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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-eighth Meeting
Montreal, 3-7 April 2006

PROVISIONAL ANNOTATED AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organizational matters:

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/48/1: contains the Provisional Agenda for the 48th Meeting of the Executive Committee.

Action expected from the Executive Committee: the Committee might wish to adopt the Agenda of the meeting on the basis of the Provisional Agenda as contained in document UNEP/OzL.Pro/ExCom/48/1.

(b) Organization of work

The Chairperson will propose to the plenary the organization of work.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

3. Secretariat activities

Document UNEP/OzL.Pro/ExCom/48/2: presents a report on the activities of the Secretariat since the 47th Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 47th Meeting, and the preparations for the 48th Meeting, as well as information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this period of time.

Issues to be addressed: none.

Action expected from the Executive Committee: the Executive Committee may wish to take note of the report.

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/48/3: provides information on the status of the Fund as at 6 March 2006 as recorded by the Treasurer. At that date, the Fund's balance stood at US \$37,598,485, after taking into account all the funds approved by the Executive Committee, up to and including those approved at the 47th Meeting. The Fund's balance has been updated by the Treasurer to reflect new contributions made by the Parties. It also provides updated information on the gains and losses in the fixed exchange rate mechanism (FERM). It advises the Executive Committee of decision XVII/41 of the Meeting of the Parties directing the Treasurer to extend the fixed-exchange-rate mechanism for a further trial period of three years and decision XIV/40 that no party should change the currency selected for its contribution in the course of the triennium period. It provides information on promissory note transfers, receipts and encashments as a follow-up to decision 45/59 f (i). It presents aggregate information as it relates to the status of contribution and disbursements, interest accrued and gains/losses from the FERM.

Issues to be addressed: none.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Note the Report of the Treasurer on the Status of Contributions and disbursements as contained in UNEP/OzL.Pro/ExCom/48/3.
2. Urge Parties eligible to use the fixed exchange rate mechanism option to inform the Treasurer by the forty ninth Meeting of the Executive Committee of their intention to do so.
3. Request the Treasurer to add to his report to the 49th Meeting of the Executive Committee the list of countries opting to use the fixed exchange rate mechanism facility to make their contributions to the Fund for triennium 2006 – 2008.

5. Status of resources and planning:

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/48/4: contains the submissions of the implementing agencies on completed projects with balances, the return of funds from cancelled projects, other project adjustments and project transfer requests.

Issues to be addressed:

- Implementing agencies are returning US \$751,179 plus US \$77,291 in agency fees;
- Project transfer requests, namely:
 - Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A.” (COL/PAG/47/INV/64);
 - National ODS phase-out plan in Cuba (CUB/PHA/45/INV/30 and CUB/PHA/43/TAS/25); and
- Total resources available for the 48th Meeting.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Note the report on balances and availability of resources contained in UNEP/OzL.Pro/ExCom/48/4;
2. Note the net level of funds being returned by the multilateral implementing agencies to the 48th Meeting against project balances totalling US \$751,179 that include: the return of US \$372,434 from UNDP; US \$136,537 net of reimbursement of funds previously returned in error for three projects from UNEP; US \$247,596 from UNIDO; and US \$5,388 reimbursement to the World Bank to account for the funds previously returned in error for one project.
3. Note the net level of support costs being returned by the multilateral implementing agencies to the 48th Meeting against project support cost balances totalling US \$77,291 that include: the return of US \$46,296 from UNDP; US \$10,279 net of reimbursement of support costs previously returned in error for three projects from UNEP; US \$28,323 from UNIDO; and US \$7,607 reimbursement to the World Bank to account for the support costs previously returned in error for one project;
4. Note that implementing agencies had balances totalling US \$11,812,361 excluding support costs from projects completed over two years ago: UNDP--US \$824,798 plus support costs; UNEP--US \$119,467 plus support cost; UNIDO--US \$165,063 plus support cost; and the World Bank--US \$10,703,033 plus support costs;
5. Note the transfer of US \$114,480 plus agency fees of US \$10,303 from the World Bank to UNDP for the project “Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A.” (COL/PAG/47/INV/64) and endorse the resulting adjustments to the transfers from the 48th Meeting.

6. Note that US \$192,547 in bilateral cooperation from Germany approved in the 2003 to 2005 triennium for the national ODS phase-out plan in Cuba including US \$116,000 from the 2005 annual implementation plan (CUB/PHA/45/INV/30) plus US \$76,547 from the first tranche of the plan (CUB/PHA/43/TAS/25) should be offset against future approvals of Germany.
7. Note that US \$38,426,955 (to be updated at the meeting) was available to the Executive Committee for approvals at the 48th Meeting.

(b) Financial planning

Document UNEP/OzL.Pro/ExCom/48/5: addresses the elements of decision XVII/40 of the Seventeenth Meeting of the Parties concerning the 2006-2008 replenishment of the Multilateral Fund. It also provides suggested annual budgets and resource availability in light of the expected cash flow during the triennium, the funds available for new activities, and bilateral contributions.

Issues to be addressed:

- Cash flow and receipt of contributions;
- Budget and resource allocation for 2006-2008;
- Status of forward commitments and resources available for new activities during 2006-2008; and
- Bilateral contributions.

Action expected from the Executive Committee: the Executive may wish to:

1. Note the Report on financial planning for the 2006-2008 triennium as contained in UNEP/OzL.Pro/ExCom/48/5;
2. Adopt a resource allocation of US \$156,666,667 in 2006, US \$156,666,667 in 2007, and US \$156,666,666 in 2008;
3. Urge contributing Parties to make payments for the year 2006 by June 2006 in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties, and to enable the full commitment of the US \$470 million budget during the 2006-2008 as foreseen in decision XVII/40 of the Seventeenth Meeting of the Parties (paragraph 3);
4. Urge contributing Parties to pay the arrears amounting to the US \$59.6 million carryover from the 2003-2005 triennium during 2006;
5. Request contributing Parties using promissory notes to enable the Treasurer to accelerate the encashment of promissory notes as per decision 25/2;
6. Urge countries with economies in transition that have not paid previously to make their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol for the 2006-2008 triennium for the full implementation of the three-year phase-out plan to enable the compliance of Article 5 countries with the control measures of the Montreal

Protocol, and avoid shortfalls arising from non-payment or delayed payment of pledged contributions during the compliance period for Article 5 countries;

7. Agree that the US \$142 million in resources available for new commitments should be allocated as a first priority to the compliance needs of Article 5 countries; and
 8. Request that bilateral agencies specify the costs of planned activities in their annual business plans and remain within those specified project submissions during the 2006-2008 triennium.
- 6. 2006-2008 business plans:**

(a) Consolidated business plan of the Multilateral Fund

Document UNEP/OzL.Pro/ExCom/48/6: is a consolidation of the implementing and bilateral agencies' 2006-2008 business plans. The document addresses *inter alia* a comparison of the plans to the compliance oriented model/three-year phase-out plan; resource allocation implementation of ongoing activities and compliance including the Status/Prospects for Compliance in the light of planned activities; performance indicators, including historic indicators as requested in decision 42/5; and concludes with observations and recommendations.

Issues to be addressed:

- Potential unresolved project overlaps for HCFC and ODS destruction activities planned by UNDP and UNIDO;
- HCFC activities in the 2007 and 2008 business plans;
- ODS destruction activities in the 2006-2008 business plans;
- Value of the Government of Germany's 2006-2008 business plan; and
- Other new activities included in the 2006 business plan since the value of activities identified in the 2006 business plans exceeds the proposed budget by US \$8.9 million.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Note the Consolidated 2006-2008 Business Plan of the Multilateral Fund as contained in UNEP/OzL.Pro/ExCom/48/6;
2. Consider whether to maintain all or some of the activities classified as "Other new activities" not required for compliance and "MDI/Pharmaceutical" activities in the 2006 business plans for consideration in light of available resources; and
3. Urge bilateral and multilateral implementing agencies to increase their efforts to implement approved projects to facilitate achieving the 2007 reduction in controlled substances, noting that 42,175 ODP tonnes was scheduled to be phased out in 2006 from approved projects.

(b) Business plans of the Implementing Agencies:

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/48/7: presents the business plans for bilateral agencies for the years 2006-2008. The Governments of Australia, Canada, France, Germany, Japan and Sweden provided information on their 2006-2008 planned bilateral activities.

Issues to be addressed:

- Network activity for the Pacific Island Countries in the Australia's business plan;
- Germany's business plan value and activities;
- Destruction activities in Japan's business plan; and
- Illegal trade network activity in Sweden's 2006 business plan.

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Noting with appreciation the 2006-2008 business plans on bilateral cooperation submitted by: Australia, Canada, France, Germany, Japan and Sweden, as addressed in UNEP/OzL.Pro/ExCom/48/7;
2. The eligibility of a network activity for the PICs included in Australia's business plan in light of the previous approval and the fact that the PICs do not have access to regional networks while other countries without remaining funding eligibility do have such access;
3. The German business plan in the light of the resources available to Germany for bilateral cooperation, and the fact that all but US \$35,469 is required for annual tranches of multi-year agreements that are due during the current triennium;
4. In view of the compliance requirements associated with the TPMPs identified in the business plan, requesting the Fund Secretariat to explore with Germany and other agencies the most effective way in which these activities required for compliance in 13 African countries could be expedited within the allocation of available funds, and for the relevant agencies to submit requests for project preparation funding required to develop those activities to the 49th Meeting of the Executive Committee, as appropriate;
5. Whether to maintain destruction activities in Japan's 2006 business plan in light of the need to address other activities that are required for compliance in 2006; and
6. Whether to maintain an illegal trade network activity in Sweden's 2006 business plan in light of the need to address other activities that are required for compliance in 2006.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/48/8: contains a summary of, and the comments and recommendations of the Fund Secretariat on UNDP's 2006-2008 business plan.

Issues to be addressed:

- MDI project preparation in Colombia;
- Global methyl bromide information exchange project; and
- Performance indicators.

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Endorsing the 2006-2008 business plan of UNDP, as contained in UNEP/OzL.Pro/ExCom/48/8, while noting that endorsement denotes neither approval of the projects identified therein or their funding levels, with any modifications based on the consideration of the following activities:
 - (a) MDI project preparation in Colombia to be submitted in 2006;
 - (b) Global methyl bromide information exchange project to be submitted in 2007;
2. Approving the performance indicators for UNDP set out in Table 2 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/48/8 while setting a target of 27 for the number of annual programmes approved, a target of 10 for the number of individual projects approved, a target of 15 for the activities completed for multi-year agreements, and requesting UNDP to provide a target for policy and regulatory assistance to countries requesting that assistance to reflect the efforts it plans to undertake in this regard within its approved projects and multi-year agreements.

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/48/9: contains a summary of, and the comments and recommendations of the Fund Secretariat on UNEP's 2006-2008 business plan.

Issues to be addressed:

- Round table workshop on methyl bromide;
- Farmer field school in Africa;
- Strategy for countries with zero baselines;
- MDI regional awareness programmes;
- Global Halon banking project in 2007 and 2008 business plans;
- Log-frame analyses; and
- New CAP performance indicators;

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Endorse the 2006-2008 business plan of UNEP, as contained in UNEP/OzL.Pro/ExCom/48/9 while noting that the endorsement denotes neither approval of the projects identified in the business plan nor their funding levels, with any modifications based on the consideration of the following activities:
 - (a) Round table workshop on methyl bromide in light of funding for methyl bromide already provided through CAP;
 - (b) Farmer field schools in Africa in particular with respect to activities in Botswana, Cameroon, and Kenya in light of funding that has already been approved and whether funding for Mozambique might be considered in exchange for Mozambique's agreement to return to compliance;
 - (c) Strategy for countries with zero baselines in light of decisions 47/10 paras. c, d and f, and 45/54;
 - (d) MDI regional awareness programmes bearing in mind that decision 47/24, para. a (i) on the CAP budget preceded decision XVII/14 of the Meeting of the Parties;
 - (e) Banking on the Future: Integrated Support for Long-Term Management of Halon Banks in the light of decisions 47/10, 18/22, 44/8, and the halon services currently offered through the CAP programme;
2. Request UNEP to implement decision 33/3, para. b (i) and provide a log-frame analyses with measurable results in advance of, and as an input to, the preparation of its annual business plans;
3. Replace the performance indicators agreed in decision 41/93 for the CAP with the following indicators:
 - (a) Efficient follow-up to regional network/thematic meetings;
 - (b) Effective support to NOUs in their work with particular guidance to new NOUs;
 - (c) Assistance to countries in actual or potential non-compliance (as per decisions of the Meeting of the Parties and/or reported Article 7 data and trend analysis);
 - (d) Innovations in production and delivery of global and regional information products and services;
 - (e) Close cooperation between CAP regional teams and bilateral and multilateral implementing agencies working in the regions; and

4. Approve the 2006 performance indicators and targets for UNEP set out in Tables 2 and 3 in the Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/48/9 while setting a target of 20 for the number of annual programmes of multi-year agreements to be approved and a target of 16 for the number of individual projects approved.

(iv) UNIDO

Document UNEP/OzL.Pro/ExCom/48/10: contains a summary of, and the comments and recommendations of the Fund Secretariat on, UNIDO's 2006-2008 business plan.

Issues to be addressed:

- Methyl bromide activities;
- Compressor project;
- HCFC surveys; and
- Performance indicators.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Endorse the 2006-2008 business plan of UNIDO, as contained in UNEP/OzL.Pro/ExCom/48/10 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, with any modifications based on the consideration of the following:
 - (a) Projects for countries that have received support for achieving the 2005 methyl bromide control measures during the 2006-2008 triennium in the light of commitments to significantly advance a country's methyl bromide phase-out before the year 2015;
 - (b) Project preparation leading to a compressor project for a country that has received support for a CFC phase-out agreement;
2. Consider at the last meeting of the year any HCFC surveys for the countries mentioned in decision 46/27, should any funds become available; and
3. Approve the performance indicators for UNIDO set out in Table 2 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/48/10 while setting a target of 29 for the number of annual programmes approved and a phase-out target for individual projects of 1,119.4 ODP tonnes for 2006, and encourage UNIDO to reconsider its target for policy and regulatory assistance to reflect its plans to provide policy and regulatory assistance as part of its ongoing efforts with respect to its approved projects and multi-year agreements.

(v) World Bank

Document UNEP/OzL.Pro/ExCom/48/11: contains a summary of, and the comments and recommendations of the Fund Secretariat on, the World Bank's 2005-2007 business plan.

Issues to be addressed:

- Methyl bromide and TCA phase-out projects in Ecuador;
- Phase-out of CTC in the chlor-alkali sector study;
- Pharmaceutical project in China; and
- Performance indicators.

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Endorsing the 2006-2008 business plan of the World Bank, as contained in UNEP/OzL.Pro/ExCom/48/11, while noting that endorsement did not denote approval of the projects identified therein or their funding levels with any modifications based on consideration of the following activities:
 - (a) Methyl bromide project in Ecuador to be submitted in 2006;
 - (b) Phase-out of CTC in chlor-alkali sector study to be submitted in 2007;
2. Noting the decision of the Government of Ecuador to include a TCA phase-out project in the World Bank's 2007 business plan instead of the business plan for 2006;
3. Approving the pharmaceuticals project in China at the last meeting of the year, should any funds become available; and
4. Approving the performance indicators for the World Bank set out in Table 2 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/48/11 while setting a target of 23 for the number of annual programmes approved and a target of 20 for the number of milestone activities to be completed, and requesting the World Bank to provide a target for policy and regulatory assistance to countries requesting that assistance to reflect the efforts it plans to undertake in this regard within its approved projects and multi-year agreements.
7. **Programme implementation:**
 - (a) **Monitoring and evaluation:**
 - (i) **Final report on the intermediate evaluation of Refrigeration Management Plans and National Phase-out Plans in non-low-volume-consuming countries focusing on the refrigeration servicing sector**

Document UNEP/OzL.Pro/ExCom/48/12: The evaluation of Refrigerant Management Plan (RMP) in non-low volume consuming (non-LVC) countries follows on the earlier one on RMPs in LVC countries presented to the 41st Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/41/7). Since the RMPs in non-LVCs were approved later than those for LVC countries and were thought to face different challenges, in particular in terms of the size of

the servicing sector, this evaluation is an up-date of the earlier one for LVC countries, taking into account the specific circumstances in non-LVC countries. As per decision 46/7 of the Executive Committee, the evaluation of RMPs in non-LVCs and of National Phase-out Plan (NPP) was combined. Since the focus was on the refrigeration servicing sector, the management aspects of NPPs emphasized as evaluation issues in the desk study on the evaluation of NPPs (UNEP/OzL.Pro/ExCom/45/12) and in the subsequent decision 45/11, were explored but not analyzed in depth.

Issue to be addressed:

- Evaluation approach and methodology;
- Compliance situation and risks;
- Institutional set-up and legislation;
- Results of Stand-alone projects and RMPs; and
- Preliminary assessment of national/sector CFC phase-out plans.

Action expected from the Executive Committee: the Committee may wish to consider:

1. Taking note of the findings and recommendations contained in the final evaluation report presented in document UNEP/OzL.Pro/ExCom/48/12
2. Deciding to:
 - (a) Recommend to Governments of Article 5 countries implementing and/or preparing refrigerant management plans (RMPs) and National Phase-out Plans (NPPs) to take the findings and recommendations of the evaluation presented in document UNEP/OzL.Pro/ExCom/48/12 into consideration;
 - (b) Request implementing and bilateral agencies, when implementing on-going NPPs and when planning new NPPs to:
 - (i) Take into account decision 41/100 for the Recovery and Recycling part of national phase-out plans, and to develop, in cooperation with the Fund Secretariat recommendations for lists of appropriate equipment for the main target groups and share information about competitive suppliers, including from Art.5 countries;
 - (ii) base the training of technicians on a strategy combining theoretical training with practical exercises during seminars with limited numbers of participants, and up-grading the curriculum of technical training institutes for refrigeration servicing in countries where this had not yet been done;
 - (iii) Pay full attention to safety aspects and the necessary modification or replacement of electrical components in countries where training in the usage of hydrocarbons and particularly retrofitting is carried out; and

- (c) Request the Secretariat, in cooperation with implementing and bilateral agencies to develop an appropriate reporting format for the assessment of progress achieved in the annual work programmes, summarizing in standardized overview tables the information requested in decision 47/50.
- (ii) **Recommendations contained in the “Report of the Executive Committee on the evaluation of Customs Officers Training and Licensing System Projects to the twenty-fifth meeting of the Open-ended Working Group” (follow-up to decision XVII/16, paragraph 8, of the Seventeenth Meeting of the Parties to the Montreal Protocol)**

Document UNEP/OzL.Pro/ExCom/48/13: The report of the Executive Committee on the evaluation of customs officers training and licensing system projects (UNEP/OzL.Pro.WG.1/26/6) was prepared in response to decision XIV/7, paragraph 6 of the 14th Meeting of the Parties to the Montreal Protocol and presented to the 25th Meeting of the OEWG in June 2005. The recommendations in the report are attached as Annex I to UNEP/OzL.Pro/ExCom/48/13. The 25th Meeting of the OEWG took note of the report and the Seventeenth Meeting of the Parties took the matter up again in the context of discussions on preventing illegal trade in controlled ODS, and decided to request the Executive Committee to consider the recommendations at its 48th Meeting.

Issue to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

1. Submitting the recommendations listed under paragraph 8 (b) to the Ozone Secretariat in the context of the on-going studies and discussions about how to best deal with illegal trade in ODS;
2. Requesting implementing agencies and bilateral agencies to prepare and implement national phase-out plans and terminal phase-out management plans in a manner that would ensure implementation of the recommendations listed under paragraph 8 (b), and to implement the recommendations listed under paragraph 8 (c); and
3. Requesting UNEP to implement the recommendations under paragraph 8 (d).

(iii) **Issues related to Project Completion Reports (follow-up to decision 47/6)**

Document UNEP/OzL.Pro/ExCom/48/14: The report follows up on decision 47/6 and provides information on progress achieved with regard to establishing consistency and full information in PCRs submitted, collecting PCRs for projects completed before the end of 2002 and identifying reasons as to why PCRs had not been submitted (in sections II and III and Annex I). It also presents guidelines for PCR reporting of non-investment projects (in Annex II) and recommendations on how to make best use of the lessons learned (in section IV).

Issue to be addressed:

- Progress achieved regarding information in and submission of PCRs;
- Answers received by implementing and bilateral agencies concerning reasons for delayed submissions of PCRs;
- Approach chosen for analyzing lessons learned in PCRs;
- Lessons learned that have not yet been addressed by specific Executive Committee decisions; and
- Draft Guidelines for PCRs on non-investment projects.

Action expected from the Executive Committee: the Committee may wish to consider requesting:

1. Implementing and bilateral agencies to incorporate PCR data collection and reporting obligations into contracts with their consultants and the beneficiary enterprises or institutions, as appropriate, to ensure that all required PCR data are provided on time and with the information required, to the agency;
2. UNEP to ensure that, whenever appropriate, representatives from industry and other stakeholders are invited to regional network meetings to address relevant lessons learned on technology transfer and development of substitute technologies as a means of exchanging information and expertise;
3. Implementing agencies to:
 - (a) Disseminate information on local/national equipment manufacturers in some Article 5 countries that produce equipment suitable for SMEs at competitive prices;
 - (b) Consider carefully socio-cultural, political and administrative differences between participating countries when preparing regional projects in order to avoid delays, and to encourage where possible the exchange of ideas and experiences rather than regional projects;
 - (c) Ensure that the financial and market implications of conversion projects are appropriately planned for, and to consider mitigating measures where necessary;
 - (d) Ensure that beneficiary enterprises fully understand all project implementation procedures and costs, and to agree with them, where appropriate, on specific completion deadlines for complementary activities such as installation of additional new equipment or construction of buildings for site relocation;
 - (e) Include lessons learned in the progress reports of annual implementation programmes, given that multi-year projects are currently the main modalities for project implementation; and

4. The Senior Monitoring and Evaluation Officer to include such lessons learned in the Consolidated PCR report in addition to those reported in PCRs.

(iv) Desk study on the evaluation of CTC process agent projects and phase-out agreements

Document UNEP/OzL.Pro/ExCom/48/15: The CTC sector evaluation is part of the 2006 Monitoring and Evaluation Work Programme. It focuses on CTC used as process agents and on CTC production. The desk study establishes an initial assessment of progress achieved based on project documents and on the progress and completion reports received. The study then identifies the main evaluation issues to be covered and suggests a tentative work plan for the field phase.

Issue to be addressed:

- CTC phase-out achieved, remaining consumption and risks for non-compliance in Article 5 countries, as well as production in both Article 5 and non-Article 5 countries;
- Government Policies and Monitoring;
- Quality of Documentation Reviewed; and
- Evaluation Issues and Suggested Work Plan.

Action expected from the Executive Committee: the Committee may wish to take note of the desk study on the evaluation of CTC projects and phase-out agreements contained in document (UNEP/OzL.Pro/ExCom/48/15), including the proposed evaluation issues and work plan for the second phase of the evaluation.

(b) Project implementation delays

Document UNEP/OzL.Pro/ExCom/48/16: contains an assessment of progress on projects identified with implementation delays based on decisions taken at previous meetings of the Executive Committee. It addresses projects for which status reports were requested. It also presents a project proposed for possible cancellation and discusses the impact of the cancelled project on compliance.

Issues to be addressed: None.

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Noting with appreciation the additional status reports and the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Sweden and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/48/16);
2. Noting that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;

3. Requesting that the Government of Italy submit a report on implementation delays at the 49th Meeting.
4. Noting the completion of 14 out of the 56 projects listed with implementation delays;
5. Noting that letters of possible cancellation should be sent for the following projects:

Agency	Code	Project Title
UNEP	BGD/PHA/42/TAS/18	National ODS phase-out plan: public awareness and information dissemination to main stakeholders (2004 work programme) in Bangladesh
UNEP	BGD/PHA/42/TRA/16	National ODS phase-out plan: training and certification programme for refrigeration service technicians, including development of a code of good practices (2004 work programme) in Bangladesh
UNEP	GLO/ARS/39/TAS/246	Development of guidelines to promote safety aerosol conversions
UNEP	GLO/SEV/39/TAS/247	Assistance for regional awareness raising
UNEP	KEN/SEV/37/TAS/29	Policy and technical assistance in Kenya
UNIDO	BHE/FOA/39/INV/15	Phase-out of CFC-11 by conversion to n-pentane in the manufacture of rigid foam products for insulating purposes at Stirokart Co. in Bosnia and Herzegovina

6. Noting the recommendations of the Fund Secretariat on the issue concerning the cancellation of the multi-year project “Phase-out of all remaining uses of methyl bromide in soil application pest control in Chile” implemented by the World Bank, as presented in the Report on implementation of approved projects with specific reporting requirements (UNEP/OzL.Pro/ExCom/48/18).

(c) Annual tranche submission delays (follow-up to decision 47/50)

Document UNEP/OzL.Pro/ExCom/48/17: contains information on submissions of annual tranches of multi-year agreements, including reasons for submission delays of annual tranches and new due dates for delayed tranches. It also presents recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Requests for changes in due dates and the impact.

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Noting the information on annual tranches of multi-year agreements submitted to the Secretariat by Germany, UNDP, UNEP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/48/17);
2. Agreeing to the changes in due dates for specific annual tranches as indicated in Annex I of the present document;

3. Noting that 20 out of the 34 annual tranches of multi-year agreements were submitted on time to the 48th Meeting;
4. Noting that letters should be sent for the following annual tranches that were due for submission to the 48th Meeting, with the reasons indicated for the delay, encouraging implementing agencies and the relevant Article 5 governments to submit these annual tranches to the 49th Meeting as a matter of urgency:

Country	Agency	Sector	Annual Tranche	Reason for Delay
Cuba	UNDP	ODS Phase-Out	2006	Change of implementing agency composition
Ecuador	World Bank	CFCs Phase-Out	2006	Delays regarding the management audit
Korea, DPR	UNIDO	Production	2005	Pending verification report
Korea, DPR	UNEP	CFCs Phase-Out	2006	To be provided
Macedonia	UNIDO	CFCs Phase-Out	2006	Pending verification report.

5. Noting that letters should be sent with respect to the following annual tranches that were due for submission to the 48th Meeting, with the reasons indicated for the delay, encouraging implementing agencies and the relevant Article 5 governments to submit these annual tranches, as now agreed, to the 50th Meeting without any further delays:

Country	Agency	Sector	Annual Tranche	Reason for Delay
Argentina	UNIDO	CFCs Phase-Out	2006	Pending verification report
Bangladesh	UNDP	ODS Phase-Out	2005	Government delayed in signature of project document
Bangladesh	UNEP	ODS Phase-Out	2005	Government delayed in signature of project document
Bangladesh	UNDP	ODS Phase-Out	2006	Government delayed in signature of project document
Bangladesh	UNEP	ODS Phase-Out	2006	Government delayed in signature of project document
Mexico	UNIDO	CFCs Phase-Out	2006	Pending verification report
Venezuela	UNIDO	CFCs Phase-Out	2006	Pending verification report

6. Urging Article 5 countries and agencies to propose annual tranche submissions either to the first or second meetings of the year for new multi-year agreements.

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

Document UNEP/OzL.Pro/ExCom/48/18: consists of three sections. Section I contains progress reports on the implementation of the phase-out of methyl bromide (MB) in Guatemala and Honduras, and a UNDP technical assistance programme for Africa for which the Executive Committee's guidance on specific issues is sought. Section II contains specific requests by the Governments of Chile, Costa Rica and Cuba on phase-out projects that have been approved and are under current implementation. Consistent with reporting requirements in the agreements governing the majority of MB projects, and in response to requests from the Secretariat to

relevant agencies, Section III contains progress reports on MB projects in Bolivia, Côte d'Ivoire, Dominican Republic, Ecuador, Egypt, Jordan, Kyrgyzstan, Turkey and Yemen.

Issue to be addressed:

Methyl bromide projects for which guidance on specific issues is sought

- MB phase-out project in Guatemala: MB import licenses for 2005 have been issued for quantities that exceed the maximum level of MB consumption committed to by the Government; a revised MB phase-out schedule has been proposed by the major stakeholders with consumption levels higher than those agreed by the Government and endorsed by the Parties and the Executive Committee;
- MB phase-out project in Honduras: (a) consideration of a proposed change in the MB phase-out schedule to be consistent with the schedule in decision XVII/34; and (b) determination of when UNIDO could submit a proposal for complete phase-out of MB; and
- MB technical assistance programme in a number of African countries: (a) implications of delays in the implementation of the project in DR Congo; (b) consideration of the provision for technical assistance to Mozambique in 2006; and (c) determination of whether or not MB consumption in Swaziland is for controlled uses or for quarantine and pre-shipment applications.

Special requests for projects under current implementation

- MB phase-out project in Chile: a request for cancellation of the project for the phase-out of all remaining uses of MB in soil application pest control and modification to the current Agreement between the Government of Chile and the Executive Committee;
- MB phase-out project in Costa Rica: a request for the extension of the Agreement between the Government of Costa Rica and the Executive Committee for the complete phase-out of MB; and
- National CFC phase-out plan in Cuba: a request to transfer the projects assigned to Germany and France under the CFC phase-out plan to UNDP, and to appoint UNDP as the lead implementing agency.

Action expected from the Executive Committee: the Committee may wish to:

Methyl bromide projects for which guidance on specific issues is sought

1. Request UNIDO to: work closely with the Government of Guatemala to identify measures that could accelerate the phase-out of MB in the country; continue implementing the MB phase-out project; and submit a request for a further revision of the phase-out schedule in the project following a decision by the Meeting of the Parties on the request by Guatemala for a revision of the time specific benchmarks contained in decision XV/34.
2. Consider the request by the Government of Honduras to revise the MB phase-out schedule in the approved project to be consistent with the schedule in decision XVII/34 and determine when UNIDO could submit an action plan and funding requirements to achieve the complete phase-out of MB in Honduras.

3. Take note of the progress report on the implementation of the MB technical assistance programme in Africa; request the Secretariat to send a letter urging the Government of the Democratic Republic of Congo to sign the contract with UNDP and submit the work programme to UNDP no later than the end of May 2006; request the Secretariat to send a letter to the Government of Swaziland requesting the submission of a report by the end of May 2006 delineating current MB consumption in the country, and; request UNDP to submit a completion report to the 51st Meeting.

Special requests for projects under current implementation

1. Consider the request by the Government of Chile for cancellation of the project for the phase-out of all remaining uses of MB in soil application pest control and if approved, request the World Bank to return to the Multilateral Fund US \$691,703 plus agency support cost of US \$51,878 associated with the tranche of the project already funded; consider approving the associated revisions to the Agreement between the Government of Chile and the Executive Committee, and; request UNDP to continue implementing the project for the phase-out of MB in the fruit tree nursery and replant sector and submit a progress report to the 51st Meeting.
2. Consider the request by the Government of Costa Rica to revise the MB phase-out schedule in the Agreement between the Government and the Executive Committee, and also to request the Government of Costa Rica and UNDP to include in all future work programmes, procedures for accelerating the introduction of full-scale alternative technologies in the melon sector.
3. Request the Secretariat to present the results of the discussions among stakeholders involved in the phase-out plan for Cuba.

Methyl bromide projects with no outstanding issues

1. Note the progress reports on MB projects submitted by relevant agencies on behalf of the Governments of Bolivia, Côte d'Ivoire, Dominican Republic, Ecuador, Egypt, Jordan, Kyrgyzstan, Turkey and Yemen.

8. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/48/19: provides statistics on project submissions received, presents issues arising from project review, contains the list of all projects and activities recommended for blanket approval (Annex I) and the list of project for individual consideration (Annex II).

Issues to be addressed:

- Submission of TPMPs for blanket approval.

Action expected from the Executive Committee: The Executive Committee may wish to:

1. Consider whether the Secretariat should be requested to submit all future TPMPs for LVC countries for blanket approval provided that they are in accordance with relevant policies and decisions of the Multilateral Fund, that they contain no policy issues and that all technical and cost issues have been agreed between the Secretariat and relevant bilateral and/or implementing agencies.
2. Approve the list of projects recommended for blanket approval (Annex I to the above document).

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/48/20: contains 10 projects and activities submitted for approval by the Governments of Canada, France, Germany and Japan as bilateral cooperation. Seven projects are addressed in the document and the remaining 3 will be considered in Agenda Item 8 (d), other investment projects. One project, submitted by the Government of Canada, is recommended for blanket approval and was considered in Agenda Item 8 (a). The other proposals have been recommended for individual consideration.

Issues to be addressed:

- Offsetting requests from France, Germany and Japan against their 2003 to 2005 contributions for the chiller demonstration project; and
- Germany has also submitted 6 projects excluding the chiller demonstration project amounting to US \$3,864,008 (including agency fees) to this meeting for the Executive Committee's approval that exceeds 20 percent of its contribution for 2006 (US \$2,894,744); and
- Four of the 6 projects are addressed in the bilateral cooperation document and are listed for individual consideration. These include 2 annual tranches for approved multi-year agreements (US \$2,408,400), one institutional strengthening project (US \$67,800) and one project preparation request (US \$22,600).

Action expected from the Executive Committee: the Committee may wish to consider:

1. Approving the project preparation of a TPMP for Saint Lucia at a funding level of US \$30,000 plus support costs of US \$3,900, to be implemented by Canada, with the proviso that in developing and subsequently implementing the TPMP, Canada be requested to take into account decision 47/10 (e) regarding the inclusion in the licensing of import controls for methyl bromide, CTC and/or TCA, as well as CFCs.
2. Approving the annual tranches of multi-year agreements and institutional strengthening requested by Germany and informing the Meeting of the Parties that with these approvals Germany has exceeded 20 per cent of its contribution for 2006.
3. Whether to approve any project preparation to develop a TPMP required for compliance if there are insufficient funds within Germany's bilateral allocation for the 2006 to 2008 triennium to implement the project.

(c) Work programmes and amendments

(i) UNDP Work Programme for 2006

Document UNEP/OzL.Pro/ExCom/48/21: contains 16 activities submitted by UNDP, including 14 proposals for preparation of TPMPs in LVC countries, one request for renewal of an institutional strengthening project and one request for project preparation in the solvent sector in Brazil. All the proposals were recommended for blanket approval and have therefore been considered in Agenda Item 8(a).

Issues to be addressed: None

(ii) Amendments to UNEP Work Programme for 2006

Document UNEP/OzL.Pro/ExCom/48/22: contains 26 activities submitted by UNEP, including seven requests for renewal of institutional strengthening projects. Twenty two of the activities were recommended for blanket approval and were considered in Agenda Item 8(a). Two activities associated with TPMPs will be considered in Agenda Item 8(d) on investment projects. One proposal for an increase in institutional strengthening funding is for individual consideration together with one other proposal for renewal of an institutional strengthening project.

Issues to be addressed:

- The Seventeenth meeting of the Parties approved an increase in the CFC baseline for Yemen from 349.1 ODP tonnes to 1796.1 ODP tonnes. The baselines for halons and methyl bromide were also increased. UNEP has submitted a request for an increase of US \$66,000 in Phase IV of Yemen's institutional strengthening project approved at the 47th Meeting at the level of US \$104,000 for two years.
- Phase III of the institutional strengthening project for Côte d'Ivoire was approved at the 43rd Meeting for one year only, without prejudice to the operation of the Montreal Protocol's non-compliance mechanism, on account of Côte d'Ivoire's non-compliance with Annex E (methyl bromide) control measures at the time. Côte d'Ivoire has now returned to compliance.

Action expected from the Executive Committee: the Committee may wish to:

1. Consider approving an increase in Phase IV of the institutional strengthening project for Yemen commensurate with its approved increase in baseline consumption of CFCs, halons and methyl bromide.
2. Consider approving the second year of the institutional strengthening project for Côte d'Ivoire at the level of funding of US \$53,170.

(iii) UNIDO Work Programme for 2006

Document UNEP/OzL.Pro/ExCom/48/23: contains 10 activities submitted for funding by UNIDO including one request for renewal of an institutional strengthening project. Eight activities were recommended for blanket approval and have been considered in Agenda Item 8(a). One project preparation activity, for preparation of a compressor project in Iran, is referred for individual consideration. One activity in the halon sector in Kyrgyzstan will be considered in Agenda Item 8(d) on investment projects.

Issues to be addressed:

- Preparation of a compressor conversion project in Iran. Iran received approval-in-principle for a national CFC phase-out plan at the 41st Meeting at a cost of US \$11,250,000. The NPP is currently under implementation. Accordingly, no further funding is eligible for investment activities to support phase-out of CFCs. Thus the request would not appear to be eligible for funding.

Action expected from the Executive Committee: the Committee may wish to consider whether to decline to approve the request for project preparation funds.

(iv) World Bank Work Programme for 2006

Document UNEP/OzL.Pro/ExCom/48/24: contains two requests for renewal of institutional strengthening projects submitted by the World Bank. The two requests were recommended for blanket approval and have been considered in Agenda Item 8(a).

Issues to be addressed: None.

(d) Investment projects**(i) Chiller demonstration projects**

Document UNEP/OzL.Pro/ExCom/48/25: contains information regarding one regional chiller demonstration project for Africa submitted by UNIDO, France, Germany, and Japan, as well as a global technical assistance programme for the chiller sub-sector submitted by UNEP.

Issues to be addressed:

- Both project proposals relate to decision 47/26, setting funding aside for chiller demonstration projects in the region of Africa, and requesting UNEP to submit a project proposal to disseminate experience gained in the chiller demonstration projects on a global level. Both projects are adhering to the previous decisions of the 46th and 47th Meeting regarding chiller demonstration projects. The funding set aside in the 2005 business plan for the purpose of chiller demonstration projects will be fully utilized with these approvals.

Action expected from the Executive Committee: the Committee [may wish to/might consider]:

1. The Committee may wish to consider approving both projects at the level of funding and with the conditions indicated in the document.

(ii) Other investment projects

Document UNEP/OzL.Pro/ExCom/48/19: contains in Annex II a list of 13 projects for individual consideration. All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in Agenda Item 8(a). Incremental costs have been agreed for all except one project which was still under discussion at the time of preparation of this document.

Issues to be addressed:

- In the Annex II table (reproduced on the next page): each of the 13 projects should be considered for approval individually. Project descriptions and the comments of the Secretariat can be found in the relevant country project document referred to in the table (*if required, the Secretariat will outline the issue or issues involved*).

List of projects for individual consideration

Country	Project	Sector	Agency	Document No.
Projects submitted by Germany				
Afghanistan	National phase-out plan (2nd tranche)	Phase-out plan	Germany	UNEP/OzL.Pro/ExCom/48/20
Brazil	National CFC phase-out plan: third and fourth tranches	Phase-out plan	Germany	UNEP/OzL.Pro/ExCom/48/20
Iran	National CFC phase-out plan: 2006 annual implementation programme	Phase-out plan	Germany, UNIDO	UNEP/OzL.Pro/ExCom/48/33
Papua New Guinea	Terminal phase-out management plan for ODS (second phase)	Phase-out plan	Germany	UNEP/OzL.Pro/ExCom/48/36
Production sector				
Argentina	Strategy for gradual phase-out of CFC-11 and CFC-12 production: 2006 annual programme	CFC production	World Bank	UNEP/OzL.Pro/ExCom/48/26
China	Phase-out the production and consumption of CTC for process agent and other non-identified uses (phase I): 2006 annual programme	CTC production and consumption	World Bank	UNEP/OzL.Pro/ExCom/48/28
China	Sector plan for phase-out of ODS process agent applications (phase II) and corresponding CTC production: 2006 annual programme	CTC production and consumption	World Bank	UNEP/OzL.Pro/ExCom/48/28
India	CFC production sector gradual phase-out: 2006 annual implementation plan	CFC Production	World Bank	UNEP/OzL.Pro/ExCom/48/31
Venezuela	National CFC production closure plan (third tranche)	CFC production	World Bank	UNEP/OzL.Pro/ExCom/48/40
Other sectors				
Chile	Terminal umbrella project for phase-out of the use of CFC-11, CFC-12 and R-502 (CFC-115) in the manufacture of refrigeration equipment	Refrigeration	UNDP	UNEP/OzL.Pro/ExCom/48/27
Dominica	Terminal CFC phase-out management plan (first tranche)	Phase-out plan	UNDP, UNEP	UNEP/OzL.Pro/ExCom/48/29

Country	Project	Sector	Agency	Document No.
Indonesia	National CFC phase-out plan	Phase-out plan	UNDP, World Bank	UNEP/OzL.Pro/ExCom/48/32
Saint Kitts and Nevis	Terminal CFC phase-out management plan (first tranche)	Phase-out plan	UNDP, UNEP	UNEP/OzL.Pro/ExCom/48/38

Action expected from the Executive Committee: the Committee may wish to consider whether to approve each of the 13 projects listed in the table on the basis of: the information provided in the relevant project proposal document including the Secretariat's comments; any additional documents circulated in accordance with decision 41/80; and, any additional information provided at the meeting by the Secretariat or the relevant implementing agency.

9. Country programmes

Document UNEP/OzL.Pro/ExCom/48/41 and Add.1: contains the country programme update of Bangladesh.

Issues to be addressed:

- Bangladesh has drawn attention to the challenges it will face in meeting the 85 percent CFC reduction step in 2007 in view of its consumption of CFCs for the production of metered dose inhalers (MDIs). It has also drawn attention to decision XVII/14 of the Parties requesting the Executive Committee to examine situations such as these and consider options that might assist this potential situation of non-compliance.

Action expected from the Executive Committee: the Committee may wish to:

1. Approve the Bangladesh country programme update, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels.
2. Consider requesting the Secretariat, in consultation with relevant implementing agencies, to prepare a paper for submission to the 49th Meeting delineating options to meet the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties.

10. Further consideration of Terms of Reference, Budget and Modalities for a Study Regarding Collection, Recovery, Recycling, Reclamation, Transportation and Destruction of Unwanted ODS in light of the outcome of the meeting of experts and written comments submitted (follow-up to decisions 46/36 and 47/52)

Document UNEP/OzL.Pro/ExCom/48/42: The report will be issued subsequent to the Meeting of the Experts which will take place from 13-15 March 2006 in Montreal. .

Issues to be addressed:

- Pending

Action expected from the Executive Committee: the Executive Committee may wish to note the report and discuss the terms of reference for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36 and 47/52) in light of the conclusions presented in the report of the workshop.

11. Report on options for a consistent approach to the application of miscellaneous income, exchange rate losses and gains, and bank charges for funds approved by the Executive Committee and any consequences of alternative approaches (follow-up to decision 47/47)

Document UNEP/OzL.Pro/ExCom/48/43: provides a description of miscellaneous income, exchange rate losses and gains, and bank charges as used by each agency and the Treasurer. It also suggests adjustments to be made based on the review of these accounting terms, and provides a common approach for addressing these types of charges in the future.

Issues to be addressed:

- Pending

Action expected from the Executive Committee: the Executive Committee may wish to consider:

- Pending

12. Revised 2006, 2007 and 2008 budgets of the Fund Secretariat

Documents UNEP/OzL.Pro/ExCom/48/44: presents a revision of the 2006, 2007 and 2008 budgets which were approved at the 47th Meeting of the Executive Committee through decision 47/48 and reflected in Annex XII to the Report of the 47th Meeting (UNEP/OzL.Pro/ExCom/47/61, Annex XII).

Issue to be addressed:

- 8.5 per cent increase in the salary scale and allowances of the General Service staff in Montreal to be reflected in the 2006-2008 budgets; and
- US \$150,000 consultancy costs inadvertently not included in the 2006 budget submitted to the 48th meeting to be reinstated in the 2006 budget.

Action requested from the Executive Committee: The Executive Committee is invited to approve:

1. An increase of US \$349,717 in the 2006 budget to cover both the 2005 retroactive payment and the 2006 payment of the salary increase of 8.5 per cent for general support staff effective 1 January 2005, and the sum of US \$150,000 for consultancy costs resulting in a total revised 2006 budget of US \$5,085,732.
2. An increase of US \$59,458 in the 2007 budget and US \$82,198 in the 2008 budget as a consequence to the 8.5 per cent increase in the General Support staff allowance resulting in total revised budgets for 2007 and 2008 of US \$2,838,261 and US \$2,980,174 respectively.
