$535,195	\$6,935,135
<b>TOTAL:</b>	<b>21,238.5</b>	<b>\$42,904,659</b>	<b>\$4,666,765</b>	<b>\$47,571,424</b>
<b>WORK PROGRAMME AMENDMENT</b>				
Fumigant		\$180,000	\$23,400	\$203,400
Multi-sector		\$5,421,450	\$437,216	\$5,858,666
Refrigeration		\$724,750	\$94,218	\$818,968
Solvent		\$169,000	\$21,970	\$190,970
Several		\$1,635,620	\$212,631	\$1,848,251
<b>TOTAL:</b>		<b>\$8,130,820</b>	<b>\$789,434</b>	<b>\$8,920,254</b>
<b>Summary by Parties and Implementing Agencies</b>				
Canada	40.0	\$905,270	\$101,736	\$1,007,006
Germany	322.5	\$1,360,820	\$176,907	\$1,537,727
IBRD	18,380.0	\$21,256,493	\$1,949,573	\$23,206,066
UNDP	1,500.0	\$12,587,212	\$1,590,053	\$14,177,265
UNEP		\$7,377,267	\$691,472	\$8,068,739
UNIDO	1,358.4	\$9,814,507	\$1,225,101	\$11,039,608
<b>GRAND TOTAL</b>	<b>21,601.0</b>	<b>\$53,301,569</b>	<b>\$5,734,842</b>	<b>\$59,036,411</b>

## Annex II

### Views expressed by the Executive Committee on renewals of institutional strengthening projects submitted to the 35<sup>th</sup> Meeting

#### *Bangladesh*

1. The Executive Committee has reviewed the information presented regarding the institutional strengthening project for Bangladesh and notes that the CFC consumption reported by the Government of Bangladesh for 1999 was 813 ODP tonnes, while the baseline for compliance has been established at 580 ODP tonnes. Therefore, the country is not in compliance with the 1999 freeze. The Executive Committee notes that the Government of Bangladesh has completed the conversion of the aerosol project and, once it is commissioned by the aerosol equipment supplier, it will phase out 595 ODP tonnes of CFCs, which will place Bangladesh in compliance with the 1999 CFC freeze. Also the Executive Committee notes that the Ministry of Environment and Forest of Bangladesh is in the process of approving the Rules on Ozone-Depleting Substances which will include: licensing for import, sale and use of ODSs. The Government will also report the 2000 ODS consumption in December 2001. Based on the actions undertaken by the Government, the Executive Committee may request the renewal of the institutional strengthening project on the understanding that UNDP will not disburse the approved funding until the aerosol project is fully operational, the Rules on Ozone-Depleting Substances are enacted, and the report on the 2000 ODS consumption data has been sent to the Multilateral Fund and Ozone Secretariat.

#### *Costa Rica*

2. The Executive Committee has reviewed the information presented regarding the institutional strengthening renewal request for Costa Rica. The Executive Committee notes with appreciation that the 2000 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline. However, the Executive Committee expresses concern that the current methyl bromide consumption is above the baseline level. In its submission, Costa Rica reported on a number of initiatives it has undertaken, including the conversion to non-CFC technology in three commercial refrigeration manufacturers; advancement on the national legislation that will prohibit the use of CFCs in newly manufactured refrigeration equipment and the draft legislation establishing MB imports control; and implementation of awareness campaigns. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Costa Rica. Over the next two years, Costa Rica intends to enact new ODS regulations, implement the remaining RMP activities needed and a methyl bromide phase-out project. The Executive Committee notes that, despite the country's efforts to reverse the increasing consumption of MB in soil fumigation, an additional reduction of at least 100 ODP tonnes must be made to meet the 2002 freeze level, and will make the utmost effort to assist Costa Rica in achieving the phase-out requirements.

*Pakistan*

3. The Executive Committee has reviewed the information presented in regard to the institutional strengthening project for Pakistan and notes that the CFC consumption reported by the Government of Pakistan for 1999 was 1,421 ODP tonnes, while the baseline for compliance has been established at 1,679 ODP tonnes. Therefore, the country is in compliance with the 1999 freeze. In 1999, the Ministry of Commerce introduced an import authorization system to regulate the consumption of ODS. The Government has also banned the import of used CFC-based refrigerators, deep freezers and air-conditioning units. Activities in public awareness and education have been implemented, and seminars for ODS users, schools, universities and research institutes have been conducted. The Ozone Cell has drafted and submitted a national ODS phase-out policy to the Government, which is to assist in the acceleration of the implementation of ODS phase-out projects in the country. The Executive Committee notes with concern the serious discrepancies in the consumption data that have been previously reported to the Multilateral Fund and Ozone Secretariats and requests the Government of Pakistan to submit the revised data as soon as the review is completed.

*Albania*

4. The Executive Committee has reviewed the information presented in the institutional strengthening request for Albania and notes with appreciation the fact that the Government of Albania is taking the initiative to freeze CFC consumption. The Executive Committee acknowledges that Albania has several activities which will be implemented in the coming two years, mainly: establishing an Ozone Unit, coordinating and monitoring the implementation of the national phase-out plan and RMP, developing a monitoring system for ODS imports, establishing a legal and regulatory system to manage ODS, developing a system to discourage the use and imports of ODS, communicating or providing training to the stakeholders through various mediums, and reporting data as required to the Multilateral Fund and Ozone Secretariats. Albania expects to strengthen its national institutional capacity to effectively coordinate and administer the actions outlined in the National Phase-out Plan and RMP of Albania.

*Guatemala*

5. The Executive Committee has reviewed the information presented in the institutional strengthening renewal for Guatemala and notes with appreciation the fact that Guatemala reported 1999 CFC consumption to the Ozone Secretariat that is lower than its CFC compliance baseline, and that Guatemala appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Guatemala has taken some significant steps to phase out its consumption of ODS, including the ratification of all the amendments to the Montreal Protocol, the implementation of a licensing system, the completion of investment projects in the foam and refrigeration sectors and the implementation of the recovery and recycling project in the MAC sector. These and other activities are encouraging, and the Executive Committee appreciates the efforts of Guatemala to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Guatemala will continue the implementation of the RMP, have fully implemented its licensing system to limit ODS imports

to levels allowed under the Montreal Protocol, and sustain and build upon its current levels of reductions in CFCs.

#### *Jamaica*

6. The Executive Committee has reviewed the information presented in the institutional strengthening renewal for Jamaica and notes with appreciation the fact that the reported 2000 CFC consumption to the Ozone Secretariat is lower than its CFC baseline for compliance, and that Jamaica appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Jamaica has taken significant steps to phase out its consumption of ODS, including the establishment of a committee to prepare the Ozone Act; the completion of officers' training and certification; the implementation of public awareness activities involving NGOs; the creation of a methyl bromide working group and the organization of two methyl bromide workshops. These and other activities are encouraging, and the Executive Committee appreciates the efforts of Jamaica to reduce the consumption of ODSs. The Executive Committee expressed the expectation that, in the next two years, Jamaica will continue the implementation of the RMP project, have fully implemented its licensing system to limit imports to levels no higher than those allowed under the Montreal Protocol, and sustain and build upon its current levels of reductions in CFCs and other controlled substances.

#### *Mali*

7. The Executive Committee has reviewed the information presented in the institutional strengthening renewal for Mali and notes with appreciation the fact that the 1999 and 2000 CFC consumption figures reported to the Ozone Secretariat are lower than its CFC compliance baseline, and that Mali appears to be able to comply with the CFC consumption freeze. In its submission, Mali reported on a number of important initiatives it has undertaken, including the ratification of the London, Copenhagen and Montreal Amendments to the Montreal Protocol, the preparation and implementation of the RMP project, the re-conversion of a company in the foam sector and the preparation of legislation to control import/export and use of ODS and ODS-based equipment. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Mali to reduce their consumption of CFCs. Over the next two years, Mali intends to focus on the enforcement of legislation drafted, continue implementation of the activities contained in the RMP, improve its data collection system, strengthen the relations with NGOs and environmental agencies and increase public awareness activities. The Executive Committee expressed the expectation that, in the next two years, Mali will have fully implemented its licensing system to limit imports to levels no higher than those allowed under the Montreal Protocol, and will sustain and build upon its current levels of reductions in CFCs.

#### *Yemen*

8. The Executive Committee has reviewed the information presented in the institutional strengthening renewal for Yemen and notes with appreciation the fact that the 1999 and 2000 CFC consumption figures reported to the Ozone Secretariat are lower than its CFC compliance baseline, and that Yemen appears to be able to comply with the CFC consumption freeze. The Executive Committee notes that Yemen has taken some significant steps, including

the ratification of the London, Copenhagen and Montreal Amendments to the Montreal Protocol; the establishment of a decree to ban imports of CFC-based equipment; the undertaking of awareness-raising activities; and has commenced implementation of the phase-out programme through projects in the aerosol sector and the preparation of the RMP. These and other activities reported are encouraging, and the Executive Committee greatly appreciates the efforts of Yemen to reduce its consumption of ODSs. Over the next two years, Yemen intends to implement the RMP project and to reinforce ODS legislation. While these and other activities proposed for the future are encouraging, the Executive Committee expressed the expectation that, in the next two years, Yemen will have fully implemented its licensing system to limit imports to levels no higher than those allowed under the Montreal Protocol, and will sustain and build upon its current levels of reductions in CFCs.

### *Macedonia*

9. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Macedonia and notes with appreciation the fact that Macedonia is in compliance with the 1999 CFC freeze, and it expects to meet the methyl bromide freeze in 2002 and achieve a complete phase-out by end of 2005. The implementation of the aerosol phase-out project and RMP will contribute towards the interim reductions in consumption of CFCs in 2005. The Executive Committee also notes the number of activities that the Government of Macedonia has undertaken to further improve the legislative framework, to ratify the Beijing Amendment to the Montreal Protocol (possibly by the end of 2001) and to issue an import permit for all ODS. The Executive Committee expresses the expectation that, in the coming years, Macedonia will continue with the progress achieved and sustain and build upon its current level of ODS reduction to achieve its goal of complying with the Protocol's ODS phase-out schedules.

## Compliance Assistance Programme (CAP) Budget

						2002 (US\$)	2003 (US\$)	2004 (US\$)
<b>10 PROJECT PERSONNEL COMPONENT</b>								
<b>1100</b>	<b>Project personnel</b>							
	Title	Location	Grade	m/m				
1101	Chief	Paris	D1	9	132,000	137,280	142,771	
1102	Network and Policy manager	Paris	P5	12	150,500	156,520	162,781	
1103	Capacity building manager	Paris	P4	12	129,500	134,680	140,067	
1104	Information manager	Paris	P4	12	129,500	134,680	140,067	
1105	Monitoring and administration Officer	Paris	P3	12	108,500	112,840	117,354	
1106	Information Officer	Paris	P3	12	108,500	112,840	117,354	
1107	HelpDesk Officer	Paris	P1	12	87,500	91,000	94,640	
1108	IS/RMP/NCAP Officer	Paris	P3	6	54,250	56,420	58,677	
1109	IT specialist	Paris	P3	12	108,500	112,840	117,354	
1110	RNC Africa	Nairobi	P3/P4	24	236,800	246,272	256,123	
1111	Policy/enforcement Officer	Nairobi	P3/P4	12	118,400	123,136	128,061	
1112	RMP Implementation officer	Nairobi	P2/P3	12	92,200	95,888	99,724	
1113	MBr phase out officer	Nairobi	P2/P3	12	92,200	95,888	99,724	
1114	RNC LAC	Mexico	P3/P4	12	108,864	113,219	117,747	
1115	Policy/enforcement Officer	Mexico	P3/P4	12	108,864	113,219	117,747	
1116	RMP implementation officer	Mexico	P2/P3	12	89,586	93,169	96,896	
1117	MBr phase out officer	Mexico	P2/P3	12	89,586	93,169	96,896	
1118	RNC SA	Bangkok	P3/P4	12	110,000	114,400	118,976	
1119	Policy/enforcement Officer	Bangkok	P3/P4	12	110,000	114,400	118,976	
1120	RMP implementation officer	Bangkok	P2/P3	12	85,000	88,400	91,936	
1121	MBr phase out officer	Bangkok	P2/P3	12	85,000	88,400	91,936	
1122	RNC WA	Bahrain	P3/P4	12	109,000	113,360	117,894	
1123	RMP implementation officer	Bahrain	P3/P4	12	109,000	113,360	117,894	
1124	Halon Phaseout officer	Bahrain	P2/P3	12	89,500	93,080	96,803	
	<b>Subtotal</b>				<b>2,642,750</b>	<b>2,746,460</b>	<b>2,858,698</b>	
<b>1200</b>	<b>Consultants (Description of activity/service)</b>							
1201	Consultants				0	0	0	
	<b>Subtotal</b>				<b>0</b>	<b>0</b>	<b>0</b>	
<b>1300</b>	<b>Administrative support (General Service staff)</b>							
	Title/Description	Location	Level	m/m				
1301	Secretary Chief	Paris	G6	12	74,000	76,960	80,038	
1302	Assistant Network Manager	Paris	G5	12	67,000	69,680	72,467	
1303	Assistant Clearinghouse	Paris	G5	12	67,000	69,680	72,467	
1304	Assistant Monitoring	Paris	G5	12	67,000	69,680	72,467	
1305	Assistant IS/RMP	Paris	G5	12	67,000	69,680	72,467	
1306	Programme assistant	Paris	G5	12	67,000	69,680	72,467	
1307	Technical data/documentation assistant	Paris	G5	12	67,000	69,680	72,467	
1308	Mailroom Clerk	Paris	G4	12	59,500	61,880	64,355	
1309	Assistant RNC Nairobi	Nairobi	G5	12	21,600	22,464	23,363	
1310	ROA Assistance	Nairobi	G5	12	21,600	22,464	23,363	
1311	Assistant RNC Mexico	Mexico	G5	12	40,500	42,120	43,805	
1312	ROLAC Assistance	Mexico	G5	12	40,500	42,120	43,805	
1313	Assistant RNC South Asia	Bangkok	G5	12	23,000	23,920	24,877	
1314	ROAP Assistance	Bangkok	G5	12	23,000	23,920	24,877	
1315	Assistant RNC West Asia	Bahrain	G5	12	35,000	36,400	37,856	
1316	ROWA Assistance	Bahrain	G5	12	35,000	36,400	37,856	
1317	Temporary Assistance	Various			100,000	104,000	108,160	
	<b>Subtotal</b>				<b>674,000</b>	<b>696,428</b>	<b>717,157</b>	

**Compliance Assistance Programme (CAP) Budget**

		2002 (US\$)	2003 (US\$)	2004 (US\$)
1600	<i>Travel on official business (UNEP staff)</i>			
1601	Travel on official business and outreach - Paris	250,000	260,000	270,400
1602	Travel Africa (Network + Training/MeBr)	50,000	52,000	54,080
1603	Travel Latin America & Caribbean (Network + Training/Policy)	50,000	52,000	54,080
1604	Travel South East Asia & Pacific Network ***	0	To be renewed	To be renewed
1605	Travel South Asia (Network + Training/Refrigeration)	40,000	41,600	43,264
1606	Travel West Asia (Network + Halon)	20,000	20,800	21,632
1699	<b>Sub-total</b>	<b>410,000</b>	<b>426,400</b>	<b>438,456</b>
1999	<b>COMPONENT TOTAL</b>	<b>3,928,450</b>	<b>4,085,588</b>	<b>4,249,012</b>
<b>20 SUB CONTRACT COMPONENT</b>				
2100	<i>Sub-contracts (MOUs/LAs for cooperating agencies)</i>			
2101	Sub-contracts with cooperating agencies	0	0	0
2199	<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
2200	<i>Sub-contracts (MOUs/LAs for supporting organizations)</i>			
2201	Sub-contracts with supporting organizations	0	0	0
2299	<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
2300	<i>Sub-contracts (for Commercial purposes)</i>			
2301	Technical support for information systems (OASIS)	75,000	78,000	81,120
2302	OzonAction Newsletter	100,000	104,000	108,160
2303	Illustration/graphics/layout design	40,000	41,600	43,264
2399	<b>Sub-total</b>	<b>215,000</b>	<b>223,600</b>	<b>232,544</b>
2999	<b>COMPONENT TOTAL</b>	<b>215,000</b>	<b>223,600</b>	<b>232,544</b>
<b>30 TRAINING COMPONENT</b>				
3300	<i>Meetings/conferences</i>			
3301	Advisory Group and Consultative Meetings - Paris	75,000	78,000	81,120
3302	Workshops Africa Network	198,000	205,920	214,157
3303	Workshops Latin America & Caribbean Network	145,000	150,800	156,832
3304	Workshops South East Asia & Pacific Network ***	0	To be renewed	To be renewed
3305	Workshops South Asia Network	56,000	58,240	60,570
3306	Workshops West Asia Network	56,000	58,240	60,570
3399	<b>Sub-total</b>	<b>530,000</b>	<b>551,200</b>	<b>573,248</b>
3999	<b>COMPONENT TOTAL</b>	<b>530,000</b>	<b>551,200</b>	<b>573,248</b>
<b>40 EQUIPMENT AND PREMISES COMPONENT</b>				
4100	<i>Expendable equipment (items under \$1,500 each)</i>			
4101	Office supplies - Paris	24,000	24,960	25,958
4102	Office supplies - Regions	20,000	20,800	21,632
4199	<b>Sub-total</b>	<b>44,000</b>	<b>45,760</b>	<b>47,590</b>
4200	<i>Non-expendable equipment</i>			
4201	Office equipment/Computer hardware - Paris	30,000	31,200	32,448
4202	Office equipment/Computer hardware - Regions	26,000	27,040	28,122
4299	<b>Sub-total</b>	<b>56,000</b>	<b>58,240</b>	<b>60,570</b>
4300	<i>Rental of premises</i>			
4301	Office rental - Paris	220,000	228,800	237,952
4302	Office rental - Regions	50,000	52,000	54,080
4399	<b>Sub-total</b>	<b>270,000</b>	<b>280,800</b>	<b>292,032</b>
4999	<b>COMPONENT TOTAL</b>	<b>370,000</b>	<b>384,800</b>	<b>400,192</b>

## Compliance Assistance Programme (CAP) Budget

		2002 (US\$)	2003 (US\$)	2004 (US\$)
<b>50 MISCELLANEOUS COMPONENT</b>				
<b>5100</b>	<b>Operation and maintenance of equipment</b>			
	5101 Rental and maintenance of office equipment - Paris	50,000	52,000	54,060
	5102 Rental and maintenance of office equipment - Regions	30,000	31,200	32,448
<b>5199</b>	<b>Subtotal</b>	<b>80,000</b>	<b>83,200</b>	<b>86,508</b>
<b>5200</b>	<b>Reporting cost</b>			
	5201 Reporting costs	25,000	26,000	27,040
<b>5299</b>	<b>Subtotal</b>	<b>25,000</b>	<b>26,000</b>	<b>27,040</b>
<b>5300</b>	<b>Sundry</b>			
	5301 Communications (telephone, fax, email, mail, courier, freight) - Paris	160,000	166,400	173,056
	5302 Communications (telephone, fax, email, mail, courier, freight) - Networks ***	40,000	41,600	43,264
<b>5399</b>	<b>Subtotal</b>	<b>200,000</b>	<b>208,000</b>	<b>216,320</b>
<b>5400</b>	<b>Hospitality</b>			
	5401 Hospitality	3,000	3,120	3,245
<b>5499</b>	<b>Subtotal</b>	<b>3,000</b>	<b>3,120</b>	<b>3,245</b>
<b>5999</b>	<b>COMPONENT TOTAL</b>	<b>308,000</b>	<b>320,320</b>	<b>333,133</b>
<b>99</b>	<b>TOTAL DIRECT PROJECT COST</b>	<b>5,351,450</b>	<b>5,565,508</b>	<b>5,788,128</b>
	<i>Programme support costs (8%)</i>	<i>428,116</i>	<i>445,241</i>	<i>463,050</i>
	<b>GRAND TOTAL</b>	<b>5,779,566</b>	<b>6,010,749</b>	<b>6,251,179</b>

## Notes

- \* Indicative figures only, to be revised in light of the replenishment of the Multilateral Fund and the priorities of the Executive Committee. Figures for 2003-2004 include 4% increase for inflation each year. Staffing costs reflect official UN post costs at the time of Work Programme submissions.
- \*\* Costs shared with Environment Fund.
- \*\*\* Costs of SEAP Network funded by Government of Sweden.
- \*\*\*\* Costs shared with Environment Fund and GEF
- \*\*\*\*\* Under discussion.

## Annex IV

### 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 stabilising 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, in accordance with the following phase-out schedule:

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.

## Annex V

### AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN COSTA RICA

1. The Executive Committee agrees to approve, in principle, US \$4,845,283 as the total funds that will be available to achieve the phase-out of methyl bromide (MB) used for all purposes in Costa Rica, excluding quarantine and pre-shipment applications, subject to the following understanding 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 Costa Rica is 342.5 ODP tonnes (1995-1998) and the average MB consumption for the years 1998-2000 is 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 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	342.5 ODP tonnes (reduction of 84.4 ODP tonnes from 426.9 ODP tonnes)
2004	253.5 ODP tonnes (reduction of additional 89.0 ODP tonnes)
2006	169.9 ODP tonnes (reduction of additional 83.60 ODP tonnes)
2008	0 ODP tonnes (reduction of additional 169.9 ODP tonnes)

4. The project will phase out all uses of MB in Costa Rica, excluding quarantine and pre-shipment and other essential uses. 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. Following an initial disbursement of 25 per cent of the funds, funding for later years will be disbursed by UNDP 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	20 per cent of the funds
2003	20 per cent of the funds
2004	20 per cent of the funds
2006	15 per cent of the funds

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 MB

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 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.

## Annex VI

### 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 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 users 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.

**Annex VII**

**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN TURKEY**

1. The Executive Committee:
  - (a) at its 31<sup>st</sup> Meeting, approved US \$479,040 (World Bank) as the total funds that will be available to Turkey to achieve the complete phase-out of MB used in the dried fig sector (30 ODP tonnes);
  - (b) at its 35<sup>th</sup> 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 noted above. 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 31<sup>st</sup> Meeting of the Executive Committee.

## Annex VIII

### 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 instalments 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	11,666	9,646	7,164	3,821	3,553	102	0	
Annual CFC-11 phase-out targets in PU foam sector (ODP tonnes)	2,000	2,500	2,500	2,500	600	551				10,651
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
<b>Total cost to the Multilateral Fund</b>	<b>10,826.6</b>	<b>13,685.3</b>	<b>11,864.27</b>	<b>11,864.27</b>	<b>3,602.8</b>	<b>2,916.84</b>	<b>1,926.03</b>	<b>1,926.03</b>		<b>58,612.14</b>

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 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 10 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 fulfilment 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.

## Annex IX

### 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 1 substances used in the Bahamas. This is the total funding that would be available to 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-years 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, 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 MT).

	Baseline 2000	2002	2003	2004	2005	2006	2007	2008- 2009	Total
Maximum allowable Annex A, Group I consumption	66	58	48	36	25	14	0	0	66
Agreed funding for annual programs*		130	110	100	100	80	40	0	560
Agency support costs		16.9	14.3	13	13	10.4	5.2	0	72.8

\* The funding for the annual programs to be released a 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 years periods in accordance with the above table for the exact amount listed in the table 1 and on 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 the following year, 2002, and so on.

4. Payments noted in Table 1, other than the 2002-2003 implementation program, 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, 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 and consumption targets have 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 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 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 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 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 1 Substances are the total funding that will be available to Bahamas to enable its full compliance with the reduction and phase out as agreed with the Executive Committee 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 9 below, the Government of 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 Bahamas agrees that if the Executive Committee meets its obligations under this Agreement, but the Government of 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 fulfilment of this agreement depends on the satisfactory performance of its obligations by both the Government of Bahamas and the Executive Committee. In addition, 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 tons 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 programs;
- (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 programs, which will incorporate achievements in previous annual programs;
- (f) Carrying out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to enable effective, transparent implementation of the program, and accurate data reporting;
- (h) Verification for the Executive Committee that CFC consumption for the refrigeration sector has been completed based on scheduled listed in Table 1.
- (i) Ensuring that disbursement are made to 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.

**Annex X**

**Agreement for the National CFC Phase-out Plan for Malaysia**

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, chemicals 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, chemicals, 1,1,1-TCA and CTC from its current level of consumption. The agreed level of funding would be paid out in instalments in the exact amount specified in paragraph b, and on the basis of the following understanding:

a. By this approval, Malaysia agrees that in exchange for the funding level specified in paragraph b, 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 Group I Annex A CFC 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	<ul style="list-style-type: none"> <li>● Import control policy in place and operational;</li> </ul>
2003	1,566	48	4.51	<ul style="list-style-type: none"> <li>● Announcement of import quotas for CFCs from 2002 – 2010;</li> <li>● Criteria and procedures for financial support for investment projects completed and distributed;</li> </ul>
2004	1,136	48	4.51	<ul style="list-style-type: none"> <li>● Announcement of the MAC inspection program;</li> <li>● Ban on the use of CFCs in the manufacturing sector in 2005 in place;</li> </ul>
2005	699	18	0.68	<ul style="list-style-type: none"> <li>● Annual MAC inspection requirement is operational;</li> <li>● Database of trained technicians in the MAC sector is functional;</li> </ul>
2006	579	18	0.68	
2007	490	18	0.68	
2008	401	18	0.68	

2009	332	18	0.68	
2010	0	0	0	

b. In order to assist Malaysia in establishing its implementation structure within the country, and working toward the other reduction targets included in paragraph a, the Executive Committee decides at its 35<sup>th</sup> 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 programs for this plan. In the annual work program, 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 program will be provided before or within the period which the annual program covers.

Annual Program	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 programs. In addition, payments for 2004 onwards are also conditioned upon confirmation by the implementing agency that the agreed reduction targets noted in paragraph a 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.

c. 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, and in addition, a periodic mid-term examination, every 2 – 3 years, to be administered as part of the annual work program of the monitoring and evaluation of the Fund.

d. The Executive Committee wishes to provide Malaysia with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in paragraph a. 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 chemicals, 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.

e. Malaysia agrees that the funds being agreed in principle by the Executive Committee at its 35<sup>th</sup> meeting for complete phase-out of its Group I Annex A CFC, 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 chemicals, 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 g 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 chemicals, 1,1,1-TCA and CTC in accordance with the schedule noted above and the terms of the strategy being approved.

f. Malaysia understands that if the Executive Committee meets its obligations under this agreement, but Malaysia does not meet the reduction requirements outlined in paragraph a, 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 a. It is clearly understood that the fulfilment of this agreement depends on satisfactory performance of its obligations by both Malaysia and the Executive Committee.

g. 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:

- (1) Ensuring that technical reviews undertaken by the World Bank are undertaken by appropriate independent technical experts such as the OORG;
- (2) Assisting Malaysia in the development of its annual work program which incorporates achievements of previous annual programs;
- (3) Carrying out supervision missions as required;
- (4) Ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the program and accurate, verified reporting of actual consumption reduction against the targets listed in paragraph a;
- (5) Ensuring that disbursements are made to Malaysia based on agreed performance targets in the project, and the provisions of this agreement.

h. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions.

## Annex XI

### Agreement for the National CFC Phase-out Plan for Thailand

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, chemicals, 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, chemicals, 1,1,1-TCA and CTC from its current level of consumption. The agreed level of funding would be paid out in instalments in the exact amount specified in paragraph b, and on the basis of the following understanding:

a. By this approval, Thailand agrees that in exchange for the funding level specified in paragraph b, 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 Group I Annex A CFC 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	<ul style="list-style-type: none"> <li>• Import control policy in place and operational;</li> </ul>
2003	2,777	34	7.52	<ul style="list-style-type: none"> <li>• Announcement of import quotas for CFCs from 2002 – 2010;</li> <li>• Criteria and procedures for financial support for investment projects completed and distributed;</li> </ul>
2004	2,291	34	7.52	<ul style="list-style-type: none"> <li>• Announcement of the MAC inspection program;</li> <li>• Ban on the use of CFCs in the manufacturing sector in 2005 in place;</li> </ul>
2005	1,364	4.5	1.13	<ul style="list-style-type: none"> <li>• Annual MAC inspection requirement is operational;</li> <li>• Database of trained technicians in the MAC sector is functional;</li> </ul>
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	

b. In order to assist Thailand in establishing its implementation structure within the country, and working toward the other reduction targets included in paragraph a, 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 programs for this plan. In the annual work program, 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 program will be provided before or within the period which the annual program covers.

Annual Program	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 a 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.

c. 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, and in addition, a periodic mid-term examination, every 2 – 3 years, to be administered as part of the annual work program of the monitoring and evaluation of the Fund.

d. The Executive Committee wishes to provide Thailand with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in paragraph a. 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 chemicals, 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.

e. Thailand agrees that the funds being agreed in principle by the Executive Committee at its 35<sup>th</sup> meeting for complete phase-out of its Group I Annex A CFC, 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 chemicals, 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 g 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 chemicals, 1,1,1-TCA and CTC in accordance with the schedule noted above and the terms of the strategy being approved.

f. Thailand understands that if the Executive Committee meets its obligations under this agreement, but Thailand does not meet the reduction requirements outlined in paragraph a, 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 a. It is clearly understood that the fulfilment of this agreement depends on satisfactory performance of its obligations by both Thailand and the Executive Committee.

g. 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:

- (1) Ensuring that technical reviews undertaken by the World Bank are undertaken by appropriate independent technical experts such as the OORG;
- (2) Assisting Thailand in the development of its annual work program which incorporates achievements of previous annual programs;
- (3) Carrying out supervision missions as required;
- (4) Ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the program and accurate, verified reporting of actual consumption reduction against the targets listed in paragraph a;
- (5) Ensuring that disbursements are made to Thailand based on agreed performance targets in the project, and the provisions of this agreement.

h. The funding components of this decision shall not be modified on the basis of future Executive Committee decisions.

**Annex XII**

**Draft 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 instalments 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**

	<b>1999 Baseline</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
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
Max allowable total ODP (ODP tonnes)		977	909	534	316	150	0	0	0	0
<b>Total agreed funding</b> (US \$ million)		3.5	2.5	1	0.75	0.75	0.5	0	0	0
Agency support costs (US \$ million)		0.295	0.175	0.150	0.45	0.29	0.30	0.30	0.30	0.25

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 35<sup>th</sup> 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 9 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 fulfilment 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 9.0 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.

11. 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.

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.

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