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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fifth Meeting
Montreal, 4-8 April 2005

**REPORT OF THE FORTY-FIFTH MEETING OF THE
EXECUTIVE COMMITTEE**

Introduction

1. The 45th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the headquarters of the International Civil Aviation Organization (ICAO) in Montreal from 4 to 8 April 2005.
2. The Meeting was attended by representatives of the following countries, members of the Executive Committee in accordance with decision XVI/43 of the Sixteenth Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Austria (Chair), Belgium, Canada, the Czech Republic, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America;
 - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Brazil, Cuba, Niger, the Syrian Arab Republic (Vice-Chair), Thailand, The former Yugoslav Republic of Macedonia and Zambia.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.

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4. The Deputy Executive Secretary of the Ozone Secretariat was present.
5. The Meeting was attended by the President and Vice-President of the Implementation Committee and representatives of the Technology and Economic Assessment Panel (TEAP).
6. A representative of the Environmental Investigation Agency also attended as an observer.

AGENDA ITEM 1: OPENING OF THE MEETING

7. The Meeting was opened at 10:00 a.m. on Monday, 4 April 2005, by the Chair, Mr. Paul Krajnik (Austria). He welcomed participants to Montreal, expressing his pleasure at chairing the Executive Committee in such a special and historic year, the 20th anniversary of the Vienna Convention for the Protection of the Ozone Layer. The Convention and the Montreal Protocol were excellent examples of how to solve a global environmental problem by involving both developing and developed countries, based on the principle of common but differentiated responsibilities.
8. The year 2005 also marked an important milestone in the history of the Montreal Protocol, with Article 5 countries halfway to achieving the total phase-out of CFC and halon production and consumption, and with carbon tetrachloride production and consumption being cut to just 15 per cent of each country's baseline consumption. Despite the success of the Protocol to date, constant vigilance and careful management would be required to tackle significant emerging challenges, such as the growth in illegal trade between Article 5 countries, and so new approaches would be required. The focus of compliance efforts was shifting towards new stakeholders, such as customs agencies.
9. Efforts to reduce and phase out consumption of methyl bromide would also have to redouble. In addition, Article 5 countries had recently signalled their readiness to take action on HCFCs, a new challenge for which the Parties must prepare even though the target remained some way off (2015-2016).
10. The Chair drew delegates' attention to several important issues, notably financial issues, in the final year of the current triennium. The Secretariat would advise the Executive Committee of the level of funding available in 2005. Proposals presented in the business plans of bilateral and implementing agencies would be examined in order to optimize the use of funds.
11. New issues included funding for projects on chillers, funding for HCFC surveys, and proposals for projects involving management and destruction of waste ozone-depleting substances (ODS). Proposals in the 2005 work programmes of implementing agencies for assistance to countries with low or no consumption would be considered, together with key policy issues. The Chair noted in closing that requirements for further assistance to Article 5 countries for the post-2007 period would also be considered, and that proposals for the operation of the Executive Committee and recommendations arising from the review of the final mechanism would have to be decided upon at the Meeting.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS**(a) Adoption of the agenda**

12. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/45/1, as orally amended;

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.
5. Resource availability, allocation and business planning:
 - (a) Report on balances and availability of resources;
 - (b) Consolidated 2005-2007 business plan of the Multilateral Fund (including its impact on the funding window as per decision 44/3 and status of compliance);
 - (c) 2005-2007 business plans:
 - (i) Bilateral agencies;
 - (ii) UNDP;
 - (iii) UNEP;
 - (iv) UNIDO;
 - (v) World Bank.
6. Programme implementation:
 - (a) Report on the evaluation of customs officers training and licensing system projects;
 - (b) Extended desk study on the evaluation of national phase-out plans;
 - (c) Project implementation delays;

- (d) Report on implementation of approved projects with specific reporting requirements.
7. Project proposals:
- (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Work programmes and amendments:
 - (i) 2005 work programme amendments of UNEP;
 - (ii) 2005 work programme of UNDP;
 - (iii) 2005 work programme of UNIDO;
 - (iv) 2005 work programme of the World Bank;
 - (d) Investment projects.
8. Country programmes.
9. Review of requirements for further assistance for the post-2007 period in low-volume-consuming countries (follow-up to decisions 31/48 and 43/37).
10. Enhancing capacity-building in the national ozone units of Article 5 countries in the final stages of the Montreal Protocol compliance period (follow-up to decision 44/64).
11. Report on the operation of the Executive Committee (follow-up to decision 44/57).
12. Report on programme support costs of bilateral cooperation projects (follow-up to decision 43/40).
13. Report on the workshop on common terminology and procedures for the reconciliation of accounts (follow-up to decisions 44/54 and 44/55 (d)).
14. Report on the recommendations from the 2004 evaluation and review of the financial mechanism of the Montreal Protocol (follow-up to decision 44/60).
15. ODS phase-out activities in the chiller sector, including chiller replacements, awareness actions and measures for the effective use of the recovered refrigerant (decision 44/61).
16. Process agent uses in Article 5 Parties and their related emission levels (decision 44/65).

17. Report of the Executive Committee's Subgroup on the Production Sector.
18. Other matters.
19. Adoption of the report.
20. Closure of the meeting.

(b) Organization of work

13. The Executive Committee agreed to follow its customary procedure and also to address agenda item 15 following agenda item 5(b).

14. During the adoption of the agenda, members agreed to add the following items for discussion under agenda item 18, Other matters: the use of the flexibility provisions in Jamaica's terminal phase-out management plan (TPMP); and the date and venue of the 47th Meeting of the Executive Committee.

15. The Executive Committee decided to reconstitute the Subgroup on the Production Sector with the following composition: Brazil, Canada (facilitator), Japan, the Syrian Arab Republic, Thailand, the United Kingdom of Great Britain and Northern Ireland, the United States of America and Zambia.

(Decision 45/1)

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

16. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/45/2, which described the activities of the Secretariat since the 44th Meeting. She indicated that the Secretariat had prepared 22 documents for the 45th Meeting, and had reviewed 158 projects and activities. She and/or other members of the Secretariat had attended several meetings, including the 23rd Session of UNEP's Governing Council in Nairobi, where she had given a presentation to the Council on the successes and future challenges of the Multilateral Fund. At that time, she had had the opportunity for a bilateral meeting with representatives of the Russian Federation at which the issue of Russia's payment of contributions to the Multilateral Fund had been discussed. The Deputy Chief Officer (Economic Cooperation) had attended the regional network meeting for Europe and Central Asia in Bucharest, which was the first follow up to the Committee's request on qualitative performance indicators contained in decision 44/6.

17. The Chief Officer mentioned that, in line with the Executive Committee's previous debates, the Secretariat felt that direct interaction with the regional ozone networks was important to the work of the Multilateral Fund. The Secretariat would endeavour, to the extent possible, to attend all the main network meetings taking place over the next month and in the future. An Inter-Agency Coordination meeting had been held in Montreal in early February 2005 to consider the agencies' business plans and address compliance issues. An

updated model three-year rolling business plan reflecting approvals from the 44th Meeting had been provided by the Secretariat to assist the process.

18. The Chief Officer concluded by indicating that the Secretariat, in cooperation with the World Bank, had made arrangements for a seminar on draft criteria on verification and data reporting for refrigerant management plans (RMPs) and multi-year agreements, as requested in decision 44/58, which was scheduled to take place at ICAO on 9 April 2005.

19. One member requested that the Secretariat post the summary report of each Executive Committee Meeting on the Multilateral Fund website within four weeks of the end of the Meeting.

20. The Executive Committee took note with appreciation of the report on Secretariat activities.

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

21. The Treasurer introduced the report on the status of the Fund as at 29 March 2005 (UNEP/OzL.Pro/ExCom/45/3/Rev.1) and made a verbal update on 4 April 2005.

22. He indicated that total income, including cash payments, promissory notes, bilateral cooperation credits, interest, and miscellaneous income stood at US \$1,908,663,873. He also explained that allocations to implementing agencies and provisions totalled US \$1,824,999,006, leaving an available Fund balance of US \$83,664,867. Furthermore, the contributions received since the 44th Meeting had counteracted the losses resulting from the use of the fixed-exchange-rate mechanism and had resulted in a positive balance of US \$411,829, confirming the Treasurer's response to one member of the Executive Committee that the fixed-exchange-rate mechanism would result in further gains to the Fund although he could not at present predict the level.

23. The Treasurer explained that, in the first of two annual invoices for 2005 dispatched on 17 January, he had included his own letter alerting Parties to the net transfer of some US \$67 million approved at the 44th Meeting and the corresponding reduction of the cash balance. Parties were urged to make prompt settlement of the outstanding amounts. In response, the Secretariat had received to date 13 cash payments and one promissory note, totalling 9.5 per cent of the 2005 pledges.

24. One member expressed appreciation for the contacts between the Chief Officer and the Russian authorities and requested information concerning the remaining 16 countries to which the Treasurer had sent copies of the decision of the most recent Meeting of the Parties relating to outstanding contributions in accordance with decision 44/1(b).

25. In response, the Treasurer said that no response had yet been received.

26. The Treasurer indicated that, of the balance of some US \$83 million, only US \$20 million was in cash and the remaining amount was in promissory notes. He explained that, when first

quarter receipts were low, the ratio of cash to promissory notes became critical. Some of the implementing agencies encountered difficulties in accepting promissory notes and the time delays experienced when cashing the notes often posed a cash-flow problem. In order to prevent that from jeopardizing the Committee's ability to approve projects, the Treasurer would welcome a reduction in the use of promissory notes in favour of cash.

27. There was general appreciation for the work of the Secretariat, and the Treasurer in particular, in preparing the report. Two members requested changes to the tables in the report in order to update the information.

28. Despite the concerns voiced by several members, the Treasurer did not believe that the present limited amount of cash as opposed to promissory notes would constrain the Executive Committee in its approval of projects at the 45th Meeting. Funding for other Conventions also tended to be low at the beginning of the year as Parties did not often pay their contributions during the first quarter. Furthermore, a contribution from a major donor country was expected in the weeks to come.

29. Following the discussion and having noted that the Treasurer had sent numerous letters urging donor countries that had not paid their contributions up to and including 2004 to the Multilateral Fund to do so and that no reply had been received from those countries regarding failure to comply with their commitments, the Executive Committee decided:

- (a) To take note with appreciation of the report of the Treasurer, including the tables showing the updated status of the Fund as at 4 April 2005, reproduced in Annex I to the present report; and
- (b) To request the Chair to send letters to those donor countries that had arrears up to and including 2004, and had not replied to the Treasurer, asking them to respond and to indicate when they would be able to meet their commitments. The Chair would report to the 47th Meeting on the issue.

(Decision 45/2)

AGENDA ITEM 5: RESOURCE AVAILABILITY, ALLOCATION AND BUSINESS PLANNING

(a) Report on balances and availability of resources

30. The Executive Committee considered the report on balances, the availability of resources, and the return of funds from cancelled projects (UNEP/OzL.Pro/ExCom/45/4), which was presented by the Secretariat. Taking account of the revised status of contributions presented in document UNEP/OzL.Pro/ExCom/45/3/Rev.1 and the verbal update presented by the Treasurer at the Meeting, as well as funds returned from cancelled projects, the total sum available for approvals at the 45th Meeting could be updated to US \$88,629,484, which was expected to be sufficient to cover all the requests for funding to be discussed at the 45th Meeting, which amounted to US \$68,948,192.

31. In response to a question regarding whether the ratio of promissory notes to cash had implications for the approval of projects at the 45th Meeting, the Secretariat explained that, although some implementing agencies accepted promissory notes themselves, others preferred to have the Treasurer hold them and then cash them as needed, which sometimes meant delays in the transfer of funds from the Treasurer to the implementing agencies. Although such a situation might create cash-flow difficulties in the future, there was sufficient cash available to allow implementing agencies that preferred cash to fund all the projects submitted to the 45th Meeting for approval.

32. Following the discussion on the total resources available for project approvals, the Executive Committee decided:

- (a) To note:
 - (i) The report on project balances contained in document UNEP/OzL.Pro/ExCom/45/4;
 - (ii) The net level of funds being returned from the multilateral implementing agencies to the 45th Meeting against project balances totalling US \$4,222,859, including the return of US \$263,533 from UNDP; US \$40,000 from UNEP; US \$485,945 from UNIDO; and US \$3,433,381 from the World Bank;
 - (iii) The net level of support costs being returned from the multilateral implementing agencies to the 45th Meeting against project support cost balances totalling US \$519,343, including the return of US \$33,923 from UNDP; US \$5,200 from UNEP; US \$59,063 from UNIDO; and US \$421,157 from the World Bank;
 - (iv) That multilateral implementing agencies had balances totalling US \$47,929, excluding support costs, from projects completed over two years previously: UNDP--US \$42,611 plus support costs; and UNEP--US \$5,318 plus support costs; and that the amount of balances from such projects was the lowest achieved since such balances began to be monitored by the Executive Committee at its 28th Meeting;
 - (v) The return of US \$110,352 from UNDP on behalf of Australia, including earnings on interest amounting to US \$68,190, for the completed recovery and recycling project in Viet Nam (VIE/REF/20/DEM/14), and the Treasurer's adjustments to Australia's bilateral contributions and cash contributions, and that the interest was credited as interest collected on Fund balances instead of additional contributions from Australia;
- (b) To request the Treasurer to offset the return of US \$75,353 to Germany from the Azckon refrigeration project in the Philippines (PHI/REF/23/INV/53);

- (c) To note that Germany would transfer the interest amounting to US \$36,710 to the Treasurer, which should be credited as interest collected on Fund balances instead of additional contributions from Germany; and
- (d) To note that US \$88,629,484 was available to the Executive Committee for approvals at the 45th Meeting.

(Decision 45/3)

(b) Consolidated 2005-2007 business plan of the Multilateral Fund (including its impact on the funding window as per decision 44/3 and status of compliance)

33. The representative of the Secretariat introduced the document on the consolidated 2005-2007 business plan of the Multilateral Fund (including its impact on the funding window as per decision 44/3 and status of compliance) (UNEP/OzL.Pro/ExCom/45/5), which consolidated the bilateral and implementing agencies' 2005-2007 business plans and contained the recommendations of the Fund Secretariat. The document also included, *inter alia*, a comparison of the plans with the compliance-oriented model/three-year phase-out plan, and addressed resource allocation, implementation and compliance issues in the light of planned activities, as well as performance indicators.

34. The ensuing discussion focused on the chiller sector. The representative of Canada presented a proposal on criteria for funding chiller demonstration projects; for example, in order to be selected, at least 5 per cent of a country's CFC consumption had to be for servicing in the chiller sector, and efforts should be made to raise counterpart funding. Some members expressed concern regarding certain aspects of the proposal, such as a limit of three projects per region, or a cap of US \$1 million on any individual project.

35. The representative of the United States presented a proposal for a revolving fund at the regional level, from which allocations could be made for projects in the chiller sector. He pointed out that, as his proposal was for a revolving fund, ultimately accessible to all countries in a region, that would eliminate the potential for unfairness implicit in a proposal to select only a limited number of projects in a limited number of countries.

36. The representative of the World Bank offered to make a presentation on criteria for dealing with chiller projects.

37. One member highlighted the potential need for additional funds for process agents for 11 uses that might be applied for by Parties and would thus need to be taken into account in either the 2006 or the 2007 business plan;

38. The representative of Japan pointed out that ODS destruction could directly contribute to the compliance requirements, referring to the definition of production and consumption under the Protocol.

39. Following further discussion on metered dose inhaler (MDI) activities in countries with no remaining funding eligibility, the ODS destruction projects, the resource allocation, the

funding window for accelerating phase-out and maintaining momentum, the need for expedited implementation of approved projects for compliance in 2005, the HCFC projects to be discussed in connection with UNDP's business plan, and the CTC/TCA/methyl bromide projects for very low-volume-consuming countries, the Executive Committee decided:

- (a) To note the consolidated 2005-2007 business plan of the Multilateral Fund (including its impact on the funding window as per decision 44/3 and status of compliance), as contained in document UNEP/OzL.Pro/ExCom/45/5;
- (b) To maintain metered dose inhaler (MDI) transition strategies in countries with no remaining funding eligibility;
- (c) In the light of decision XVI/13 of the Parties, to establish a funding window amounting to US \$15.2 million for the chiller sector in 2005;
- (d) To request the Secretariat to prepare a study, with input from the implementing agencies, on criteria and modalities for chiller demonstration projects, including how different regional funds for the chiller sector might come into operation, taking into account proposals submitted and comments made during the current Meeting, for consideration at the 46th Meeting, examining issues such as fairness of funding and any limits on the number or cost of projects to be funded, etc.;
- (e) To handle HCFC survey projects in the manner prescribed in decision 45/6;
- (f) To maintain in the business plan any CTC/TCA/methyl bromide projects for countries with a very low volume of consumption;
- (g) To defer consideration of ODS destruction projects until the 46th Meeting;
- (h) To note that, although planned activities exceeded the 2005 budget, it was expected that, based on historic performance, the funds actually approved were likely to be lower than those planned and therefore within the budget for the 2003-2005 triennium, enabling the Executive Committee to fulfil the Parties' directive to fully commit the 2003-2005 budget, pursuant to decision XIV/39 of the Parties;
- (i) To note that, in the light of the expected availability of funds for all projects in the business plans and the fact that the business plans for 2005 included projects for accelerating phase-out and maintaining momentum, there was no need for a special funding window for that purpose; and
- (j) To urge bilateral and multilateral implementing agencies to increase their efforts to implement approved projects to facilitate the 2005 reductions in consumption and production of controlled substances, bearing in mind that 96,734 ODP tonnes were scheduled to be phased out in 2005 from approved projects.

(Decision 45/4)

(c) 2005-2007 business plans:**(i) Bilateral agencies**

40. The representative of the Secretariat introduced the documents on business plans for bilateral agencies for the years 2005-2007 (UNEP/OzL.Pro/ExCom/45/6 and Corr.1), in which the Governments of Canada, France, Germany, Italy, Japan, Portugal, and Sweden had provided information on their planned bilateral activities for 2005-2007.

41. In response to a request for further details concerning the consultation workshop and demonstration project on innovative financing proposed by Japan, the representative of Japan explained that the proposed workshop was substantially different from the previous consultation workshop, which had been held in L'Estérel, Quebec, Canada.

42. Having considered the amounts in Germany's business plan, the deferral of activities in Germany's 2005 business plan to 2006, the possible project overlaps, and the project preparation activities for capacity-building in China, ODS destruction in Indonesia, and innovative financing in the Asia Pacific Region in Japan's business plan, the Executive Committee decided:

- (a) To note with appreciation the 2005-2007 business plans on bilateral cooperation submitted by: Canada, France, Germany, Italy, Japan, Portugal and Sweden, contained in documents UNEP/OzL.Pro/ExCom/45/6 and Corr.1;
- (b) To note that Germany had received agreement from the Governments of Angola, India, and Papua New Guinea to defer funding for activities in Germany's 2005 business plan until 2006;
- (c) To request that bilateral agencies cooperate with other implementing agencies to resolve any potential or actual overlaps before submitting requests for funding; and
- (d) To remove the chiller projects and activities from the 2005-2007 business plans and to invite demonstration projects and project preparation for chiller projects to be presented at the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee; and
- (e) To defer consideration of ODS destruction projects until the 46th Meeting.

(Decision 45/5)

(ii) UNDP

43. The representative of UNDP presented UNDP's business plan for the years 2005-2007 (UNEP/OzL.Pro/ExCom/45/7), indicating that it was a rolling three-year business plan. She said that it included 12 HCFC survey projects for 2005, and for the next triennium, eight multi-year agreements and four investment projects, and a request that two annual tranches of funding be

allocated for the CFC phase-out plan for Brazil and the solvent sector phase-out plan for China in the 2005 business plan. She also informed the Meeting that, as Eritrea had become a Party to the Montreal Protocol, both UNDP and UNEP would present specific proposals for funding to the 46th Meeting of the Executive Committee. She indicated that, according to estimates, UNDP's core unit costs would rise from US \$1.5 million in 2005 to US \$1.85 million for 2006 and 2007.

44. One member said that, while the proposed HCFC investment projects might not qualify for funding, HCFCs were very important to the issue of global warming. He stressed in particular that the Kyoto Protocol had no mandate to deal with substances falling under the Montreal Protocol and was concerned that the issue of HCFCs might not otherwise be addressed. While a number of members shared that view, others expressed concern at the inclusion of HCFC investment projects and there was therefore no agreement to include them in the business plan. Regarding the proposed HCFC survey projects, one member felt that it might be prudent to await the results of the China survey before undertaking any further surveys. However, it was generally considered that HCFC surveys would be useful, and one member said that they should be undertaken in order to enable the Executive Committee to identify eligible aggregate consumption in accordance with existing Executive Committee guidelines.

45. The representative of UNDP indicated that the supplementary oversight services request did not overlap with UNEP's Compliance Assistance Programme (CAP) and was solely concerned with the implementation of the investment part of RMPs.

46. One member asked for clarification of the increase in core unit costs. Another member, while acknowledging the desire for two tranches of funding, expressed concern that China might not be able to provide a verification report before the 47th Meeting of the Executive Committee.

47. After discussion on the need for surveys of and investment projects for HCFCs and RMP activities, the Executive Committee decided:

- (a) To endorse the 2005-2007 business plan of UNDP, as contained in document UNEP/OzL.Pro/ExCom/45/7, and subsequently amended, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels, with the following modifications:
 - (i) To maintain HCFC surveys, on the understanding that their goal was to enable the Executive Committee to establish an eligible national aggregate level of HCFC consumption in the future against which proposals would be funded;
 - (ii) To remove the chiller projects and activities from the 2005-2007 business plan and to invite demonstration projects and project preparation for chiller projects to be presented at the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee;

- (iii) To defer consideration of ODS destruction projects to the 46th Meeting of the Executive Committee;
 - (iv) To remove CTC and TCA activities in the Democratic Republic of Congo;
 - (v) To add the country programme and refrigerant management plan (RMP) activities in Eritrea; and
- (b) To approve the performance indicators for UNDP, as contained in Annex II to the present report.

(Decision 45/6)

(iii) UNEP

48. The representative of UNEP presented UNEP's business plan for the years 2005–2007 (UNEP/OzL.Pro/ExCom/45/8), outlining the methodology used for the development of the plan and its 12 objectives. He then drew participants' attention to the activities of the regional networks, the allocation of resources, and special initiatives to be launched by UNEP in 2005. The document contained the comments and recommendations of the Fund Secretariat, and the annexes provided detailed information country by country. The issues under consideration were activities relating to methyl bromide and chillers, supplementary activities under the CAP, and possible project overlaps.

49. In response to queries from several members, the representative of UNEP explained that certain of the proposed activities, such as the kit for journalists, could not be funded under the CAP but required supplementary funding. Funding under the CAP was only available for staff, travel, workshop and clearing-house functions. To be eligible for CAP funding, the production of a kit for journalists would have to be undertaken internally. If, however, that were not possible and an external consultant were to be engaged, then supplementary funding would be required. Neither could the kit be funded as part of the global awareness campaign because the campaign allocated money at regional or country level; there was no provision for global or centralized awareness-raising projects.

50. In response to a question on the importance and relevance of the proposed technical assistance projects on methyl bromide, the representative assured members that UNEP could indeed provide substantiation of the need for technical assistance in the countries included in the business plan and prove that, if such support were to be withheld, methyl bromide consumption would either begin or increase.

51. One member questioned the need for an updated version of the customs training manual. The original version had taken a long time and had been costly to produce. Rather than updating the existing book and its translations, he felt that it would be more useful and cost-effective to use resources to create a shorter and simpler, summarized, version of the work.

52. The representative of UNEP clarified that, although it had been agreed that no further funding would be requested for the Pacific Island countries (PIC) strategy, three more countries

had recently joined and their first meeting with other countries participating in the strategy would in fact be the final meeting. Following the end of the strategy, the three new member countries would require further assistance to pursue and enhance their networking and institutional strengthening.

53. Following the discussion, the Executive Committee decided:

- (a) To endorse the 2005-2007 business plan of UNEP as contained in document UNEP/OzL.Pro/ExCom/ExCom/45/8, and subsequently amended, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels, with the following modifications:
 - (i) To remove the chiller projects and activities from the 2005-2007 business plan and to invite demonstration projects and project preparation for chiller projects to be presented at the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee;
 - (ii) To request UNEP to cooperate with bilateral agencies and with other implementing agencies to resolve any potential or actual overlaps in Afghanistan and Côte d'Ivoire;
 - (iii) To add the country programme and refrigerant management plan (RMP) activities in Eritrea;
 - (iv) To remove the activities for the preparation of a journalists' kit from UNEP's 2005-2007 business plan and to request UNEP to resubmit the proposal as part of the Compliance Assistance Programme (CAP).
- (b) To approve the performance indicators for UNEP, as contained in Annex III to the present report;
- (c) To request UNEP to provide a detailed progress report that elaborated and differentiated past activities and funds disbursed in categories such as the Compliance Assistance Programme (CAP), the global awareness programme and region-specific activities so as to clarify that there was no overlap in the context of future plans for discussion at the 46th Meeting; and

(Decision 45/7)

(iv) UNIDO

54. The representative of UNIDO presented UNIDO's business plan for the years 2005-2007 (UNEP/OzL.Pro/ExCom/45/9 and Corr.1), drawing members' attention to resource allocation, non-investment projects, bilateral cooperation, and the country-by-country implementation of approved activities. In response to a question concerning a proposal for a bromochloromethane

(BCM) project in Turkey, for which the application had not yet been approved by the Parties, the representative of UNIDO said that the project had been included in its 2006 business plan and would be removed if the Parties did not approve the application at their 2005 meeting.

55. There was general appreciation for the comprehensive report. Several members stressed the importance of good practice, training and monitoring and enforcement measures.

56. Following a discussion, the Executive Committee decided:

- (a) To endorse the 2005-2007 business plan of UNIDO, as contained in documents UNEP/OzL.Pro/ExCom/45/9 and Corr.1, and subsequently amended, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels, with the following modification:
 - (i) To remove the chiller projects and activities from the 2005-2007 business plan and to invite demonstration projects and project preparation for chiller projects to be presented at the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee; and
 - (b) To approve the performance indicators for UNIDO, as contained in Annex IV to the present report, while setting a target of 32 for the number of annual programmes approved and a phase-out target for individual projects of 1,896.4 ODP tonnes for 2005.

(Decision 45/8)

(v) World Bank

57. The representative of the World Bank presented the World Bank's business plan for the years 2005-2007 (UNEP/OzL.Pro/ExCom/45/10), drawing members' attention to ongoing activities, programme expansion, the possibility of providing for a revolving fund that could have links with financing mechanisms in the Kyoto Protocol, and the country-by-country review.

58. One representative indicated that future business plans of the World Bank might need to include a Phase III CTC project with up to 20 new applications for process agent projects that might be approved by future Meetings of the Parties. He also indicated his country's agreement with the inclusion of revolving funds for projects in the chiller sector in the World Bank business plan with a potential linkage to the Kyoto Protocol.

59. After discussion of the CTC and TCA activities in low-volume-consuming countries, chiller projects, and performance indicators, the Executive Committee decided:

- (a) To endorse the 2005-2007 business plan of the World Bank, as contained in document UNEP/OzL.Pro/ExCom/45/10, and subsequently amended, while

noting that endorsement did not denote approval of the projects identified therein nor their funding levels, with the following modification:

- (i) To remove the chiller projects and activities from the 2005-2007 business plan and to invite demonstration projects and project preparation for chiller projects to be presented at the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee; and
- (b) To approve the performance indicators for the World Bank, as contained in Annex V to the present report, while setting a target of 20 for the number of annual programmes approved, a target of 11 for the number of projects approved, and a target of 6,744 ODP tonnes for the phase-out of individual projects.

(Decision 45/9)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

(a) Report on the evaluation of customs officers training and licensing system projects

60. The Senior Monitoring and Evaluation Officer presented the report on the evaluation of customs officers training and licensing system projects (UNEP/OzL.Pro/ExCom/45/11). This report outlined the licensing systems in the countries visited, the customs procedures, the illegal imports detected, the training courses conducted in the countries visited, the refrigerant identifiers delivered, the experiences reported and the improvements suggested.

61. Members in general considered the report to be a good summary and analysis of the situation. Nevertheless, as some members felt that the recommendations in the report went beyond the obligations of Parties under the Montreal Protocol, it was desirable to avoid being prescriptive in the recommendations and to change the language used in that section accordingly. Any reference in the recommendations to a specific country should also be removed to make the recommendations more general and applicable to a greater number of countries. One member considered that there was insufficient mention of the achievements to date, noting that the Fund had financed over 180 customs training projects. In view of this and other considerations, a section on conclusions should be added to the report highlighting achievements.

62. In the ensuing discussion, various views were expressed. References were made to parallel discussions on the topic in the workshop on illegal trade that had been held on 3 April 2005 in Montreal by the Ozone Secretariat, and it was considered that the report was useful input for the follow-up to decision XVI/33 of the Parties on illegal trade in ODS. Members emphasized the need to coordinate efforts.

63. Members suggested several ways to combat illegal trade, such as reducing the demand for ODS, establishing licensing systems for both exports and imports of ODS, including ODS other than CFCs in licensing and quota systems and related training, and harmonizing legislation

on a regional basis. Some requested UNEP to provide information on the assistance given to countries for the inclusion of other ODS in their licensing systems and requested all implementing agencies to report on the use of refrigerant identifiers by national customs services.

64. One member said that the evaluation did not take into account the effect which the international price for alternative substances such as HFC-134a could have as an incentive for illegal trade in CFCs and requested that, in the report to be sent to the Parties, the Executive Committee recommend that trade issues and their relationship to illegal trade in ODS be taken into account.

65. It was considered crucial to improve cooperation between national ozone units and customs departments. One way of doing so could be for national ozone units to have representatives in customs departments. Concern was expressed about the lack of follow-up to initial customs officer training courses and the need for more refresher courses. The need for the integration of training on ODS into the regular training curricula of customs officers was underlined.

66. Following the discussion, the Executive Committee decided:

- (a) To take note of the report on the evaluation of customs officers training and licensing system projects contained in document UNEP/OzL.Pro/ExCom/45/11, including the recommendations in Section V of the document;
- (b) To request the Senior Monitoring and Evaluation Officer to revise the language of the recommendations to make them less prescriptive and more general and to include a section on conclusions;
- (c) To request the Secretariat:
 - (i) To draft a covering note, for submission to the Parties, reflecting the comments on the report made by members of the Executive Committee at the 45th Meeting, to which the revised report would be annexed;
 - (ii) To post a revised version of the report on its intranet to enable the members to review the text and send in their comments; and
 - (iii) To submit the revised report and the covering note, after approval by the Chair of the Executive Committee, to the 25th Meeting of the Open-ended Working Group.

(Decision 45/10)

(b) Extended desk study on the evaluation of national phase-out plans

67. The Executive Committee considered the report on the extended desk study on the evaluation of national phase-out plans (UNEP/OzL.Pro/ExCom/45/12), which contained a

synthesis of the study conducted by the Senior Monitoring and Evaluation Officer and a consultant who had analysed the documentation available.

68. After discussing the results achieved, the issues on implementation delays, disbursement rates, reporting, monitoring and verification, the Executive Committee decided:

- (a) To take note of the extended desk study on the evaluation of national phase-out plans contained in document UNEP/OzL.Pro/ExCom/45/12, including the proposed evaluation issues and approach for the second phase of the evaluation;
- (b) That the follow-up phase of the evaluation should continue as proposed, with the following amendments:
 - (i) The evaluation should take into account:
 - i. The fact that in many countries, delays were caused by administrative problems which the country had to deal with by developing new processes and procedures;
 - ii. The cost of independent verification and the possibility of using more cost-effective alternatives;
 - iii. The fact that the levels of phase-out of ODS were not directly proportionate to the levels of disbursement;
 - (ii) The evaluation report should include a section on conclusions highlighting the achievements of the national phase-out plans;
 - (iii) The list of evaluation issues should also include the following questions:
 - i. Whether the country felt that there was still a project-by-project approach when several implementing agencies were involved, or whether the national plan approach predominated;
 - ii. How the country-driven approach had created a stakeholder buy-in; and
 - iii. Whether the sequence of activities had been implemented as planned, and if not, why not.

(Decision 45/11)

(c) Project implementation delays

69. The Executive Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/45/13), which was introduced by the representative of the Secretariat.

70. The representative of the United Kingdom provided additional information on progress on a foam project in Algeria and refrigeration projects in the Syrian Arab Republic.

71. The representative of UNEP explained that, although the project for training modules on SMEs had been cancelled, the modules had been prepared and would be reviewed for quality and then distributed.

72. Having considered the information from UNEP on the training modules on SMEs, the translation of guidelines and its policy assistance project for a licensing system in Argentina, the World Bank's halon banking in Thailand to be submitted during 2005, and updates on other projects provided by the Secretariat, the Executive Committee decided:

- (a) To note with appreciation the reports submitted to the Secretariat on projects with implementation delays by France, Germany and the four implementing agencies, as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/45/13);
- (b) To note that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments and implementing agencies as required, and further note that some progress had been achieved for the following projects: the conversion of SOFTPM, Choupot, Oran, to LCD technology in Algeria (ALG/FOA/32/INV/45), implemented by Germany; the conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigerant equipment at Sarkisian Refrigerators in the Syrian Arab Republic (SYR/REF/29/INV/48) and the conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co. in the Syrian Arab Republic (SYR/REF/29/INV/53), both implemented by France.
- (c) To note the completion of 29 out of the 85 projects listed with implementation delays including the Syncap aerosol project in India (IND/ARS/28/INV/221), implemented by UNDP, the Arab Chemical Industries aerosol project in Jordan (JOR/ARS/31/INV/64), implemented by the World Bank, and the umbrella project to phase out ODS at SMEs in the aerosol sector in Malaysia (MAL/ARS/19/INV/85), implemented by UNDP;
- (d) To adopt the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Milestones
UNDP	CUB/ARS/34/INV/18	Phase-out of CFC-12 in the manufacture of insecticides and technical aerosols by conversion to hydrocarbon propellant at CIDT aerosol plant in Cuba	Safety audit to be completed in August 2005
UNDP	LIB/FOA/32/INV/05	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Sebha Unit in the Libyan Arab Jamahiriya	Issuance of purchase orders by 31 May 2005

Agency	Code	Project Title	Milestones
UNDP	LIB/FOA/32/INV/08	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Ben Ghazi Unit in the Libyan Arab Jamahiriya	Issuance of purchase orders by 31 May 2005
World Bank	PAK/FOA/23/INV/20	Umbrella project: Conversion to CFC-free technology in the manufacture of rigid polyurethane foam (thermoware) in Pakistan	A local technician to be trained by the supplier in order to provide ongoing service by June 2005
World Bank	PAK/FOA/25/INV/25	Terminal umbrella project: Conversion to HCFC-141b and water-blown technology in the manufacture of rigid polyurethane foam (thermoware) in Pakistan	A local technician to be trained by the supplier in order to provide ongoing service by June 2005

- (e) To note that UNEP would reallocate US \$ 30,000 to establish the server required for the implementation of the licensing system, and to request UNEP to submit a progress report for the project “Policy assistance for the design and implementation of an ODS import/export licensing system for Argentina (ARG/SEV/30/TAS/104)”, for consideration at the 46th Meeting of the Executive Committee;
- (f) To note that letters of possible cancellation should be sent for the following projects:

Agency	Code	Project Title	Comment
France	SYR/REF/29/INV/56	CFC emission reduction in central air conditioning in the Syrian Arab Republic	As agreed by the Secretariat and agency
World Bank	PAK/FOA/29/INV/34	Conversion from CFC-11 to water-based technology in the manufacture of rigid polyurethane shoe soles at Jaguar Industries in Pakistan	As agreed by the Secretariat and agency
UNEP	GLO/SEV/29/TAS/198	Complement for translation and printing of four guidelines and training modules into Arabic, Chinese, French and Spanish	After hearing a report at the current Meeting
UNIDO	IRA/FOA/28/INV/50	Phase-out of ODS in the manufacture of flexible PU slabstock foam through the use of liquid CO ₂ blowing technology at Bahman Plastic Co. in the Islamic Republic of Iran	As agreed by the Secretariat and agency
World Bank	ARG/REF/18/INV/39	Elimination of CFC in the Neba S. A. plant manufacturing domestic refrigerators in Argentina	After hearing a report at the current Meeting

- (g) To request the World Bank to submit a revised project proposal before any further activities for the halon banking project in Thailand (THA/HAL/29/TAS/121) took place, specifying the modified costs and project milestones, for consideration by the Executive Committee in 2005 in the light of current guidelines and precedents;

- (h) To note the automatic cancellation of the project for training modules on management of ODS phase-out in SMEs and to further note UNEP's intention to circulate the training modules after they had been reviewed and finalized;
- (i) To note the cancellation of the following projects by mutual agreement between the agency and country concerned:
 - (i) Small and medium enterprises study (IRA/SEV/26/TAS/36) in the Islamic Republic of Iran, implemented by France, for which US \$20,000 had been disbursed as at the end of 2003 out of the US \$75,000 approved for the project. The reason for cancellation being that the project was no longer needed due to the approval of a national ODS phase-out plan; and
 - (ii) Phase-out of CFC-11 and CFC-12 in the manufacture of aerosols by conversion to HFC and hydrocarbon propellants at Alkaloid A.D. (MDN/ARS/32/INV/17) in The former Yugoslav Republic of Macedonia, implemented by UNIDO, for which US \$86,271 had been disbursed as at the end of 2003 out of the US \$110,000 approved for the project, and for which UNIDO was requested to attempt to redeploy the equipment and to report back to the 46th Meeting of the Executive Committee on its efforts to do so. The reason for cancellation being that the company had stopped aerosol production.

(Decision 45/12)

(d) Report on implementation of approved projects with specific reporting requirements

73. The representative of the Secretariat drew the attention of the Executive Committee to documents UNEP/OzL.Pro/ExCom/45/14 and Add.1, which contained a request for a change to the phase-out schedule of the project for phasing out methyl bromide in the strawberry, protected vegetables and cut flowers sectors submitted by UNIDO on behalf of the Government of Argentina, in accordance with decisions Ex.I/2 of the First Extraordinary Meeting of the Parties and 43/14 of the Executive Committee. It also contained a progress report on the implementation of two methyl bromide demonstration projects in Botswana and Cameroon, and a report on the release of the balance of the second tranche for the China domestic refrigeration and compressor sector plan, which had been approved at the 41st Meeting of the Executive Committee (decision 41/65).

74. During a discussion on the revision to the phase-out schedule for the methyl bromide project in Argentina, one representative noted the seriousness of reopening an agreement that had been signed between the Executive Committee and a Party, while other representatives stated that the core of the matter was that Argentina was asking for more time to phase out methyl bromide due to the difficulties experienced during the implementation of the project, and noted that no additional funding was being requested. One delegate, supported by two other delegates, suggested that the agreement might be amended to include a phase-out date of 2010 instead of 2015, with the understanding that the date could be re-examined in 2008 on the basis of

current information on the availability of methyl bromide alternative technologies for strawberry-crop fumigation. After consultations among the interested delegations and UNIDO, Argentina and UNIDO agreed to submit a progress report by 2010 and to consider the possibility of an earlier phase-out accordingly.

75. A discussion concerning the release of final funding for the China domestic refrigeration and compressor sector plan also covered the issue of responsibility of the implementing agency for the deterioration in the quality and value of the equipment purchased for the cancelled Hangli refrigeration compressor project and the amount that would be returned to the Fund to cover the loss in value.

76. Following the discussion, the Executive Committee decided:

- (a) To take note of the request to change the phase-out schedule for the project for the complete phase-out of methyl bromide used in the strawberry, protected vegetables and cut flowers sectors, submitted by the Government of Argentina;
- (b) To approve the revisions to the agreement between the Government of Argentina and the Executive Committee as contained in Annex VI to the present report, which would include a revised completion date of 2015;
- (c) To note that, before the end of 2010, UNIDO and Argentina would submit a full report on the implementation of the phase-out plan, together with a status report on the alternatives to methyl bromide in the strawberry sector available in that country; and, at that time, Argentina would consider the possibility of completing the phase-out of methyl bromide earlier than 2015;
- (d) To note that the Government of Botswana, with assistance from UNIDO, had completed the demonstration project on three alternatives to the use of methyl bromide, which had resulted in the complete phase-out of controlled uses of methyl bromide in Botswana;
- (e) To note that the Government of Cameroon, with assistance from UNIDO, had completed the demonstration project on two alternatives to the use of methyl bromide, which had resulted in the complete phase-out of controlled uses of methyl bromide as a soil fumigant in the tobacco sector; and
- (f) Consistent with decision 41/65, to request the Secretariat to inform UNIDO that it may begin to disburse the remaining 50 per cent of the second tranche of the domestic refrigeration and compressor sector plan for China at the amount of US \$1,085,769, plus agency support costs of US \$96,119, and to request UNIDO to provide US \$15,000 to the Multilateral Fund at the 46th Meeting, representing the current value of the capital equipment purchased for the Hangli project (CPR/REF/26/INV/256) from the second tranche of the domestic refrigeration and compressor sector plan.

(Decision 45/13)

AGENDA ITEM 7: PROJECT PROPOSALS:**(a) Overview of issues identified during project review**

77. The Chair introduced the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/45/15 and Corr.1) and explained that it presented the statistics on submissions received, the list of all projects and activities recommended for blanket approval and the list of projects for individual consideration. The Chair pointed out that there were three policy issues arising from project review for the Executive Committee's attention, following which the list of projects and activities for blanket approval would be considered.

Technical assistance for countries with little or no current consumption

78. The representative of the Secretariat drew attention to paragraphs 5 to 9 of the overview paper (UNEP/OzL.Pro/ExCom/45/15) and indicated that 13 proposals had been submitted to the 45th Meeting requesting funding to achieve or sustain phase-out in countries that had an officially established baseline for CTC, TCA and/or methyl bromide but for which the latest reported consumption was either very low or zero. Twelve of the proposals were for assistance in the solvent sector and one proposal was a plan for total ODS phase-out. The Secretariat had prepared guidelines for the preparation and funding of such projects.

79. Following a discussion and amendment of the proposed guidelines, the Executive Committee decided to approve guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA as follows:

- (a) Countries that have a Montreal Protocol baseline for CTC and/or TCA but for which the latest reported consumption is less than 2 ODP tonnes may submit proposals for technical assistance, or assistance with preparation of legislative measures to complete their phase-out in the relevant sectors, or to ensure the sustainability of the phase-out already achieved;
- (b) Countries must have reported some consumption of CTC and/or TCA at least once over the three-year period preceding requests for funding;
- (c) The proposals must comply with the rules and policies of the Multilateral Fund and must be accompanied by an undertaking not to seek additional assistance from the Multilateral Fund in respect of phase-out of these substances. Countries must be made fully aware of this undertaking and a letter to this effect from the government concerned must be submitted with the proposal;
- (d) Other than for training purposes, additional capital items such as recycling machines or service tools will not normally be eligible. Where a need for limited numbers of such equipment can be demonstrated through comprehensive reports and/or surveys, proposals may, in exceptional circumstances, be submitted for consideration on a case-by-case basis;

- (e) Depending on the level of consumption, funding for technical assistance would range between US \$20,000 and US \$40,000, to be determined on a case-by-case basis; and
- (f) To the extent possible, the phase-out of small volumes of CTC and/or TCA should be integrated within terminal phase-out management plans and national phase-out plans.

(Decision 45/14)

Flexibility conditions in phase-out agreements

80. The Executive Committee's attention was drawn to paragraphs 10 to 15 of the overview paper (UNEP/OzL.Pro/ExCom/45/15). The representative of the Secretariat indicated that the issue of the wording of the flexibility conditions in phase-out agreements had arisen in the context of a national CFC phase-out plan for Viet Nam submitted to the current Meeting. He pointed out that the wording used in the majority of multi-year agreements so far approved by the Executive Committee differed from that in the guidelines in that it required prior consideration of changes in the use of approved funds.

81. Following a discussion on the issue of flexibility conditions for the use of approved funds, in particular whether changes were major or minor, the Executive Committee decided to request the Secretariat, in consultation with the implementing agencies, to prepare a paper for consideration at the 46th Meeting defining the meaning of major changes in the use of funding and the need to document such changes in advance in the country's annual implementation programme.

(Decision 45/15)

Replacement of enterprises in a terminal umbrella project

82. The representative of the Secretariat drew attention to paragraphs 16 to 19 of the overview paper (UNEP/OzL.Pro/ExCom/45/15) regarding proposals to change the enterprises included in previously approved terminal umbrella projects. The issue arose subsequent to a request from UNDP to replace one enterprise with three different enterprises in an approved refrigeration project for Paraguay, which would result in the return of the balance of approved funding. The Secretariat had indicated to UNDP that it had no mandate to agree to a change in the project. It sought the Committee's guidance as to whether it could advise UNDP to proceed with the change in the project, given that all related cost and policy issues had been resolved, and whether such requests could be authorized by the Secretariat in the future.

83. Several representatives referred to the flexibility issue and underlined the importance of transparency. The Chief Officer explained that the Secretariat was only asking for flexibility in cases such as the Paraguay project where there were savings which would be returned to the Fund or no additional funds were being requested by an implementing agency.

84. Following a discussion, the Executive Committee decided:

- (a) To request the Secretariat to advise UNDP that the proposal to replace one enterprise in the terminal umbrella project approved for Paraguay (PAR/REF/34/INV/12) by three different enterprises could proceed, noting that the replacement resulted in a reduction in the total consumption of CFCs in the project of 1.75 ODP tonnes and in the return to the Multilateral Fund of US \$23,945, including agency support costs, by UNDP, to be submitted to the 46th Meeting; and
- (b) To authorize the Secretariat to agree to any future changes in terminal umbrella projects in cases where all cost and policy issues between the Secretariat and the implementing agency concerned had been resolved, and to report back to the Executive Committee.

(Decision 45/16)

List of projects and activities for blanket approval

85. The representative of the Secretariat drew attention to the list of projects and activities for blanket approval presented in Annex I to document UNEP/OzL.Pro/ExCom/15/Corr.1. The Executive Committee decided to approve the projects and activities submitted for blanket approval at the level of funding indicated in Annex VII to the present report, with the conditions or provisos included in the corresponding project evaluation sheets and also those conditions attached to projects by the Executive Committee. For projects relating to the renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex VIII to the present report.

(Decision 45/17)

(b) Bilateral cooperation

86. The Executive Committee had before it 13 requests for bilateral cooperation submitted by the Governments of Canada, France, Germany, Japan and Sweden (UNEP/OzL.Pro/ExCom/45/16). Twelve of the projects and activities were to be considered under agenda item 7(d) Investment projects. The other activity, a request from the Government of Japan for the preparation of a terminal phase-out management plan for Mongolia, was recommended for blanket approval and had been considered under agenda item 7(a).

87. It was clarified that possible overlaps between France's terminal phase-out plan in Laos and UNDP's foam project in the same country were under discussion by the two agencies concerned.

88. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 45th Meeting, as follows:

- (a) US \$70,060 against the balance of Canada's bilateral contribution for 2005;

- (b) US \$1,866,000 against the balance of France's bilateral contribution for 2005;
- (c) US \$1,602,616 against the balance of Germany's bilateral contribution for 2005 after taking into account funds returned as per decision 45/3(b);
- (d) US \$2,818,307 against the balance of Japan's bilateral contribution for 2005; and
- (e) US \$135,035 against the balance of Sweden's bilateral contribution for 2005.

(Decision 45/18)

(c) Work programmes and amendments:

(i) 2005 work programme amendments of UNEP

89. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/45/17 containing UNEP's 2005 work programme amendments. Thirty-one activities were submitted by UNEP, including nine requests for renewal of institutional strengthening projects. Seven of the activities were recommended for blanket approval and had been considered under agenda item 7(a). Eighteen activities associated with refrigerant management plans or investment projects would be considered under agenda item 7(d) Investment projects. The Executive Committee considered the remaining six proposals, as indicated below.

Fiji: Development of a total ODS phase-out plan

90. The representative of the Secretariat explained that UNEP was requesting funding of US \$15,000 for the preparation of an ODS phase-out plan for Fiji. The project was to be implemented jointly with UNDP, which had submitted a similar request for its component of the project. Fiji required technical assistance for control measures on methyl bromide in order to return to compliance, and had also requested assistance to achieve complete CFC phase-out.

91. The Executive Committee decided to approve the project preparation request at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance and subject to all CFC-based funding proposals in the resulting project being directly related to the specific needs identified and quantified in Fiji's report on implementation of its refrigerant management plan.

(Decision 45/19)

Honduras: Renewal of institutional strengthening project, phase IV

92. The representative of the Secretariat indicated that Honduras' 2003 methyl bromide consumption, while in excess of the 2002 freeze level, was within the consumption limit for 2003 specified in the action plan endorsed by the Parties in decision XV/35. Honduras had not yet reported consumption for 2004.

93. The Executive Committee decided to approve phase IV of Honduras' institutional strengthening project, at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance, and to express to the Government of Honduras the views contained in Annex VIII to the present report.

(Decision 45/20)

Dominica: Renewal of institutional strengthening project, phase II, second year

94. The representative of the Secretariat indicated that phase II of the institutional strengthening project for Dominica had been approved at the 42nd Meeting for one year only because the country had been found to be in non-compliance with its reporting requirements and with the CFC freeze. Dominica had since, however, taken the necessary measures to address its non-compliance status.

95. The Executive Committee decided to approve the request for release of funding for the second year of phase II of the institutional strengthening project for Dominica at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance.

(Decision 45/21)

Saint Vincent and the Grenadines: Renewal of institutional strengthening project, phase II, second year

96. The representative of the Secretariat indicated that phase II of the institutional strengthening project for Saint Vincent and the Grenadines had been approved at the 42nd Meeting for one year only because the country had been found to be in non-compliance with its reporting requirements and with the CFC freeze. Saint Vincent and the Grenadines had since, however, taken the necessary measures to address its non-compliance status.

97. The Executive Committee decided to approve the request for release of funding for the second year of phase II of the institutional strengthening project for Saint Vincent and the Grenadines at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance.

(Decision 45/22)

Global: Effective awareness materials

98. The representative of the Secretariat indicated that UNEP was proposing funding of US \$120,000 for additional public awareness materials, based on the Ozzy ozone theme created for the children's video funded at the 30th Meeting. No provision had been made for that activity in the 2005 CAP budget. The Secretariat had suggested that consideration could be given to

deferring the proposal and incorporating it in the 2006 CAP submission, where it could be prioritized together with other CAP activities.

99. The representative of UNEP, however, stressed the importance of maintaining momentum in the project, which might be lost if the project was deferred. The original project had been highly successful and UNEP was aiming to complete the additional materials in time for the International Children's Summit in Japan in July 2005 and to promote them widely on National Ozone Day in September. He explained that a provision for global awareness activities would be included in the 2006 CAP submission.

100. In view of the urgency, the Executive Committee decided to approve the proposal to develop the additional awareness materials at the level of funding indicated in Annex VII to the present report.

(Decision 45/23)

Region: Africa: Subregional project on harmonization of legislative and regulatory mechanisms to improve monitoring and control of ODS consumption in English-speaking Africa.

101. The representative of the Secretariat explained that UNEP was requesting funding of US \$140,000 to assist English-speaking countries in central and southern Africa to develop, adopt and implement harmonized legislative and regulatory mechanisms for ODS imports and customs training programmes. The main issues identified by the Secretariat were whether the project would produce tangible results in the form of harmonized regulatory systems in the countries concerned and whether those would be available quickly enough to assist compliance efforts. UNEP had indicated that a similar project implemented in French-speaking Africa was now producing such results.

102. The Executive Committee decided:

- (a) To approve the proposal for harmonization of legislative and regulatory systems in English-speaking Africa at the level of funding indicated in Annex VII to the present report; and
- (b) To request UNEP to complete the project within 18 months and to provide a completion report by the end of 2006.

(Decision 45/24)

(ii) 2005 work programme of UNDP

103. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/45/18, containing UNDP's 2005 work programme, which included requests for funding of 22 activities, including one request for renewal of an institutional strengthening project. Five of the proposals were recommended for blanket approval and had therefore been considered under agenda item 7(a). The Executive Committee considered the remaining two project preparation funding

requests, two proposals for technical assistance and a group of 12 requests for funding to conduct HCFC surveys. The project preparation request for D.R. Congo was withdrawn.

Fiji: Project preparation for a complete ODS phase-out plan

104. The representative of the Secretariat explained that UNDP was requesting funding of US \$16,870 for the preparation of an ODS phase-out plan for Fiji. Fiji required technical assistance in the methyl bromide sector in order to return to compliance, and had also requested assistance to achieve complete CFC phase-out. The project was to be implemented jointly with UNEP, which had submitted a similar request for its component of the project as approved in decision 45/19.

105. The Executive Committee decided to approve the project preparation request at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance, and subject to all CFC-based funding proposals in the resulting project being directly related to the specific needs identified and quantified in Fiji's report on implementation of its refrigerant management plan.

(Decision 45/25)

Brazil: Project preparation for a chiller demonstration project

106. The Executive Committee decided to remove the chiller project preparation request from the 2005 work programme of UNDP and to invite presentation of the demonstration chiller project to the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee.

(Decision 45/26)

Democratic Republic of Congo: Project preparation for a CTC sectoral phase-out plan

107. The representative of the Secretariat said that UNDP had withdrawn its proposal in the light of a similar proposal from UNIDO.

Paraguay: Solvent sector technical assistance

Uruguay: Solvent sector technical assistance

108. The representative of the Secretariat indicated that UNDP had submitted two technical assistance projects in the solvent sector for Paraguay and Uruguay. Each country had reported low levels of consumption of CTC within the previous three years and met the guidelines agreed under agenda item 7(a) on the issue of technical assistance for countries with little or no current consumption (decision 45/14).

109. The Executive Committee decided to approve the technical assistance projects in the solvent sector for Paraguay and Uruguay at the level of funding indicated in Annex VII to the present report.

(Decision 45/27)

Funding request to carry out HCFC surveys: Argentina, Brazil, Colombia, India, Indonesia, the Islamic Republic of Iran, Lebanon, Malaysia, Mexico, Sri Lanka, the Syrian Arab Republic and Venezuela

110. The representative of the Secretariat indicated that there were 12 requests for funding for HCFC surveys.

111. In consideration of the discussion under agenda item 5(c)(ii) (UNDP's 2005-2007 business plan), and the information provided by the Secretariat, the Executive Committee decided to approve the funding requested for carrying out HCFC surveys in Argentina, Brazil, Colombia, India, Indonesia, the Islamic Republic of Iran, Lebanon, Malaysia, Mexico, Sri Lanka, the Syrian Arab Republic and Venezuela at the level of funding indicated in Annex VII to the present report in accordance with decision 45/6.

(Decision 45/28)

(iii) 2005 work programme of UNIDO

112. The Executive Committee had before it UNIDO's 2005 work programme (UNEP/OzL.Pro/ExCom/45/19 and Add.1), which contained 33 activities, including three requests for renewal of institutional strengthening projects. Seventeen activities were recommended for blanket approval and had been considered under agenda item 7(a). The Executive Committee considered the remaining five project preparation activities, one activity in the methyl bromide sector and 10 technical assistance proposals in the solvent sector for countries with little or no consumption.

China: Preparation of a production phase-out plan in the fumigants sector (methyl bromide)

Romania: Preparation of a closure project in the production of CFC/CTC/methyl bromide

113. The representative of the Secretariat indicated that UNIDO had submitted project preparation requests in the production sector for China and Romania. The requested funding for the preparation of each project proposal appeared to be too high as data from the completed technical audits carried out in each country, and the survey and strategy for the phase-out of methyl bromide consumption by UNIDO in China, would reduce considerably the cost of data collection. Furthermore, no more than three production plants had to be covered in each country and, in Romania, the CFC production facility had been closed for some time.

114. The representative of UNIDO provided additional information on the projects, indicating that the project in China would be implemented in three different locations and the project in

Romania would cover three different sectors. The issues related to these two projects were considered further under agenda item 17 (decision 45/62).

Democratic Republic of Congo: Preparation of a phase-out plan in the solvents (CTC) sector

115. The Executive Committee decided to approve the preparation of a phase-out plan in the solvents (CTC) sector for the Democratic Republic of Congo, at the level of funding indicated in Annex VII to the present report.

(Decision 45/29)

The former Yugoslav Republic of Macedonia: Project preparation for chiller demonstration (CFC)

116. The Executive Committee decided to remove the chiller project from the 2005 work programme and to invite presentation of the demonstration chiller project to the 47th Meeting of the Executive Committee within the funding window for a global chiller programme, based on the criteria to be agreed at the 46th Meeting of the Executive Committee.

(Decision 45/30)

Serbia and Montenegro: Project preparation in the fumigants sector (methyl bromide)

117. The representative of the Secretariat indicated that there was one project preparation funding request for methyl bromide in Serbia and Montenegro. While Serbia and Montenegro had ratified all the amendments to the Montreal Protocol, there had been no reported consumption of methyl bromide in the baseline period. He said that, under the guidelines for methyl bromide projects, funding for investment projects was not currently eligible, although consideration might be given to non-investment assistance.

118. Following a discussion, the Executive Committee decided to approve the project preparation in the fumigants sector as an exceptional case, at the level of funding indicated in Annex VII to the present report, and to urge Serbia and Montenegro to supply additional information to the Ozone Secretariat on consumption of methyl bromide and apply for a revision of its methyl bromide baseline.

(Decision 45/31)

Cambodia: Training and awareness workshop in the fumigants sector (methyl bromide)

119. The representative of the Secretariat indicated that Cambodia had not yet ratified the Copenhagen Amendment to the Montreal Protocol. Under the guidelines for methyl bromide projects, funding for activities that enhanced national capacity-building, such as funding for information transfer and policy development, could be made available to countries that had not yet ratified the Copenhagen Amendment provided that a letter had been received from the government, indicating its intent to complete ratification within a period of 12 months.

Cambodia had not so far provided such a letter and the project did not appear to be eligible for funding.

120. The Executive Committee decided to defer the proposal for funding for technical assistance in the methyl bromide sector in Cambodia.

(Decision 45/32)

Bahrain: Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors

Burundi: Training and awareness workshop in the process agents (TCA) sector

Croatia: Training and awareness workshop in the solvents (CTC) sector

Ethiopia: Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors

Morocco: Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors

Oman: Training and awareness workshop in the solvents sector (CTC)

Tunisia: Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors

Venezuela: Training and awareness workshop in the solvents (TCA) sector

Yemen: Training and awareness workshop in the process agents (TCA) sector

Zambia: Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors

121. The representative of the Secretariat indicated that 10 countries were requesting technical assistance in the solvent sector, each of which had reported consumption of CTC and/or TCA within the last three years.

122. Following a discussion, and in light of the guidelines for countries with little or no consumption in the solvent sector adopted in decision 45/14, the Executive Committee decided to approve funding for the projects for technical assistance in the solvent sector for Bahrain, Burundi, Croatia, Ethiopia, Morocco, Oman, Tunisia, Venezuela, Yemen and Zambia, at the level of funding indicated in Annex VII to the present report.

(Decision 45/33)

(iv) 2005 work programme of the World Bank

123. The Secretariat had before it the World Bank's work programme for 2005 (UNEP/OzL.Pro/ExCom/45/20 and Corr. 1), which contained five activities. Three project preparation requests were recommended for blanket approval and had been considered in agenda item 7(a). The Executive Committee considered the remaining two requests for renewal of institutional strengthening projects.

Chile: Renewal of institutional strengthening project, phase VI

124. The representative of the Secretariat indicated that the project was submitted for individual consideration as, at their Sixteenth Meeting, the Parties had found Chile to be in non-compliance with control measures for CFC-112, methyl chloroform and methyl bromide. Chile had indicated in its progress report that there might have been a reporting error in respect of CFC-112, and that a national law to control imports might be submitted to Parliament during 2005. A methyl bromide phase-out project had been submitted to the present Meeting by the World Bank (decision 45/40).

125. Following a discussion, the Executive Committee decided to approve phase VI of the institutional strengthening project for Chile for a period of one year only, at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance, and to express to the Government of Chile the views contained in Annex VIII to the present report.

(Decision 45/34)

Philippines: Renewal of institutional strengthening project, phase IV (second year)

126. The representative of the Secretariat introduced a request for approval of the second year of phase IV of the institutional strengthening project for the Philippines, explaining that, in 2004, the Executive Committee had renewed phase IV of the project for one year only because, at that time, the Philippines appeared to be in non-compliance with the methyl bromide freeze. At their Sixteenth Meeting, the Parties had agreed to a change in the methyl bromide baseline for the Philippines. The Executive Committee, at its 44th Meeting, had approved a technical assistance project submitted by the World Bank to support a national methyl bromide phase-out strategy. The World Bank had indicated that those two measures would enable the Philippines to meet the 20 per cent reduction target in 2005.

127. Following a discussion, the Executive Committee decided to approve the second year of phase IV of the institutional strengthening project for the Philippines, at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance.

(Decision 45/35)

(d) Investment projects

128. The Executive Committee had before it Annex II to document UNEP/OzL.Pro/ExCom/45/15/Corr.1, containing 16 projects for individual consideration, which were considered separately, as indicated below:

Production sector plans

Argentina: Strategy for gradual phase-out of CFC-11 and CFC-12 production: 2005 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/45/21)

129. The representative of the Secretariat said that, at its 38th Meeting, the Executive Committee had approved in principle a total of US \$8.3 million for the implementation of the agreement for the production sector in Argentina, and thus far a total of US \$4 million had been disbursed. At the present Meeting, the World Bank was requesting the 2005 funding tranche at the amount of US \$300,000 and associated support costs of US \$120,000. The World Bank's submission included the 2005 work programme and the verification report of CFC production at FIASA for 2004. The project was being presented for individual consideration because verification of CFC production for 2004, especially the technical part of the verification, had not been conducted in accordance with the guidelines on verifying ODS production phase-out adopted by the Executive Committee. Contrary to the terms of the guidelines, the consultant hired by the World Bank had no direct experience of fluorocarbon chemical production and, as a result, had not been able to adequately address the technical issues during the audit. However, the Secretariat recommended approval of the 2005 annual work programme on the merit of the financial part of the verification, which had been conducted in accordance with the guidelines.

130. Following a discussion, the Executive Committee decided:

- (a) To approve the 2005 annual work programme at the level of US \$300,000 and the associated support costs of US \$120,000 for the World Bank, in the light of the results of the verification, in particular of the financial audit indicating that CFC production at FIASA in 2004 had been 3,015 metric tonnes, which was below the target of 3,020 metric tonnes set in the agreement; and
- (b) To request the World Bank to follow the guidelines on verifying ODS production phase-out adopted by the Executive Committee in future verifications, to ensure the necessary expertise of the verification team, and to achieve consistency in verifications in countries where it was implementing ODS production phase-out plans.

(Decision 45/36)

Refrigerant management plans

Bhutan: Implementation of the refrigerant management plan (UNDP and UNEP) (UNEP/OzL.Pro/ExCom/45/22)

131. The representative of the Secretariat said that UNDP and UNEP had submitted an RMP project for Bhutan. The CFC baseline for Bhutan was 0.171 ODP tonnes, and the 2004 consumption was estimated at 0.165 ODP tonnes. The Secretariat had expressed major reservations about the total level of funding requested for the RMP and suggested that it should be submitted as a TPMP at a total cost of US \$120,000.

132. Following a discussion, the Executive Committee decided to approve the refrigerant management plan for Bhutan at a total cost of US \$90,000, with the following components:

- (a) Technical assistance component in the refrigeration servicing sector at a total cost of US \$45,000, plus agency support costs of US \$4,050 for UNDP;
- (b) Train-the-trainer programme for customs and enforcement officers at a total cost of US \$25,000, plus agency support costs of US \$3,250 for UNEP; and
- (c) Train-the-trainer programme for refrigeration service technicians at a total cost of US \$20,000, plus agency support costs of US \$2,600 for UNEP.

(Decision 45/37)

Botswana: Refrigerant management plan update (Germany)
(UNEP/OzL.Pro/ExCom/45/23)

133. The representative of the Secretariat said that the Government of Germany had submitted an RMP update project on behalf of the Government of Botswana. At their Sixteenth Meeting, the Parties had noted that Botswana had not reported data for 2003 and was therefore in non-compliance with its data reporting obligations under the Protocol. Subsequently, the Fund Secretariat had received a copy of the letter sent to the Ozone Secretariat on 16 February 2005 by the Government of Botswana regarding its 2003 ODS consumption.

134. Following a discussion, the Executive Committee decided to approve the refrigerant management plan update project for Botswana at a total cost of US \$64,295, plus agency support costs of US \$8,358 for the Government of Germany, on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism for dealing with non-compliance and that the Government of Germany would provide appropriate monitoring throughout project implementation.

(Decision 45/38)

Fumigant sector

Chile: Phase-out of all the remaining uses of methyl bromide in soil application pest control (first tranche) (World Bank) (UNEP/OzL.Pro/ExCom/45/25)

135. The representative of the Secretariat said that, pursuant to decision 44/48, the Government of Chile had submitted to the 45th Meeting its strategy and plan of action, together with a proposal for the phase-out of all remaining uses of methyl bromide in soil applications. A revised draft agreement was also submitted. There were no outstanding technical or cost-related issues. The incremental cost of the project had been agreed between the Secretariat and the World Bank.

136. Following a discussion, the Executive Committee decided, without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance:

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

(Decision 45/39)

Refrigeration sector

China: Reapplication of project CPR/REF/23/INV/222, Phasing out ODS at the refrigerator plant of Bole Electric Appliances Group (UNIDO) (UNEP/OzL.Pro/ExCom/45/26)

137. The representative of the Secretariat said that the project had originally been approved in 1997, at the 23rd Meeting of the Executive Committee. Its objective was to convert the enterprise to cyclopentane foaming and isobutane refrigerant technologies, phasing out 132 ODP tonnes of CFCs. The approved project budget was US \$1,469,029. Due to financial difficulties at the enterprise, implementation of the project had been suspended and eventually it had been cancelled by mutual agreement in April 2003. UNIDO had submitted a request to the 45th Meeting seeking reinstatement of the cancelled project, based on decision 29/8, as the enterprise had overcome its financial difficulties.

138. Following a discussion, the Executive Committee decided to approve the reinstatement of the project and authorized use of the amount of US \$113,250, plus agency support costs of US \$10,193 for UNIDO, being the unspent balance of the project funds which had not been returned to the Multilateral Fund by UNIDO.

(Decision 45/40)

New national phase-out plansDominican Republic: Terminal phase-out plan for Annex A (Group I) substances: 2005 annual implementation programme (UNDP) (UNEP/OzL.Pro/ExCom/45/28)

139. The representative of the Secretariat said that the Government of the Dominican Republic, through UNDP, had submitted a terminal phase-out plan for consideration by the Executive Committee at its 45th Meeting. Implementation of the plan would lead to the phase-out of the remaining consumption of CFCs (311.2 ODP tonnes). The requested cost of the plan was US \$1,711,600, excluding agency support costs. The cost-effectiveness of the phase-out plan was US \$5.50/kg.

140. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the terminal phase-out plan for CFCs for the Dominican Republic at a total level of funding of US \$1,711,600, plus agency support costs of US \$128,370 for UNDP;
- (b) To approve the agreement between the Government of the Dominican Republic and the Executive Committee contained in Annex X to the present report; and
- (c) To approve the first tranche of the plan at a funding level of US \$500,000, plus support costs of US \$37,500 for UNDP.

(Decision 45/41)

The former Yugoslav Republic of Macedonia: Terminal phase-out management plan for CFCs (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/45/35 and Add.1)

141. The representative of the Secretariat said that UNIDO, on behalf of the Government of The former Yugoslav Republic of Macedonia, had submitted a TPMP for CFCs. If approved, the project would result in phasing out 49.34 ODP tonnes of CFCs, representing the total consumption of controlled uses of CFCs in Macedonia. The total cost of the project was US \$279,081. The cost-effectiveness of the phase-out management plan was US \$5.66/kg.

142. Following a discussion, the Executive Committee decided:

- (a) To approve, in principle, the terminal phase-out management plan for CFCs for The former Yugoslav Republic of Macedonia, at a total level of funding of US \$279,081, plus agency support costs of US \$20,931 for UNIDO;
- (b) To approve the agreement between the Government of The former Yugoslav Republic of Macedonia and the Executive Committee contained in Annex XI to the present report; and

- (c) To approve the first tranche of the plan at a funding level of US \$154,210, plus support costs of US \$11,566 for UNIDO.

(Decision 45/42)

Romania: National CFC phase-out plan: first tranche (UNIDO and Sweden)
(UNEP/OzL.Pro/ExCom/45/41)

143. The representative of the Secretariat said that UNIDO, on behalf of the Government of Romania, through Sweden as cooperating bilateral agency, had submitted a national CFC phase-out plan. If approved, the project would result in the phase-out of 250 ODP tonnes of CFCs, representing the total consumption of controlled uses of CFCs in Romania. The total cost of the project was US \$545,300. The cost-effectiveness of the phase-out plan was US \$5.49 /kg.

144. Following a discussion, the Executive Committee decided:

- (a) To approve, in principle, the national CFC phase-out plan for Romania, at a total level of funding of US \$545,300, plus agency support costs of US \$47,470 for UNIDO and Sweden;
- (b) To approve the agreement between the Government of Romania and the Executive Committee contained in Annex XII to the present report, and
- (c) To approve the first tranche of the plan at a funding level of US \$159,050, plus support costs of US \$11,929 for UNIDO, and US \$119,500, plus support costs of US \$15,535 for Sweden.

(Decision 45/43)

Viet Nam: National CFC and halon phase-out plan (first tranche) (World Bank)
(UNEP/OzL.Pro/ExCom/45/44 and Add.1)

145. The representative of the Secretariat said that the World Bank, on behalf of the Government of Viet Nam, had submitted to the 44th Meeting of the Executive Committee the Viet Nam national CFC and halon phase-out plan. The phase-out plan would lead to the final phase-out of CFCs, halons, and CTC by the year 2010, would sustain the total phase-out of TCA consumption and assist the Government of Viet Nam to meet its respective 2005 and 2007 compliance targets for CFCs and halons. Pursuant to decision 44/46, which approved the national CFC and halon phase-out plan in principle at a funding level of US \$1,260,000, plus agency support costs of US \$94,500, the World Bank had submitted a revised proposal, including a draft agreement, to the 45th Meeting.

146. Following discussions between the Secretariat and the World Bank and subsequent to consideration of the related policy issue under agenda item 7(a) on the flexibility conditions in phase-out agreements, the Executive Committee decided:

- (a) To approve the agreement between the Government of Viet Nam and the Executive Committee, as contained in Annex XIII to the present report; and
- (b) To approve the first annual work programme for 2005 at a funding level of US \$495,537, plus support costs of US \$37,165 for the World Bank.

(Decision 45/44)

Ongoing national phase-out plans

Brazil: National CFC phase-out plan: 2005 implementation work plan (third tranche)
(UNDP) (UNEP/OzL.Pro/ExCom/45/24)

147. The representative of the Secretariat said that UNDP, on behalf of the Government of Brazil, had submitted to the 45th Meeting a request for the release of the 2004 funding tranche at the amount of US \$3,970,000, plus support costs for UNDP, for the 2005 annual implementation programme of the Brazil national CFC phase-out plan. The project was being implemented with the assistance of UNDP (the lead implementing agency) and the Government of Germany (as cooperating agency for the service technician and customs officer training programmes). The 2004 and 2005 funding tranches for Germany had not been requested. By agreement with the Government of Brazil, both the 2004 and the 2005 tranches for Germany would be requested at the first meeting in 2006.

148. UNDP had also submitted a report on the implementation of the 2003-2004 annual implementation programme for the period ending 31 August 2004, an independent audit report verifying 2003 consumption as reported to the Ozone Secretariat, indicating the CFC phase-out in 2003 and 2004 achieved through implementation of activities under the national CFC phase-out plan. That report also provided an estimated trend in CFC consumption in 2004, which had been assessed on the basis of import data for the first six months of the calendar year.

149. Following a discussion, the Executive Committee decided to approve the 2005 annual implementation programme and the requested tranche at the amount of US \$3,970,000, plus agency support costs of US \$342,500 for UNDP, with the proviso that UNDP be requested to provide clarification as to the relationship between the reported national CFC consumption and the phase-out activities being funded, and to include this information in its annual report when requesting the 2006 funding tranche at the 47th Meeting.

(Decision 45/45)

China: Refrigeration servicing sector CFC phase-out plan: revised 2005 annual implementation programme and request to transfer US \$450,000 to UNEP as new cooperating agency (UNIDO) (UNEP/OzL.Pro/ExCom/45/26)

150. The representative of the Secretariat said that, at its 44th Meeting, the Executive Committee had approved the first tranche of the China refrigeration servicing sector CFC phase-out plan at a cost of US \$1,000,000, plus support costs of US \$75,000 for UNIDO, and US \$1,000,000, plus support costs of US \$130,000 for Japan (decision 44/49). The Government of China had indicated that, owing to the experience of UNEP in implementing refrigeration servicing sector training activities, the involvement of UNEP would be beneficial to the project. China had requested the transfer to UNEP of US \$450,000 from the funding already approved for UNIDO, so that UNEP could implement activities in areas where China found UNEP to be better placed to provide assistance. A revised 2005 annual implementation plan, which included UNEP, had been submitted to the 45th Meeting.

151. Following a discussion, the Executive Committee decided:

- (a) To take note of the revised 2005 annual implementation programme;
- (b) To amend the agreement between the Government of China and the Executive Committee to include UNEP as cooperating implementing agency for the project as contained in Annex XIV to the present report;
- (c) To note the return by UNIDO of US \$450,000, plus support costs of US \$33,750, from the first tranche approved for the implementation of the China refrigeration servicing sector CFC phase-out plan (CPR/REF/44/INV/419); and
- (d) To approve US \$450,000, plus support costs of US \$58,500 for UNEP, for the implementation of selected activities under the 2005 annual implementation plan.

(Decision 45/46)

China: ODS phase-out in the China solvent sector: 2005 annual implementation programme (UNDP) (UNEP/OzL.Pro/ExCom/45/26)

152. The representative of the Secretariat said that, on behalf of the Government of China, UNDP had submitted to the 45th Meeting a request for funding of US \$5,680,000, plus support costs of US \$426,000 for UNDP, for the 2005 annual implementation programme of the solvent sector plan for China. The Executive Committee had approved the 2005 annual implementation programme and noted that funding would be requested at the 45th Meeting (decision 44/31). The representative of the Secretariat also mentioned that UNDP had submitted a proposal to amend the 2005 annual implementation programme. The amendment would authorize the use of US \$2 million in savings from previous tranches of the solvent sector plan to purchase and install equipment for the purification of n-propyl bromide (nPB), an alternative solvent currently being produced in China and now being used as the active ingredient in the cleaning solvent HEP-2.

153. Following a discussion, the Executive Committee decided:

- (a) To approve US \$5,680,000, plus support costs of US \$426,000 for UNDP, for the 2005 tranche of the solvent sector plan for China;
- (b) To approve an amendment to the 2005 annual implementation programme to reallocate US \$2 million in savings from previous tranches of the solvent sector plan to purchase and install equipment for the purification of n-propyl bromide (nPB), subject to the following conditions:
 - (i) HEP-2 produced by China would not be made available for export;
 - (ii) An annual production quota would be imposed on HEP-2 to meet the requirement for solvent use only;
 - (iii) China would ensure that HEP-2 was only supplied to enterprises involved in the China solvent sector plan;
 - (iv) The Import and Export Office of China would monitor and ensure that no HEP-2 was exported by China; and
 - (v) The implementing agency of the China solvent sector plan, UNDP, would include in its annual audit verification plan that no HEP-2 was exported.

(Decision 45/47)

India: CTC phase-out plan for the consumption and production sectors: 2005 annual programme (UNEP/OzL.Pro/ExCom/45/31 and Add.1)

154. The representative of the World Bank drew the Executive Committee's attention to a modified version of the agreement between India and the Executive Committee, and to the revised 2005 annual work programme of the sector plan for the phase-out in consumption and production of CTC. In explaining that the amendments had the sole purpose of adding UNIDO as a cooperating agency, he pointed out that there were no changes in the overall cost of the project as the amounts for UNIDO were simply subtracted from the amounts originally foreseen for the World Bank.

155. Following a discussion, the Executive Committee decided:

- (a) To reinstate the CTC sector plan of India, which had been withdrawn;
- (b) To take note of the amended agreement between the Government of India and the Executive Committee as contained in Annex XV to the present report; and

- (c) To approve the revised 2005 annual work programme of the India CTC sector phase-out plan at the amounts of US \$1,000,000, plus agency support costs of US \$85,000 for the Government of France, US \$700,000, plus agency support costs of US \$57,500 for the Government of Germany, US \$2,500,000 plus agency support costs of US \$280,000 for the Government of Japan, US \$3,500,000, plus agency support costs of US \$262,500 for UNIDO, and US \$399,045, plus agency support costs of US \$29,928 for the World Bank.

(Decision 45/48)

Lesotho: Terminal CFC phase-out management plan (second tranche) (Germany)
(UNEP/OzL.Pro/ExCom/45/33)

156. The representative of the Secretariat said that, on behalf of the Government of Lesotho, the Government of Germany had submitted a progress report on the implementation of the first work programme of the TPMP for CFCs with a request for the second tranche of the project. The Secretariat had sought additional information on methyl bromide and halons, which were not part of the TPMP, as for 2002 Lesotho appeared to be in non-compliance with the control measures for methyl bromide and was not in compliance with its obligations under Article 2B of the Montreal Protocol.

157. Following a discussion, the Executive Committee decided:

- (a) To approve the second work programme of the Lesotho terminal CFC phase-out management plan at a total cost of US \$35,000, plus agency support costs of US \$4,550 for the Government of Germany, on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism for dealing with non compliance; and
- (b) To request the Government of Germany to provide appropriate monitoring throughout project implementation.

(Decision 45/49)

Libyan Arab Jamahiriya: National CFC phase-out plan: 2nd tranche (UNIDO)
(UNEP/OzL.Pro/ExCom/45/34)

158. The representative of the Secretariat said that UNIDO, on behalf of the Government of the Libyan Arab Jamahiriya, had submitted to the 45th Meeting a request for the release of the 2005 funding tranche at the amount of US \$720,000, plus support costs for UNIDO, for the 2005 annual implementation programme of the Libyan Arab Jamahiriya national CFC phase-out plan. UNIDO had also submitted the 2004 progress report on activities undertaken during the period January to December 2004. He noted that, according to the agreement between the Executive Committee and the Government of the Libyan Arab Jamahiriya approved at the 41st Meeting, maximum allowable CFC consumption should not exceed 700 ODP tonnes in 2003. The Libyan Arab Jamahiriya had reported its 2003 CFC consumption to the Ozone Secretariat to be 704.1 ODP tonnes, exceeding the established limit by 4.1 ODP tonnes. Article 10 and

Appendix 7-A of the agreement stipulated that the Executive Committee might reduce the amount of the funding by US \$12,000 per tonne of reductions in consumption not achieved in the year.

159. The representative of the Secretariat indicated that the reduction target established in the agreement for 2003 and 2004 had not been fully met. He advised the Executive Committee that, according to decision XV/36 adopted by the Fifteenth Meeting of the Parties, the Libyan Arab Jamahiriya had committed to establishing a system for licensing imports and exports of ODS by 2004, including quotas, which had also not been done. In addition, he pointed out that the Government of the Libyan Arab Jamahiriya had not provided 2002 and 2003 reports on the implementation of its country programme to the Fund Secretariat.

160. The representative of UNIDO advised the Executive Committee that, in spite of the apparent shortfall in 2004 phase-out activities, according to the information received from the National Ozone Unit, Article 7 consumption was not expected to exceed 461 ODP tonnes in 2004, as established in the agreement. Phase-out activities would be accelerated in 2005 to compensate for the shortfall. With regard to the licensing system, the legislation had been prepared with assistance from UNIDO but had not yet been enacted. He said that it would be enacted in 2005.

161. The representative of the Secretariat informed the Executive Committee that there was an error in the figure for the 2005 Montreal Protocol reduction target for the Libyan Arab Jamahiriya in the agreement on the latter's national CFC phase-out plan, and the mistake had been repeated in document UNEP/OzL.Pro/ExCom/45/34. The correct figure was 303.3 ODP tonnes. A corrigendum to the report of the 41st Meeting would be issued accordingly.

162. Following a discussion, the Executive Committee decided to approve the 2005 annual work programme and the requested tranche at the amount of US \$720,000, plus agency support costs of US \$54,000 for UNIDO, subject to the proviso that:

- (a) No disbursement should be made until 2004 Article 7 data had been officially reported to the Ozone Secretariat;
- (b) Written confirmation had been received regarding the enactment of legislation establishing a system for licensing imports and exports of ODS in the Libyan Arab Jamahiriya; and
- (c) The outstanding reports on the 2002 and 2003 implementation of the Libyan Arab Jamahiriya's country programme had been provided to the Fund Secretariat.

(Decision 45/50)

Mexico: National CFC phase-out plan: 2nd tranche (UNIDO and the World Bank)
(UNEP/OzL.Pro/ExCom/45/38)

163. The representative of the Secretariat said that UNIDO, on behalf of the Government of Mexico, had submitted to the 45th Meeting a request for the second tranche of the national CFC

phase-out plan for Mexico. The agreement on the plan had originally been approved at the 42nd Meeting in 2004. The progress report on the 2004 annual implementation programme and the 2005 annual work programme had been submitted. He pointed out that three of the agreement's four preconditions for approval of annual tranches had not been fulfilled, namely verification, the implementation of the previous year's annual programme, and the presentation of an approvable annual implementation programme for the current year.

164. In particular, the annual work programme for 2005 also included a chiller component to be implemented by the World Bank. That was the second phase of a project approved by the 28th Meeting, and was modelled using the experience from the successful first phase. The Executive Committee had already, in decision 42/10, endorsed the concept that the implementation of such an activity would be subsumed into the country's national implementation plan. The World Bank had originally not been mentioned in the agreement between Mexico and the Executive Committee, and the Government of Mexico had made a request to have the chiller component implemented by the World Bank.

165. Following a discussion, the Executive Committee decided:

- (a) To note with appreciation that Mexico had reported that its actual 2004 CFC consumption was substantially lower than the maximum allowable consumption;
- (b) To amend the agreement between the Government of Mexico and the Executive Committee to include the World Bank as cooperating implementing agency as contained in Annex XVI to the present report;
- (c) To approve funding for the 2005 tranche of US \$500,000, plus support costs of US \$37,500 for the World Bank, and US \$4,478,000, plus support costs of US \$335,850 for UNIDO;
- (d) To note that disbursement of the funding approved for UNIDO should not commence until agreement between the Secretariat and UNIDO had been reached that the verification of the 2004 objectives had been completed and that a satisfactory annual implementation programme for 2005 had been submitted; and
- (e) To request the Secretariat to inform the Executive Committee of the progress achieved at its 46th Meeting.

(Decision 45/51)

Venezuela: National CFC phase-out plan: 2nd tranche (UNIDO)
(UNEP/OzL.Pro/ExCom/45/43)

166. The representative of the Secretariat said that, on behalf of the Government of Venezuela, UNIDO had submitted to the 45th Meeting a request for the second tranche of the national CFC phase-out plan for Venezuela. The agreement for the national CFC phase-out plan for Venezuela had originally been approved at the 42nd Meeting in 2004. The progress report on the 2004 annual implementation programme and the 2005 annual work programme had been submitted.

He pointed out that three of the agreement's four preconditions for approval of annual tranches had not been fulfilled, namely, the condition of verification, the implementation of the previous year's annual programme, and the presentation of an approvable annual implementation programme for the current year.

167. Following a discussion, the Executive Committee decided:

- (a) To note with appreciation that Venezuela had reported that its 2004 CFC consumption was lower than the maximum allowable consumption;
- (b) To approve funding for the 2005 tranche of US \$1,631,831, plus support costs of US \$122,387 for UNIDO;
- (c) To note that disbursement of the funding approved for UNIDO should not commence until agreement between the Secretariat and UNIDO had been reached that the verification of the 2004 objectives had been completed and that a satisfactory annual implementation programme for 2005 had been submitted; and,
- (d) To request the Secretariat to inform the Executive Committee of the progress achieved at its 46th Meeting.

(Decision 45/52)

AGENDA ITEM 8: COUNTRY PROGRAMMES

Bhutan

168. The representative of the Secretariat introduced the country programme for Bhutan (UNEP/OzL.Pro/ExCom/45/45), explaining that it comprised one request for an RMP project proposal presented in document UNEP/OzL.Pro/ExCom/45/22.

169. Following a discussion, the Executive Committee decided:

- (a) To approve the Bhutan country programme contained in document UNEP/OzL.Pro/ExCom/45/45, noting that approval of the country programme did not denote approval of the projects identified therein or their funding levels, and that approval of the Bhutan country programme was without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government of Bhutan; and

- (b) To request the Government of Bhutan to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on the implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, paragraph 135). Using the approved format, the initial report, covering the period 1 April 2005 to 31 December 2005, should be submitted to the Fund Secretariat no later than 1 May 2006.

(Decision 45/53)

AGENDA ITEM 9: REVIEW OF REQUIREMENTS FOR FURTHER ASSISTANCE FOR THE POST-2007 PERIOD IN LOW-VOLUME-CONSUMING COUNTRIES (FOLLOW-UP TO DECISIONS 31/48 AND 43/37)

170. The representative of the Secretariat, introducing documents UNEP/OzL.Pro/ExCom/45/46 and Corr.1, indicated that they contained an analysis of the results of RMPs to phase out CFC consumption in the refrigeration servicing sector in low-volume-consuming countries. They addressed the effectiveness of RMPs in assisting countries to achieve compliance, and the experience gained to date in the implementation of TPMPs, and also examined issues related to the CFC phase-out in the post-2007 period and phase-out of very low levels of consumption of CTC and TCA.

171. Several members noted that the phase-out of CFC use in the refrigeration servicing sector had long been a priority. The issue of further assistance for the post-2007 period was significant as the last 15 per cent of phase-out would be among the least cost-effective areas to be funded and the effort required would be correspondingly greater.

172. Another member suggested that further activities such as those included in UNDP's proposed supplementary oversight services for RMPs could be financed from the additional funding for the preparation of TPMP proposals.

173. Following a discussion on the need to provide assistance to low-volume-consuming countries for the post-2007 period, the Executive Committee decided:

- (a) To urge bilateral and/or implementing agencies on behalf of low-volume-consuming countries without an approved terminal phase-out management plan (TPMP) to submit TPMP proposals, on the understanding that:
- (i) TPMP project proposals should be in conformity with all relevant decisions taken by the Executive Committee;
 - (ii) TPMP project proposals should contain, as a minimum, a commitment by the government concerned to the phased reduction and complete phase-out of the consumption of CFCs in the country according to a specific phase-out schedule, which was at a minimum consistent with the Montreal Protocol's control measures;

- (iii) No additional resources would be requested from the Multilateral Fund or bilateral and/or implementing agencies for activities related to the phase-out of CFCs and other ODS where applicable;
 - (iv) The government concerned would have flexibility in utilizing the resources available to address specific needs that might arise during project implementation to facilitate the smoothest possible phase-out of ODS;
 - (v) Annual reporting on the implementation of the activities undertaken in the previous year, as well as a thorough and comprehensive work plan for the implementation of the following year's activities, would be mandatory; and
 - (vi) The roles and responsibilities of the major national stakeholders, as well as the lead implementing agency and the cooperating agencies when applicable, must be defined;
- (b) That additional funding of up to US \$30,000 could be requested for the preparation of a TPMP proposal on the understanding that up to US \$10,000 of this funding could be earmarked for the bilateral and/or implementing agencies to report on the implementation and impact of the approved recovery and recycling programme, where applicable, and that this report should be integrated within the resulting TPMP proposal;
- (c) That future TPMP proposals for the post-2007 period might include requests for funding up to the levels indicated in the table below, on the understanding that individual project proposals would still need to demonstrate that the funding level was necessary to achieve complete phase-out of CFCs. Up to 20 per cent of approved funds should be used by the bilateral or implementing agency and/or country concerned to ensure comprehensive annual monitoring and reporting of the TPMP, including the recovery and recycling programme:

CFC baseline (ODP tonnes)	Funding level (US \$)
<15	205,000
15 to 30	295,000
30 to 60	345,000
60 to 120	520,000
>120	565,000

- (d) To require, on an annual basis, verification of a randomly selected sample of approved TPMPs for low-volume-consuming countries under implementation (i.e., 10 per cent of approved TPMPs). The costs associated with verification would be added to the relevant work programme of the lead implementing agency; and

- (e) To approve, on a case-by-case basis, up to US \$30,000 for the preparation of a transitional strategy for CFC-MDIs in low-volume-consuming countries where the need for a strategy had been fully demonstrated and documented.

(Decision 45/54)

AGENDA ITEM 10: ENHANCING CAPACITY-BUILDING IN THE NATIONAL OZONE UNITS OF ARTICLE 5 COUNTRIES IN THE FINAL STAGES OF THE MONTREAL PROTOCOL COMPLIANCE PERIOD (FOLLOW-UP TO DECISION 44/64)

174. The representative of Thailand drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/45/47, which contained a supplementary paper submitted by the Government of China expanding on the proposal for enhancing Article 5 countries' national ozone unit capacity-building in the final stages of the Montreal Protocol compliance period. The document had been submitted by the Government of China as an informal paper at the 44th Meeting. At that time, the Executive Committee had decided that some representatives should continue working on the issue intersessionally and submit a revised paper to the 45th Meeting (decision 44/64).

175. Several members considered that the paper presented by China had identified important issues. One member said that it would be useful to put together a document covering all ODS, including HCFCs, together with the existing guidelines for CTC and TCA, also bearing in mind the conclusions in the joint TEAP/IPCC report, and that such a document would be useful in identifying gaps in existing Committee policies. There was some discussion as to whether such a document should be on the agenda of the 46th, 47th or 48th Meeting.

176. Following a discussion, the Executive Committee decided to request the Secretariat to expand on the paper from China and to present to the 47th Meeting the preliminary results of an analysis of possible further action and policies required to assist compliance with the phase-out requirements for all the ODS covered by the Montreal Protocol, including the review of institutional strengthening projects envisaged under decision 35/57.

(Decision 45/55)

AGENDA ITEM 11: REPORT ON THE OPERATION OF THE EXECUTIVE COMMITTEE (FOLLOW-UP TO DECISION 44/57)

177. The representative of the Secretariat drew members' attention to document UNEP/OzL.Pro/ExCom/45/48, which contained a paper prepared by the Secretariat in response to decision 44/57. The paper contained an assessment of the financial implications of proposed alternatives for reorganizing the work of the Executive Committee and an annex compiling both the interventions on the Secretariat's original paper by members of the Committee at the 44th Meeting and written comments received from members.

178. The majority of members felt strongly that the savings (a maximum of US \$200,000) that could be generated by reducing the number of meetings held by the Executive Committee were not great enough to warrant a change in the way the Committee worked. Given its heavy workload and the vital support it was lending to countries operating under Article 5, members were worried that holding fewer meetings would jeopardize the functioning of the Committee. They would rather be sure of maintaining the current efficiency than saving a relatively small amount of money.

179. Several members suggested that, in order to save money, no more than one meeting a year should be held outside Montreal. One member suggested reducing the number of meetings per year to two but that the option of holding a third meeting should be retained. This meeting should then be held back-to-back with another ozone-related meeting. Another member suggested reducing the number of meetings from three to two for a trial period starting in 2006.

180. Some concern was expressed that holding fewer meetings would lead to hold-ups in project implementation if there were fewer opportunities to approve projects. Several members proposed re-opening the debate that had begun at the 44th Meeting on the possibility of establishing an intersessional approval procedure. One member outlined a possible procedure whereby projects could be approved between meetings if the Secretariat received no objections from Committee members. She also suggested that full authority be given to the Secretariat to make decisions where established guidelines and rules existed. Blanket approval of projects, for example, could be done, intersessionally, in that manner. However, given the majority view that the Committee should continue to hold three meetings a year, it was generally considered unnecessary to introduce an intersessional approval procedure at the present time.

181. Following the discussion, the Executive Committee decided:

- (a) To continue to meet three times a year; and
- (b) To reconsider the proposals set out in document UNEP/OzL.Pro/ExCom/44/69 regarding the establishment of an intersessional approval procedure with a view to resuming discussion of the issue at the 46th Meeting.

(Decision 45/56)

AGENDA ITEM 12: REPORT ON PROGRAMME SUPPORT COSTS OF BILATERAL COOPERATION PROJECTS (FOLLOW-UP TO DECISION 43/40)

182. The representative of the Secretariat presented the report on programme support costs of bilateral cooperation projects (UNEP/OzL.Pro/ExCom/45/49), which presented both the principles for applying a flexible procedure for using support costs by bilateral agencies and the proposed principles and guidelines for a core unit funding advance for bilateral agencies.

183. The representative of Japan said that, as decision 26/41 of the Executive Committee did not apply to bilateral agency support costs, support costs for bilateral agencies could represent up to 13 per cent of the funds approved for projects. She added that core unit funding advances

should be considered as part of programme support costs and therefore should not be reviewed annually by the Executive Committee unless all support costs were reviewed. She proposed instead that bilateral agencies be allowed to return the core unit advance funds for projects within the financial triennium of the Multilateral Fund.

184. In the discussion that followed it was noted that Japan's proposal substantially modified the principles and guidelines for a core unit funding advance and that, while sympathy was expressed with the view that project preparation should not be part of administrative costs, one member noted that the request that bilateral agencies be allowed to return the core unit advance funds during the financial triennium of the Multilateral Fund amounted to a three-year loan to the bilateral agencies and that he could not agree to that without being given time to consult with his Government.

185. Following a discussion of the proposal by the representative of Japan to modify the proposed procedures and guidelines for a core unit funding advance, the Executive Committee decided:

- (a) To defer consideration of the agenda item to the 46th Meeting of the Executive Committee; and
- (b) To invite Japan to submit its proposed principles and guidelines for a core unit funding advance for bilateral agencies to the 46th Meeting of the Executive Committee.

(Decision 45/57)

AGENDA ITEM 13: REPORT ON THE WORKSHOP ON COMMON TERMINOLOGY AND PROCEDURES FOR THE RECONCILIATION OF ACCOUNTS (FOLLOW-UP TO DECISIONS 44/54 AND 44/55 (D))

186. The representative of the Secretariat introduced the report on the workshop on common terminology and procedures for the reconciliation of accounts (UNEP/OzL.Pro/ExCom/45/50), which took place in the margins of the Inter-Agency Coordination Meeting as a follow-up to decision 44/55 (d). She indicated that the minutes of the workshop would be further developed to constitute a reference document to facilitate regular reconciliation of the Multilateral Fund accounts. She added that the workshop had presented an opportunity to address decision 44/54, which directed the Treasurer to address the issue of new cash advances being granted when old ones had not been fully accounted for.

187. The Treasurer advised that, in response to decision 44/54, the minutes of the workshop outlined how the Treasurer had traditionally used the annual reconciliation of accounts exercise, as well as the reports to the Executive Committee on project implementation delays and projects proposed for cancellation prepared by the Fund Secretariat, to monitor the advances made by the Treasurer to the implementing agencies that had not been utilized.

188. On a related subject, the Treasurer informed the Executive Committee that there was no record of an agreement between the Treasurer and the implementing agencies on reporting procedures and that such an agreement, consistent with existing agreements between the implementing agencies and the Executive Committee, might be useful.

189. Following an enquiry by one representative regarding the two different types of reconciliation exercises, the representative of the Secretariat explained that one exercise was based on the progress reports and the periodic balance reports while the other was based on alignment of the financial statements of the implementing agencies with the Treasurer's report on the accounts of the Multilateral Fund.

190. Following a discussion, the Executive Committee decided:

- (a) To take note of the report on the workshop on common terminology and procedures for the reconciliation of accounts contained in document UNEP/OzL.Pro/ExCom/45/50;
- (b) To request that draft agreements/memorandums of understanding between the Treasurer and the implementing agencies be submitted to the Executive Committee for review and endorsement;
- (c) To note that a detailed description of procedures, roles and responsibilities for the reconciliation of the accounts would be available in the minutes of the workshop and that further work was required by the Secretariat in cooperation with the Treasurer and the implementing agencies to finalize and develop a manual/primer on reporting and recording of the Multilateral Fund accounts; and
- (d) To note the Treasurer's explanation on the issue of new cash advances being granted to implementing agencies when old ones had not been fully accounted for.

(Decision 45/58)

AGENDA ITEM 14: REPORT ON THE RECOMMENDATIONS FROM THE 2004 EVALUATION AND REVIEW OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL (FOLLOW-UP TO DECISION 44/60)

191. Pursuant to decision 44/60, a contact group was convened at the present Meeting to draft a preliminary assessment report on the recommendations from the 2004 evaluation and review of the financial mechanism of the Montreal Protocol, which were reproduced in documents UNEP/OzL.Pro/ExCom/45/51 and Add.1.

192. The representative of Brazil, on behalf of the contact group, presented the draft report and explained that the group had divided the recommendations into three categories: recommendations that were already part of the work of the Executive Committee, the Secretariat, the implementing agencies and the Treasurer; recommendations that required shorter-term action

(those to be considered at the 46th or 47th Meeting); and recommendations that either required a one-off decision, had already been implemented, did not require implementation, were related to existing practices, or would have a negative impact on the work of the Committee.

193. On the basis of the group's report, the Executive Committee decided:

- (a) To note the report contained in documents UNEP/OzL.Pro/ExCom/45/51 and Add.1;
- (b) To reclassify pre-session meeting documentation as General Distribution from the 46th Meeting onwards in the languages produced for the meetings, while restricting access to any project documents that a Party requested to be classified as such until the Executive Committee's consideration of the matter;
- (c) To consider at its 46th Meeting whether a further review of the weighting of the quantitative performance indicators was warranted based on their application in the evaluation of the implementing agencies' 2004 business plans to be submitted to the 46th Meeting;
- (d) To request the Secretariat:
 - (i) To prepare a draft outline of an Executive Committee primer to be considered at the 46th Meeting of the Executive Committee, being the basis of the draft primer to be presented to the 47th Meeting, noting that the primer should include, *inter alia*, a summary of relevant decisions, procedures related to the approval of ODS phase-out projects, and rules and practices of the Executive Committee;
 - (ii) To prepare a paper addressing the feasibility and desirability of extending the current performance indicators to bilateral implementing agencies for submission to the 46th Meeting of the Executive Committee;
- (e) To request the implementing agencies to provide the Fund Secretariat with information on how to avoid future delays as part of a lessons-learned document to be prepared by the Secretariat for consideration at the 46th Meeting of the Executive Committee;
- (f) To request the Treasurer:
 - (i) To circulate to the Secretariat and implementing agencies prior to each Executive Committee meeting a ledger indicating when promissory notes are transferred, received and encashed;
 - (ii) To report on progress in documenting the Treasurer's internal procedures and practices annually until they had been fully documented;

- (iii) To provide a detailed report once a year and interim reports at other times, as appropriate, on quality control measures to improve the accuracy of recordkeeping;
- (g) To forward its assessment report on the recommendations in the 2004 evaluation and review of the financial mechanism of the Montreal Protocol (contained in Annex XVII to the present report) for consideration at the 25th Meeting of the Open-ended Working Group.

(Decision 45/59)

AGENDA ITEM 15: ODS PHASE-OUT ACTIVITIES IN THE CHILLER SECTOR, INCLUDING CHILLER REPLACEMENTS, AWARENESS ACTIONS AND MEASURES FOR THE EFFECTIVE USE OF THE RECOVERED REFRIGERANT (DECISION 44/61)

194. The representative of the Secretariat drew attention to an information document containing a review of the Executive Committee's activities in the chiller sector (UNEP/OzL.Pro/ExCom/45/Inf.4).

195. Following a discussion, the Executive Committee decided to handle the issue of chiller projects in the manner prescribed in decision 45/4(c) and (d).

(Decision 45/60)

AGENDA ITEM 16: PROCESS AGENT USES IN ARTICLE 5 PARTIES AND THEIR RELATED EMISSION LEVELS (DECISION 44/65)

196. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/45/53, explaining that it comprised a report detailing the information gathered about process agent uses in Article 5 countries through a survey and through data provided in project submissions and in official data reports. The report was based upon a desk study undertaken by an expert consultant retained by the Secretariat in accordance with the request of the Executive Committee taken in decision 44/65, which was appended to the document.

197. The representative of the Secretariat summarized the findings of the report, one of the more important being that 97 per cent of the total identified consumption of 13,600 ODP tonnes of ODS in process agent uses in Article 5 countries occurred in just three countries, China, India and the Democratic People's Republic of Korea, all of which had CTC phase-out plans in place. The study also indicated that there could be uncertainty as to whether all process agent uses had been identified. However, current or recent consumption in the process agent sector had been reported by only 13 countries, and only four countries had indicated recent consumption in excess of 100 ODP tonnes. He added that the desk study concluded that the quantities of process agent emissions were equal to the total quantities used in the processes. Thus, the total consumption reported at the enterprise level appeared to be emitted to the atmosphere. A draft

report to the Open-ended Working Group incorporating the main findings of the desk study was presented in Annex II to the document.

198. One member said that, while his country had not been in a position to respond to the survey, more process agent applications had been found in his country than those listed in the study. Another member noted that new applications could not be addressed by the Executive Committee until they had been identified by the Parties as process agent uses.

199. One member considered that the study should make it clear that consumption in enterprises established before 1 July 1996 was not included in the determination of process agent consumption. She also pointed out that the reasons for the decrease in consumption of process agents since the last report to the Meeting of the Parties in 2001 should be elaborated upon in the report.

200. Following a discussion, the Executive Committee decided:

- (a) To request the Secretariat:
 - (i) To finalize the draft report on process agent uses in Article 5 Parties and their related emission levels to the Open-ended Working Group, incorporating the views of members of the Executive Committee expressed at the 45th Meeting and to obtain the approval of the Chair of the Executive Committee;
 - (ii) To submit the report to the 25th Meeting of the Open-ended Working Group, together with the technical study to catalogue process agent uses and emission levels involving substances controlled under the Montreal Protocol in countries operating under Article 5.1 of the Protocol, with the recommendation that the technical study be made available to the 25th Meeting as an information document; and
- (b) To request the World Bank to consult with UNIDO to ascertain whether the technology proposed for use in the CTC phase-out plan for the Democratic People's Republic of Korea was applicable to the similar use in China for which emission controls were currently proposed.

(Decision 45/61)

AGENDA ITEM 17: REPORT OF THE EXECUTIVE COMMITTEE'S SUBGROUP ON THE PRODUCTION SECTOR

201. The representative of Canada, on behalf of the Subgroup on the Production Sector, presented the results of the Subgroup's deliberations. The report of the Subgroup can be found in document UNEP/OzL.Pro/ExCom/45/54.

202. On the basis of the report, the Executive Committee decided:

- (a) To consider releasing the final funding tranche of the Mexican CFC production phase-out project at the 47th Meeting upon satisfactory verification of CFC production in Mexico in 2005, provided that the cash flow of the Multilateral Fund at the time so permitted;
- (b) To approve US \$40,000 for project preparation of the methyl bromide production phase-out project in China, and US \$25,000 for project preparation of the ODS production phase-out project in Romania plus related support costs, as set out in Annex VII to the present report;
- (c) To take note of the technical audit report of the methyl bromide-producing plants in China, and to request UNIDO to take it fully into account in developing the investment project, together with China's comments on the audit report and any other comments submitted prior to the end of April 2005; and
- (d) To authorize the Secretariat to apply the intersessional approval procedure on a non-objection basis to the clearance of the Romania technical audit report if it became available to the Secretariat by the end of April 2005.

(Decision 45/62)

AGENDA ITEM 18: OTHER MATTERS

Terminal phase-out management plan (TPMP) project for Jamaica

203. The representative of Canada recalled that, in the course of a Caribbean regional halon project (LAC/HAL/26/TAS/28), Canada had supplied a halon recovery pump to Jamaica but that insufficient funds remained in the project to purchase the additional parts required to make the pump operational. Canada requested that the Executive Committee approve the redeployment of up to US \$8,000 in savings from the TPMP project in Jamaica, being implemented by Canada, for this purpose.

204. Following a discussion on the advisability of transferring surplus funds from one discrete project to another, the Executive Committee decided to approve the redeployment of up to US \$8,000 of surplus funds from the terminal phase-out management plan for Jamaica in order to put the halon recovery equipment in Jamaica into operation.

(Decision 45/63)

Dates and venues of the 46th and 47th Meetings of the Executive Committee

205. The Chief Officer confirmed the dates of the 46th Meeting (Montreal, 4-8 July 2005) already agreed at the 44th Meeting (decision 44/67) and proposed dates and venue for the 47th Meeting.

206. Following a discussion on the advantages, disadvantages and costs of holding an Executive Committee Meeting back-to-back with the Seventeenth Meeting of the Parties, the Executive Committee decided to hold its 47th Meeting in Montreal from 21 to 25 November 2005.

(Decision 45/64)

AGENDA ITEM 19: ADOPTION OF THE REPORT

207. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/45/L.1.

AGENDA ITEM 20: CLOSURE OF THE MEETING

208. The Meeting observed a minute of silence in memory of Mr. Manfred Schneider, former head of the Austrian delegation to the Meeting of the Parties to the Montreal Protocol, who had lost his life during the tsunami in South East Asia.

209. The Chair declared the meeting closed at 3:50 p.m. on Friday, 8 April 2005.

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

Table 1 : STATUS OF THE FUND FROM 1991-2005 (IN US DOLLARS)

As at 4 April 2005

INCOME	
Contributions received:	
- Cash payments including note encashments	1,574,987,322
- Promissory notes held	96,371,887
- Bilateral cooperation	87,294,453
- Interest earned	144,116,331
- Miscellaneous income	5,893,880
Total Income	1,908,663,873
ALLOCATIONS* AND PROVISIONS	
- UNDP	471,968,777
- UNEP	96,770,295
- UNIDO	387,924,301
- World Bank	728,298,068
Less Adjustments	-
Total allocations to implementing agencies	1,684,961,441
Secretariat and Executive Committee costs (1991-2007)	
- includes provision for staff contracts into 2007	49,336,177
Treasury fees (2003-2005)	1,050,300
Monitoring and Evaluation costs (1999-2005)	1,753,754
Technical Audit costs (1998-2005)	909,960
Information Strategy costs (2003-2004)	
- includes provision for Network maintenance costs for 2004	104,750
Bilateral cooperation	87,294,453
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	(411,829)
Total allocations and provisions	1,824,999,006
BALANCE AVAILABLE FOR NEW ALLOCATIONS	83,664,867

* Indicates the Secretariat's figures as verified by the agencies and reflecting the on-going reconciliations of accounts.

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

Table 2 : 1991 - 2005 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 4 April 2005

Description	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	2005	1991 - 2005
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	1,572,337,598	158,000,001	158,000,000	158,000,000	2,046,337,600
Cash payments/received	205,992,884	381,375,628	407,417,403	383,136,530	1,377,922,445	119,100,452	68,902,230	9,062,195	1,574,987,322
Bilateral assistance	4,366,255	12,089,441	22,035,587	22,683,491	61,174,774	5,224,849	18,341,792	2,553,038	87,294,453
Promissory notes	0	0	0	23,293,750	23,293,750	30,296,811	39,417,265	3,364,061	96,371,887
Total payments	210,359,139	393,465,069	429,452,990	429,113,771	1,462,390,969	154,622,112	126,661,287	14,979,294	1,758,653,662
Disputed contributions	0	8,098,267	0	0	8,098,267	0	0	0	8,098,267
Outstanding pledges	24,570,102	31,376,278	43,114,019	10,886,230	109,946,629	3,377,889	31,338,713	143,020,706	287,683,938
Payments %age to pledges	89.54%	92.61%	90.88%	97.53%	93.01%	97.86%	80.17%	9.48%	85.94%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	132,481,494	7,227,409	4,407,428	0	144,116,331
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	5,088,349	347,600	457,931	0	5,893,880
TOTAL INCOME	217,124,886	423,288,168	475,362,104	484,185,654	1,599,960,812	162,197,121	131,526,646	14,979,294	1,908,663,873

Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	2005	1991-2005
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	1,572,337,598	158,000,001	158,000,000	158,000,000	2,046,337,600
Total payments	210,359,139	393,465,069	429,452,990	429,113,771	1,462,390,969	154,622,112	126,661,287	14,979,294	1,758,653,662
Payments %age to pledges	89.54%	92.61%	90.88%	97.53%	93.01%	97.86%	80.17%	9.48%	85.94%
Total income	217,124,886	423,288,168	475,362,104	484,185,654	1,599,960,812	162,197,121	131,526,646	14,979,294	1,908,663,873
Total outstanding contributions	24,570,102	31,376,278	43,114,019	10,886,230	109,946,629	3,377,889	31,338,713	143,020,706	287,683,938
As % to total pledges	10.46%	7.39%	9.12%	2.47%	6.99%	2.14%	19.83%	90.52%	14.06%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,570,102	31,376,278	33,019,397	9,811,798	98,777,575	2,491,827	2,507,197	3,465,886	103,776,599
CEITs' outstandings %age to pledges	10.46%	7.39%	6.99%	2.23%	6.28%	1.58%	1.59%	2.19%	5.07%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

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

Table 3 : 1991-2005 Summary Status of Contributions

As at 4 April 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Australia*	37,227,395	35,766,138	1,391,957	0	69,299	798,797
Austria	21,207,361	21,075,571	131,790	0	0	-1,010,742
Azerbaijan	844,490	100,000	0	0	744,490	0
Belarus	2,570,292	0	0	0	2,570,292	0
Belgium	26,243,465	24,057,114	0	0	2,186,351	738,724
Bulgaria	1,067,607	1,042,631	0	0	24,976	0
Canada*	70,753,197	59,039,833	7,544,222	0	4,169,142	-80,679
Cyprus	148,670	148,670	0	0	0	0
Czech Republic	5,781,368	5,715,278	66,090	0	0	39,515
Denmark	17,178,466	15,522,942	205,000	0	1,450,524	-570,558
Estonia	133,009	133,008	0	0	0	0
Finland	13,733,683	12,167,322	451,870	0	1,114,491	-380,489
France	154,337,191	83,706,557	11,570,544	42,466,950	16,593,140	-1,533,277
Germany	228,288,101	161,878,061	30,802,602	26,314,440	9,292,997	158,995
Greece	9,926,439	6,847,138	0	0	3,079,301	-77,889
Hungary	3,493,043	3,214,081	46,494	0	232,468	0
Iceland	757,434	694,034	0	0	63,400	1,413
Ireland	5,493,626	5,493,625	0	0	0	208,838
Israel	7,192,078	3,724,671	38,106	0	3,429,301	0
Italy	119,405,796	100,353,016	5,324,489	0	13,728,291	3,291,976
Japan	388,280,945	338,814,284	9,034,405	0	40,432,256	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	317,365	317,364	0	0	0	0
Liechtenstein	200,213	200,213	0	0	0	0
Lithuania	467,839	14,975	0	0	452,864	0
Luxembourg	1,688,202	1,688,202	0	0	0	-106,272
Malta	28,052	28,052	0	0	0	0
Monaco	158,067	158,067	0	0	0	0
Netherlands	39,465,288	36,101,227	0	3,364,061	0	0
New Zealand	5,762,570	5,762,569	0	0	0	68,428
Norway	14,346,979	14,346,979	0	0	0	172,322
Panama	16,915	16,915	0	0	0	0
Poland	5,214,105	4,488,235	113,000	0	612,870	0
Portugal	8,005,409	5,319,539	0	0	2,685,870	198,162
Russian Federation	93,732,102	0	0	0	93,732,102	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	1,854,952	1,755,817	16,523	0	82,613	0
Slovenia	528,147	528,147	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	57,198,685	51,524,859	795,841	0	4,877,985	0
Sweden	27,450,190	23,523,817	1,785,695	0	2,140,678	-160,130
Switzerland	29,234,158	25,975,211	1,116,658	0	2,142,289	-780,044
Tajikistan	96,635	5,333	0	0	91,302	0
Turkmenistan	293,245	5,764	0	0	287,481	0
Ukraine	8,803,657	785,600	0	0	8,018,057	0
United Arab Emirate	559,639	559,639	0	0	0	0
United Kingdom	127,126,926	101,552,087	565,000	14,291,336	10,718,503	-1,388,920
United States of America	504,531,570	416,136,646	16,192,191	9,935,100	62,267,633	0
Uzbekistan	581,574	188,606	0	0	392,968	0
SUB-TOTAL	2,046,337,600	1,574,987,322	87,294,453	96,371,887	287,683,938	-411,829
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267	
TOTAL	2,054,435,867	1,574,987,322	87,294,453	96,371,887	295,782,205	

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

(**) Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only.

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

Table 4 : Status of Contributions for 2005

As at 4 April 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,150,806			0
Austria	1,832,847	1,832,847			0
Azerbaijan	7,685				7,685
Belarus	36,503				36,503
Belgium	2,186,352				2,186,352
Bulgaria	24,976				24,976
Canada	4,954,834	785,692			4,169,142
Czech Republic	330,450	330,450			0
Denmark	1,450,523				1,450,523
Estonia	19,212	19,212			0
Finland	1,010,563				1,010,563
France	12,518,689		550,001		11,968,688
Germany	18,914,440		2,003,037		16,911,403
Greece	1,043,224				1,043,224
Hungary	232,468				232,468
Iceland	63,400				63,400
Ireland	570,603	570,603			0
Israel	803,071				803,071
Italy	9,805,922				9,805,922
Japan	34,760,000				34,760,000
Latvia	19,212	19,212			0
Liechtenstein	11,527	11,527			0
Lithuania	32,661				32,661
Luxembourg	153,698	153,698			0
Monaco	7,685	7,685			0
Netherlands	3,364,061			3,364,061	0
New Zealand	466,857	466,857			0
Norway	1,252,637	1,252,637			0
Poland	612,870				612,870
Portugal	895,290				895,290
Russian Federation	2,305,467				2,305,467
Slovak Republic	82,613				82,613
Slovenia	155,619	155,619			0
Spain	4,877,985				4,877,985
Sweden	1,988,466				1,988,466
Switzerland	2,447,638	305,349			2,142,289
Tajikistan	1,921				1,921
Turkmenistan	5,764				5,764
Ukraine	101,825				101,825
United Kingdom	10,718,503				10,718,503
United States of America	34,760,000				34,760,000
Uzbekistan	21,133				21,133
TOTAL	158,000,000	9,062,195	2,553,038	3,364,061	143,020,706

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

Table 5 : Status of Contributions for 2004

As at 4 April 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,058,937			91,869
Austria	1,832,847	1,832,847			0
Azerbaijan	7,685	0			7,685
Belarus	36,503	0			36,503
Belgium	2,186,352	2,186,352			0
Bulgaria	24,976	24,976			0
Canada	4,954,834	4,667,509	287,325	0	(0)
Czech Republic	330,450	330,450			0
Denmark	1,450,523	1,450,523			0
Estonia	19,212	19,212			0
Finland	1,010,563	1,010,563			0
France	12,518,689	0	2,428,348	9,784,323	306,018
Germany	18,914,440	0	3,801,533	18,914,440	(3,801,533)
Greece	1,043,224	0			1,043,224
Hungary	232,468	232,468			0
Iceland	63,400	63,400			0
Ireland	570,603	570,603			0
Israel	803,071	70,024			733,047
Italy	9,805,922	7,844,737			1,961,185
Japan 1/	34,760,000	30,098,098	4,661,902		0
Latvia	19,212	19,212			0
Liechtenstein	11,527	11,527			0
Lithuania	32,661	0			32,661
Luxembourg	153,698	153,698			0
Monaco	7,685	7,685			0
Netherlands	3,364,061	3,364,061		0	0
New Zealand	466,857	466,857			0
Norway	1,252,637	1,252,637			0
Poland	612,870	612,870			0
Portugal	895,290	0			895,290
Russian Federation	2,305,467	0			2,305,467
Slovak Republic	82,613	82,613			0
Slovenia	155,619	155,619			0
Spain	4,877,985	4,082,144	795,841		(0)
Sweden	1,988,466	1,590,768	302,915		94,783
Switzerland	2,447,638	1,758,710	688,928		0
Tajikistan	1,921	0			1,921
Turkmenistan	5,764	5,764			0
Ukraine	101,825	0			101,825
United Kingdom	10,718,503	0		10,718,503	0
United States of America	34,760,000	1,877,367	5,375,000		27,507,633
Uzbekistan	21,133	0			21,133
TOTAL	158,000,000	68,902,230	18,341,792	39,417,265	31,338,713

Annex II

2005 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNDP

Item	UNDP 2005
Number of annual programmes of multi-year agreements approved vs. those planned	15 (2 new)
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	49 (ins-9, inv-8, dem-1, rmp-12 & tas-19)
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	15
ODS phased-out for individual projects vs. those planned per progress reports	3,302 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	41 (inv-18, ins-8, tas-13 & tra-2)
Percentage of policy/regulatory assistance completed vs. that planned	N/a
Speed of financial completion vs. that required per progress report completion dates	On-time
Timely submission of project completion reports vs. those agreed	On-time
Timely submission of progress reports and responses unless otherwise agreed	On-time

Annex III

2005 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNEP

Table 1

PERFORMANCE INDICATORS

Item	2005 Target
Number of annual programmes of multi-year agreements approved vs. those planned	3
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	21 of the 38 projects included (RMP-15 & TAS-13)
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	3
ODS phased-out for individual projects vs. those planned per progress reports	32.9 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	25 of the 34 projects included (TAS-16 & TRA-18)
Percentage of policy/regulatory assistance completed vs. that planned	65 countries 100% of countries listed in its Annex I
Speed of financial completion vs. that required per progress report completion dates	On time
Timely submission of project completion reports vs. those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Table 2

PERFORMANCE INDICATORS FOR UNEP'S COMPLIANCE ASSISTANCE PROGRAMME (CAP)

Item	Proposed for 2005
Usefulness of the region network/thematic meetings	Overall average of 3 on a 5-point scale.
Assistance to countries for data reporting	All countries will have reported baselines
Assistance with Article 7 data reporting (Indicator was previously called: Improvement over previous years in data reporting and enacting the legislation and policies for ODS phase-out in Networking and institutional strengthening countries)	100% of all countries will have reported Article 7 data UNEP believes that it can achieve 90%
Countries in actual or potential non-compliance as per MOP decisions	21 countries in non-compliance as per MOP XVI that will be offered CAP assistance will return to compliance. UNEP believes that a realistic achievement is 16 countries (i.e. 75%)
Countries at risk of becoming in non-compliance as per Article 7 trends	All countries identified as at risk of non-compliance and that will be offered CAP assistance to be provided specific services by CAP (outside of network meetings). UNEP believes that a realistic achievement is 80%.
Information clearinghouse	The following will be based on figures in 2004 Progress Report: 5% increase in subscriptions compared to 2004. 10% increase in visitors compared to 2004. 10% increase in downloads compared to 2004. 5% increase documents disseminated compared to 2004. 10% increase in queries compared to 2004; 10 working days of receipt of query.

Annex IV

2005 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNIDO

Item	2005 Target
Number of annual programmes of multi-year agreements approved vs. those planned	32
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	30
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	16
ODS phased-out for individual projects vs. those planned per progress reports	1,896.4 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	35
Percentage of policy/regulatory assistance completed vs. that planned	4
Speed of financial completion vs. that required per progress report completion dates	12 months
Timely submission of project completion reports vs. those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Annex V**2005 BUSINESS PLAN PERFORMANCE INDICATORS FOR THE WORLD BANK**

Item	2005 Target
Number of annual programmes of multi-year agreements approved vs. those planned	20 approved
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	11
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	19
ODS phased-out for individual projects vs. those planned per progress reports	6,744 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	55 INV and Non-Inv
Percentage of policy/regulatory assistance completed vs. that planned	N/a
Speed of financial completion vs. that required per progress report completion dates	Achieve 11 months from required date
Timely submission of project completion reports vs. those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Annex VI

REVISED AGREED CONDITIONS FOR FUNDING METHYL BROMIDE PHASE-OUT PROJECT IN ARGENTINA

1. The Executive Committee:

- (a) at its 30th Meeting in March 2000, approved US \$3,183,390 as the total funds that will be available to Argentina to achieve the complete phase-out of methyl bromide (MB) used in strawberries, flowers and protected vegetables (331 ODP tonnes);
- (b) at its 36th Meeting in March 2002, approved in principle, an additional US \$3,588,000 as the total funds that will be available to Argentina to achieve the complete phase-out of MB used in tobacco and non-protected vegetable seedbeds, excluding quarantine and pre-shipment applications (additional 178.8 ODP tonnes).
- (c) at its 45th Meeting, approved a revised schedule to achieve the phase-out of 192 ODP tonnes of MB representing the remaining consumption used in strawberries, flowers and protected vegetables, on the understanding that no additional funding will be requested from the Multilateral Fund to phase out the 59.6 ODP tonnes of MB representing the increase in MB consumption since the phase-out project (331 ODP tonnes) had been approved by the Executive Committee at its 30th Meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
ARGENTINA					
PRODUCTION					
CFC closure					
Strategy for gradual phase-out of CFC-11 and CFC-12 production: 2005 annual programme	IBRD		\$300,000	\$120,000	\$420,000
<i>The World Bank was requested to follow the guidelines on verifying ODS production phase-out adopted by the Executive Committee in future verifications, to ensure the necessary expertise of the verification team, and to achieve consistency in verifications in countries where it was implementing ODS production phase-out plans.</i>					
<i>Note: 1,373 ODP tonnes of CFC would be phased out in the production sector in 2005</i>					
STERILANTS					
Preparation of project proposal					
Preparation of MDI phase-out plan	IBRD		\$50,000	\$3,750	\$53,750
SEVERAL					
Technical assistance/support					
HCFC survey	UNDP		\$68,807	\$6,193	\$75,000
Total for Argentina			\$418,807	\$129,943	\$548,750
BAHRAIN					
SOLVENT					
Technical assistance/support					
Training and awareness workshop in the solvents and process agents (CTC and TCA) sector	UNIDO		\$60,000	\$5,400	\$65,400
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>					
Total for Bahrain			\$60,000	\$5,400	\$65,400
BHUTAN					
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP: train the trainer programme for customs and enforcement officers	UNEP		\$25,000	\$3,250	\$28,250
<i>The activity should not commence until the legislation controlling CFC imports was in place.</i>					
Implementation of the RMP: train the trainer programme for refrigeration service technicians	UNEP		\$20,000	\$2,600	\$22,600
Implementation of the RMP: technical assistance in the refrigeration servicing sector	UNDP		\$45,000	\$4,050	\$49,050
Total for Bhutan			\$90,000	\$9,900	\$99,900

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
BOTSWANA					
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP update	Germany		\$64,295	\$8,358	\$72,653
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance and that the Government of Germany would provide appropriate monitoring throughout project implementation.</i>					
Total for Botswana			\$64,295	\$8,358	\$72,653
BRAZIL					
PHASE-OUT PLAN					
CFC phase out plan					
National CFC phase-out plan: 2005 implementation work plan (third tranche)	UNDP		\$3,970,000	\$342,500	\$4,312,500
<i>UNDP was requested to provide clarification as to the relationship between reported national CFC consumption and the phase-out activities being funded, and to include this information in its annual report when requesting the 2006 funding tranche at the 47th Meeting.</i>					
SEVERAL					
Technical assistance/support					
HCFC survey	UNDP		\$183,486	\$16,514	\$200,000
Total for Brazil			\$4,153,486	\$359,014	\$4,512,500
BURUNDI					
SOLVENT					
Technical assistance/support					
Training and awareness workshop in the process agents (TCA) sector	UNIDO		\$35,000	\$3,150	\$38,150
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>					
Total for Burundi			\$35,000	\$3,150	\$38,150
CENTRAL AFRICAN REPUBLIC					
SEVERAL					
Institutional strengthening					
Extension of the institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000
Total for Central African Republic			\$60,000		\$60,000

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CHILE						
FUMIGANT						
Methyl bromide						
Phase-out of all the remaining uses of methyl bromide in soil application pest control (first tranche)	IBRD	1.3	\$691,703	\$51,878	\$743,581	18.69
<i>Approved in accordance to the revised agreement between the Government and the Executive Committee.</i>						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase VI)	IBRD	7.7	\$93,275	\$6,996	\$100,271	
<i>Approved for a one-year period on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance.</i>						
	Total for Chile	9.0	\$784,978	\$58,874	\$843,852	
CHINA						
FUMIGANT						
Preparation of project proposal						
Preparation of a production phase-out plan in the fumigants sector (methyl bromide)	UNIDO		\$40,000	\$3,000	\$43,000	
OTHER						
Tobacco fluffing						
Tobacco sector plan for CFC-11 phase-out: annual programme for 2005	UNIDO	200.0	\$1,700,000	\$127,500	\$1,827,500	
PRODUCTION						
CFC closure						
Sector plan for CFC production phase-out: 2005	IBRD		\$13,000,000	\$975,000	\$13,975,000	
<i>Note: 6,550 ODP tonnes of CFC would be phased out in the production sector in 2005</i>						
REFRIGERATION						
Refrigerant management plan						
Refrigeration servicing sector CFC phase-out plan (revised 2005 annual implementation programme)	UNEP		\$450,000	\$58,500	\$508,500	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SOLVENT						
Multiple solvents						
ODS phase-out in China solvent sector: 2005 annual programme	UNDP	635.0	\$5,680,000	\$426,000	\$6,106,000	
<i>An amendment to the 2005 annual implementation programme was approved to reallocate US \$2 million in savings from previous tranches of the solvent sector plan to purchase and install equipment for the purification of nPB subject to the following conditions; HEP-2 produced by China would not be made available for export; an annual production quota would be imposed on HEP-2 to meet the requirement for solvent use only; China would ensure that HEP-2 was only supplied to enterprises involved in the China solvent sector plan; the Import and Export Office of China would monitor and ensure that no HEP-2 was exported by China; and the implementing agency of the China solvent sector plan, UNDP, would include in its annual audit verification plan that no HEP-2 was exported.</i>						
	Total for China	835.0	\$20,870,000	\$1,590,000	\$22,460,000	
COLOMBIA						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase V)	UNDP	22.8	\$275,600	\$20,670	\$296,270	
Technical assistance/support						
HCFC survey	UNDP		\$68,807	\$6,193	\$75,000	
	Total for Colombia	22.8	\$344,407	\$26,863	\$371,270	
COMOROS						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
	Total for Comoros		\$60,000		\$60,000	
CONGO						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
	Total for Congo		\$60,000		\$60,000	
CONGO, DR						
REFRIGERATION						
Preparation of project proposal						
Project preparation for refrigeration end-user	UNDP		\$16,870	\$1,265	\$18,135	
SOLVENT						
Preparation of project proposal						
Preparation of a phase-out plan in the solvents (CTC) sector	UNIDO		\$30,000	\$2,250	\$32,250	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Total for Congo, DR			\$46,870	\$3,515	\$50,385	
CROATIA						
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the solvents (CTC) sector	UNIDO		\$40,000	\$3,600	\$43,600	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
Total for Croatia			\$40,000	\$3,600	\$43,600	
CUBA						
PHASE-OUT PLAN						
CFC phase out plan						
National ODS phase-out plan for CFCs: 2005 annual implementation plan	Germany		\$116,000	\$15,080	\$131,080	
National ODS phase-out plan for CFCs: 2005 annual implementation plan	France		\$200,000	\$26,000	\$226,000	
National ODS phase-out plan for CFCs: 2005 annual implementation plan	Canada		\$62,000	\$8,060	\$70,060	
National ODS phase-out plan for CFCs: 2005 annual implementation plan	UNDP		\$250,000	\$18,750	\$268,750	
Total for Cuba			\$628,000	\$67,890	\$695,890	
DOMINICA						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase II, second year)	UNEP		\$13,000	\$0	\$13,000	
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
Total for Dominica			\$13,000		\$13,000	
DOMINICAN REPUBLIC						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out plan for Annex A (Group I) substances: 2005 annual implementation programme	UNDP	41.3	\$500,000	\$37,500	\$537,500	5.50
<i>Approved in accordance with the Agreement between the Government of Dominican Republic and the Executive Committee.</i>						
Total for Dominican Republic			41.3	\$500,000	\$37,500	\$537,500
ECUADOR						
FUMIGANT						
Preparation of project proposal						
Preparation of a methyl bromide project	IBRD		\$25,000	\$1,875	\$26,875	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SOLVENT						
Preparation of project proposal						
Preparation of a TCA phase-out project <i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>	IBRD		\$20,000	\$1,500	\$21,500	
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2005 annual programme	IBRD	85.0	\$439,319	\$32,349	\$471,668	7.19
	Total for Ecuador	85.0	\$484,319	\$35,724	\$520,043	
EGYPT						
AEROSOL						
Preparation of project proposal						
Preparation of a MDI phase-out plan (CFC)	UNIDO		\$50,000	\$3,750	\$53,750	
	Total for Egypt		\$50,000	\$3,750	\$53,750	
EL SALVADOR						
FUMIGANT						
Technical assistance/support						
Training and awareness workshop in the fumigants sector (methyl bromide) <i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>	UNIDO		\$40,000	\$3,600	\$43,600	
	Total for El Salvador		\$40,000	\$3,600	\$43,600	
ETHIOPIA						
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the solvents and process agents (CTC & TCA) sectors <i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>	UNIDO		\$40,000	\$3,600	\$43,600	
	Total for Ethiopia		\$40,000	\$3,600	\$43,600	
FIJI						
PHASE-OUT PLAN						
Preparation of project proposal						
Development of a total ODS phase out plan <i>Approved on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non compliance and subject to all CFC-based funding proposals in the resulting project being directly related to the specific needs identified and quantified in Fiji's report on implementation of its refrigerant management plan.</i>	UNEP		\$15,000	\$1,950	\$16,950	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Project preparation for complete ODS phase-out plan	UNDP		\$16,870	\$1,265	\$18,135	
<i>Approved on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non compliance and subject to all CFC-based funding proposals in the resulting project being directly related to the specific needs identified and quantified in Fiji's report on implementation of its refrigerant management plan.</i>						
Total for Fiji			\$31,870	\$3,215	\$35,085	
GEORGIA						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project: phase IV	UNEP		\$60,667	\$0	\$60,667	
Total for Georgia			\$60,667		\$60,667	
GUINEA						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: recovery and recycling	UNDP	5.0	\$49,890	\$4,490	\$54,380	
<i>Approved on the understanding that disbursement of the funding is subject to enactment of a quota and licensing system for ODS, including setting the quotas for major CFCs</i>						
Implementation of the RMP: monitoring the activities of the RMP	UNEP		\$20,000	\$2,600	\$22,600	
Implementation of the RMP: phase II of customs officers training in the monitoring and control of ODS	UNEP		\$25,000	\$3,250	\$28,250	
<i>Approved on the understanding that disbursement of the funding is subject to enactment of a quota and licensing system for ODS, including setting the quotas for major CFCs</i>						
Implementation of the RMP: phase II of training refrigeration technicians	UNEP		\$25,000	\$3,250	\$28,250	
<i>Approved on the understanding that disbursement of the funding is subject to enactment of a quota and licensing system for ODS, including setting the quotas for major CFCs</i>						
Total for Guinea		5.0	\$119,890	\$13,590	\$133,480	
HONDURAS						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
Total for Honduras			\$60,000		\$60,000	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
INDIA					
PRODUCTION					
CFC closure					
CFC production sector gradual phase-out: 2005 annual implementation plan	IBRD		\$5,850,000	\$438,750	\$6,288,750
<i>Note: 1,882 ODP tonnes of CFC would be phased out in the production sector in 2005</i>					
PHASE-OUT PLAN					
CTC phase out plan					
CTC phase-out for the consumption and production sectors: 2005 annual programme	Japan		\$2,500,000	\$280,000	\$2,780,000
<i>Note: In total, 9,827 ODP tonnes of CTC production and 9,779 ODP tonnes of CTC consumption would be phased out in 2005</i>					
CTC phase-out for the consumption and production sectors: 2005 annual programme	IBRD		\$399,045	\$29,928	\$428,973
<i>Note: In total, 9,827 ODP tonnes of CTC production and 9,779 ODP tonnes of CTC consumption would be phased out in 2005</i>					
CTC phase-out for the consumption and production sectors: 2005 annual programme	Germany		\$700,000	\$57,500	\$757,500
<i>Note: In total, 9,827 ODP tonnes of CTC production and 9,779 ODP tonnes of CTC consumption would be phased out in 2005</i>					
CTC phase-out for the consumption and production sectors: 2005 annual programme	UNIDO		\$3,500,000	\$262,500	\$3,762,500
<i>Note: In total, 9,827 ODP tonnes of CTC production and 9,779 ODP tonnes of CTC consumption would be phased out in 2005</i>					
CTC phase-out for the consumption and production sectors: 2005 annual programme	France		\$1,000,000	\$85,000	\$1,085,000
<i>Note: In total, 9,827 ODP tonnes of CTC production and 9,779 ODP tonnes of CTC consumption would be phased out in 2005</i>					
SEVERAL					
Technical assistance/support					
HCFC survey	UNDP		\$183,486	\$16,514	\$200,000
Total for India			\$14,132,531	\$1,170,192	\$15,302,723
INDONESIA					
SEVERAL					
Technical assistance/support					
HCFC survey	UNDP		\$114,679	\$10,321	\$125,000
Total for Indonesia			\$114,679	\$10,321	\$125,000
IRAN					
PHASE-OUT PLAN					
CFC phase out plan					
National CFC phase-out plan: 2005 annual implementation programme	UNIDO		\$742,449	\$55,684	\$798,133
National CFC phase-out plan: 2005 annual implementation programme	France		\$500,000	\$55,000	\$555,000

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National CFC phase-out plan: 2005 annual implementation programme	Germany		\$479,044	\$52,695	\$531,739	
SEVERAL						
Technical assistance/support						
HCFC survey	UNDP		\$68,807	\$6,193	\$75,000	
	Total for Iran		\$1,790,300	\$169,572	\$1,959,872	
KUWAIT						
HALON						
Preparation of project proposal						
Preparation of a halon phase-out plan	UNIDO		\$25,000	\$1,875	\$26,875	
	Total for Kuwait		\$25,000	\$1,875	\$26,875	
LAO, PDR						
FOAM						
Preparation of project proposal						
Project preparation for foam multiple sub-sectors	UNDP		\$22,493	\$1,687	\$24,180	
	Total for Lao, PDR		\$22,493	\$1,687	\$24,180	
LEBANON						
SEVERAL						
Technical assistance/support						
HCFC survey	UNDP		\$45,872	\$4,128	\$50,000	
	Total for Lebanon		\$45,872	\$4,128	\$50,000	
LESOTHO						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal CFC phase-out management plan: second tranche	Germany	0.6	\$35,000	\$4,550	\$39,550	
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase III)	UNEP		\$26,000	\$0	\$26,000	
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
	Total for Lesotho	0.6	\$61,000	\$4,550	\$65,550	
LIBYA						
FUMIGANT						
Preparation of project proposal						
Preparation of a phase-out plan in the fumigants sector (methyl bromide)	UNIDO		\$15,000	\$1,125	\$16,125	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HALON						
Preparation of project proposal						
Preparation of a halon phase-out plan	UNIDO		\$25,000	\$1,875	\$26,875	
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2nd tranche	UNIDO		\$720,000	\$54,000	\$774,000	
<i>Approved on the understanding that no disbursement should be made until 2004 Article 7 data had been officially reported to the Ozone Secretariat, written confirmation had been received regarding the enactment of legislation establishing a system for licensing imports and exports of ODS, and the outstanding reports on the 2002 and 2003 implementation of the country programme had been provided to the Fund Secretariat.</i>						
Total for Libya			\$760,000	\$57,000	\$817,000	
MACEDONIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (first tranche)	UNIDO	10.0	\$154,210	\$11,566	\$165,776	5.66
<i>Approved in accordance with the Agreement between the Government of Macedonia and the Executive Committee.</i>						
Total for Macedonia			10.0	\$154,210	\$11,566	\$165,776
MADAGASCAR						
FUMIGANT						
Technical assistance/support						
Training and awareness workshop in the fumigants sector (methyl bromide)	UNIDO		\$40,000	\$3,600	\$43,600	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>						
Total for Madagascar			\$40,000	\$3,600	\$43,600	
MALAYSIA						
SEVERAL						
Technical assistance/support						
HCFC survey	UNDP		\$91,743	\$8,257	\$100,000	
Total for Malaysia			\$91,743	\$8,257	\$100,000	
MALI						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP update: supplementary training and spares to the national programme for recovery and recycling of refrigerants	UNDP		\$50,000	\$4,500	\$54,500	
Implementation of the RMP update: monitoring of the activities in the RMP	UNEP		\$20,000	\$2,600	\$22,600	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Implementation of the RMP update: phase 2 training for refrigeration technicians	UNEP		\$25,000	\$3,250	\$28,250	
Implementation of the refrigerant management plan update: Phase 2 training for customs officials	UNEP		\$29,546	\$3,841	\$33,387	
	Total for Mali		\$124,546	\$14,191	\$138,737	
MAURITIUS						
PHASE-OUT PLAN						
ODS phase out plan						
Implementation of an ODS terminal phase-out management plan: second tranche	Germany	2.0	\$62,030	\$8,064	\$70,094	
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase II)	UNEP		\$60,000	\$0	\$60,000	
	Total for Mauritius	2.0	\$122,030	\$8,064	\$130,094	
MEXICO						
PRODUCTION						
CFC closure						
Sector plan for phasing out CFC-11 and CFC-12 production sector: third tranche	UNIDO		\$4,000,000	\$300,000	\$4,300,000	
<i>Note: 5,262 ODP tonnes of CFC would be phased out in the production sector in 2005</i>						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2nd tranche	UNIDO	100.0	\$4,478,000	\$335,850	\$4,813,850	
<i>Approved on the understanding that disbursement of the funding approved should not commence until agreement between the Secretariat and UNIDO had been reached that the verification of the 2004 objectives had been completed and that a satisfactory annual implementation programme for 2005 had been submitted. The Secretariat was requested to inform the Executive Committee of the progress achieved at its 46th Meeting.</i>						
National CFC phase-out plan: 2nd tranche	IBRD		\$500,000	\$37,500	\$537,500	
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase VII)	UNIDO		\$247,000	\$18,525	\$265,525	
Technical assistance/support						
HCFC survey	UNDP		\$114,679	\$10,321	\$125,000	
	Total for Mexico	100.0	\$9,339,679	\$702,196	\$10,041,875	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
MOLDOVA						
FUMIGANT						
Technical assistance/support						
Training and awareness workshop in the fumigants sector (methyl bromide)	UNIDO		\$30,000	\$2,700	\$32,700	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>						
	Total for Moldova		\$30,000	\$2,700	\$32,700	
MONGOLIA						
PHASE-OUT PLAN						
Preparation of project proposal						
Preparation of a terminal phase-out management plan	Japan		\$33,900	\$4,407	\$38,307	
	Total for Mongolia		\$33,900	\$4,407	\$38,307	
MOROCCO						
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the solvent and process agents (CTC & TCA) sectors	UNIDO		\$40,000	\$3,600	\$43,600	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
	Total for Morocco		\$40,000	\$3,600	\$43,600	
MYANMAR						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: establishing conversion practice of domestic refrigerators	UNIDO	2.1	\$80,000	\$7,200	\$87,200	
Implementation of the RMP: preparation of ozone regulations for control of ODSs	UNEP		\$13,000	\$1,690	\$14,690	
Implementation of the RMP: monitoring the RMP implementation	UNEP		\$22,000	\$2,860	\$24,860	
	Total for Myanmar	2.1	\$115,000	\$11,750	\$126,750	
NICARAGUA						
FUMIGANT						
Technical assistance/support						
Training and awareness workshop in the fumigants sector (methyl bromide)	UNIDO		\$30,000	\$2,700	\$32,700	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP update: monitoring the activities of the RMP	UNEP		\$30,000	\$3,900	\$33,900
Implementation of the RMP update: incentive programme to promote good practices in refrigeration	UNDP		\$85,000	\$7,650	\$92,650
Implementation of the RMP update: licensing and certification system for refrigeration technicians	UNEP		\$40,000	\$5,200	\$45,200
Implementation of the RMP update: programme for prevention of illegal CFC trade	UNEP		\$15,000	\$1,950	\$16,950
	Total for Nicaragua		\$200,000	\$21,400	\$221,400
OMAN					
SOLVENT					
Technical assistance/support					
Training and awareness workshop in the solvent sector (CTC)	UNIDO		\$35,000	\$3,150	\$38,150
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>					
	Total for Oman		\$35,000	\$3,150	\$38,150
PAKISTAN					
FUMIGANT					
Technical assistance/support					
Training and awareness workshop in the fumigants sector (methyl bromide)	UNIDO		\$30,000	\$2,700	\$32,700
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>					
	Total for Pakistan		\$30,000	\$2,700	\$32,700
PARAGUAY					
SOLVENT					
Technical assistance/support					
Solvent technical assistance	UNDP		\$30,000	\$2,700	\$32,700
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>					
	Total for Paraguay		\$30,000	\$2,700	\$32,700

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
PHILIPPINES						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase IV, second year)	IBRD	7.5	\$90,567	\$6,793	\$97,360	
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
Total for Philippines		7.5	\$90,567	\$6,793	\$97,360	
ROMANIA						
PRODUCTION						
Preparation of project proposal						
Preparation of a closure project in the production of CFC/CTC/MBR	UNIDO		\$25,000	\$1,875	\$26,875	
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (first tranche)	UNIDO	14.6	\$159,050	\$11,929	\$170,979	5.49
<i>Approved in accordance with the Agreement between the Government of Romania and the Executive Committee.</i>						
National CFC phase-out plan (first tranche)	Sweden		\$119,500	\$15,535	\$135,035	5.49
<i>Approved in accordance with the Agreement between the Government of Romania and the Executive Committee.</i>						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase II)	UNIDO		\$145,984	\$10,949	\$156,933	
Total for Romania		14.6	\$449,534	\$40,288	\$489,822	
SAINT VINCENT AND THE GRENADINES						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase II)	UNEP		\$30,000	\$0	\$30,000	
<i>Approved on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
Total for Saint Vincent and the Grenadines			\$30,000		\$30,000	
SERBIA AND MONTENEGRO						
FUMIGANT						
Preparation of project proposal						
Project preparation in the fumigants sector (methyl bromide)	UNIDO		\$25,000	\$1,875	\$26,875	
<i>The Government was requested to supply additional information to the Ozone Secretariat on consumption of methyl bromide and apply for a revision of its methyl bromide baseline.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SOLVENT						
Preparation of project proposal						
Project preparation for the terminal phase-out in the solvent sector (CTC)	UNIDO		\$15,000	\$1,125	\$16,125	
Total for Serbia and Montenegro			\$40,000	\$3,000	\$43,000	
SIERRA LEONE						
HALON						
Preparation of project proposal						
Project preparation for a halon sectoral phase-out plan	UNDP		\$16,870	\$1,265	\$18,135	
Total for Sierra Leone			\$16,870	\$1,265	\$18,135	
SRI LANKA						
SEVERAL						
Technical assistance/support						
HCFC survey	UNDP		\$36,697	\$3,303	\$40,000	
Total for Sri Lanka			\$36,697	\$3,303	\$40,000	
SYRIA						
PHASE-OUT PLAN						
Preparation of project proposal						
Preparation of CFC-phase-out plan including methyl bromide	UNIDO		\$70,000	\$5,250	\$75,250	
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening (phase III)	UNIDO		\$203,823	\$15,287	\$219,110	
Technical assistance/support						
HCFC survey	UNDP		\$45,872	\$4,128	\$50,000	
Total for Syria			\$319,695	\$24,665	\$344,360	
THAILAND						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2005 annual implementation plan	IBRD	962.9	\$1,330,400	\$111,736	\$1,442,136	4.08
<i>The Committee took note, with appreciation, of the verification audit of the imports of CFC, TCA and CTC in Thailand for the year 2003</i>						
Total for Thailand		962.9	\$1,330,400	\$111,736	\$1,442,136	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
TUNISIA						
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors	UNIDO		\$50,000	\$4,500	\$54,500	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
Total for Tunisia			\$50,000	\$4,500	\$54,500	
URUGUAY						
SOLVENT						
Technical assistance/support						
Solvent technical assistance	UNDP		\$30,000	\$2,700	\$32,700	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
Total for Uruguay			\$30,000	\$2,700	\$32,700	
VENEZUELA						
FUMIGANT						
Technical assistance/support						
Training and awareness workshop in the fumigants sector (methyl bromide)	UNIDO		\$40,000	\$3,600	\$43,600	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>						
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the process agents (TCA) sector	UNIDO		\$40,000	\$3,600	\$43,600	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2nd tranche	UNIDO	50.2	\$1,631,831	\$122,387	\$1,754,218	
<i>Approved on the understanding that disbursement of the funding approved should not commence until agreement between the Secretariat and UNIDO had been reached that the verification of the 2004 objectives had been completed and that a satisfactory annual implementation programme for 2005 had been submitted. The Secretariat was requested to inform the Executive Committee of the progress achieved at its 46th Meeting.</i>						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SEVERAL						
Technical assistance/support						
HCFC survey	UNDP		\$45,872	\$4,128	\$50,000	
Total for Venezuela		50.2	\$1,757,703	\$133,715	\$1,891,418	
VIETNAM						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC and halon phase-out plan (first tranche)	IBRD	40.0	\$495,537	\$37,165	\$532,702	3.94
<i>Approved in accordance with the Agreement between the Government of Vietnam and the Executive Committee.</i>						
Total for Vietnam		40.0	\$495,537	\$37,165	\$532,702	
YEMEN						
REFRIGERATION						
Preparation of project proposal						
Preparation of a terminal umbrella project in refrigeration (CFC)	UNIDO		\$30,000	\$2,250	\$32,250	
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the process agents (TCA) sector	UNIDO		\$35,000	\$3,150	\$38,150	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
Total for Yemen			\$65,000	\$5,400	\$70,400	
ZAMBIA						
SOLVENT						
Technical assistance/support						
Training and awareness workshop in the solvents and process agents (CTC and TCA) sectors	UNIDO		\$40,000	\$3,600	\$43,600	
<i>Approved in accordance with the guidelines for the funding of technical assistance projects in countries that had reported very low consumption of CTC and/or TCA under which no further funding would be requested from the Multilateral Fund for the phase-out of ODSs in the solvent sector.</i>						
Total for Zambia			\$40,000	\$3,600	\$43,600	
ZIMBABWE						
FUMIGANT						
Preparation of project proposal						
Project preparation in the fumigants (methyl bromide) sector (phase out in tobacco seedling)	UNIDO		\$15,000	\$1,125	\$16,125	
Project preparation for a fumigant (methyl bromide) project	UNDP		\$20,000	\$1,500	\$21,500	
Total for Zimbabwe			\$35,000	\$2,625	\$37,625	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
REGION: AFR					
SEVERAL					
Technical assistance/support					
Sub-regional project on harmonisation of legislative and regulatory mechanisms to improve monitoring and control of ODS consumption in English-speaking Africa	UNEP		\$140,000	\$18,200	\$158,200
<i>UNEP was requested to complete the project within 18 months and to provide a completion report by the end of 2006.</i>					
Total for Region: AFR			\$140,000	\$18,200	\$158,200
GLOBAL					
SEVERAL					
Technical assistance/support					
Effective awareness materials	UNEP		\$120,000	\$15,600	\$135,600
Information exchange					
Assistance for regional awareness raising	UNEP		\$200,000	\$26,000	\$226,000
Total for Global			\$320,000	\$41,600	\$361,600
GRAND TOTAL		2,188.0	\$61,700,575	\$5,027,647	\$66,728,222

Summary

UNEP/OzL.Pro/ExCom/45/55
Annex VII

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Refrigeration		\$64,295	\$8,358	\$72,653
Phase-out plan	2.6	\$5,807,474	\$611,891	\$6,419,365
TOTAL:	2.6	\$5,871,769	\$620,249	\$6,492,018
INVESTMENT PROJECT				
Fumigant	1.3	\$691,703	\$51,878	\$743,581
Other	200.0	\$1,700,000	\$127,500	\$1,827,500
Production		\$23,150,000	\$1,833,750	\$24,983,750
Refrigeration	7.1	\$1,069,436	\$126,631	\$1,196,067
Solvent	635.0	\$5,680,000	\$426,000	\$6,106,000
Phase-out plan	1,304.0	\$19,269,841	\$1,501,344	\$20,771,185
TOTAL:	2,147.4	\$51,560,980	\$4,067,103	\$55,628,083
WORK PROGRAMME AMENDMENT				
Aerosol		\$50,000	\$3,750	\$53,750
Foam		\$22,493	\$1,687	\$24,180
Fumigant		\$350,000	\$29,400	\$379,400
Halon		\$66,870	\$5,015	\$71,885
Production		\$25,000	\$1,875	\$26,875
Refrigeration		\$46,870	\$3,515	\$50,385
Solvent		\$540,000	\$47,625	\$587,625
Sterilants		\$50,000	\$3,750	\$53,750
Phase-out plan		\$101,870	\$8,465	\$110,335
Several	38.0	\$3,014,723	\$235,213	\$3,249,936
TOTAL:	38.0	\$4,267,826	\$340,295	\$4,608,121
Summary by Parties and Implementing Agencies				
Canada		\$62,000	\$8,060	\$70,060
France		\$1,700,000	\$166,000	\$1,866,000
Germany	2.6	\$1,456,369	\$146,247	\$1,602,616
Japan		\$2,533,900	\$284,407	\$2,818,307
Sweden		\$119,500	\$15,535	\$135,035
IBRD	1,104.4	\$23,284,846	\$1,855,220	\$25,140,066
UNDP	704.1	\$12,127,400	\$974,685	\$13,102,085
UNEP		\$1,664,213	\$160,491	\$1,824,704
UNIDO	376.9	\$18,752,347	\$1,417,002	\$20,169,349
GRAND TOTAL	2,188.0	\$61,700,575	\$5,027,647	\$66,728,222

**ADJUSTMENTS ARISING FROM THE 45TH MEETING OF THE EXECUTIVE
COMMITTEE FOR PROJECTS AND ACTIVITIES**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Australia (per decision 45/3(a)(v))	42,162		42,162
Germany (per decision 45/3(b))	75,353		75,353
UNDP (per decision 45/3(a)(ii)&(iii))	263,533	33,923	297,456
UNEP (per decision 45/3(a)(ii)&(iii))	40,000	5,200	45,200
UNIDO (per decision 45/3(a)(ii)&(iii))	485,945	59,063	545,008
UNIDO (per decision 45/47(c))	450,000	33,750	483,750
World Bank (per decision 45/3(a)(ii)&(iii))	3,433,381	421,157	3,854,538
Total	4,790,374	553,093	5,343,467

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL
CONTRIBUTIONS BASED ON DECISIONS OF THE 45TH MEETING OF THE
EXECUTIVE COMMITTEE**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Australia (1)	(42,162)		(42,162)
Canada	62,000	8,060	70,060
France	1,700,000	166,000	1,866,000
Germany (2)	1,381,016	146,247	1,527,263
Japan	2,533,900	284,407	2,818,307
Sweden	119,500	15,535	135,035
UNDP	11,863,867	940,762	12,804,629
UNEP	1,624,213	155,291	1,779,504
UNIDO	17,816,402	1,324,189	19,140,591
World Bank	19,851,465	1,434,063	21,285,528
Total	56,910,201	4,474,554	61,384,755

(1) Excluding earnings on interest amounting to US \$68,190 for (VIE/REF/20/DEM/14) as per decision 45/3(a)(v).

(2) Excluding transfer of interest amounting to US \$36,710 as per decision 45/3(c).

Annex VIII

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 45TH MEETING

Central African Republic

1. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Central African Republic and notes with appreciation the fact that Central African Republic reported 2003 data to the Ozone Secretariat that shows CFC consumption lower than 50 per cent of its baseline consumption. Thus Central African Republic has achieved the required 50 per cent reduction in CFC consumption ahead of schedule and is on its way to meeting the 85 per cent reduction obligations. The Executive Committee greatly supports the efforts of Central African Republic to meet its obligations under the Montreal Protocol. The Executive Committee is hopeful that, in the next two years, Central African Republic will continue with these laudable efforts and will achieve outstanding success in the implementation of its refrigerant management plan activities and further accelerate the complete phase-out of its remaining CFC consumption.

Chile

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Chile. The Committee notes with appreciation that Chile has more than successfully complied with its consumption freeze targets of Annex A Group I substances. Nevertheless the Committee views with concern the fact that Chile in 2003 was in non-compliance with the control measures for CFC-112, TCA and methyl bromide. The Committee, however, also acknowledges the efforts made by Chile to return to compliance with respect to methyl bromide and hopes that the country is able to meet its phase-out targets for both Methyl Bromide and Annex B Groups I and III substances promptly. The Executive Committee is supportive of the steps that have been taken by the Government to reduce its ODS consumption and is hopeful that, in the next two years, Chile will continue its strategic approach to ODS phase-out, including the implementation of ongoing projects and the enactment of supporting legislative measures to achieve sustainable reduction in its ODS consumption.

Colombia

3. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Colombia and notes with appreciation the fact that Colombia reported 2003 CFC consumption data to the Ozone Secretariat that is significantly lower than its 1995-1997 CFC compliance baseline which if sustained would result in Colombia achieving the 2005 50% CFC reduction level ahead of schedule. It further notes with satisfaction that Colombia has made great strides towards compliance with control measures for other ozone depleting substances. In its submission, Colombia reports that it has taken important initiatives to phase out its consumption of ODS during the current phase of its institutional strengthening project, namely implementation of individual and umbrella investment projects in the foam and

commercial refrigeration sectors and the preparation of a National Phase-out Plan for CFC and halons, approved by the Executive Committee at its 41st Meeting. The Executive Committee also notes that Colombia has completed the first phase of Customs Training and made significant progress with its public awareness campaigns. The Executive Committee expresses the expectation that, in the next two years, during the implementation of the programmed activities, Colombia will sustain and build on the momentum achieved to ensure continued outstanding successes that will enable it to realize its goal of accelerated phase-out of ODS consumption.

Comoros

4. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Comoros and notes with appreciation the fact that Comoros reported 2003 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline. The Committee also notes that Comoros has successfully completed the training programmes for customs officers and refrigeration technicians and the ODS licensing system has been successfully implemented. The Executive Committee greatly supports the efforts of Comoros to maintain its compliance with the CFC consumption reduction schedules of the Montreal Protocol. It is hopeful that, in the next year, Comoros will continue with the implementation of its refrigerant management plan activities with outstanding success in the reduction of its current level of CFC consumption.

Congo

5. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Congo and notes with appreciation the fact that Congo reported 2003 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline. It also notes with appreciation that the consumption levels for methyl bromide reported to the Ozone Secretariat are also lower than its 1995-1998 average methyl bromide consumption and that Congo appears to be in compliance with the Montreal Protocol measures for methyl bromide. Congo has also put in place an ODS a licensing system that could assist the country to control the imports and use of controlled substances and has implemented training activities. The Executive Committee supports these important efforts of Congo towards reductions in its ODS consumption and is hopeful that, in the next two years, Congo will continue to implement its refrigerant management plan and other activities with outstanding success to ensure rapid and permanent reductions in its current levels of ODS consumption

Georgia

6. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Georgia and notes with appreciation the fact that Georgia reported 2003 data to the Ozone Secretariat that is much lower than its 1995-1997 CFC compliance baseline, and that Georgia is able to comply with the CFC consumption freeze. The Executive Committee also notes that Georgia has taken some significant steps during the period of the institutional strengthening project to phase out its consumption of ODS. In its submission, Georgia specifically reports that it has taken important initiatives, namely the reduction of ODS imports through a licensing system, the organization of training workshops for Customs officers,

implementation of a commercial/industrial refrigeration end-user incentive programme, and successful trials of alternatives to methyl bromide in soil fumigation. The Executive Committee greatly appreciates the efforts of Georgia to reduce the consumption of ODS. The Executive Committee expresses the expectation that, in the next two years, Georgia will continue the implementation of the licensing system and its refrigerant management plan with outstanding success, and sustain or accelerate rapid and permanent reductions in its current levels of ODS consumption.

Honduras

7. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Honduras and notes with appreciation the fact that Honduras reported 2003 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Honduras is able to comply with the CFC consumption freeze. At the same time, the reported 2003 methyl bromide consumption, which was over 40% in excess of the country's baseline consumption, raises a serious concern. However, the Executive Committee also notes that Honduras has taken some significant steps during the reporting period to phase out its consumption of ODS. Specifically in its submission, Honduras reports that it has taken important initiatives such as enforcing an import licensing and quota system, pursuing implementation of the methyl bromide phase-out project, increasing public awareness, and organizing training workshops for customs officers and refrigeration technicians. Honduras has also committed itself to a systematic phase-out of its methyl bromide consumption through an action plan endorsed by the Parties to the Montreal Protocol. The Executive Committee greatly supports these efforts of Honduras to reduce the consumption of ODS and is hopeful that, in the next two years Honduras will continue with the implementation of its refrigerant management plan and methyl bromide phase-out activities with outstanding success to ensure early achievement of its ODS consumption reduction targets, in particular the target for methyl bromide.

Lesotho

8. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Lesotho and notes with appreciation the fact that Lesotho reported 2003 and 2004 data to the Ozone Secretariat and that it appears that Lesotho is now able to comply with the CFC consumption freeze. The Executive Committee also notes that Lesotho has taken some significant steps to phase out its consumption of halons. Specifically in its submission, Lesotho reports that it has taken important initiatives, namely the development of ODS regulations which provide for control of cross border movement of ODS through a licensing system, training of customs officers and refrigeration technicians as well as a recovery and recycling project which resulted in a phased-out of 600 kg of CFC-12. The Executive Committee greatly appreciates the efforts of Lesotho to reduce the consumption of ODSs and to quickly return to compliance with data reporting and halon consumption. The Executive Committee expresses the expectation that, in the next two years, Lesotho will continue the implementation of the CFC terminal phase-out plan and related programmes with outstanding success and will sustain and build upon its current progress in the phase-out of ODS in the country.

Mauritius

9. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Mauritius and notes with great satisfaction the fact that Mauritius reported 2003 CFC consumption data to the Ozone Secretariat that not only meets its freeze level obligations but already meets its 2007 compliance requirements. The Executive Committee also notes with appreciation that such significant results have been achieved through some important initiatives such as the implementation of an ODS licensing system, introduction of a ban on methyl bromide imports, and implementation of a training and end-user project through which 2.4 ODP tonnes of CFC was phased out. The Executive Committee greatly appreciates the efforts of Mauritius to accelerate the elimination of ODS consumption in the country. The Executive Committee expresses the expectation that, in the next two years, Mauritius will continue to build on its outstanding progress in order to achieve its goal of complete phase-out of ODS consumption in the country in advance of the Montreal Protocol deadlines.

Mexico

10. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Mexico. The Committee notes with great satisfaction that having met its CFC consumption freeze requirement ahead of schedule Mexico has progressively reduced its CFC consumption over the years and, as indicated by its 2003 data, has also achieved the 50% reduction requirement ahead of the 2005 deadline. Mexico has also met or exceeded freeze requirements for other controlled substances and taken steps to phase out its CFC production and met the production freeze targets. Having put in place its CFC national phase-out plan, Mexico should be able to meet the 2007 CFC consumption target. The Committee acknowledges, and will continue to lend its support and encouragement to the Government of Mexico for the significant actions that have been taken to reduce its ODS production and consumption. These actions include a licensing and quota system to control the consumption of CFCs, halons and methyl bromide, a ban on imports of refrigeration equipment containing CFCs, and a ban on the registration of aerosol products that contain ODS. The Executive Committee is hopeful that, in the next two years, Mexico will continue its strategic approach to ODS phase-out, including the implementation of ongoing projects and the ratification of the remaining Amendments to the Montreal Protocol, with outstanding success in the phase-out of ODS.

Romania

11. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Romania and notes with appreciation that Romania is in compliance with the 1999 CFC consumption freeze level. Romania has also achieved significant reductions in its methyl bromide consumption and expects to achieve a complete phase-out by the end of 2005. The Executive Committee, however, notes that Romania reported levels of production and consumption of carbon tetrachloride in 2003 the phase-out of which may require concerted efforts in order to meet the 2005 reduction targets of 85 per cent. The Executive Committee greatly acknowledges the important actions that the Government of

Romania has taken or plans to take to provide enabling conditions for early and sustainable phase-out of ODS in the country. Specifically, Romania has established a legislative framework to manage ODS use, ratified the Amendments to the Montreal Protocol and enforced restrictions on ODS trade and use. The Executive Committee is, therefore, very hopeful that, in the coming years, Romania will continue with the progress achieved and sustain and build upon its current levels of ODS phase-out to achieve its goal of complying with the Montreal Protocol's control measures in a timely manner.

Syria

12. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Syria. The Committee notes with appreciation that Syria has successfully initiated implementation of phase-out plans, enhancing the country's ability to meet its ODS consumption reduction targets, and has already met the 2005 reduction target for methyl bromide. The Committee acknowledges the significant steps that have been taken by the Government to reduce the country's ODS consumption. These actions include a register of ODS importers and consumers, a licensing system to control the consumption of ODS, and restrictions on imports of ODS and ODS-containing equipment and information and awareness campaigns on methyl bromide alternatives for ODS users and the general public. The Executive Committee trusts that Syria will continue to build on the progress made so far and is hopeful that the actions to be undertaken in the next two years will meet with outstanding success and contribute to rapid and sustained ODS phase-out, particularly in the consumption of halons, and ensure the country's timely compliance with the remaining control measures.

Annex IX

**AGREEMENT BETWEEN THE MULTILATERAL FUND EXECUTIVE COMMITTEE
AND CHILE**

1. The Executive Committee:

- (a) At its 32nd Meeting, approved US \$805,000 as the total funds that will be available to Chile to achieve the complete phase-out of methyl bromide (MB) used in the fruit replanting and nurseries sectors (76.2 ODP tonnes), to be implemented by UNDP;
- (b) At its 45th Meeting, approved in principle an additional US \$2,547,156 as the total funds available to Chile to achieve the complete phase-out of MB used in the remaining soil fumigation sectors, excluding quarantine and pre-shipment applications (additional 136.3 ODP tonnes), to be implemented by the World Bank.

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 Chile is 212.5 ODP tonnes, and the MB consumption in 2003 was 274.3 ODP tonnes, excluding about 68.6 ODP tonnes which Chile states that it uses for quarantine and pre-shipment applications. Accordingly, Chile must reduce its consumption of MB to 212.5 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to 170 ODP tonnes to achieve compliance with the Protocol's 20 per cent reduction in 2005.

3. Reductions resulting from the implementation of this project, together with reductions agreed in the approved project in the tree replant and tree nursery sectors (32nd Meeting of the Executive Committee), will ensure that Chile will meet the reduction schedule listed below. In this regard, Chile commits, through the implementation of these projects, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	Amount of MB to be phased out (ODP tonnes)				Maximum MB consumption excluding QPS (ODP tons)
	Fruit replanting and nurseries	Tomato, strawberry, peppers, nurseries, seedbed	Total phased out	Phased out without MLF funding	
Freeze level					212.5
2003					274.3
MB already phased out	20.2		20.2		
2005	21.0	1.3	22.3	82.0	170.0
2006	35.0	10.0	45.0		125.0
2007		41.0	41.0		84.0
2008		19.0	19.0		65.0

Year	Amount of MB to be phased out (ODP tonnes)				Maximum MB consumption excluding QPS (ODP tons)
	Fruit replanting and nurseries	Tomato, strawberry, peppers, nurseries, seedbed	Total phased out	Phased out without MLF funding	
2009		15.0	15.0		50.0
2010		7.0	7.0		43.0
2011		7.0	7.0		36.0
2012		5.0	5.0		31.0
2013		31.0	31.0		-
Total	76.2	136.3	212.5	82.0	

4. The projects will phase out all soil uses of MB in strawberries, tomato, peppers, nurseries and seedbeds in Chile, excluding quarantine and pre-shipment applications. Chile commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary. The World Bank and UNDP shall report back annually to the Executive Committee on the progress achieved in meeting the MB reductions required in the fruit replant, tree nursery, strawberries, tomato, peppers, nurseries and seedbeds sectors.

5. Funding for the project for the phase-out of MB in tomato, strawberry and pepper crops , Nurseries and Seedbed implemented by the World Bank will be disbursed with the following yearly budget breakdown:

Year	% of MB phase-out under this project	% of funding	Disbursement (US\$)
2005	1%	27%	691,703
2006	7%	21%	534,533
2007	30%	26%	660,920
2008	14%	4%	110,000
2009	11%	4%	110,000
2010	5%	4%	110,000
2011	5%	4%	110,000
2012	4%	4%	110,000
2013	23%	4%	110,000
Total	100%	100%	2,547,156

6. The Government of Chile has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption (in any current controlled uses of methyl bromide) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Chile, in agreement with the World Bank and UNDP, will have flexibility in organizing and implementing the components of the project which it deems more important to meet the MB phase-out commitments noted above. The World Bank and UNDP

agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. The World Bank and UNDP shall also report back to the Executive Committee annually on the progress made in meeting the reductions required by these projects.

8. These agreed conditions between the Government of Chile and the Executive Committee have taken into account the already approved methyl bromide phase-out project in fruit replant and tree nursery sectors. Consequently, they supersede the conditions agreed at the 32nd Meeting of the Executive Committee.

Annex X

AGREEMENT BETWEEN DOMINICAN REPUBLIC AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF ANNEX A GROUP I OZONE-DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Dominican Republic (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances in the sectors set out in Appendix 1-A (“The Substances”) prior to 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 6 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (“Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after

the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

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

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

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

APPENDIX 1-A THE SUBSTANCES

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

Annex	Group	Chemical
A	I	CFC 11, CFC 12, CFC 113, CFC 114 and CFC 115

APPENDIX 2-A THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedules	539.80	269.90	269.90	81.00	81.00	81.00	0.00	n.a.
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	311.20	269.90	252.00	81.00	81.00	53.00	0.00	n.a.
2. Reduction from ongoing projects (ODP tonnes)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. New reduction under plan (ODP tonnes)	41.30	17.90	171.00	0.00	28.00	53.00	0.00	311.20
4. Unfunded reductions (ODP tonnes)	0	0	0	0	0	0	0	0
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	41.30	17.90	171.00	0.00	28.00	53.00	0.00	311.20
6. Lead I.A. agreed funding (US\$)	0	500,000	400,000	400,000	211,600	200,000	0	1,711,600
7. Lead I.A. support costs (US\$)	0	37,500	30,000	30,000	15,870	15,000	0	128,370
8. Total grant for tranche (US\$)	0	537,500	430,000	430,000	227,470	215,000	0	1,839,970

APPENDIX 3-A FUNDING APPROVAL SCHEDULE

1. Funding other than the payments in year 2005 will be considered for approval at the first meeting of the year of the annual implementation plan.

APPENDIX 4-A- FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

1. **Data**

Country _____

Year of plan _____

of years completed _____

of years remaining under the plan _____

Target ODS consumption of the preceding year _____

Target ODS consumption of the year of plan _____

Level of funding requested _____

Lead implementing agency _____

2. **Targets**

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-Out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import: servicing, etc	
Public Awareness	
Others	

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
TOTAL	

7. **Administrative Fees**

APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES

1. All of the monitoring activities will be coordinated and managed through the project "Technical Assistance for Implementation and monitoring", which is included within the Terminal phase-out plan (TPP). The actual monitoring activities will be delegated to COGO of the Ministry of Environment, and these activities will be developed by a personnel hired for this purpose.

2. The monitoring programme will be based on three elements: 1) well designed forms for data collection, evaluation and reporting, 2) programme of regular monitoring visits, and 3) appropriate cross-checking of information from different sources.

Verification and reporting

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

Institution for conducting the verification

4. The Government of Dominican Republic wishes to designate UNDP to organize the independent verification of the TPP targets and results of the monitoring activities.

Frequency of verification and reporting

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

APPENDIX 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;

- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Target;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) Providing assistance with policy, management and technical support when required.

APPENDIX 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

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

Annex XI

AGREEMENT BETWEEN THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE-DEPLETING SUBSTANCES

1. This Agreement represents the understanding of The Former Yugoslav Republic of Macedonia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 1 January 2009, a year in advance of Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 5 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets have been independently verified as described in paragraph 8; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 8.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 8.

8. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programme of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

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

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

12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement, and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

APPENDIX 1-A THE SUBSTANCES

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

Annex	Group	Chemical
A	I	CFC-11, CFC-12, CFC-115

APPENDIX 2-A THE TARGETS, AND FUNDING

Year	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	492.53	246.26	246.6	73.88	73.88	73.88	0	n.a.
1. Max allowable total CFC consumption (ODP tonnes)	49.34	25.0	15.0	10.0	5.0	0	0	n.a.
2. Reduction of CFC consumption from on going projects (ODP tonnes)	0	0	0	0	0	0	0	0
3. New reduction under the present plan (ODP tonnes)	24.34	10.0	5.0	5.0	5.0	0	0	49.34
4. Total annual reduction of CFC (ODP tonnes)	24.34	10.0	5.0	5.0	5.0	0	0	49.34
5. Lead I.A. agreed funding (US\$)	-	154,210	79,871	15,000	15,000	15,000	-	279,081
6. Lead I.A. support cost (US\$)	-	11,566	5,990	1,125	1,125	1,125	-	20,931
7. Total agreed funding (US\$)	-	165,776	85,861	16,125	16,125	16,125	-	300,012

APPENDIX 3-A FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first meeting of the year of the "Annual Implementation Programme" including that for the 2005 "Annual Implementation Programme", which is requested at the 45th Meeting.

APPENDIX 4-A- FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

1. Data

Country	The Former Yugoslav Republic of Macedonia
Year of plan	
No. of years completed	
No. of years remaining under the plan	
Target ODS consumption of the preceding year	
Target ODS consumption of the year of plan	
Level of funding requested	
Lead implementing agency	UNIDO

2. Targets

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

3. Industry Action

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

4. Technical Assistance

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. Government Action

Policy/Activity Planned	Schedule of Implementation

6. Annual Budget

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees

APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES

1. The monitoring of this TPMP (Terminal phase-out management plan) will be coordinated by the National Ozone Unit in cooperation with respective governmental bodies and also national experts recruited for particular tasks which would arise in the course of the project implementation.

2. The following activities will be carried out during the implementation of the TPMP at different levels. Monitoring of the impact of all measures will be carried out throughout the implementation period, and consists of measures such as:

- (a) Evaluation of training courses;
- (b) Assessment of the level of knowledge of service technicians in good practice;
- (c) Check up of all applicants for new R&R equipment in order to verify their capability;
- (d) Monitoring of service shops in order to check whether the equipment is used in the most appropriate way and providing technical assistance if needed;
- (e) Verification of the data for recovered and recycled quantities;

- (f) Monitoring of the educational centres during the training courses at the vocational schools; and
 - (g) Monitoring of market developments.
3. An independent chartered national auditing organization will be recruited to verify consumption.

APPENDIX 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the first year, the report about the implementation to be prepared and submitted until March 2006;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner and that they are based on the use of the Indicators;

- (k) Providing assistance with policy, management and technical support when required;
- (l) Assisting the Country in the implementation and verification of the activities to be undertaken by UNIDO as funded in row 5 of Appendix 2-A and as specified in the project document; and
- (m) Ensuring that disbursements are made to the Country in a timely and effective manner.

APPENDIX 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$11,312 per ODP tonne of reductions in consumption not achieved in the year.

Annex XII

AGREEMENT BETWEEN ROMANIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE-DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Romania and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 2010 (compliance with Protocol schedules).
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 10 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will

monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country's Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing subsector:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency ("Lead IA") and Sweden has agreed to be a co-operating Agency under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to ensure verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows 7 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

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

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

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

APPENDIX 1-A THE SUBSTANCES

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

Annex	Group	Chemical
A	I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115

APPENDIX 2-A THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010	Total*
Montreal Protocol Reduction Schedule (ODP tonnes)	675.8	337.9	337.9	101.4	101.4	101.4	0.0	-
1. Max allowable total consumption of CFCs (ODP tonnes)	250.0**	220	146.8	69.7	33.2	16.0	0.0	-
2. Reduction from on-going projects (ODP tonnes)	0	0	0	46.5	0	0	0	46.5
3. New reduction under plan (ODP tonnes)	0	14.6	35.8	14.9	17.8	8.4	7.8	99.3
4. Unfunded reductions (ODP tonnes)	112.1***	15.4	37.4	15.6	18.7	8.8	8.2	104.2
5. Total annual reduction (ODP tonnes)	112.1***	30.0	73.2	77.04	36.5	17.2	16.0	250.0
6. Lead IA agreed funding (US \$)	-	159,050	236,750	30,000	0	0	0	425,800
7. Lead IA support costs (US \$)	-	11,929	17,756	2,250	0	0	0	31,935
8. Co-operating IA agreed funding (US\$)	-	119,500	0	0	0	0	0	119,500
9. Co-operating IA support costs (US\$)	-	15,535	0	0	0	0	0	15,535
10. Total agreed funding (US \$)	-	278,550	236,750	30,000	0	0	0	545,300
11. Total agency support costs (US \$)	-	27,464	17,756	2,250	0	0	0	47,470
12. Total agreed grant for tranche (US\$)	-	306,014	254,506	32,250	0	0	0	592,770

* Total for 2004 – 2010.

** Estimated Consumption in 2004.

*** Reduction from the 2003 Article 7 data.

APPENDIX 3-A FUNDING APPROVAL SCHEDULE

1. Funding other than the payments in 2005, will be considered for approval at the first meeting of the year of the annual implementation plan.

APPENDIX 4-A FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

1. Data

Country _____

Year of plan _____

of years completed _____

of years remaining under the plan _____

Target ODS consumption of the preceding year _____

Target ODS consumption of the year of plan _____

Level of funding requested _____

Lead implementing agency _____

Co-operating agency _____

2. Targets

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

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-Out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Type of Policy control on ODS Import: servicing, etc	
Public Awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees

APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (NOU) monitors the consumption data of all ozone depleting substances by mainly review of official statistics on imports and exports; quota issued versus actual and information from authorized of importers and distributors. In this work the licensing system is an important tool to monitor and ensure compliance of the control measures.

2. A project management unit (PMU) will be set up as part of monitoring and implementation of the NCPP to ensure that the project is successfully implemented and the target CFC phase out is fully achieved.

3. The NOU and the PMU will during the NCPP (National CFC phase-out plan) implementation have regular communications with the regional environmental and industry departments, customs offices, education and training institutions and industry associations. The NOU and the PMU will through these discussions secure the correctness of the data reported; training quality and percentage trained and also serve as a basis for analysis and reporting the progress to the Multilateral Fund Secretariat.

4. In order to secure relevant information regarding the CFC quantity and costs (as examples), the recycling and reclamation centres and selected substantive size service workshops will at least be contacted annually by the NOU/PMU for information collection and analysis.

APPENDIX 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met

and associated annual activities have been completed as indicated in the annual implementation programme;

- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Target;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B ROLE OF THE CO-OPERATING IMPLEMENTING AGENCY

1. The Government of Sweden, as co-implementing agency, will be:
 - (a) Assisting the Country in the implementation and verification of the activities funded by the Swedish bilateral quota during 2005 as specified in rows 8 and 9 of Appendix 2-A;
 - (b) Ensuring that disbursements are made to the Country in a timely and effective manner;
 - (c) Reporting to the Lead IA on these activities; and
 - (d) Providing assistance to the country related to the activities being undertaken, when required and within the funds available.

APPENDIX 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,980 per ODP tonne of reductions in consumption not achieved in the year.

Annex XIII

AGREEMENT FOR THE NATIONAL CFC AND HALON PHASE-OUT PLAN FOR VIET NAM

1. This Agreement represents the understanding of the Social Republic of Viet Nam (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the Substances) prior to 1 January 2010, compliance with Protocol schedules.
2. The Country agrees to phase-out the controlled use of the Substances in the consumption sector in accordance with the annual phase-out targets set out in rows 1, 5 and 9 of Appendix 2-A (the “Targets, and Funding”) of this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 13 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in rows 1, 5 and 9 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) that the Country has met the Targets for the applicable year;
 - (b) that the meeting of these Targets has been independently verified as described in paragraph 8; and
 - (c) that the Country has substantially completed all actions set out in the 2005 annual or the following Biennium Implementation Programmes, as applicable;
 - (d) that the Country has submitted and received endorsement from the Executive Committee for a biennium implementation programme in the form of Appendix 4-A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 8.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any major changes in the use of the Funding must, however, be documented in advance in the Country’s Annual/Biennium Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 8. Reallocations that are minor changes may be accounted for in the verification report and reviewed by the Executive Committee.

8. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. The World Bank (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 14 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next installment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) in any one year.

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

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

12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

APPENDIX 1-A THE SUBSTANCES

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

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
	Group II	Halon 1211, Halon 1301, and Halon 2402
Annex B:	Group II	CTC
	Group III	TCA

APPENDIX 2-A THE TARGETS, AND FUNDING

	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule – Annex A Group I	250	250	75	75	75	0	n.a.
Montreal Protocol Reduction Schedule – Annex A Group II	18.5	18.5	18.5	18.5	18.5	0	n.a.
Montreal Protocol Reduction Schedule – Annex B Group II	0.24	0.24	0.24	0.24	0.24	0	n.a.
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	240	200	75	40	10	0	0
2. Reduction from ongoing projects	0	0	0	0	0	0	0
3. New reduction under plan	n.a.	40(+3.2) *	125	35	30	10	240(+3.2)*
4. Total annual reduction of Annex A Group I substance (ODP tonnes)	-	40(+3.2) *	125	35	30	10	240(+3.2)*
5. Max allowable total consumption of Annex A Group II substance (ODP tonnes)	18.5	18.5	18.5	18.5	18.5	0	18.5.
6. Reduction from ongoing projects	0	0	0	0	0	0	0
7. New reduction under plan	0	0	0	0	18.5	n.a.	18.5
8. Total annual reduction Annex A Group II substances (ODP tonnes)	0	0	0	0	18.5	n.a.	18.5
9. Max allowable total consumption of Annex B Group II substance (ODP tonnes)	0.19	0.19	0.19	0.19	0.19	0	n.a.
10. Reduction from ongoing projects	0	0	0	0	0	0	0
11. New reduction under plan	0	0	0	0	0.19	n.a.	0.19.
12. Total annual reduction of Annex B Group II substance (ODP tonnes)	0	0	0	0	0.19	n.a.	0.19.
13. Total agreed funding (US \$)	495,537	586,000	0	178,463	0	0	1,260,000
14. Total agency support costs (US \$)	37,165	43,950	0	13,385	0	0	94,500
15. Total agreed funding (US \$)	532,702	629,950	0	191,848	0	0	1,354,500

*: phase-down from last reported consumption to reach 2005 target

APPENDIX 3-A FUNDING APPROVAL SCHEDULE

1. The first funding tranche will be submitted for the Executive Committee's approval as part of its approval of this Plan. Disbursement of not more than US \$265,537 of the total project funds could be made to Viet Nam until the ODS import/export control system is in place and operational.
2. The second funding tranche will be submitted for the Executive Committee's consideration at the second meeting of 2006 along with the biennium implementation programme for 2006 and 2007, and a verification report confirming the achievement of the 2005 targets. The third and final tranche will be submitted at the second meeting of 2008 along with the biennium implementation programme for 2008 and 2009, and a verification report confirming the achievement of the 2006 and 2007 targets.
3. In case the Executive Committee decides in the future to held only two meetings a year, the funding request for each respective tranche will be made at the first Executive Committee meeting of the year.

APPENDIX 4- FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

As per Annex I of the Executive Committee's Guidelines for the Preparation, Implementation and Management of Performance-Based Sector and National ODS Phase-out Plans. (decision 38/65, para. 106 and UNEP/OzL.Pro/ExCom/38/57/Rev.1)

1. Data

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the 1 st year of plan	_____
Target ODS consumption of the 2 nd year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____

2. Targets

Indicators		Preceding Year	1 st Year of Plan	Reduction	2 nd Year of Plan	Reduction (vs. 1 st Year)
Supply of ODS	Import					
	Production*					
	Total (1)					
Demand of ODS	Manufacturing					
	Servicing					
	Stockpiling					
	Total (2)					

* For ODS-producing countries

3. Industry Action

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

4. Technical assistance

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. Government Action

Policy/activity planned	Schedule of implementation
Type of Policy Control on ODS Import: servicing, etc	
Public Awareness	
Others	

6. Biennial budget

Activity	Planned expenditures (US \$)
Total	

7. Administrative fees

APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES

1. Various activities will be managed and carried out by the Project Management Unit but not limited to regulations, project implementation, public awareness, and monitoring as indicated in the following paragraphs.

Regulations

2. The Project Management Unit will assist the National Ozone Office to undertake the following:

- (a) Collaboration with the Ministry of Trade, Ministry of Industry, and the Customs Bureau, to establish and implement the import/control system for ODS;
- (b) Collaboration with the National Ozone Office to assist the Government of Viet Nam to issue measures to eliminate CFC use in the manufacturing of all new products (for example, foam, domestic and commercial refrigerators) by the end of 2006;
- (c) Providing assistance to the National Ozone Office to review annual ODS import/export license applications to ensure that the list of end-users are provided by importers/exporters, and to ensure that no CFC supply will be offered to applications where the bans have already been issued by the Government;
- (d) Assisting the National Ozone Office to develop and publish the annual import quotas for CFCs and halons for the period 2005 – 2010;
- (e) Collaboration with the Viet Nam Register to include MAC inspection as part of the existing vehicle inspection programme by starting with the two larger cities (Ho Chi Minh and Hanoi) first;
- (f) Assisting the Viet Nam Register to review experience gained from the MAC inspection programme in Hanoi and Ho Chi Minh with the objective of expanding this requirement to all 80 existing inspection stations throughout the country;
- (g) Assisting the National Ozone Office and the Viet Nam Register to review the need for including MAC inspection as part of the conditions for renewal of vehicle registrations; and
- (h) Assisting the Viet Nam Register to review and adopt standards for new non-halon fire protection systems.

Project implementation

3. The Project Management Unit will undertake the following activities in close cooperation or under supervision of the National Ozone Office:

- (a) Preparation of a standard implementation procedure for eligible enterprises that would like to seek funding from the resources provided by the Multilateral Fund;
- (b) Assisting eligible CFC and halon consuming enterprises to prepare proposals to obtain financial support from the funds provided by the Multilateral Fund to phase out their use of these chemicals;

- (c) Arranging technical support, on a need basis, for enterprises to identify appropriate non-ODS technology;
- (d) Review and approve proposals submitted by eligible enterprises;
- (e) Coordination of the establishment of the networks of training centers of the General Department of Vocational Training for the refrigeration and MAC servicing sectors;
- (f) Facilitation of the selection of qualified suppliers to supply tools and equipment for MAC and refrigeration service shops;
- (g) Develop and maintain, in collaboration with the General Department of Vocational Training, a database of refrigeration and MAC certified technicians including names and addresses of service shops that already have their technicians trained;
- (h) Assisting the Viet Nam Register to train their inspection stations to identify various refrigerant types in the MAC systems;
- (i) Organizing training for the six regional offices of the Ministry of Trade that are responsible for issuing ODS import quotas on the issues related to the ozone layer depletion, the obligations of the Montreal Protocol, and experience of other countries in the region pertaining to implementation of their import control systems;
- (j) Maintain and update, in close cooperation with Vietsopetro, the halon databank and communicate with the local users and other international halon banks on the issues related to availability of recycled halons;
- (k) Provide advice and recommendation on the allocation of annual import quotas of all Annex A chemicals to the National Ozone Office of the Ministry of Natural Resources and Environment (MONRE) and the Ministry of Trade; and
- (l) Preparation of Biennium Implementation Programmes of the overall implementation of the National CFC and Halon Phase-out Plan and other reports as required by the Executive Committee.

Public awareness

4. The Project Management Unit will undertake the following tasks under supervision of the National Ozone Office:

- (a) Disseminate information related to the Government's policy to phase out CFCs in the manufacturing sector by the end of 2006;
- (b) Inform the industry of the availability of funds provided by the Multilateral Fund to support CFC and halon phase-out in Viet Nam;

- (c) Organize a promotional programme to encourage the public to have their refrigeration and MAC systems repaired by technicians certified by the General Department of Vocational Training; and
- (d) Undertake the public outreach programmes for the refrigeration and MAC servicing sectors to ensure that all service shops are equipped with proper tools for servicing CFC-12 and HFC-134a refrigeration and MAC systems.

Monitoring

5. The Project Management Unit will assist the National Ozone Office to carry out the following tasks:

- (a) Functioning of the industry advisory group for the refrigeration sector in order to ensure maximum outreach to existing CFC refrigeration and MAC service shops;
- (b) Development of a web site with a list of importers, their annual quotas, and the actual amount already imported within the current calendar year;
- (c) Update the information on the actual amount of imported CFCs and halons with the Customs Bureau on a quarterly basis;
- (d) Report of any incidents of illegal import of CFCs and halons; and
- (e) Carry out safety and technical audits of all relevant activities undertaken under this plan.

APPENDIX 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) providing verification to the Executive Committee that the Targets have been met and associated activities have been completed as indicated in the Biennium Implementation Programme;
- (c) assisting the Country in preparation of the Biennium Implementation Programme;
- (d) ensuring that achievements in previous Biennium Implementation Programmes are reflected in future Biennium Implementation Programmes;

- (e) reporting on the implementation of the Implementation Programme commencing with the Implementation Programme for 2005 to be prepared and submitted in 2006;
- (f) ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) carrying out required supervision missions;
- (h) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Biennium Implementation Programme and accurate data reporting;
- (i) verification¹ for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (k) providing assistance with policy, management and technical support when required.

APPENDIX 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$9,780 per ODP tonne of reductions in consumption not achieved in the year.

¹ Given the ODS import/export licensing system will only be in place towards the second half of 2005, verification of consumption for 2005 will be carried out based solely on the customs data. For future verification, the verification procedures will cover the whole process of the ODS import/export licensing system.

Annex XIV

**AGREEMENT BETWEEN CHINA AND
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE PHASE-OUT OF CFCs IN THE REFRIGERATION SERVICING SECTOR**

1. This Agreement represents the understanding of China (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the refrigeration-servicing sector in the country set out in Appendix 1-A (the “Substances”) prior to 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out Targets set out in Appendix 2-A (the “Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances other than funding for the MDI and Pharmaceutical Aerosol sectors, which are not considered in this Agreement. The country reserves the right to request funds for the MDI and Pharmaceutical Aerosol sectors in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 12 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for the applicable year;
 - (b) That the meeting of the Targets set out in Appendix 2-A Row 1 (Max Allowable total consumption of CFC-12) has been independently verified as described in paragraph 9, and that the meeting of targets set out in Appendix 2-A Row 2 (Total consumption of CFCs in the refrigeration servicing sector) has been confirmed through monitoring and auditing activities undertaken by the Country as listed in Appendix 5-A (“Monitoring Institutions and Roles”);

- (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools, in case where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (“Lead IA”) and UNEP and Japan have agreed to be co-operating implementing agencies (“Co-operating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Co-operating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IAs with the fees set out in rows 7, 9, and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the amount exceeding the total consumption of CFCs, in the servicing sector in any one year.

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

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

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

Appendix 1-A THE SUBSTANCES

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

Annex A:	Group I	CFC-11 and CFC-12
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Appendix 2-A THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	57,818.7	28,909.3	28,909.3	8,672.8	8,672.8	8,672.8	0	n/a
Max allowable total consumption of CFCs ⁽¹⁾ (ODP tonnes)	25,300 ⁽²⁾	18,750	13,500	7,400	550	550	0 ⁽⁴⁾	n/a
1. Max allowable total National Consumption of CFC-12 [production-exports+imports] (ODP tonnes)	6,934 ⁽²⁾	5,713	5,637	5,805	406	406	0 ⁽⁴⁾	n/a
2. Total consumption of CFCs in the refrigeration servicing sector (ODP tonnes)	5,083 ⁽²⁾	4,572	3,790	2,997	2,317	1,786	1,181 ⁽³⁾	n/a
3. Reduction from on-going projects (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
4. New reduction under plan (ODP tonnes)	0.0	511	782	793	680	531	605	3,902
5. Total annual reduction (ODP tonnes)	0.0	511	782	793	680	531	605	3,902
6. Lead I.A. agreed funding (UNIDO)	550,000	0	700,000	700,000	700,000	785,000	0	3,435,000
7. Lead I.A. support costs (UNIDO)	41,250	0	52,500	52,500	52,500	58,880	0	257,630
8. Co-operating I.A. agreed funding (Japan)	1,000,000	3,000,000	0	0	0	0	0	4,000,000
9. Co-operating I.A. support cost (Japan)	130,000	390,000	0	0	0	0	0	520,000
10. Co-operating I.A. agreed funding (UNEP)	0	450,000	0	0	0	0	0	450,000
11. Co-operating I.A. support cost (UNEP)	0	58,500	0	0	0	0	0	58,500
12. Total agreed funding (US \$ million)	1,550,000	3,450,000	700,000	700,000	700,000	785,000	0	7,885,000
13. Total agency support costs (US \$ million)	171,250	448,500	52,500	52,500	52,500	58,880	0	836,130

(1) According to the "Accelerated CFC and Halons Phase-out Plan in China", including CFCs Annex A, Groups I and II.

(2) Estimate.

(3) Service tail requirement to be covered from stockpile.

(4) Except for essential uses as agreed by Parties.

Appendix 3-A FUNDING APPROVAL SCHEDULE

Funding will be considered for approval at the last meeting of the year preceding the year of the annual programme.

Appendix 4-A ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country

Year of plan

of years completed

of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Co-operating agency(ies)

2. Targets

Target:				
Indicators		Preceding Year, 2003	Year of Plan, 2004	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-Out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy Control on ODS Import	
Public Awareness	
Others	

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
TOTAL	

7. **Administrative Fees**

Appendix 5-A MONITORING INSTITUTIONS AND ROLES

1. The State Environmental Protection Administration (SEPA) will monitor the consumption data of all ODS and the implementation activities of the Plan. Inspections at converted companies by the IAs and SEPA are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.
2. The Country will ensure continuity of activities and their endorsement for the efficient implementation of the projects as well as verification of consumption through the institutional support component. This will guarantee the success of any activity approved for the Country under this Agreement.
3. In addition to the establishment of the country-wide scheme for refrigerant recovery and recycling, the monitoring component will be initiated to determine whether the project is successfully implemented and whether the CFC phase-out target is achieved.
4. The monitoring component will include the following activities:
 - (a) Establishing a system to ensure that every recycling and reclamation centre and substantive-size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
 - (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
 - (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
 - (d) Occasional visits to service workshops, recycling and reclamation centres; and
 - (e) Providing access and support as well as bearing the cost of independent audits required for the verification of CFC consumption.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive-size service workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type of appliances at every service workshop (commercial, MAC, domestic, etc.);
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;

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

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;
- Cost of reclaiming at every reclamation centre and parties who bear the cost;
- Price of reclaimed CFC refrigerants;
- Other financial information relevant to monitoring the recovery recycling and reclamation scheme.

6. The collected data and information will be analysed to check for the adequate operations of the scheme.

Appendix 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY (UNIDO)

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

- (a) Ensuring performance and financial verification in accordance with this Agreement, and with the rules and guidelines of the Multilateral Fund, and with specific internal procedures and requirements as set out in the refrigeration servicing sector phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;

- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee at its last meeting of the year;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) Providing assistance with policy, management and technical support when required.

Appendix 6-B ROLE OF THE CO-OPERATING IMPLEMENTING AGENCIES (JAPAN and UNEP)

1. The Co-operating IAs will be responsible for:
 - (a) Assisting the Country in the implementation and verification of the activities to be undertaken by the Lead IA as funded in rows 8 and 10 of Appendix 2-A and as specified in the project document;
 - (b) Ensuring that disbursements are made to the country through the Lead IA in a timely and effective manner;
 - (c) Reporting to the Lead IA on these activities; and
 - (d) Providing assistance relating to the activities being undertaken when required.

Appendix 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in national CFC-12 consumption not achieved in the year.

Annex XV

**AGREEMENT BETWEEN INDIA AND THE EXECUTIVE COMMITTEE FOR THE
PHASE OUT IN CONSUMPTION AND PRODUCTION OF CTC**

1. This Agreement represents the understanding of India (the “Country”) and the Executive Committee with respect to the complete phase-out of consumption and production of the Montreal Protocol controlled substance set out in Appendix 1-A (the “Substance”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out consumption and production of the Substance, as defined by the Montreal Protocol, in accordance with the annual phase-out targets set out in rows 1 and 2 of Appendix 2-A (the “Targets”) for this Agreement, which at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 4, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substance.
3. The Country considers that the use of the Substance in the production of DV acid chloride (DVAC) to be a feedstock use. If either the Country or the Parties ever reclassify that use or any other feedstock use to a controlled status, the Country agrees that it would phase out that use with no compensation from the Multilateral Fund.
4. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 13 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
5. The Country will meet the consumption and production limits for the Substance as indicated in rows 1 and 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption and production limits as described in paragraph 9 of this Agreement.
6. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) that the Country has met the Targets for the applicable year;
 - (b) that the meeting of these Targets has been independently verified as described in paragraph 9; and
 - (c) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of

Appendix 4 A (the “Annual Implementation Programs”) in respect of the year for which funding is being requested.

7. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

8. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country will have full flexibility in the use of Multilateral Fund assistance to achieve the overall objectives of this Agreement and to meet its obligations to the Montreal Protocol. Therefore, specific funds that were thought to be needed for specific items originally proposed in the Plan for the Phase out of Consumption and Production of CTC, except the US \$2 million which must be used by the Country solely to implement, monitor and effectuate full compliance with this Agreement, can be reallocated to other activities as long as expenditures are consistent with this Agreement and eligible within the context of the Montreal Protocol. Any remaining funds provided to the Country pursuant to this Agreement may be used in any manner that the Country believes will achieve the smoothest and most efficient CTC phase out.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. The World Bank (the “Lead IA”) has agreed to be the lead implementing agency and France, Germany, Japan and UNIDO (the “Cooperating IAs”) have agreed to be cooperating implementing agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including performance and financial verification in relation to all activities, within the purview of the World Bank, in accordance with this Agreement and with specific World Bank procedures and requirements. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out activities listed in Appendix 6-B, including performance and financial verification in relation to activities implemented under their supervision.

10. The Lead IA will assist the Country to implement activities required for achieving the Targets specified in this Agreement and also to assist the Country to carry out activities related to policy and regulatory development to support sustainable phase-out of the Substance in both the consumption and production sectors. The Cooperating IAs will, in collaboration with the Lead IA, provide support for activities related to investment activities to support the phase-out of the Substance in the metal cleaning and process agent applications and in the textile industry as described in the sector plan (IND/PHA/40/INV/363). The funding for activities implemented by the bilateral Cooperating IAs will be counted against their bilateral contributions to the Multilateral Fund in annually specified tranches. In case the Lead IA or any of the Cooperating IAs would like to sub-contract part of their activities to other implementing agencies, concurrence of the Country must be sought and the description of such an arrangement should be reported in the annual implementation programmes.

11. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the respective fees set out in rows 4, 6, 8, 10 and 12 of Appendix 2-A.

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

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

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

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The Substance

Annex B:	Group II	CTC
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Appendix 2-A: The Targets, and Funding

	Baseline ¹	2003	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Consumption Reduction Schedules (ODP tonnes) ²	11,505	N/A	N/A	1,726	1,726	1,726	1,726	1,726	0
1. Max allowable total consumption (ODP tonnes)	11,505	N/A	N/A	1,726	1,147	708	268	48	0
Montreal Protocol Production Reduction Schedules (ODP tonnes) ³	11,553	N/A	N/A	1,733	1,733	1,733	1,733	1,733	-
Production Allowance for basic domestic needs of A5 countries (ODP tonnes) ⁴		-	-	1,155	1,155	1,155	1,155	1,155	1,733
Total production allowed by the Montreal Protocol (ODP tonnes)		N/A	N/A	2,888	2,888	2,888	2,888	2,888	1,733
2. Max allowable total production (ODP tonnes) for this Agreement	11,553	N/A	N/A	1,726	1,147	708	268	48	-
3. WB agreed funding		8,520,843	9,180,112	399,045	9,556,267	4,020,938	3,211,875	3,211,874	-
4. WB support costs		639,063	688,508	29,928	716,720	301,570	240,891	240,891	-
5. France agreed funding		-	1,000,000	1,000,000	500,000	500,000	-	-	-
6. France support costs		-	85,000	85,000	85,000	85,000	-	-	-
7. Germany agreed funding		-	700,000	700,000	300,000	300,000	-	-	-
8. Germany support costs		-	57,500	57,500	57,500	57,500	-	-	-
9. Japan agreed funding		-	2,500,000	2,500,000	-	-	-	-	-
10. Japan support costs		-	280,000	280,000	-	-	-	-	-
11. UNIDO agreed funding				3,500,000	399,046				
12. UNIDO agreed support cost				262,500	29,928				
13. Total agreed funding (US \$)		8,520,843	13,380,112	8,099,045	10,755,313	4,820,938	3,211,875	3,211,874	
14. Total agency support costs (US \$)		639,063	1,111,008	714,928	889,148	444,070	240,891	240,891	
15. Total agreed costs (US \$)		9,159,906	14,491,120	8,813,973	11,644,461	5,265,008	3,452,766	3,452,765	

1/ Baseline consumption and production levels are defined as the average levels of consumption and production during the period from 1998 – 2000.

2/ Maximum allowable consumption levels stipulated in the Montreal Protocol (85% reduction in 2005 and 100% reduction by 2010).

3/ Maximum allowable production levels stipulated in the Montreal Protocol (85% reduction in 2005 and 100% reduction by 2010).

4/ Allowable production levels for meeting basic domestic needs of Article 5 countries as per the Beijing Amendment (10% of base level from 2005 and 15% of base level from 2010).

Appendix 3-A: Funding Approval Schedule

16. The annual funding allocations, except those for 2004 and 2005, as shown in Appendix 2-A will be considered for approval at the second meeting of the year of the annual plans. The funding allocations for 2004 and 2005 will be submitted for approval at the first meeting of the respective annual plans.

Appendix 4-A: Format of Annual Implementation Programme

1. Data

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Co-operating agency(ies)	_____

2. Targets

Indicators		Preceding year	Year of plan	Reductions
Supply of CTC	Import			
	Production*			
	Total (1)			
Demand of CTC	Process Agents			
	Solvent			
	Total (2)			

*For ODS-producing countries

3. Industry Action

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

4. Technical Assistance

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. Government Action

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

6. Annual Budget

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

1. The Country will be responsible for implementing the CTC phase-out plan. To strengthen capacity of the Country to undertake a series of activities required to achieve permanent phase-out of CTC in accordance with the agreed Targets, a small management unit with a high degree of decentralization to ensure maximum coverage of all residual CTC users, will be established.

2. The management unit will be established within the Ministry of Environment and Forests. The role of the management unit entails development of detailed implementation plan and overall monitoring and supervision of the CTC phase-out plan. The responsibility of the management unit includes:

- (a) preparation and implementation of the annual implementation programme with assistance from the Lead IA and Cooperating IAs;
- (b) identification and assistance in the design of sub-projects under the plan;
- (c) monitoring and supervision of project implementation at the national level including coordination of independent verification of the ODS phase-out by the beneficiary enterprises;
- (d) information exchange support to the Ozone Cell, regional centers and beneficiary enterprises;
- (e) reporting to the Director of the Ozone Cell on CTC phase-out related activities and providing recommendations on Government's interventions to be undertaken by the Ozone Cell, if required;
- (f) periodic assessment of the alternatives supply situation;
- (g) support implementation of information exchange and training activities; and
- (h) maintenance of database and relevant records related to the CTC phase-out plan.

Appendix 6-A: Role of the Lead IA

3. The Lead IA will be responsible for a range of activities specified in the project document and in this Agreement along the lines of the following:

- (a) ensuring performance and financial verification in relation to all activities in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's CTC Phase-out Plan;
- (b) providing verification to the Executive Committee that the Targets have been met, and the achievement/progress of associated annual activities as indicated in the annual implementation programme;
- (c) assisting the Country in preparation of the annual implementation programmes;
- (d) ensuring that achievements in previous annual programmes are reflected in future annual implementation programmes;
- (e) carrying out required supervision missions;
- (f) ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (g) ensuring that disbursements to activities undertaken under the Lead IA supervision are made to the Country based on the Targets in the annual programmes and provisions in this Agreement;
- (h) providing assistance with policy, management and technical support when required;
- (i) developing, in consultation with the Country and the Cooperating IAs, the annual phase-out targets for each IA; and
- (j) developing a standard for verifying performance in achieving the Targets.

Appendix 6-B: Role of Cooperating IAs

1. The Cooperating IAs will be responsible for a range of activities specified in the project document, in the respective Annual Implementation Plan and in this Agreement along the lines of the following:

- (a) conducting performance and financial verification in relation to activities implemented under their supervision;
- (b) providing reports to the Executive Committee, through the Lead IA, on these activities and their impact in terms of ODP phase-out, for inclusion in the consolidated reports and annual programmes to be prepared by the Country with the assistance of the Lead IA;

- (c) assisting the Country in preparation of annual implementation programmes for relevant activities under their supervision;
- (d) ensuring that achievements of their activities are reflected in future annual implementation programmes;
- (e) carrying out required supervision missions;
- (f) providing the presence of an operating mechanism to allow effective, transparent implementation of their activities, and accurate data reporting pertaining to ODP impact of their corresponding activities;
- (g) provide, in collaboration with the Lead IA, policy development assistance, management and technical support when required; and
- (h) coordinating its activities with the Lead IA and among all Cooperating IAs.

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

1. In accordance with paragraph 12 of the Agreement, the amount of funding provided may be reduced by US \$4,510 per ODP tonne of reductions in consumption and production not achieved in the year.

Annex XVI

AGREEMENT BETWEEN MEXICO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Mexico (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 11 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency and the World Bank (“Co-operating IA”) has agreed to be a co-operating Implementing Agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows 8 and 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated

according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the reductions in consumption¹ not achieved in any one year.

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

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

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

¹ As measured according to Article 7 of the Protocol.

Appendix 1-A: THE SUBSTANCES

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

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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Appendix 2-A THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	4,625	2,312	2,312	694	694	694	0
1. Max allowable total consumption of CFCs ² (ODP tonnes)	4,403	2,205	150	50	50	50	0
2. Total demand of CFCs (ODP tonnes) ¹	1,932	1,667	1,190	725	425	195	140 ³
3. Reduction from on-going projects (ODP tonnes)	40	165	77	15	0	0	0
4. New reduction under plan ⁴ (ODP tonnes)	0	100	400	450	300	230	55
5. Total annual reduction (ODP tonnes)	40	265	477	465	300	230	55
6. Stockpile ⁵ (ODP tonnes)	2,815	3,353	2,314	1,639	1,264	1,119	979
7. Lead I.A. agreed funding (US \$)	3,517,000	4,478,000	299,500	0	0	0	0
8. Lead I.A. support costs (US \$)	263,775	335,850	22,463	0	0	0	0
9. Co-operating I.A. agreed funding (US \$)	0	500,000	0	0	0	0	0
10. Co-operating I.A. support costs (US \$)	0	37,500	0	0	0	0	0
11. Total agreed funding (US \$)	3,517,000	4,978,000	299,500	0	0	0	0
12. Total agency support costs (US \$)	263,775	373,350	22,463	0	0	0	0
13. Total agreed grant for tranche (US\$)	3,780,775	5,351,350	321,963	0	0	0	0

¹ Estimated.

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

³ Save for essential uses.

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

⁵ For information purposes.

Appendix 3-A: FUNDING DISBURSEMENT SCHEDULE

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

Appendix 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country

Year of plan

of years completed

of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Co-operating agency

2. Targets

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy control on ODS import	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
TOTAL	

7. **Administrative Fees**

Appendix 5-A: MONITORING INSTITUTIONS AND ROLES

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

CFC quantity

- Number of appliances subjected to refrigerant recovery and type (commercial, MAC, domestic etc.) of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every

- recycling centre;
- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
 - Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
 - Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
 - Amount of virgin refrigerant by type consumed in workshops and its application;
 - Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
 - Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

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

Appendix 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
 - (e) Report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
 - (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
 - (i) Verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
 - (j) Ensuring that disbursements are made to the Country in a timely and effective manner;
 - (k) Providing assistance with policy, management and technical support when required.

Appendix 6-B: ROLE OF THE CO-OPERATING IMPLEMENTING AGENCY

1. The Co-operating IA will be responsible for executing the second stage of the programme of substitution of cooling air systems (chillers). The responsibility will include:
 - (a) Selection and final quotation from the suppliers of efficient equipment;

- (b) Compilation of administrative and financial information for the formalization of the financing and to make the corresponding evaluations;
- (c) Authorization process of the projects;
- (d) Elaboration and signature of the agreement and contracts;
- (e) Payment process of advance payment of 50% to the supplier for the initiation of the projects;
- (f) Requisition of the efficient equipment;
- (g) Retirement of the inefficient cooling units to proceed with the extraction of the cooling gas R-11 and oil for its recycling;
- (h) Physical destruction of the inefficient units;
- (i) Rise and signature of corresponding acts;
- (j) Supply, starting and putting in operation of the efficient equipment;
- (k) Payment process of advance of project by 35%;
- (l) Verification of the obtained savings of electrical energy;
- (m) Payment process of settlement of project by the last 15%;
- (n) Elaboration of the corresponding reports;
- (o) Ensuring that disbursements are made to the Country in a timely and effective manner;
- (p) Reporting to the Lead IA on these activities and
- (q) Providing assistance relating to the activities being undertaken when required.

Appendix 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,440 per ODP tonne of reductions in consumption² not achieved in the year.

² As measured according to Article 7 of the Protocol.

Annex XVII

ASSESSMENT REPORT ON THE RECOMMENDATIONS IN THE 2004 EVALUATION AND REVIEW OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL

Report of the Executive Committee

1. As requested by decision XVI/36 of the Sixteenth Meeting of the Parties, the Executive Committee has reviewed the general recommendations made by the Consultant and submits the following report for the consideration of the Meeting of the Parties.
2. After the deliberation at its 45th Meeting, the Executive Committee considers that 11 general recommendations are related to ongoing activities of the Executive Committee, the Secretariat, the Implementing Agencies and the Treasurer and do not need any new action, but instead require regular follow-up at meetings of the Committee. The Executive Committee will report back to the Meeting of the Parties on these recommendations, as appropriate, in the context of its Annual Report.
3. Ten general recommendations are related to ongoing activities of the Executive Committee, the Secretariat, the Implementing Agencies and the Treasurer but may require new actions in the short term. The Executive Committee will report back to the Meeting of the Parties on these recommendations, as appropriate, in the context of its Annual Report.
4. Seven general recommendations were considered not necessary to be implemented. Six because future action would be redundant in the light of recent developments or existing practices. One because of the potential negative incentive. The Executive Committee considers that there is no need for further reporting on these recommendations.
5. The general recommendations that correspond to the previous three paragraphs of this chapeau are:

Category	General Recommendation Numbers
Paragraph 2	2, 6, 7, 15, 16, 18, 21, 22, 24, 25, 28
Paragraph 3	1, 3, 4, 9, 11, 12, 17, 20, 23, 26
Paragraph 4	5, 8, 10, 13, 14, 19, 27

GENERAL RECOMMENDATION 1: Make further structural changes to the Executive Committee, if necessary to specifically address compliance. The Executive Committee felt that there was no need for a structural change to the Executive Committee to address compliance as this was being addressed under the existing structure through planning, monitoring, and funding activities. In addition, the Committee at its 45th Meeting decided to consider at its 46th Meeting a process for intersessional approval that might expedite project approval for new Parties and Parties in non-compliance or at risk of non-compliance. The Executive Committee will continue to consider further structural changes if necessary for compliance and report to the Parties as appropriate on any new developments.

GENERAL RECOMMENDATION 2: Continue to evaluate Executive Committee structure and consider reduction of annual meeting numbers. The Executive Committee considered structural changes to the Executive Committee including the reduction in the annual number of meetings and an intersessional approval process that were discussed at the 44th and 45th Meetings. At its 45th Meeting, the Committee decided to continue to meet three times each year due to the current workload of the Committee. The Executive Committee will continue to evaluate its structure and report to the Parties as appropriate on any new developments.

GENERAL RECOMMENDATION 3: Develop a primer to provide background on the Fund for new Executive Committee members. After considering this issue, the Executive Committee requested the Secretariat to prepare a draft outline of an Executive Committee primer for consideration at the 46th Meeting of the Executive Committee with the aim of a draft primer being presented to the 47th Meeting. The primer would be a living document and would therefore be updated. The Executive Committee will report the completion of the first primer to the Meeting of the Parties and provide copies to all Parties.

GENERAL RECOMMENDATION 4: Ensure that results of review of project implementation delay are not only applied to determine project cancellation, monitoring, or removal from the list of delays, but also to inform implementing agencies of how to avoid future delays. After considering this issue, the Executive Committee requested the implementing agencies to provide information on how to avoid future delays as part of a lessons learned document to be considered at the 46th Meeting of the Executive Committee. The Executive Committee will update the Parties on its future decision and report subsequently, as appropriate.

GENERAL RECOMMENDATION 5: Request the Secretariat to take action to develop prescriptive approaches to address project implementation delays. Although the recommendation includes a request to the Secretariat, the Executive Committee felt that it was responsible for taking such actions instead of the Secretariat. Moreover, the Executive Committee has prescriptive approaches to avoiding delays currently in place and under enforcement. Prescriptive approaches are enforced to address project implementation delays primarily through the process of monitoring such projects at each meeting and other decisions related to reasons for delays such as delays due to counterpart funding and customs clearance. In view of these facts, the Committee felt that this recommendation should not be implemented as stated but was being implemented by the Committee.

GENERAL RECOMMENDATION 6: Build on decision 40/19 and the subsequent report submitted by UNEP (UNEP/OzL.pro/ExCom/41/Inf.2) to assist countries that consume very low quantities of methyl bromide, CTC, and methyl chloroform. At its 45th Meeting, the Executive Committee endorsed business plans and approved work programmes that included projects for countries with very low consumption of methyl bromide, CTC and methyl chloroform. It adopted guidelines for CTC and methyl chloroform projects for countries with baselines of 2 ODP tonnes and lower. Guidelines already exist for addressing low-volume countries consuming very low quantities of methyl bromide. The Executive Committee will continue to report as appropriate on the extent to which it assists countries with very low quantities of these substances.

GENERAL RECOMMENDATION 7: Continue to collaborate with the Secretariat and implementing agencies to maintain effectiveness in dealing with issues of project overlap, ineligible funding, and inflated costs. The Secretariat and bilateral and implementing agencies meet annually to avoid project overlap and any potential overlaps are brought to the attention of the Executive Committee in the context of annual business plans. As well, the Secretariat brings cases of ineligible funding and inflated costs to the attention of the Executive Committee at every meeting. As suggested by the recommendation, the Executive Committee will continue to collaborate to avoid project overlaps, ineligible funding and inflated costs and would report to the Parties on any new developments as appropriate.

GENERAL RECOMMENDATION 8: Reclassify Executive Committee meeting documentation as general distribution. The Executive Committee decided that from the 46th Meeting onwards pre-session documents would be classified as General Distribution while restricting access to any project document that a Party had requested to be classified as such until the Committee's consideration of the matter.

The Executive Committee also requested that the Secretariat publish all documents starting from the 46th Meeting on the web site in the languages produced for the meetings pursuant to decision II/8. Since the Committee has agreed to reclassify its meeting documentation as general distribution unless restricted at the request of a Party, the Executive Committee felt that the recommendation was implemented.

GENERAL RECOMMENDATION 9: Extend performance indicators to bilateral implementing agencies. After considering this issue, the Executive Committee requested the Secretariat to prepare a paper addressing the feasibility and desirability of extending the current and proposed performance indicators (see general recommendation 12) to bilateral implementing agencies for submission to the 46th Meeting of the Executive Committee. Based on the decision at the 45th Meeting, the Executive Committee considered this matter ongoing to be completed in the short term with the results to be reported back to the Parties.

GENERAL RECOMMENDATION 10: Add performance indicators to address project identification. Based on its consideration of this issue at the 45th Meeting, the Executive Committee considered that this recommendation should not be implemented, as project development or identification are tied to compliance needs and are coordinated effectively by the agencies and the Secretariat.

GENERAL RECOMMENDATION 11: Increase the weighting of the performance indicator "ODS phased-out for individual projects versus those planned per progress reports". Based on the discussion at its 45th Meeting, the Executive Committee decided to consider at its 46th Meeting whether a further review of the weighting of the quantitative performance indicators is warranted based on their application in the Evaluation of the Implementing Agencies' 2004 Business Plans to be submitted to the 46th Meeting. In the light of this decision, the Executive Committee considered this matter to be ongoing for completion in the short term with results to be reported back to the Parties.

GENERAL RECOMMENDATION 12: Continue process of developing qualitative indicators. Pursuant to decision 44/6, National Ozone Units have been given an opportunity to consider proposed qualitative performance indicators that were developed by the Committee at its 44th Meeting. The results of their consideration of the matter will be submitted to the 46th Meeting. The Executive Committee considered this matter to be ongoing for completion in the short term with the results to be reported back to the Parties.

GENERAL RECOMMENDATION 13: Share results of performance evaluations with upper management of implementing agencies. Based on the discussion at its 45th Meeting, the Executive Committee believed that it had the ability to share such evaluations with upper management or others when it felt that such an approach was warranted, as it had done at its 32nd Meeting. Therefore, it considered that the recommendation should not be implemented on a regular basis, but implemented as needed.

GENERAL RECOMMENDATION 14: Eliminate selected administrative indicators if relevant administrative problems are resolved. Based on the discussion at its 45th Meeting, the Executive Committee believed that the elimination of these indicators might encourage poorer performance. Therefore, it considered that the recommendation should not be implemented.

GENERAL RECOMMENDATION 15: Increase efforts to improve country-level data reporting. The Executive Committee continues to seek improvements in data reporting by supporting institutional strengthening projects and UNEP's Compliance Assistance Programme. It should be noted that 2003 data reporting was excellent, with only a very few countries not reporting in time. Nevertheless, the Executive Committee would continue to seek improvement in country level data reporting and report back to the Meeting of the Parties as appropriate.

GENERAL RECOMMENDATION 16: Continue efforts to reduce/avoid project implementation delays. The Executive Committee considered that the past and ongoing efforts to reduce/avoid implementation delays were being effectively implemented through the effort of the agencies and the Secretariat. The Executive Committee would, however, continue its efforts to reduce delays and report back to the Parties as appropriate.

GENERAL RECOMMENDATION 17: Increase communication between implementing agencies and the Treasurer when promissory notes are transferred, received and encashed. After having considered this matter, the Executive Committee decided to request the Treasurer to circulate to the Secretariat and implementing agencies prior to each Executive Committee meeting a ledger indicating when promissory notes are transferred, received and encashed. The Executive Committee will report back to the Meeting of the Parties on the implementation of the reporting mechanism for promissory notes and would continue to report as appropriate on its efforts to increase communication between the agencies and the Treasurer.

GENERAL RECOMMENDATION 18: Continue to maximize proportion of budget spent on implementation and minimize proportion of budget spent on core components. The Executive Committee determined that this recommendation was being implemented on an

ongoing basis through the annual review of the core unit costs and that it would continue to report to the Parties on this matter as appropriate.

GENERAL RECOMMENDATION 19: Request implementing agencies to explain significant increases in their core budget expenses. At its 44th Meeting, the Executive Committee requested implementing agencies to provide more in-depth information on their administrative costs in the context of the required annual review of such costs. The Committee requested this information in order to *inter alia* understand all core budget expenses including those cases where there may have been a significant increase. Since the Committee has already requested this information, the Committee considered that this recommendation had been implemented.

GENERAL RECOMMENDATION 20: Conduct a study regarding the efficiency of implementing agency administration of smaller projects. The Executive Committee was of the view that this issue was partially addressed in the context of the post-2007 RMP review. An Administrative costs study will be submitted to the 46th Meeting. The Executive Committee will report back to the Meeting of the Parties on any new action it might take at its 46th Meeting and report subsequently if needed.

GENERAL RECOMMENDATION 21: Monitor the use of funds for non-investment versus investment activities within national or sector phase-out plans. The Executive Committee monitors the use of all funds for all activities in national and sector phase-out plans. The Committee will continue to monitor the use of all funds and report back to the Meeting of the Parties as appropriate.

GENERAL RECOMMENDATION 22: Provide in Table 1 of the status report on contributions and disbursements the incremental income, allocations and provisions, and balance available for new allocations, in addition to the cumulative totals of these financial components. The Executive Committee agreed that Table 1 of the status report on contributions and disbursements contains the information requested in this recommendation. The Committee would continue to report on this matter as appropriate.

GENERAL RECOMMENDATION 23: Document the internal procedures and practices of the Treasurer. After considering the issue of documenting the internal procedures and practices of the Treasurer, the Executive Committee decided at its 45th Meeting to request the Treasurer to report on final progress in this regard to the 46th Meeting. The Executive Committee will report back to the Parties once the internal procedures and practices of the Treasurer had been documented and would report subsequently as appropriate.

GENERAL RECOMMENDATION 24: Take action to encourage timely payment by the donor countries. The Executive Committee will continue to take action to encourage timely payment by donor countries and will continue to report to the Parties on any actions that it might take as appropriate.

GENERAL RECOMMENDATION 25: Implement internal quality control measures to improve the accuracy of recordkeeping. After considering the issue of internal quality control, the Executive Committee decided at its 45th Meeting to request the Treasurer to provide a

detailed report once each year, and interim reports at other times as appropriate, on quality control measures to improve the accuracy of recordkeeping. The Executive Committee considered this recommendation as ongoing and would report to the Parties as appropriate.

GENERAL RECOMMENDATION 26: Clarify how, when, and what financial data should be accounted and reported by implementing agencies. After considering the report of the workshop on common terminology and procedures for the reconciliation of accounts, the Executive Committee found that the roles of the agencies in terms of data reporting had been clarified. Agreements between the Treasurer and each agency were under development, and the Secretariat in cooperation with the Treasurer and the Implementing Agencies intended to produce a primer to clarify how, when and what financial data should be accounted and reported by implementing agencies. The Executive Committee would report back to the Parties when these agreements were in place and when the primer had been developed. The Committee would report to a subsequent Meeting of the Parties as appropriate.

GENERAL RECOMMENDATION 27: Consider engaging an independent auditor to assist with account reconciliation if financial discrepancies persist. Since any audit of United Nations agencies, when necessary, has to be conducted under UN financial rules, the Executive Committee was of the view that this recommendation could not be implemented.

GENERAL RECOMMENDATION 28: Continue to analyze the FERM's effect on Fund value. At its 44th Meeting, the Committee noted that in Annex XIX to the report, the issue of FERM was a matter for decision by the Meeting of the Parties. After its review at the 45th Meeting, the Committee noted that the impact of the FERM on the value of resources available to the Fund was monitored by the Treasurer as part of his report on the Status of Contributions and Disbursements to each meeting of the Executive Committee. The Executive Committee would continue analyzing FERM and report to the Parties as appropriate.
