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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-ninth Meeting
Montreal, 10-14 July 2006

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

Introduction

1. The 49th 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 10 to 14 July 2006.
2. The Meeting was attended by representatives of the following countries, members of the Executive Committee, in accordance with decision XVII/44 of the Seventeenth Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Australia (Vice-Chair), Belgium, the Czech Republic, Italy, Japan, Sweden and the United States of America;
 - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Brazil, Burundi, Guinea, India, Mexico, the Syrian Arab Republic (Chair) 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) (as Treasurer and as implementing agency), the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.
4. The Meeting was also attended by the President of the Bureau of the Meeting of the Parties and by the President of the Implementation Committee.
5. The Executive Secretary, and two officers of the Ozone Secretariat were also present.

6. The Honorary Chief Officer also attended the Meeting.

7. A representative of the Alliance for Responsible Atmospheric Policy attended as an observer.

AGENDA ITEM 1: OPENING OF THE MEETING

8. The Meeting was opened at 10.00 a.m. on Monday, 10 July 2006, by the Chair, Mr. Khaled Klaly (Syrian Arab Republic), who welcomed the participants to Montreal.

9. The Chair said that the present Meeting would be called on, *inter alia*, to address implementation of the business plans already approved and to consider compliance-related issues. He added that, for the first time, the consumption data required by the Fund Secretariat had been submitted using the new formats for country programme reporting adopted at the 46th Meeting. The Meeting would also be asked to provide guidance on a draft decision that consolidated past and new recommendations on the evaluation of refrigerant management plans (RMPs) and national phase-out plans (NPPs) in non-low-volume-consuming countries (non-LVCs). He also commended the hard work of the Secretariat in providing the Meeting with detailed and useful analyses of the agencies' performances and, as the topic was closely related to the achievement of the Fund's objectives, he looked forward to hearing members' views.

10. The majority of projects for the Meeting's consideration had been referred for blanket approval, with only six projects for individual consideration. The projects proposed by bilateral and implementing agencies had been well prepared in accordance with the Fund's rules and policies and could be covered from current resources.

11. The Chair drew attention to the comprehensive paper prepared by the Secretariat on options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties regarding the phase-out of chlorofluorocarbons (CFCs) used in the manufacture of metered-dose inhalers (MDIs). He urged members to read the paper carefully, realizing that, for most producing countries, any future action that the Executive Committee might take on MDIs would only affect compliance at a late stage due to the low levels of consumption. As that issue had been discussed extensively at the recent meeting of the Open-Ended Working Group, the views expressed there should be borne in mind.

12. As the discussion on the ongoing issue of terms of reference for a study on unwanted ozone-depleting substances (ODS), including ODS destruction, had not been completed at the 48th Meeting, the Chair reminded members that the matter would need to be addressed at the present Meeting, bearing in mind the initial discussions and the views on the topic expressed at both the 48th Meeting and the recent meeting of the Open-Ended Working Group.

13. He thanked countries that had paid their contributions in a timely manner and encouraged others to do so promptly to avoid any shortfall in funds. As the year 2006 marked the 15th anniversary of the Multilateral Fund in Montreal, he concluded by extending special

thanks to the Government of Canada for its generous support, which had made possible the successful work of the Executive Committee and the Fund Secretariat.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

14. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/49/1, with the deletion of item 7(c)(iv), as no amendments to the World Bank work programme for 2006 had been submitted.

15. The Meeting agreed to discuss the following topics under agenda item 14, "Other matters": a request for intersessional approval of the project to phase-out CFC-11 and CFC-12 production in Argentina; the non-paper by Canada on future work presented to the 26th Meeting of the Open-Ended Working Group with respect to issues of relevance to the Executive Committee; China's accelerated phase-out plan in respect of CFC exports for metered dose inhalers (MDIs) and process agents in non-Article 5 countries; and arrangements for the 50th Meeting of the Executive Committee. The Secretariat requested the addition of three further items under "Other matters": treasury services, report of the Executive Committee to the Eighteenth Meeting of the Parties and dates of Executive Committee meetings in 2007.

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. Status of resources and planning:
 - (a) Report on balances and availability of resources;
 - (b) 2006 business plans;
 - (c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol.

6. Programme implementation:
 - (a) Monitoring and evaluation:
 - (i) Compendium of recommendations relevant to the evaluation of refrigerant management plans and national phase-out plans in non-low-volume-consuming countries focusing on the refrigeration servicing sector (follow-up to decision 48/10);
 - (ii) Desk study on the evaluation of the Compliance Assistance Programme (CAP);
 - (b) Progress reports as at 31 December 2005:
 - (i) Consolidated progress report;
 - (ii) Bilateral cooperation;
 - (iii) UNDP;
 - (iv) UNEP;
 - (v) UNIDO;
 - (vi) World Bank.
 - (c) Evaluation of the implementation of the 2005 business plans;
 - (d) Project implementation delays;
 - (e) Annual tranche submission delays;
 - (f) 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) Amendments to work programmes for 2006:
 - (i) UNDP;
 - (ii) UNEP;
 - (iii) UNIDO;

- (d) Investment projects.
- 8. Country programmes.
- 9. The relative merits of replacing the current requirements for submissions of requests for renewal of an institutional strengthening project with a simplified arrangement (follow-up to decision 47/49).
- 10. Options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties (follow-up to decision 48/36).
- 11. Costs charged to Multilateral Fund accounts that were not assigned to either project or administrative costs with respect to the application of miscellaneous income, exchange rate losses and gains, and bank charges (follow-up to decision 48/38).
- 12. Provisional 2005 accounts.
- 13. Continuation of the consideration of terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS.
- 14. Other matters.
- 15. Adoption of the report.
- 16. Closure of the meeting.

(b) Organization of work

- 16. The Executive Committee agreed to follow its customary procedures.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

17. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/49/2, which described the activities of the Secretariat since the 48th Meeting. Pursuant to decisions taken by the Executive Committee, the Chair had written to the Parties, through the Ozone Secretariat, in relation to the phase II carbon tetrachloride (CTC) process agent agreement for China (decision 48/26). The Chair had also written to the Indonesian Minister for Trade with regard to the national CFC phase-out plan for Indonesia (decision 48/33), and to the Deputy Executive Director/Officer-in-Charge of UNEP concerning the P5 treasury post (decision 48/41). The Chair would report on the reply received from UNEP shortly before the meeting under agenda item 14 "Other matters".

18. The Chief Officer indicated that the Secretariat had prepared more than 40 documents for the 49th Meeting and had reviewed projects and activities in 36 countries. The documents covered matters of particular relevance, such as availability of resources; progress made in

project implementation; the status of the agencies' 2006 business plans; and Article 5 countries' prospects for achieving compliance with the control measures of the Montreal Protocol. Policy papers had also been prepared on simplifying arrangements for handling renewal of institutional strengthening projects, as requested in decision 47/49, and on options for addressing the situation of countries with MDI manufacturing facilities referred to in decision XVII/14 of the Meeting of the Parties in December 2005 and in line with decision 48/36 of the Executive Committee.

19. The Chief Officer and other members of the Secretariat had attended several meetings, including meetings in Nairobi in April with the Deputy Executive Director/Officer-in-Charge of UNEP and the Director of the United Nations Office at Nairobi (UNON) concerning treasury issues; a United Nations Framework Convention on Climate Change (UNFCCC) technical workshop on the Adaptation Fund in Edmonton, Canada, and the twenty-fourth session of the Subsidiary Body for Implementation in Bonn, Germany, in May; the regional forum on the phase-out of methyl bromide in Guatemala in May; the Joint Meeting of the South Asia and South-East Asia and Pacific networks in Bangkok in May; with officials of the Government of India in New Delhi in May to discuss arrangements for the 50th Meeting of the Executive Committee in November 2006; and part of the Global Environment Facility (GEF) Council Meeting in Washington, D.C. in June.

20. The Secretariat had also recently received a letter from the Deputy Executive Director/Officer-in-Charge of UNEP advising on the outcome of the International Conference on Chemicals Management regarding the strategic approach to international chemicals management, held in Dubai in February 2006. The Secretariat sought the Executive Committee's guidance on that and other related issues.

21. The Secretariat had received several requests over the reporting period from other Multilateral Environmental Agreements (MEAs) to provide information on the operation of the Multilateral Fund, including the Kyoto Protocol and Rotterdam Convention Secretariats. The UNFCCC Secretariat had requested the Fund Secretariat to attend a technical workshop on the Adaptation Fund in Edmonton, Canada, in early May and to provide information on the operation of the Multilateral Fund. The Chief Officer had attended the workshop and made a presentation as requested. The Secretariat had subsequently been invited to submit information on issues contained in the annex to UNFCCC document FCCC/SBI/2006/L.18 by 4 August 2006. The Secretariat was, however, withholding its response because of concerns expressed by some members of the Executive Committee about the implications of the information provided by the Secretariat. Accordingly, the Secretariat had attached to document UNEP/OzL.Pro/ExCom/49/2 a copy of the Chief Officer's presentation to the workshop, as well as document FCCC/SBI/2006/L.18, which provided the basis for the UNFCCC Secretariat's request, with a view to seeking guidance on a way forward.

22. The Fund Secretariat had also been contacted by consultants hired by the Rotterdam Convention Secretariat, which was preparing a further study on options for a lasting and sustainable financial mechanism for the third meeting of the Conference of the Parties, to be held in October 2006, and had been requested to provide information on the operation of the Multilateral Fund and the type of activities covered, specifically institutional strengthening, customs training and licensing systems.

23. The Chief Officer said that the 15 years of existence of the Multilateral Fund Secretariat in Montreal would be marked by a reception, the unveiling of a poster and a slide show highlighting the types of projects and activities funded. She thanked the Governments of Canada and Quebec for their contributions to the celebration, and the implementing agencies for the helpful material they had provided for the slide show.

24. In conclusion, she announced that Mr. Tony Hetherington, Deputy Chief Officer (Technical Cooperation), would be retiring from the Secretariat in September after nearly 12 years. She commended his hard work and dedication to the aims of the Multilateral Fund and the Montreal Protocol, and wished him a long and enjoyable retirement. Many members joined the Chief Officer in thanking Mr. Hetherington for his many years of devoted work.

25. After the Chief Officer's presentation, representatives discussed the importance of transparency and clarity in keeping the Executive Committee informed of developments as they occurred and in communications with other MEAs, which could benefit from the rich experience of the Multilateral Fund. After some members had expressed the view that any possibility of the Multilateral Fund taking on other responsibilities should first be discussed at a Meeting of the Parties, other members underlined the crucial distinction between discussing policy and exchanging information. Following the discussion, it was agreed to set up a contact group, chaired by Belgium, to discuss cooperation between the Fund Secretariat and other MEAs.

26. The representative of Belgium, speaking as Chair of the contact group, introduced a draft decision he had prepared on the basis of discussions in the contact group on cooperation with other MEAs.

27. Following the discussion, the Executive Committee decided:

- (a) To take note with appreciation of the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/49/2;
- (b) With respect to the cooperation between the Multilateral Fund Secretariat and other relevant conventions or organizations, to request the Multilateral Fund Secretariat:
 - (i) To enhance its communication of information to the Executive Committee by adding to its reports on Secretariat activities any known or anticipated requests for information about, or for interactions with, the Multilateral Fund;
 - (ii) To respond to the request by the Subsidiary Body for Implementation of the United Nations Framework Convention on Climate Change for information on the Multilateral Fund, in line with the information already provided, attaching the full text of Article 10 of the Montreal Protocol;
- (c) To request the Chair of the Executive Committee to bring to the attention of the Ozone Secretariat, prior to the Eighteenth Meeting of the Parties, the invitation by the first session of the International Conference on Chemicals

Management (ICCM) to the Montreal Protocol and its Multilateral Fund to consider whether and how these might support implementation of appropriate and relevant strategic approach objectives within their mandates and to report to the ICCM; and

- (d) To request the Chief Officer of the Multilateral Fund, in her response to the Deputy Executive Director of UNEP, to inform him of the procedure started under subparagraph (c) above.

(Decision 49/1)

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

28. The Treasurer introduced the report on the status of the Fund (UNEP/OzL.Pro/ExCom/49/3/Rev.1) as at 7 July 2006.

29. He said that, at that date, the fund balance stood at US \$26,672,599, taking into account all the funds approved by the Executive Committee up to and including the 48th Meeting, as well as the deposit of US \$29,362,667 by the Government of Japan, prior to which there had been a negative balance for the first time ever in the history of the Fund. As at 7 July 2006, the Fund had received cash contributions from 20 countries, and one promissory note, accounting for 45.68 per cent of payments against total pledges for 2006. Invoices for 2006 had been dispatched on 12 January 2006, and second invoices on 2 May 2006.

30. The report showed the status of promissory notes as at 7 July 2006, together with a ledger indicating when promissory notes had been transferred, received and encashed. Only one Party had contacted the Treasurer to seek further clarification regarding the letter issued on 31 December 2005 requesting accelerated encashment of promissory notes.

31. Information on the fixed-exchange-rate mechanism (FERM) had been updated to reflect the gain of US \$11,468,684 since the FERM's inception. He indicated that 11 countries had confirmed that they would be using FERM for the 2006-2008 triennium.

32. Following the Treasurer's presentation, a number of representatives expressed concern at the late payment of pledges, which had an adverse impact on the Fund's administrative activities and on the resources needed to carry out projects. As arrears from 2005 were still outstanding, it was suggested that the Treasurer ask the Fund's primary contributors with arrears for 2005 to indicate the date on which their payment could be expected.

33. A number of representatives announced that contributions from their countries were forthcoming. The representative of the United States of America said that his country had initiated procedures for early encashment by one month of US \$8 million in promissory notes, which would otherwise be available in November 2006. The representative of Italy, speaking on behalf of France, said that France would be able to proceed with the encashment of promissory notes once it had received the necessary request. In addition to announcing that his Government's contribution would be made shortly, the representative of Sweden informed the

Meeting that in future Sweden would be devoting its contribution entirely as a multilateral contribution. For the period 2006 onwards, Sweden would not withhold funds for a bilateral programme under the Multilateral Fund. Further, in order not to disrupt the ongoing projects already approved by the Executive Committee under the Swedish bilateral cooperation programme, Sweden would continue to fulfil its financial obligations in respect of those projects. Eventual future bilateral projects funded from Sweden would be above and beyond Sweden's multilateral contribution.

34. Following the discussion, the Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report;
- (b) To request the Treasurer to provide the 50th Meeting of the Executive Committee with information on when Parties that had been unable to make their contributions by 1 June would make their payments, in accordance with decision XI/6, paragraph 7, of the Eleventh Meeting of the Parties;
- (c) To note with concern that US \$95,637,792 in promissory notes had not been encashed, representing approximately two-thirds of the Fund's annual budget;
- (d) To note with concern that no feedback had been provided to the Treasurer on his request to accelerate the encashment of promissory notes;
- (e) To urge countries holding promissory notes to take the necessary action to accelerate their encashment before the 50th Meeting of the Executive Committee;
- (f) To note the list of countries opting to use the fixed-exchange-rate mechanism facility for their contributions to the Fund for the triennium 2006-2008 as at 7 July 2006, contained in the Appendix to Annex I to the present report; and
- (g) To note that from 2006 onwards, the Government of Sweden would be devoting its entire contribution to the Fund as a multilateral contribution.

(Decision 49/2)

AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING

(a) Report on balances and availability of resources

35. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/49/4 and Add.1, which reported on the return of balances from completed and cancelled projects and included a summary of the total resources available for programming at the 49th Meeting. He informed members that US \$4,324,771 in project funds and US \$532,132 in support costs had been returned from completed and cancelled projects. In noting the balances totalling US \$14,550,486 held for projects completed over two years previously, he indicated that most of

the funds were attributable to the World Bank's multi-year agreements (MYAs), which did not have to be returned to the Fund for reprogramming. The total level of funds available for approvals at the 49th Meeting therefore stood at US \$31,529,502, according to the report by the Treasurer contained in document UNEP/OzL.Pro/ExCom/49/3/Rev.1. The value of submissions to the Meeting prior to project review was some US \$23 million. Thus, the total level of resources was sufficient to cover all the requests for funding to be discussed at the 49th Meeting.

36. Following the Secretariat's introduction, the Executive Committee decided to note:
- (a) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/49/4 and Add.1;
 - (b) The net level of funds being returned by the multilateral implementing agencies to the 49th Meeting against project balances totalling US \$4,324,771, including the return of US \$650,450 from UNDP, US \$50,803 from UNEP, US \$216,855 from UNIDO, and US \$3,406,663 from the World Bank;
 - (c) The net level of support costs being returned by the multilateral implementing agencies to the 49th Meeting against project support cost balances totalling US \$532,132, including the return of US \$82,209 from UNDP, US \$12,076 from UNEP, US \$26,190 from UNIDO, and US \$411,657 from the World Bank;
 - (d) That implementing agencies had balances totalling US \$14,550,486 excluding support costs from projects completed over two years previously, including US \$366,760 plus support costs from UNDP, US \$258,155 plus support costs from UNEP, US \$223,151 plus support costs from UNIDO, and US \$13,702,420 plus support costs from the World Bank; and
 - (e) That US \$31,529,502 was available to the Executive Committee for approvals at the 49th Meeting.

(Decision 49/3)

(b) 2006 business plans

37. The Executive Committee considered the documents on 2006 business plans (UNEP/OzL.Pro/ExCom/49/5 and Add.1), which addressed the status of implementation of the plans in light of the expected level of approvals at the 49th Meeting and the actual level of approvals at the 48th Meeting. It also highlighted activities remaining in the 2006 business plans for submission to the 50th Meeting.

38. In presenting the changes made to the 2006-2008 business plans, the representative of the Secretariat pointed out that some US \$40 million of the triennium budget had not been allocated. He also drew attention to the fact that there were 34 projects and agreements to be submitted to the 50th Meeting for countries that had been subject to decisions on compliance, and said that implementing agencies should be urged to submit those activities as a matter of priority. Finally, if forward commitments were approved at the level requested, the Executive Committee would

add US \$3 million for multi-year projects, which was US \$1.2 million below the amount earmarked for such commitments in the business plans.

39. With regard to performance indicators, the agencies and the Secretariat had agreed on proposed modifications that would enable all agencies to report on policy and regulatory assistance, starting with the 2007 business plans.

40. The representative of the Secretariat then provided an update on certain specific activities within the business plans that had been changed or required clarification from the implementing agencies involved. These included the activities in Germany's business plan over and above its bilateral allocation for the 2006-2008 triennium. A number of countries had chosen other agencies to implement their projects, with Botswana and Swaziland having agreed to stay in Germany's business plan despite the fact that no funds were available in Germany's bilateral allocation for 2006-2008.

41. In the ensuing discussion, a number of representatives expressed concern that US \$40 million remained to be allocated in the triennium, particularly in light of the discussion held at the 48th Meeting regarding the compliance-oriented model and the need to ensure that funds were allocated to meet the compliance needs of Article 5 countries. It was suggested that a policy discussion be held at the 50th Meeting with a view to setting priorities for allocation of the remaining funds. Concerns were also raised regarding the non-submission of projects amounting to US \$65.4 million.

42. In response to requests for further information, it was explained that the letters from Ethiopia and Uganda signifying their agreement to be included in France's business plan were not clear, and that France was awaiting a firmer indication of those countries' consent. Italy had indicated its interest in financing a terminal phase-out management plan (TPMP) in Algeria, although UNIDO indicated that it had received a request from Algeria for funds to prepare and implement its TPMP. A letter from Angola regarding its desire to remain in Germany's business plan was expected shortly. Finally, the representative of Sweden indicated that, given his Government's decision to contribute fully to multilateral projects, his Government would coordinate with UNDP, UNEP and UNIDO intersessionally regarding existing bilateral projects, and report back to the Executive Committee at its 50th Meeting. Prior to the adoption of the report, a letter confirming France as the implementing agency for the TPMP in Uganda was received.

43. Following the discussion, the Executive Committee decided:

- (a) To note the report on the status of the 2006 business plans as contained in documents UNEP/OzL.Pro/ExCom/49/5 and Add.1, the fact that activities required for compliance, amounting to US \$65.4 million, should be submitted to the 50th Meeting, and that the value of forward commitments approved at the 49th Meeting was US \$1.2 million below the value in the 2006-2008 business plan of the Multilateral Fund;
- (b) To note that the list of projects and agreements contained in Annex III to document UNEP/OzL.Pro/ExCom/49/5, with a total value of over

US \$6.2 million, for countries that had been subject to decisions on compliance and for which the required action had not been accomplished as at 26 May 2006, should be submitted to the 50th Meeting of the Executive Committee to prevent any delays in the implementation of activities that might facilitate compliance;

- (c) To include an item in the agenda for its 50th Meeting on priorities for the triennium, beyond the needs identified by the compliance-oriented model, taking into account the remaining US \$40 million in unallocated funds for the triennium;
- (d) To modify the existing performance indicators, starting with the business plans for 2007, as follows:
 - (i) By removing the words “policy” and “regulatory” from the example for the indicator “Milestone activities completed” so that the example reads as follows: “Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned”;
 - (ii) By defining the indicator “Percentage of policy/regulatory assistance completed versus that planned” as activities to be undertaken by the implementing agencies in assisting Article 5 countries in the development/adoption/implementation of relevant policy and regulatory activities including, but not limited to:
 - Enactment of licensing quota systems for all controlled substances under the Montreal Protocol (and not limited to CFCs only), and informing the Ozone Secretariat accordingly;
 - Ratification of remaining amendments to the Montreal Protocol, when applicable;
 - Addressing relevant decisions taken by the Parties to the Montreal Protocol in regard to specific compliance issues;
 - Enactment of legislation/regulation for the certification of technicians, when applicable;
 - Establishment of bans on the import of controlled substances as in the case of halon and ODS-containing equipment;
 - Modifications to fire/equipment codes; and
 - Legislation to combat illegal trade in ODS.
- (e) That the needs for assistance would be identified at the beginning of each year at the annual business plan coordination meeting and the activities to be undertaken would be based, *inter alia*, on specific requests from countries, activities already proposed in individual projects and/or in multi-year agreements, and actions associated with institutional strengthening projects;

- (f) To urge bilateral and multilateral implementing agencies to submit those activities required for compliance in the 2006 business plans to the 50th Meeting;
- (g) To request the Secretariat to prepare a brief document, for consideration by the Executive Committee at its 50th Meeting, outlining all remaining phase-out obligations of Article 5 Parties by year and by triennium, and any decisions by the Executive Committee and the Meeting of the Parties that could be pertinent to the discussion referred to under subparagraph (c) above;
- (h) To defer to the 50th Meeting of the Executive Committee any consideration of further action regarding activities linked to projects for Angola and Ethiopia, which had initially been included in Germany's business plan, pending:
 - (i) A letter from Angola confirming that its terminal phase-out management plan (TPMP) was to remain in Germany's business plan despite the fact that there were no funds currently available in Germany's 2006-2008 bilateral allocation;
 - (ii) Confirmation from Ethiopia that its TPMP would be included in France's business plan;
- (i) To note confirmation from Algeria that its TPMP was to be included in the business plan of UNIDO; and
- (j) To note confirmation from Uganda that its TPMP was to be included in the business plan of France.

(Decision 49/4)**(c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol**

44. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/49/6, which dealt with the status/prospects of Article 5 countries in achieving compliance and other information on compliance issues. Part I addressed the status/prospects of compliance of Article 5 countries with the initial control measures in accordance with decision 32/76(b) and identified countries for which additional actions might be needed in order to achieve compliance. Part II provided information on countries subject to compliance decisions, countries at risk of non-compliance, and countries that might need additional activities to achieve compliance. Part III contained an analysis of ODS consumption data by sector, based on submissions by Article 5 countries to the Executive Committee in the context of country programme implementation. It also contained data collected in the new format for country programme data reporting, which included information on the functioning of licensing systems and recovery and recycling projects. He explained that, by 1 June 2006, only 67 Article 5 countries had submitted 2005 country programme implementation data and only one of the 47 countries using the new format had completed it fully. Since then, another 22 countries had submitted data, but 47 had yet to do so.

45. The Executive Committee was being requested to note the report and consider asking bilateral and implementing agencies to include phase-out activities in their 2007-2009 business plans for specific countries in need of support.

46. One representative pointed out that in the cases of Croatia and The Former Yugoslav Republic of Macedonia, the amounts of ODS in question were so small that they might be covered by a general exemption, such as laboratory and analytical uses, and the relevant implementing agencies might be requested to deal with their phase-out. Another representative pointed out that the Executive Committee had previously decided that very small amounts of CTC and TCA could be addressed as part of the TPMPs for low-volume-consuming countries.

47. The Secretariat had recommended that UNEP be requested to include the question of the new reporting format in the agenda of network meetings prior to 1 May 2007 (the deadline for submission of the next round of country programme data) bearing in mind the importance of promoting knowledge and understanding of how to complete the new format prior to May 2007.

48. The representative of UNDP pointed out that funding had already been approved for the preparation of a solvent project in Zimbabwe (ZIM/SOL/42/PRP/26), which was due to begin in the coming months. Zimbabwe had therefore already been included in UNDP's business plan.

49. Following the discussion, the Executive Committee decided:

- (a) To note the report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol as contained in document UNEP/OzL.Pro/ExCom/49/6;
- (b) To request bilateral and implementing agencies to include phase-out activities, where appropriate, for eligible consumption in their 2007-2009 business plans for the following countries:
 - (i) CFCs and halon: Somalia (if conditions permit);
 - (ii) CTC: Bolivia and The Former Yugoslav Republic of Macedonia, within the framework of their terminal phase-out management plans;
 - (iii) TCA: Croatia;
- (c) To request bilateral and multilateral implementing agencies to assist Article 5 countries to complete fully the data/information required in the new reporting format for country programme data; and
- (d) To request UNEP to include, where appropriate, as an agenda item in its network meetings taking place prior to May 2007, a discussion on completing the new reporting format for country programme data.

(Decision 49/5)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION**(a) Monitoring and evaluation****(i) Compendium of recommendations relevant to the evaluation of refrigerant management plans and national phase-out plans in non-low-volume-consuming countries focusing on the refrigeration servicing sector (follow-up to decision 48/10)**

50. The Senior Monitoring and Evaluation Officer presented document UNEP/OzL.Pro/ExCom/49/7, which contained a compendium of recommendations relevant to the evaluation of RMPs and NPPs in non-low-volume-consuming countries, pursuant to decision 48/10. As requested in the decision, the compendium clearly distinguished between new recommendations and those already approved by the Executive Committee which were shown in italics. The Senior Monitoring and Evaluation Officer said that implementing agencies and several members of the Executive Committee had been consulted regarding the draft.

51. One representative was concerned that the preparation of summary tables for annual progress reports on MYAs might create an additional burden on the National Ozone Units and implementing agencies. A representative of an implementing agency warned against changing the reporting format for existing MYAs. In addition to increasing the workload, it might have financial implications.

52. One representative, noting that reporting on recovery and recycling mainly covered CFC-12, suggested that HCFCs and HFCs also be included. For new projects, the small amounts of ODS recovered from domestic sources might be contaminated and consideration might have to be given to their destruction.

53. A contact group, chaired by Sweden, was set up to consider the issues raised. Reporting back to the Executive Committee, the chair of the contact group proposed modifications to the text of the compendium.

54. Following discussion of those modifications, the Executive Committee decided:

(a) To recommend that National Ozone Units (NOUs) in planning and implementing refrigerant management plans and national or terminal phase-out plans consider, where feasible and in cooperation with other relevant government ministries/agencies:

(i) Updating and complementing ODS-related legislation where additional legal measures were needed and further specification of enforcement mechanisms had been identified, including, for example:

- Banning the import and export of CFC-based second-hand refrigeration equipment;
- Mandatory certification of technicians performing professional activities in refrigeration servicing;

- Specification of a system of sanctions in cases of violation of legal regulations;
 - Improvement of the mechanisms for import and export quota allocations under the licensing system and the monitoring of their actual use;
 - Enhancement of cooperation between the NOU and the customs authorities;
- (ii) Upgrading the curriculum for technical training in refrigeration, where needed, and providing all training institutions with the latest relevant information with regard to the general application of good practices to significantly reduce usage of ODS and to promote the use of alternatives;
- (b) To request implementing and bilateral agencies, when implementing ongoing national phase-out plans and when planning new national phase-out plans, to take into consideration decision 41/100 for the recovery and recycling part of national phase-out plans, in particular the following paragraphs:
- (i) *“Concentrating recovery and reuse of CFCs in large-size commercial and industrial installations and mobile air conditioning sectors, if significant numbers of CFC-12-based systems still existed and the availability of CFC was strongly reduced by the adoption of effective import control measures;*
 - (ii) *Further exploring possibilities for facilitating cost-effective retrofitting and/or use of drop-in substitutes, possibly through incentive programmes;*
 - (iii) *Becoming more selective in providing new recovery, and in particular recycling, equipment by:*
 - a. *Establishing during project preparation a sounder estimate of the likely demand for recovery and recycling equipment;*
 - b. *Delivering equipment to the country only against firm orders and with significant cost participation by the workshops for equipment provided, using locally-assembled machines to the extent possible;*
 - c. *Procuring, delivering and distributing equipment in several stages, after reviewing the utilization of equipment delivered and verifying further demand;*
 - d. *Ensuring that adequate follow-up service and information was available to keep the recovery and recycling equipment in service;*

- (iv) *Monitoring the use of equipment and knowledge acquired by the beneficiaries, on an ongoing basis, through regular consultations and collection of periodic reports from the workshops, to be carried out by national consultants in cooperation with associations of technicians. Progress reports based on such monitoring should be prepared annually by the consultant and/or the National Ozone Units, in cooperation with the implementing agency, as provided in decision 31/48, and sufficient additional resources should be made available to allow for such follow-up and reporting work*” (from decision 41/100);
- (c) To request bilateral and multilateral implementing agencies, in cooperation with the relevant national institutions:
 - (i) To base the training of technicians on a strategy combining theoretical training with practical exercises during seminars with limited numbers of participants, and assisting in upgrading the curriculum of technical training institutes for refrigeration servicing in countries where it had not yet been done;
 - (ii) To pay full attention to safety aspects and the necessary modification or replacement of electrical components in countries where training in the use of hydrocarbons and particularly retrofitting was carried out; and
 - (iii) To select carefully the type of refrigerant identifiers to be purchased, taking into account preferences for small portable units, suitable for identifying different types of refrigerants, and including a test phase, where feasible, before buying larger numbers. Moreover, the administrative details of their distribution, usage and storage should be planned in advance in order to avoid delays and to increase the effectiveness of their use;
- (d) To request the Fund Secretariat, in cooperation with bilateral and multilateral implementing agencies, to develop recommendations for indicative lists of appropriate equipment for the main target groups and share information about competitive suppliers, including from Article 5 countries; and
- (e) To request the Fund Secretariat, in cooperation with bilateral and multilateral implementing agencies, to develop an appropriate reporting format for the tracking of cumulative progress achieved in the annual work programmes, summarizing in standardized overview tables the information requested in decision 47/50, with a view to simplifying and rationalizing the overall reporting requirements and to report back to the 51st Meeting of the Executive Committee. Such assessment should contain a *“comparison of what had been planned in the previous annual tranche and what had been achieved. The disbursement information should be provided cumulatively and data concerning actual or planned commitments could also be provided, as appropriate. The information should also specify how the relevant flexibility clause in the agreement was*

implemented and/or how to allocate unused funds from previous tranches” (from decision 47/50, subparagraph (b)(i)).

(Decision 49/6)

(ii) Desk study on the evaluation of the Compliance Assistance Programme (CAP)

55. The Executive Committee considered the report on the desk study on the evaluation of the CAP (UNEP/OzL.Pro/ExCom/49/8), which provided an overview of CAP activities. The Senior Monitoring and Evaluation Officer explained that the desk study had been prepared based on UNEP Division of Technology, Industry and Economics (UNEP/DTIE) documents, comments by the Fund Secretariat thereon and information contained in Fund Secretariat databases. The study identified the main evaluation issues to be covered and suggested a tentative work plan for the field phase of the review of CAP activities.

56. One member noted the difficulty of quantifying the CAP’s contribution to achieving compliance and requested that the issue be further explored with the staff of the CAP in Paris and the regional offices. She sought an explanation of the nature of the direct policy and technical assistance provided by the CAP and concrete examples of South-South cooperation. She also asked that the percentage of total funds being used for the various CAP components be shown and that the support provided by CAP through visits by staff, meetings and documentation be reflected.

57. The Senior Monitoring and Evaluation Officer said that the nature of the CAP’s activities meant that it was often difficult to demonstrate a direct causal link between them and compliance. Nevertheless, there were concrete examples of such links, for example, CAP had facilitated the visit to Chile by staff of the Colombian National Ozone Office to help develop country-specific legislation. That was a positive example of both South-South cooperation and the activities of the CAP. In closing, he said that the principal issue to be addressed was whether the decentralized CAP teams did in fact provide better service to Article 5 countries. There was preliminary evidence to suggest that they did, although he also noted that the level of service varied among regions.

58. The representative of UNEP agreed with the views expressed by the Senior Monitoring and Evaluation Officer and explained that direct policy and technical assistance was ongoing and generally involved contact with National Ozone Officers, in particular when they had been newly appointed. There was also direct support on a South-South cooperation basis.

59. Another member asked that the final report should show the proportion of funds and staff resources being allocated to the different CAP activities. He noted the limited number of conclusions in the desk study and asked that feedback be sought from Article 5 countries. He also suggested that reporting the statements of those interviewed might be of use.

60. Following the discussion of the evaluation issues and suggested work plan for submission to the 52nd Meeting of the Executive Committee, the Executive Committee took note of the information provided in the Desk Study on the Evaluation of the Compliance Assistance

Programme, as presented in document UNEP/OzL.Pro/ExCom/49/8, including the proposed evaluation issues and work plan for the second phase of the evaluation.

(b) Progress reports as at 31 December 2005

(i) Consolidated progress report

61. The Executive Committee considered the 2005 consolidated progress report of the Multilateral Fund (UNEP/OzL.Pro/ExCom/49/9), which was presented by the Secretariat. The document summarized the progress made and provided financial information on the implementation of projects and activities supported by the Fund up to 31 December 2005.

62. One member, after noting that Fund-supported projects had phased out 305,648 ODP tonnes of ODS, regretted that the successes achieved in RMPs had not been included. He said that targets met by the RMPs needed to be taken into account and suggested that, in order to do that, both CFC baselines and current CFC consumption needed to be included in the calculation.

63. Some members said that delays in project implementation did not necessarily lead to net increases in ODS emissions. They also questioned the methodology being used to calculate the “net ODS emissions due to delays”. The principal issue was whether such delays had a negative impact, and if in some countries where there were project implementation delays consumption of ODS had actually decreased.

64. The representative of the Secretariat explained that the successes achieved under the RMPs had already been calculated in a manner similar to the method being proposed. The results of that calculation were reflected in Table 9 of document UNEP/OzL.Pro/ExCom/49/6. A similar calculation had also been made for TPMPs. With respect to net emissions due to implementation delays, he said that the information was important in order to assess the effect of delays on a country’s compliance. However, because of decreased consumption or for other reasons, no requests for remedial action had been necessary. The present information based on “net emissions due to delays” would be reviewed by the Secretariat and the methodology used for the assessment, including whether or not there was a need for remedial action, would be addressed more comprehensively in the future.

65. Following the discussion, the Executive Committee decided:

- (a) To note the consolidated progress report of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/49/9;
- (b) To note the slow rate of project completion for the third consecutive year and the following rates of achievement of project completion: UNDP (45 per cent), UNEP (35 per cent), UNIDO (52 per cent), and the World Bank (70 per cent);
- (c) To consider the capacity of UNDP, UNIDO and the World Bank to deliver completed projects on time in the context of its review of administrative costs at its 50th Meeting;

- (d) To note that the Fund Secretariat would update the consolidated progress report database following clarification from bilateral and multilateral implementing agencies on remaining data issues; and
- (e) To request the Secretariat to provide a brief paper on how best to report on the ODS phase-out achieved within refrigerant management plans and the phase-out achieved in those other projects for which ODS phase-out was not fully reported.

(Decision 49/7)

(ii) Bilateral cooperation

66. The Executive Committee considered the progress report on bilateral cooperation for the year 2005 contained in document UNEP/OzL.Pro/ExCom/49/10, which was presented by the Secretariat.

67. The representative of the Syrian Arab Republic advised that the complete phase-out of the use of methyl bromide in Jordan (JOR/FUM/29/INV/54) had been approved in 1999 and that 287 tonnes had been phased out. He added that Jordan would continue to make further efforts towards total phase-out by December 2014 in accordance with the agreement with the Executive Committee and therefore requested that the project be removed from the list of projects with implementation delays. One member queried whether there was a need for additional status reports on countries for which reports had been submitted after the deadline. She suggested that it might be possible for the Secretariat to contact the agencies concerned directly whenever additional information was required. The representative of Australia informed that both Australia and Canada were seeking confirmation of the requirement to ban the use of virgin halon in the halon banking project in India (IND/HAL/32/TAS/281 and 278). She added that a further status report on the project would be submitted to the 50th Meeting of the Executive Committee to show the progress made so far. Another member asked for clarification on the relationship between additional status reports and projects with implementation delays.

68. The representative of the Secretariat said that the methyl bromide project in Jordan (JOR/FUM/29/INV/54) had originally been approved for four and a half years and that the completion date would need to be extended if the project was not to be considered as one with implementation delays. Although the calculations in the document before the Meeting were correct, it should be noted that complete phase-out was to be achieved by December 2014. He also explained that the rationale for status reports was to address those projects not subject to procedures for project cancellation. Some projects, such as RMPs and MYAs were not subject to cancellation and accordingly status reports were required in addition to the annual progress reports. Status reports were also required when there had been no response to questions on progress reports or where no progress report had been submitted. Projects classified with implementation delays were, however, subject to cancellation. If no progress was made in such projects over a period of three meetings, the project was subject to automatic cancellation.

69. One representative commented on the slow disbursement of funds and completion rates for projects supported by bilateral implementing agencies in comparison with those of

multilateral implementing agencies. Projects for which status reports were recommended accounted for 20 per cent of bilateral agencies' projects.

70. Having considered the need for additional status reports on projects with slow progress and the completion of the halon banking project in India (IND/HAL/32/TAS/281 and 278), being implemented by Australia and Canada, the Executive Committee decided:

- (a) To note with appreciation the progress reports submitted by the Governments of Australia, Canada, Finland, France, Germany, Italy, Japan, Spain and Sweden (UNEP/OzL.Pro/ExCom/49/10);
- (b) To note that the completion date for the phase-out of the use of methyl bromide in Jordan (JOR/FUM/29/INV/54) was December 2014;
- (c) To request the Governments of Portugal, Switzerland and the United States of America to submit their progress reports to the 50th Meeting of the Executive Committee;
- (d) To request the Governments of Canada, France, Germany, Italy, Japan, Sweden and Switzerland to submit reports on projects with implementation delays to the 50th Meeting of the Executive Committee;
- (e) To request the Governments of Australia and Canada to proceed with the completion of their components of the halon banking project in India (IND/HAL/32/TAS/281 and 278), having noted that several attempts had been made to secure the required regulations, and to request the submission of an additional status report on the project to the 50th Meeting of the Executive Committee; and
- (f) To request status reports on the following:
 - (i) Projects implemented by Australia:
 - Customs officers training project in the Federated States of Micronesia (FSM/REF/36/TAS/01);
 - Customs officers training project in Tuvalu (TUV/REF/36/TAS/02);
 - Customs officers training project in the Marshall Islands (MAS/REF/36/TAS/04);
 - Customs officers training project in Vanuatu (VAN/REF/36/TAS/02);
 - (ii) Projects implemented by Canada:
 - Customs officers training project in Benin (BEN/REF/32/TRA/08);
 - Environmental inspectors training project in Benin (BEN/REF/32/TRA/11);

(iii) Projects implemented by France:

- RMP activities in the Central African Republic (CAF/REF/34/TRA/09, TAS/10, TAS/11, and TRA/12);
- CTC phase-out plan in India (IND/PHA/42/INV/374 and IND/PHA/45/INV/387);
- Halon bank project in the Islamic Republic of Iran (IRA/HAL/38/TAS/49);
- RMP in Côte d'Ivoire (IVC/REF/24/TAS/10 and IVC/REF/37/TAS/16);
- Chiller project in Côte d'Ivoire (IVC/REF/37/INV/17);
- Recovery and recycling network in Lebanon (LEB/REF/23/TAS/21);
- Methyl bromide project in Morocco (MOR/FUM/29/INV/37);
- Recovery and recycling network in Morocco (MOR/REF/23/TAS/17);

(iv) Projects implemented by Germany:

- Recovery and recycling component of the RMP in the United Republic of Tanzania (URT/REF/36/TAS/14);
- Recovery and recycling component of the RMP in the Syrian Arab Republic (SYR/REF/30/TAS/59);
- CFC phase-out plan in Brazil: Customs officers training (BRA/PHA/37/TRA/260);
- CTC phase-out plan in India (IND/PHA/42/INV/375 and IND/PHA/45/INV/388);
- CFC phase-out plan (Servicing Sector) in India (IND/REF/42/INV/369);
- ODS phase-out plan in Mauritius (MAR/PHA/45/INV/16);
- Regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, United Republic of Tanzania and Zimbabwe) (AFR/HAL/35/TAS/29);
- Halon banking project in Algeria (ALG/HAL/35/TAS/51);
- Halon banking project in Nigeria (NIR/HAL/37/TAS/103);

(v) Projects implemented by Japan:

- TPMP in Mongolia (MON/PHA/47/INV/10);
- ODS phase-out project in Sri Lanka (SRI/PHA/43/TAS/26, 27, 28, and 29); and

(vi) Project implemented by Sweden:

- CFC phase-out plan in the former Serbia and Montenegro (YUG/PHA/43/TAS/22).

(Decision 49/8)

(iii) UNDP

71. The representative of UNDP presented UNDP's progress report on activities up to 31 December 2005 (UNEP/OzL.Pro/ExCom/49/11). During the presentation, he suggested that the performance indicators used by the Secretariat portrayed UNDP's performance less positively than UNDP's progress report. He also touched on the issue of overruns in UNDP's 2005 business plan, explaining that accounts for 2005 were closed and could not be reopened for adjustment. He went on to give an update on projects with slow progress, drawing attention to the halon banking project in Mexico (MEX/HAL/35/TAS/104), for which UNDP wished to reallocate remaining funds.

72. During the ensuing discussion, it was clarified that the development and interpretation of performance indicators had evolved according to Executive Committee decisions over the years. In relation to overruns in UNDP's business plan for 2005, the purpose of requesting an adjustment was not to reopen closed accounts, but rather to elucidate the cause of overruns to prevent them from recurring. Some concern was expressed with regard to the proposal by UNDP to reallocate funds within the halon banking project in Mexico without presenting a revised project proposal. Although it was argued on the one hand that there should be flexibility within halon projects, on the other hand it was pointed out that reports of mitigated success for such projects made it important to avoid setting a precedent that would allow implementing agencies to spend funds that might otherwise be saved on projects of dubious sustainability. In the interest of avoiding unnecessary delay, UNDP and Mexico were requested to provide the Meeting with a revised proposal for the halon banking project to be used as a basis for deciding whether to approve the proposed reallocation of funds. The revised proposal was annexed to document UNEP/OzL.Pro/ExCom/49/11/Add.1 issued during the Meeting.

73. Following the discussion, the Executive Committee decided:

- (a) To note UNDP's progress report contained in document UNEP/OzL.Pro/ExCom/49/11 and the revised proposal for the halon banking project in Mexico, contained in document UNEP/OzL.Pro/ExCom/49/11/Add.1;
- (b) To request status reports on the following projects, to be submitted to the 50th Meeting;
 - (i) ODS phase-out in Bangladesh (BGD/PHA/42/TAS/19);
 - (ii) Methyl bromide phase-out plan in Costa Rica (COS/FUM/43/INV/33);
 - (iii) National CFC phase-out plan in Panama (PAN/PHA/44/INV/22 and PAN/PHA/47/INV/24);
 - (iv) Terminal foam umbrella project in Argentina (ARG/FOA/38/INV/132);
 - (v) Country programme update in Nigeria (NIR/SEV/36/CPG/102);

- (vi) Regional halon bank West and Central Africa (Benin, Burkina Faso, Cameroon, Congo, Democratic Republic of the Congo, and Guinea) (AFR/HAL/37/TAS/31);
 - (vii) Halon banking in the Dominican Republic (DOM/HAL/38/TAS/32);
 - (viii) Halon banking activity in Egypt (EGY/HAL/32/TAS/81);
 - (ix) Monitoring of RMP in Burkina Faso (BKF/REF/34/TAS/13);
 - (x) Spare parts component of the RMP in Gabon (GAB/REF/41/TAS/11);
 - (xi) RMP activities in Haiti (HAI/REF/39/TAS/04 and HAI/REF/39/TAS/06);
 - (xii) Monitoring component of RMP in Togo (TOG/REF/38/TAS/05);
 - (xiii) Technician training component of the RMP in Honduras (HON/REF/44/TAS/15);
- (c) To note UNDP's intention to submit a status report to the 50th Meeting on the HCFC surveys under implementation that were due to be completed in December 2006, while encouraging UNDP to complete as many surveys as possible by the 50th Meeting;
 - (d) To approve the revised proposal for the halon banking project in Mexico (MEX/HAL/35/TAS/104) at the amount of US \$50,000 of the remaining balance of US \$70,218 for the project after considering the issue of the sustainability of the halon bank;
 - (e) To note that UNDP would report to the 50th Meeting on up to 31 projects with implementation delays, including six projects that were classified as such in 2004; and
 - (f) To urge UNDP to resolve the overrun issue in the context of the annual reconciliation of accounts to be submitted to the 50th Meeting.

(Decision 49/9)

(iv) UNEP

74. The representative of UNEP presented UNEP's progress report on activities up to 31 December 2005 (UNEP/OzL.Pro/ExCom/49/12), saying that the report gave an overview of CAP and clearing-house activities and achievements. She also informed the members of the Executive Committee that UNEP had been having some difficulty in providing financial data for the progress report, but would provide a revised financial report to the 50th Meeting.

75. Following the presentation by the representative of UNEP, the Executive Committee decided:

- (a) To note UNEP's progress report contained in document UNEP/OzL.Pro/ExCom/49/12;
- (b) To request that status reports be submitted to the 50th Meeting on the following individual institutional strengthening projects:
 - (i) Grenada (GRN/SEV/44/INS/07);
 - (ii) Myanmar (MYA/SEV/29/INS/02);
 - (iii) Uganda (UGA/SEV/13/INS/02);
 - (iv) Saint Kitts and Nevis (STK/SEV/21/INS/02 and STK/SEV/43/INS/05);
 - (v) Sudan (SUD/SEV/42/INS/16);
 - (vi) Somalia (SOM/SEV/36/INS/03);
- (c) To request that status reports be submitted to the 50th Meeting on the following individual refrigerant management plan projects:
 - (i) Honduras (HON/REF/44/TRA/16, HON/REF/44/TAS/17, and HON/REF/44/TAS/18);
 - (ii) Guatemala (GUA/REF/23/TAS/23, GUA/REF/35/TAS/24, GUA/REF/25/TAS/25, GUA/REF/35/TAS/26, and GUA/REF/35/TAS/27);
 - (iii) Paraguay (PAR/REF/32/TRA/07);
 - (iv) Brunei (BRU/REF/44/TAS/09 and BRU/REF/44/TRA/07);
 - (v) Yemen (YEM/REF/37/TRA/17 and YEM/REF/37/TRA/18);
 - (vi) PIC Strategy (ASP/REF/36/TAS/44);
 - (vii) Myanmar (MYA/REF/45/TAS/05);
 - (viii) Nicaragua (NIC/REF/45/TAS/15, NIC/REF/45/TAS/16, and NIC/REF/45/TRA/14);
- (d) To note that UNEP had 11 projects classified with implementation delays, including 9 projects that were so classified in 2005, and that a report on those projects should be submitted to the 50th Meeting; and

- (e) To request that UNEP submit a revised progress report eight weeks prior to the 50th Meeting with corrected financial information so that the report could be used for the reconciliation of accounts.

(Decision 49/10)

(v) UNIDO

76. The representative of UNIDO presented UNIDO's progress report on activities up to 31 December 2005 (UNEP/OzL.Pro/ExCom/49/13). During his presentation, he mentioned UNIDO's decision to present as incremental costs the purchase of equipment for the implementation of two methyl bromide projects (DOM/FUM/38/INV/33 and CUB/FUM/44/INV/29). He also requested guidance from the Executive Committee on how UNIDO might reorganize its CFC project for the former Serbia and Montenegro following Montenegro's independence.

77. In the ensuing discussion, there was an exchange of views regarding the eligibility of classifying certain purchases as incremental costs. Although the Executive Committee noted the clarification provided by UNIDO on the purchase of equipment for Cuba and the Dominican Republic, it was pointed out that the flexibility built into MYAs should not be interpreted as a general licence to disburse funds. It was important to ensure that only those expenditures that were truly necessary for phase-out, despite not having been foreseen during initial project planning, were classified as incremental costs. It might therefore be appropriate for the Executive Committee to establish further guidelines to that effect, including the requirement for implementing agencies to consult the Executive Committee in the event of uncertainty with regard to the incremental nature of costs associated with project purchases.

78. Following the discussion, the Executive Committee decided:

- (a) To note UNIDO's progress report contained in document UNEP/OzL.Pro/ExCom/49/13;
- (b) To request additional status reports on the following projects to be submitted to the 50th Meeting:
 - (i) National CFC phase-out plan in the former Serbia and Montenegro (YUG/PHA/43/TAS/23);
 - (ii) Terminal foam umbrella project in China (CPR/FOA/35/INV/379);
 - (iii) National CFC phase-out plan in the Libyan Arab Jamahiriya (LIB/PHA/45/INV/25);
 - (iv) ODS phase-out plan in Bosnia and Herzegovina (BHE/PHA/41/INV/16 and BHE/PHA/44/INV/21);
 - (v) Methyl bromide phase-out project in Guatemala (GUA/FUM/38/INV/29);

- (vi) Methyl bromide project in Zimbabwe (ZIM/FUM/31/INV/21);
 - (vii) Methyl bromide workshops in El Salvador (ELS/FUM/45/TAS/18), Madagascar (MAG/FUM/45/TAS/09), Moldova (MOL/FUM/45/TAS/13), Nicaragua (NIC/FUM/45/TAS/12), Pakistan (PAK/FUM/45/TAS/63), and Venezuela (VEN/FUM/45/TAS/104);
 - (viii) Halon banking project in Pakistan (PAK/HAL/41/TAS/55);
 - (ix) CTC/TCA workshops in Oman (OMA/SOL/45/TAS/11), Tunisia (TUN/SOL/45/TAS/45), Morocco (MOR/SOL/45/TAS/53), and Ethiopia (ETH/SOL/45/TAS/15);
 - (x) Institutional strengthening in Bosnia and Herzegovina (BHE/SEV/43/INS/19);
 - (xi) Institutional strengthening in the Libyan Arab Jamahiriya (LIB/SEV/32/INS/04);
- (c) To note that UNIDO would report to the 50th Meeting on up to 23 projects with implementation delays in 2005, including eight projects that were classified as such in 2004;
 - (d) To confirm that the flexibility inherent in multi-year agreements should be exercised in accordance with Multilateral Fund rules and guidelines, unless otherwise authorized by the Executive Committee, and to request implementing agencies, consistent with subparagraphs (e) and (f)(i) of decision 46/37, to refer funding proposals to the Executive Committee in advance, in the event of doubt regarding the incremental nature of the associated costs; and
 - (e) To note that UNIDO had indicated that a plan for the sustainability of the halon bank in the Libyan Arab Jamahiriya, required by decision 47/11, would be submitted to the 50th Meeting.

(Decision 49/11)

(vi) World Bank

79. The representative of the World Bank presented the implementing agency's progress report on activities up to 31 December 2005 (UNEP/OzL.Pro/ExCom/49/14). She explained that her agency's view on the definition of a project's completion date differed. The World Bank considered that project completion was dependent on achievement of the performance targets in the agreement concluded between the country and the Executive Committee, and not on the completion of activities funded by the annual tranche of the multi-year agreement (MYA). She clarified how flexibility in allowing countries to reallocate funds from tranches of MYAs was treated in MYAs being implemented by the World Bank.

80. The representative of the Secretariat pointed out that the Executive Committee had already defined a project's completion date in several past decisions. He reminded members that activities in MYAs had to be consistent with the guidelines for incremental costs and relevant decisions of the Executive Committee. Regarding the recording of disbursements in progress reports, the implementing agencies were required to report disbursements only; obligations were reported separately. The World Bank, however, appeared to be reporting in a manner that was inconsistent with the long-established definitions in the progress report.

81. The representative of the World Bank stated that the agency's methodology for recording disbursements was part of its agreement with China.

82. Regarding the guidelines for halon banking, in decision 18/22, the Executive Committee had stipulated that bans on the import of controlled halons should be established within six months of the setting-up of a reclamation centre. Members, however, felt it important to clarify that the halons covered by such a ban would be newly-produced or virgin halons. Other members wished to make it clear that "setting-up" a facility included the initiation of operations.

83. Addressing the issue of reporting on MYAs, one member felt that, given that the main purpose of MYAs was ODS reduction, not simply the activities undertaken, more information was required on the impact of balances held from annual tranches of MYAs classified as completed, and also on delays in the completion of activities of annual tranches where countries had achieved the ODS phase-out targets in the agreement. Another member said that her delegation agreed with the World Bank that completion was dependent on the performance indicators specified in the MYAs, not on the final physical and financial completion of each of the activities. The provisions on the roles and responsibilities of the implementing agency in the approved agreements should be the basis for assessing the indicators, therefore, she proposed that no new requirements beyond those in the agreements be added as long as the performance indicators in the agreements were met.

84. The representative of the Secretariat emphasized that the issue had been addressed in previous meetings of the Executive Committee and decisions had been taken with respect to the requirements for reporting on MYAs.

85. Following the discussion, the Executive Committee decided:

- (a) To note the World Bank's progress report contained in document UNEP/OzL.Pro/ExCom/49/14;
- (b) To request that the World Bank define completion dates according to the completion of activities associated with annual tranches and submit them to the Executive Committee for approval at its 50th Meeting for those annual tranches for which funds still had to be disbursed;
- (c) To request that additional status reports on the following projects be submitted to the 50th Meeting:
 - (i) CFC phase-out plan in the Philippines (PHI/PHA/47/INV/79);

- (ii) CFC phase-out plan in Antigua and Barbuda (ANT/PHA/44/INV/10);
 - (iii) CFC phase-out plan in Mexico (MEX/PHA/45/INV/124);
 - (iv) Methyl bromide alternatives demonstration project in Argentina (ARG/FUM/29/DEM/93);
 - (v) Halon banking project in Argentina (ARG/HAL/26/TAS/80);
 - (vi) Halon banking project in Turkey (TUR/HAL/38/TAS/80);
 - (vii) Halon banking project in Indonesia (IDS/HAL/27/TAS/107);
- (d) To request the World Bank to indicate how it planned to address the savings identified for China's CFC foam and halon phase-out plans (CPR/FOA/44/INV/424 and CPR/HAL/47/INV/433 respectively) in its request for funding for the next tranche of the agreements;
- (e) To note that the World Bank would report to the 50th Meeting on a total of 16 projects with implementation delays, including nine projects that were classified as such in 2004;
- (f) To urge the World Bank to ensure that halon banking guidelines were implemented, notably the requirement that regulations facilitating bans on the production of halons and imports of newly-produced halons were established within six months after the reclamation centre had been set up and had become operational, as provided in decision 18/22(a)(v);
- (g) To request that in future progress reports the World Bank report on disbursement of funds for multi-year phase-out agreements, in particular in China, according to the definition of "funds disbursed" established in the progress report guidelines, which should also form the basis for reporting on all projects; and
- (h) To request the Secretariat, in cooperation with the implementing agencies, to prepare a paper for submission to the 50th Meeting of the Executive Committee on the issues raised in subparagraphs (b) and (g) above.

(Decision 49/12)

(c) Evaluation of the implementation of the 2005 business plans

86. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/49/15/Rev.1, which contained an evaluation of the performance of the implementing agencies in respect of their 2005 business plans. It included two annexes that presented other performance indicators, previously adopted by the Executive Committee, which the Fund Secretariat was continuing to track. He pointed out that, in 2005, when large reductions in baseline levels were required for the major groups of controlled substances, the implementing agencies had met their targets for achieving the milestones in their MYAs and for phasing out a

larger amount of ODS than in the previous year. Overall, the evaluation showed that the performance of the agencies was largely comparable to, or an improvement on, their 2004 performances.

87. Following consideration of the document, the Executive Committee decided to note the evaluation of the performance of the implementing agencies in relation to their 2005 business plans, as contained in document UNEP/OzL.Pro/ExCom/49/15/Rev.1, as well as the largely sustained and overall improved performance of the agencies.

(Decision 49/13)

(d) Project implementation delays

88. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/49/16, which contained a report on project implementation delays, delayed projects in countries with related compliance issues, and an agreed project cancellation. The Meeting was informed that US \$18,000 had been disbursed for the terminal halon-1211 and halon-1301 phase-out umbrella project being implemented by the World Bank in Jordan (JOR/HAL/32/INV/69) but was not reflected in the document before the Committee. In addition, one member, on behalf of the Government of Cuba informed the Executive Committee that the project to phase out CFC-12 in the manufacture of insecticides and technical aerosols in Cuba (CUB/ARS/34/INV/18), implemented by UNDP, had been completed and only the final report was outstanding. Furthermore, a memorandum of understanding had been signed for the national phase-out plan for Annex A Group I substances (CFCs) (first tranche) in Panama (PAN/PHA/44/TAS/23), implemented by UNEP. Given the visible progress, it would not be necessary to send out letters of possible cancellation for the three above-mentioned projects.

89. With regard to two delayed projects for which reports were pending (the phase-out of CFC-12 in the manufacture of extruded polystyrene foams in China, and the development of guidelines to promote safety in aerosol conversions, implemented by UNIDO and UNEP respectively), representatives of the implementing agencies informed the Executive Committee that reports would be submitted to its 50th Meeting.

90. Following a discussion, the Executive Committee decided to note:

- (a) With appreciation, the reports on projects with implementation delays submitted to the Secretariat by France, Italy, Sweden and the four implementing agencies, as contained in document UNEP/OzL.Pro/ExCom/49/16;
- (b) 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;

- (c) The completion of four of the 38 projects listed with implementation delays;
- (d) That letters of possible cancellation should be sent for the following projects:

Agency	Code	Project Title
World Bank	PAK/FOA/23/INV/20	Umbrella project: Conversion to CFC-free technology in the manufacture of rigid polyurethane foam (thermoware) in Pakistan.
World Bank	PAK/FOA/25/INV/25	Terminal umbrella: Conversion to HCFC-141b and water blown technology in the manufacture of rigid polyurethane foam (thermoware) in Pakistan.
World Bank	TUR/FUM/31/INV/69	Phase-out of methyl bromide in the dried fig sector in Turkey.

- (e) The cancellation of the methyl bromide project preparation in India (IND/FUM/39/PRP/360) by mutual agreement between UNIDO and India and request the return, at the 50th Meeting of the Executive Committee, of the balance of remaining funds.

(Decision 49/14)

(e) Annual tranche submission delays

91. The representative of the Secretariat introduced the report on delays in annual tranche submissions (UNEP/OzL.Pro/ExCom/49/17). It was the second time that a document on this issue had been presented. At the 48th Meeting, the Fund Secretariat had requested implementing agencies to identify any annual tranches for which due dates might need to be changed and to provide reasons for the changes. Some recommendations for changes to due dates had been deferred pending receipt of letters from the countries concerned consenting to the changes. The document presented the newly-agreed submission dates for consideration and possible approval by the Executive Committee.

92. Following a discussion on the requests for changes in due dates, the Executive Committee decided:

- (a) To note the information on annual tranches of multi-year agreements (MYAs) submitted to the Secretariat by Germany, UNDP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/49/17);

- (b) To agree to the changes in due dates for specific annual tranches as indicated in the following table;

Country	Agency	Project Title	Tranches	Proposed Change	Reason for Change	49th Meeting Submission
Bangladesh	UNDP	National ODS phase-out plan	2007 due in 2007	Second Meeting	To accommodate time required to complete performance verification of the previous year.	Request for the release of all tranches at the 52nd Meeting.
Bangladesh	UNEP	National ODS phase-out plan	2007 due in 2007	Second Meeting	To accommodate time required to complete performance verification of the previous year.	Request for the release of all tranches at the 52nd Meeting.
Lebanon	UNDP	National phase-out management plan for Annex A – Group I substances (CFCs)	2007 due in 2007	Second Meeting	To accommodate time required to complete performance verification of the previous year.	Letter received.
Mauritius	Germany	Implementation of an ODS terminal phase-out management plan	2005	Third Meeting	Lack of necessary funds for next tranche.	Germany indicated that the words in the letter from the Government, "later in 2006", meant the third meeting of the year.
Lesotho	Germany	Terminal CFC phase-out management plan	2005	Third Meeting	Lack of necessary funds for next tranche.	Germany indicated that the words in the letter from the Government, "later in 2006", meant the third meeting of the year.

- (c) To note that 13 of the 17 annual tranches of MYAs that were due for submission were submitted on time to the 49th Meeting; and
- (d) To note that letters should be sent to implementing agencies and the relevant Article 5 Governments for the following annual tranches due for submission to the 49th Meeting but not submitted for the reasons indicated below and to encourage them to submit these annual tranches to the 50th Meeting:

Country	Agency	Project Title	Annual Tranche	Reason for Delay
Kenya	Germany	Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture	2006	Need to submit along with the companion UNDP project.
Libyan Arab Jamahiriya	UNIDO	National phase-out plan	2006	Pending verification report.
The Former Yugoslav Republic of Macedonia	UNIDO	Terminal phase-out management plan for CFCs	2006	Pending verification report.

(Decision 49/15)

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

93. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/49/18 on the implementation of approved projects with specific reporting requirements. The document contained reports on the implementation of projects to phase out methyl bromide in Cuba, Ghana, Indonesia, Mexico, Sri Lanka, Uganda and Zimbabwe. It included summaries of the progress achieved to date, comments by the Secretariat, responses received from implementing agencies, and the Secretariat's recommendations.

94. Following consideration of the information provided, the Executive Committee decided to take note of the progress reports on:

- (a) Implementation of the total phase-out of methyl bromide in soil, substrate, storage and structure fumigation in Cuba (CUB/FUM/44/INV/29), on the understanding that UNIDO would submit a detailed progress report on the implementation of the project to the 51st Meeting of the Executive Committee;
- (b) The training programme for terminal phase-out of methyl bromide use, excluding quarantine and pre-shipment applications, in Ghana (GHA/FUM/37/TRA/18), on the understanding that UNDP would submit the project completion report prior to the 51st Meeting of the Executive Committee;
- (c) The implementation of the phase-out of methyl bromide use in grain storage in Indonesia (IDS/FUM/26/DEM/94);
- (d) The technical assistance project to comply with the 20 per cent phase-out of methyl bromide in Mexico in 2005 (MEX/FUM/42/TAS/118, 121 and 122);
- (e) The alternatives to methyl bromide for eradication of tea nematodes (SRL/FUM/27/DEM/13) and methyl bromide phase-out for all remaining uses, excluding quarantine and pre-shipment applications (SRL/FUM/38/TAS/21), in Sri Lanka, on the understanding that UNDP would submit relevant project completion reports prior to the 51st Meeting of the Executive Committee;
- (f) The implementation of the phase-out of methyl bromide in cut flowers in Uganda (UGA/FUM/34/INV/08); and
- (g) The implementation of the phase-out of methyl bromide in cut flowers in Zimbabwe (ZIM/FUM/31/INV/21), on the understanding that UNIDO would submit a project completion report prior to the 51st Meeting of the Executive Committee.

(Decision 49/16)

AGENDA ITEM 7: PROJECT PROPOSALS

(a) Overview of issues identified during project review

95. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/49/19 and Add.1, containing an overview of issues identified during project review and the list of projects and activities recommended for blanket approval.

Request for change of technology

96. The representative of the Secretariat drew attention to paragraphs 5 to 9 of the overview paper. He indicated that UNDP had submitted a proposal to change the technology in a foam project in the Libyan Arab Jamahiriya approved at the 35th Meeting at the amount of some US \$520,000. UNDP proposed to complete the conversion of the enterprise by changing to methylene chloride technology and returning the purchased equipment to the supplier with the intention of recovering the maximum possible portion of the equipment cost against its' return. He added that the equipment was largely custom-built and cost recovery could be minimal, but there appeared to be no other option for achieving phase-out at the enterprise concerned or for making use of the equipment for any other Multilateral Fund projects. He indicated that the proposal was consistent with the provisions of decision 22/69 on change of technology after project approval and decision 32/25 concerning the return of any funds earmarked for licence fees, in this case US \$50,000.

97. Following a discussion, the Executive Committee decided:

- (a) To approve UNDP's request for a change in technology for the project "Phase-out of CFC-11 by conversion to liquid carbon dioxide (LCD) in the manufacture of flexible polyurethane foam at El Houria Unit Plant" in the Libyan Arab Jamahiriya; and
- (b) To note the intention of UNDP to return the US \$50,000 for licence fees plus support costs prior to the 50th Meeting and, upon completion of the project, to return any additional funds recovered by UNDP from the return of the equipment to the supplier of LCD technology.

(Decision 49/17)

List of projects and activities recommended for blanket approval

98. The representative of the Secretariat drew members' attention to the list of projects and activities recommended for blanket approval presented in Annex I to documents UNEP/OzL.Pro/ExCom/49/19 and Add.1. The list contained 35 activities in 23 countries to phase out over 780 ODP tonnes of production and consumption at a cost of US \$6.7 million.

99. The Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the level of funding indicated in Annex II to the present report, together with the conditions or provisos included in the corresponding project evaluation sheets and those conditions attached to projects by the Executive Committee;
- (b) To approve the agreement between the Government of Grenada and the Executive Committee for the terminal phase-out management plan contained in Annex III to the present report;
- (c) To approve the amended agreement between the Democratic People's Republic of Korea and the Executive Committee for the phase-out of the ozone-depleting substance carbon tetrachloride contained in Annex IV to the present report; and
- (d) That 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 V to the present report.

(Decision 49/18)

(b) Bilateral cooperation

100. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/49/20 and Add.1, which contained a review of four requests for bilateral cooperation addressed to the 49th Meeting of the Executive Committee by the Governments of Canada, France and Germany. He indicated that the requests from Canada for the preparation of a terminal phase-out management plan (TPMP) in Benin and technical assistance to phase out the use of methyl bromide in Trinidad and Tobago, and from France for the preparation of a TPMP for CFCs in Lao People's Democratic Republic, had been subject to blanket approval under agenda item 7(a), "Overview of issues identified during project review" (UNEP/OzL.Pro/ExCom/49/19 and Add.1).

101. The request recommended for individual consideration was from France, for project preparation for a TPMP in the Seychelles. As a letter had been received from the Government of the Seychelles confirming Germany as the implementing agency for the TPMP funded by the Government of France, the representative of the Secretariat stated that the project could also be recommended for approval.

102. The representative of the Secretariat also stated that all requests fell within the 20 per cent allocation for 2006 for all countries except Germany. Germany had already received approval for annual tranches of MYAs that had fully utilized its 2006 allocation and some of its 2007 allocation.

103. Taking into account the fact that Germany's bilateral cooperation exceeded 20 per cent of its 2006 contribution in the current replenishment period, the Executive Committee decided:

- (a) To continue to inform the Meeting of the Parties of cases where bilateral cooperation exceeded 20 per cent of its 2006 contribution in the current replenishment period, in particular where they relate to commitments for existing multi-year agreements;
- (b) To approve the proposal from France for the preparation of a terminal phase-out management plan for CFCs in the Seychelles at the level of funding indicated in Annex II to the present report; and
- (c) To request the Treasurer to offset the costs of the bilateral projects approved at the 49th Meeting, in the light of decisions 48/18 and 49/29 as follows:
 - (i) US \$47,460 against the balance of Canada's bilateral contribution for 2006;
 - (ii) US \$651,500 against the balance of France's bilateral contribution for 2006; and
 - (iii) US \$357,500 against Germany's bilateral contribution for 2007.

(Decision 49/19)

(c) Amendments to work programmes for 2006

(i) UNDP

104. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/49/21 containing UNDP's work programme amendments. The representative of the Secretariat indicated that five activities had been submitted by UNDP, comprising three proposals for preparation of TPMPs in LVC countries and two requests for renewal of institutional strengthening projects. All of the proposals had been recommended for blanket approval and had therefore been considered under agenda item 7(a). There were no other issues for consideration.

(ii) UNEP

105. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/49/22 containing UNEP's work programme amendments. UNEP had submitted 23 activities, including 11 requests for renewal of institutional strengthening projects, and one request for institutional strengthening start-up funding. Twelve of the activities were recommended for blanket approval and had been considered under agenda item 7(a) "Overview of issues identified during project review". Three activities associated with phase-out plans would be discussed

under agenda item 7(d) “Investment projects”. Two activities for a new Party and six proposals for renewal of institutional strengthening projects were for individual consideration.

Equatorial Guinea: institutional strengthening start-up funding

Equatorial Guinea: project preparation for a country programme/RMP

106. The representative of the Secretariat advised that UNEP had requested funding to prepare a country programme/RMP and to start up an institutional strengthening project for Equatorial Guinea. He said that, although UNEP had been informed that the country had deposited its instrument of ratification of the Montreal Protocol, the United Nations depositary had not yet received the instrument. This was also confirmed by the representative of the Ozone Secretariat.

107. Following a discussion, the Executive Committee decided to approve the institutional strengthening start-up funding and the project preparation funding for a country programme/refrigerant management plan for Equatorial Guinea at the level of funding indicated in Annex II to the present report, on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations.

(Decision 49/20)

Benin: (phase V) renewal of institutional strengthening project

108. The representative of the Secretariat indicated that the request had been submitted for individual consideration because, at the time the proposal had been reviewed, Benin had not submitted its report on the implementation of its country programme in 2005. Receipt of the country programme data and the information in that report was a prerequisite for recommendation for blanket approval from the Secretariat. However, a report containing the required consumption data had subsequently been received by the Secretariat and the Committee might wish to approve the funding request.

109. The Executive Committee decided to approve the renewal of the institutional strengthening project in Benin at the level of funding indicated in Annex II to the present report, together with the views expressed by the Executive Committee on the renewal of institutional strengthening projects in Annex V.

(Decision 49/21)

Kiribati: (phase II) renewal of institutional strengthening project

Federated States of Micronesia: (phase II) renewal of institutional strengthening project

Palau: (phase II) renewal of institutional strengthening project

Solomon Islands: (phase II) renewal of institutional strengthening project

Tonga: (phase II) renewal of institutional strengthening project

110. The representative of the Secretariat indicated that UNEP had submitted a request for renewal of institutional strengthening projects for Kiribati, Federated States of Micronesia, Palau, the Solomon Islands, and Tonga. The compliance needs of those five countries were being addressed through a regional strategy for Pacific Island Countries (PIC strategy), which

had been approved at the 36th Meeting and extended at the 44th Meeting, with the objective of phasing out ODS consumption by the end of 2005. The activities under the PIC strategy had not all been completed and as yet no overall report on implementation of the strategy had been submitted.

111. One member expressed concern that a number of the countries under consideration had not yet put legislation in place to control imports of ODS and had not yet phased out ODS consumption.

112. Following a discussion, the Executive Committee decided:

- (a) To approve, on an exceptional basis, funding for one year only for extension of the institutional strengthening projects for the five Pacific Island Countries at an amount pro-rated from the initial level of funding approved at the 36th Meeting, namely: US \$7,666 for Kiribati, US \$11,333 for Federated States of Micronesia, US \$11,333 for Palau, US \$6,833 for the Solomon Islands and US \$6,566 for Tonga together with the views expressed by the Executive Committee on the renewal of institutional strengthening projects in Annex V;
- (b) To urge UNEP to work closely with the countries concerned to facilitate reporting of consumption data as soon as possible and to enable them to meet the annual reporting requirements under the Pacific Island Countries regional strategy (decision 36/27 (c));
- (c) To request UNEP, in conjunction with the Government of Australia, if relevant, to submit the following no later than the 51st Meeting:
 - (i) A comprehensive report on the implementation of the Pacific Island Countries strategy to date covering all the countries concerned; and
 - (ii) An integrated proposal detailing any potential extension of assistance under the Multilateral Fund to all the countries covered by the Pacific Island Countries strategy, including all the institutional strengthening projects, in the light of relevant Executive Committee decisions and guidelines. The proposal should also include other projects that might be submitted under bilateral assistance.

(Decision 49/22)

(iii) UNIDO

113. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/49/23 containing UNIDO's work programme amendments. The four activities submitted for funding included one request for renewal of an institutional strengthening project. Three activities were recommended for blanket approval and had been considered under agenda item 7(a) "Overview of issues identified during project review". One request for approval of the second year of an institutional strengthening project had been submitted for individual consideration.

Qatar: Renewal of institutional strengthening project: phase II (second year)

114. The representative of the Secretariat presented the proposal for funding the second year of phase II of the institutional strengthening project for Qatar. The current project had been approved at the 41st Meeting for one year only as the country had been declared in non-compliance under decision XV/41 of the Parties. Qatar had subsequently reported consumption data for 2003 which indicated that it had returned to compliance, and data submitted under Article 7 for 2005 had shown further reductions. However, Qatar had not provided a country programme report for 2005.

115. Following a discussion, the Executive Committee decided to approve funding for the second year of phase II of the institutional strengthening project for Qatar at the level of funding indicated in Annex II to the present report, on the understanding that funds would not be disbursed until Qatar had submitted a country programme report for 2005.

(Decision 49/23)

(d) Investment projectsFumigantSyrian Arab Republic: Methyl bromide national phase-out plan (soil fumigation)
(UNIDO) (UNEP/OzL.Pro/ExCom/49/33)

116. The representative of the Secretariat indicated that, on behalf of the Government of the Syrian Arab Republic, UNIDO had submitted a national methyl bromide phase-out plan at a total cost of US \$410,371 plus agency support costs. Implementation of the project would result in the complete phase-out of methyl bromide in soil fumigation by the end of 2009. The proposed project proposal was to phase out 43 ODP tonnes of methyl bromide used as a soil fumigant in protected cultivated crops. As only 8.0 ODP tonnes of methyl bromide were eligible for funding, the project had been prepared as a technical assistance programme rather than as an investment phase-out project. All policy issues had been resolved and there was agreement on the incremental costs of the project.

117. The Executive Committee decided:

- (a) To approve the methyl bromide national phase-out plan (soil fumigation) for the Syrian Arab Republic (UNEP/OzL.Pro/ExCom/49/33), at the amount of US \$240,000 plus agency support costs of US \$21,600 for UNIDO; and
- (b) To approve the revised agreement between the Government of the Syrian Arab Republic and the Executive Committee for the complete phase-out of methyl bromide contained in Annex VI to the present report.

(Decision 49/24)

Phase-out plans

Democratic Republic of the Congo: National CFC phase-out plan (first tranche)
(UNDP/UNEP) (UNEP/OzL.Pro/ExCom/49/24)

118. The representative of the Secretariat said that UNEP, as the lead implementing agency, had submitted a national CFC phase-out plan to the meeting on behalf of the Government of the Democratic Republic of Congo. The project would also be implemented with the assistance of UNDP. The phase-out plan had been prepared taking into consideration the sub-projects under the RMP project approved by the Executive Committee at its 41st Meeting. All policy issues had been resolved and there was agreement on the incremental costs of the phase-out plan.

119. Following a discussion, the Executive Committee decided:

- (a) To approve, in principle, the national CFC phase-out plan for the Democratic Republic of the Congo (UNEP/OzL.Pro/ExCom/49/24), at the amount of US \$625,000, plus agency support costs of US \$25,313 for UNDP and US \$37,375 for UNEP;
- (b) To approve the agreement between the Government of the Democratic Republic of the Congo and the Executive Committee for the implementation of the national phase-out plan as contained in Annex VII to the present report; and
- (c) To approve the first tranche of the national CFC phase-out plan at the amount of US \$193,750 plus support costs of US \$14,531 for UNDP and US \$143,750 plus support costs of US \$18,688 for UNEP.

(Decision 49/25)

Croatia: Terminal CFC phase-out management plan (fourth tranche) (UNIDO and Sweden) (UNEP/OzL.Pro/ExCom/49/26)

120. The representative of the Secretariat indicated that, on behalf of the Government of Croatia, UNIDO had submitted a funding request for the fourth, fifth and sixth tranches of the terminal CFC phase-out management plan. An amendment to the agreement had subsequently been submitted combining the fourth, fifth and sixth tranches into one.

121. One member said that by approving multiple tranches for the terminal CFC phase-out management plan, the Executive Committee had left itself little leeway if Croatia failed to meet its phase-out targets.

122. Following a discussion, the Executive Committee decided:

- (a) To approve the revised Agreement between the Government of Croatia and the Executive Committee as contained in Annex VIII to the present report; and

- (b) To approve the fourth tranche of the terminal CFC phase-out management plan at the amount of US \$20,200 with associated support costs of US \$1,515 for UNIDO as indicated in Annex II to the present report, on the understanding that UNIDO would provide annual reports confirming the achievement of the agreed consumption targets and that all activities relevant for that period, as foreseen in the implementation plan, had been completed.

(Decision 49/26)

Syrian Arab Republic: National CFC phase-out plan (UNIDO)
(UNEP/OzL.Pro/ExCom/49/33)

123. The representative of the Secretariat advised that UNIDO had submitted a national CFC phase-out plan on behalf of the Government of the Syrian Arab Republic, at an agreed cost of US \$754,050 plus agency support costs. The implementation of the plan would lead to the phase-out of the remaining consumption of Annex A, Group I substances, i.e. CFCs. As a result of the activities proposed in the national phase-out plan, the use of CFCs would be gradually reduced and the Syrian Arab Republic would achieve the 85 per cent reduction target in 2007 and zero consumption by 2010.

124. The Executive Committee decided:

- (a) To approve, in principle, the national CFC phase-out plan for the Syrian Arab Republic at the amount of US \$754,050 plus agency support costs of US \$56,554 for UNIDO;
- (b) To approve the agreement between the Government of the Syrian Arab Republic and the Executive Committee for the implementation of the national CFC phase-out plan as indicated in Annex IX to the present report; and
- (c) To approve the 2006-2007 annual implementation programme and associated first tranche of the plan at the amount of US 430,000 plus support costs of US \$32,250 for UNIDO.

(Decision 49/27)

Tunisia: National ODS phase-out plan (World Bank) (UNEP/OzL.Pro/ExCom/49/35)

125. The representative of the Secretariat indicated that the World Bank had submitted a national ODS phase-out plan on behalf of the Government of Tunisia at an agreed cost of US \$1,135,395 plus agency support costs. The implementation of the plan would lead to the phase-out of the remaining consumption of Annex A, Group I substances, i.e. CFCs, in the aerosol, foam manufacturing and refrigeration servicing sectors, and would address the introduction of non-CFC metered-dose inhalers into Tunisia. A technical assistance programme was also included for the halon sector. With support under the plan, Tunisia would achieve the 2007 and 2010 reduction targets for CFCs and halons.

126. As required by decision 44/8, the Secretariat had sought additional information on the implementation modalities of the halon phase-out programme, in particular information regarding the sustainability of the component specified as recovery and recycling. While such information had not been available when document UNEP/OzL.Pro/ExCom/49/35 was issued, the Secretariat had in the meantime received sufficient information from the World Bank to determine that the intent of decision 44/8 had been fulfilled.

127. One member pointed out that, by approving the national ODS phase-out plan with its specific payment schedule ending with a tranche in 2008, the Executive Committee had left itself little leeway if Tunisia failed to meet its phase-out targets.

128. The representative of UNIDO said that UNIDO had originally received project preparation funds to prepare an RMP for Tunisia but was no longer associated with the refrigeration servicing sector part of the final national phase-out plan for Tunisia as prepared by the World Bank. The representative of UNIDO expressed his concern regarding the low level of inter-agency cooperation in that process and said that, as the RMP component was no longer needed, UNIDO would replace it with another activity in its 2006 business plan.

129. After a discussion, the Executive Committee decided:

- (a) To note that UNIDO would replace the refrigerant management plan component in its 2006 business plan with another activity at a later date;
- (b) To approve, in principle, the national ODS phase-out plan for Tunisia at the amount of US \$1,135,395 plus agency support costs of US \$85,155 for the World Bank;
- (c) To approve the Agreement between the Government of Tunisia and the Executive Committee for the implementation of the national ODS phase-out plan as contained in Annex X to the present report; and
- (d) To approve the first tranche of the plan for the 2006-2007 annual implementation programme at the amount of US \$790,000 plus support costs of US \$59,250 for the World Bank, on the understanding that the report covering its implementation, to be submitted with the request for a second tranche, would include a detailed account of the institutional set-up, in particular the monitoring and reporting responsibilities, and cover the 2007 CFC and halon consumption data.

(Decision 49/28)

India: CTC phase-out for the consumption and production sectors: 2006 annual programme (France, Germany, Japan, UNIDO, World Bank) (UNEP/OzL.Pro/ExCom/49/29 and Add.1)

130. The representative of the Secretariat advised that the World Bank had submitted a funding request for the 2006 annual programme of the CTC phase-out plan for the consumption and production sectors on behalf of the Government of India, and was requesting

US \$11,644,461 including associated support costs for implementation. The World Bank submission also included verification of the achievement of the 2005 annual programme, which was mandatory under the agreement for the release of funding in 2006. The objective of verification was to confirm that CTC production and consumption of controlled uses in 2005 had not exceeded the maximum allowable limits set out under the Agreement. However, the results of the verification had raised a number of questions regarding the interpretation of the definitions of production and consumption under the Montreal Protocol and the treatment of about 800 metric tonnes of overproduction of CTC in 2005, bearing in mind the recommendations of the 26th Meeting of the Open-Ended Working Group on the treatment of ODS stockpiles.

131. Following a discussion, the Committee agreed to reconstitute the Subgroup on Production, composed of Australia, Brazil, Burundi, India, Italy, Sweden, the Syrian Arab Republic and the United States of America, and asked Australia to facilitate the discussion and report back to the Executive Committee. Representatives of the Ozone Secretariat, the World Bank and the other implementing agencies attended as observers. The Committee also asked the Subgroup to consider the World Bank's request, made on behalf of China, to exceed the CFC export limit set in the accelerated phase-out programme to enable export of CFCs required for MDIs as essential use applications (UNEP/OzL.Pro/ExCom/49/Inf.2), originally to be considered under agenda item 14 "Other matters".

132. The representative of Australia, speaking as facilitator, presented the results of the Subgroup's deliberations on the CTC phase-out plan for the consumption and production sectors in India.

133. Following the presentation, the Executive Committee decided:

- (a) To note the verification of the 2005 work programme for the India CTC phase-out plan provided by the World Bank;
- (b) To approve the 2006 annual work programme at a total cost of US \$10,755,313 plus associated support costs of US \$889,148, and the subsequent distribution between the World Bank and the bilateral and multilateral agencies of US \$9,556,267 plus US \$716,720 as support costs for the World Bank; US \$500,000 plus US \$85,000 as support costs for France; US \$300,000 plus US \$57,500 as support costs for Germany; and US \$399,046 plus US \$29,928 as support costs for UNIDO;
- (c) To request the World Bank to ensure that the verification of the 2006 work programme examined the 801 metric tonnes of increased CTC stock in 2005 and to report on its use in 2006;
- (d) To note that the approval of the 2006 annual programme and associated funding was without prejudice to any decisions that might be taken by the Meeting of the Parties regarding compliance issues arising from the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years;

- (e) That, should the Meeting of the Parties take a decision on the issue of the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years, the Executive Committee would consider the relevance of that decision with respect to India's CTC phase-out agreement and take action as appropriate;
- (f) To request the Government of India and the World Bank to take into account any future decision by the Meeting of the Parties concerning the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years when implementing and reporting on the India CTC phase-out agreement; and
- (g) To request that, in future annual programmes of the CTC phase-out plan, the breakdown of CTC consumption would include the quantities used for the process agent sector and process agent applications.

(Decision 49/29)

134. The facilitator of the Subgroup on the Production Sector also advised the Committee of the results of the discussion on the request submitted by the World Bank on behalf of China to exceed the export limit on CFCs set in the accelerated phase-out programme, and reported back to the Executive Committee. On the basis of this, the Executive Committee decided:

- (a) To clarify that, as shown in the following table, under the Agreement for the accelerated phase-out plan for CFCs, halons and CTC in China, CFCs exported for essential uses approved by the Meeting of the Parties would be exempt from the maximum amounts of net CFCs allowed to be exported under the Agreement from 2006 to 2009 inclusive:

ODS Phase-out Targets

(ODP tonnes)	Baseline	2004	2005	2006	2007	2008	2009	2010
CFCs¹								
Montreal Protocol Reduction Schedule (Production)	47,004	47,004	23,502	23,502	7,050.6	7,050.6	7,050.6	0 ²
Montreal Protocol Reduction Schedule (Consumption)	57,819	57,819	28,910	28,910	8,673	8,673	8,673	0 ²
1. Max allowable CFC total production		25,300	18,750	13,500	7,400 ³	550	550	0 ²
2. Max allowable CFC total consumption		25,300	18,750	13,500	7,400	550	550	0 ²
3. Max allowable CFC-11 consumption limit in PU Foam Sector		10,500	9,000	7,000	400	0		
4. Max. allowable net CFC exports ⁴		NL ⁵	NL ⁵	400 ²	200 ²	100 ²	50 ²	0

Note:

1. CFCs include Annex A Group I and Annex B Group I.
2. Except for essential uses as agreed by the Parties.
3. Production based on the Montreal Protocol plus 10% allowed for basic domestic needs.
4. Net exports defined as exports-imports.
5. Not limited (NL): No limits on export/import of CFCs.

- (b) To note that any exports of CFCs for essential uses beyond the current limits of the Agreement for the accelerated phase-out plan for CFCs, halons and CTC in China would not lead to any increase in CFC production.

(Decision 49/30)

AGENDA ITEM 8: COUNTRY PROGRAMMES

135. The Executive Committee had before it the country programme update for India (document UNEP/OzL.Pro/ExCom/49/37), which contained the comments and recommendations of the Secretariat, a letter from the Government of India, and the executive summary submitted by the Government of India. The Secretariat indicated that there were no issues arising from the submission.

136. The Executive Committee decided to approve the India country programme update, noting that approval of the country programme did not denote approval of the projects identified therein or their funding levels.

(Decision 49/31)

AGENDA ITEM 9: THE RELATIVE MERITS OF REPLACING THE CURRENT REQUIREMENTS FOR SUBMISSIONS OF REQUESTS FOR RENEWAL OF AN INSTITUTIONAL STRENGTHENING PROJECT WITH A SIMPLIFIED ARRANGEMENT (FOLLOW-UP TO DECISION 47/49)

137. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/49/38 on the relative merits of replacing the current requirements for submissions of requests for renewal of an institutional strengthening project with a simplified arrangement. Although it had initially raised the possibility of employing a much simplified system, after closer analysis, the Secretariat had concluded that some of the key features of the current arrangements, especially those associated with financial management and accountability, might need to be retained. If those features were to remain, the existing system would need to be maintained. The Secretariat, however, would continue to look closely at the renewal process for institutional strengthening projects and might be in a position to propose some detailed improvements as part of the next review, which was due at the end of 2007. In the document before the Committee, the Secretariat was also proposing fine-tuning the existing arrangements for conveying the views of the Executive Committee to governments of countries whose institutional strengthening projects had been renewed.

138. Following a discussion, the Executive Committee decided:

- (a) To maintain for the time being the current arrangements for submission and consideration of requests for renewal of institutional strengthening projects;

- (b) To request the Secretariat to continue to examine opportunities to fine-tune the institutional strengthening renewal process and to address any additional findings in the context of the review of institutional strengthening funding post-2010, to be presented to the Executive Committee at the end of 2007 in accordance with decision 47/49; and
- (c) To request the Secretariat to draft remarks to be addressed to the governments of those countries for which there were issues that might require urgent attention in order to maintain progress with phase-out and/or compliance or, alternatively, commenting favourably on exceptional successes or specific phase-out achievements.

(Decision 49/32)

AGENDA ITEM 10: OPTIONS FOR ADDRESSING THE SITUATION OF COUNTRIES REFERRED TO IN DECISION XVII/14 OF THE SEVENTEENTH MEETING OF THE PARTIES (FOLLOW-UP TO DECISION 48/36)

139. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/49/39 containing the policy paper prepared by the Secretariat on options for addressing the situation of countries referred to in decision XVII/14. The paper examined the specific circumstances of some Article 5 Parties with manufacturing plants for metered-dose inhalers (MDIs) that might be at serious risk of not meeting the 85 per cent reduction in CFC consumption in 2007. The representative of the Secretariat stressed that the paper did not address potential non-compliance issues in relation to the complete phase-out of CFCs in 2010.

140. The representative of Brazil requested that the document be updated to include accurate information regarding the situation faced by Argentina. He wished to clarify that Argentina did not produce pharmaceutical-grade CFCs and therefore had to import the substance. According to the Montreal Protocol's control measures, the maximum allowable consumption in Argentina in each year from 2007 to 2009 was 704.6 ODP tonnes. The corresponding maximum level of production was 686 tonnes. As CFCs would be produced in Argentina up to the maximum allowable level entirely for domestic consumption, Argentina could import a maximum of only 18.6 tonnes of CFCs each year for use in the MDI sector, which was much lower than the 190 ODP tonnes used for MDI production in 2005. Given those circumstances, Argentina might face a serious risk of either being unable to meet the demand for pharmaceutical-grade CFC, with the related impact on human health, or not complying with reduction measures under the Protocol.

141. Another representative felt that there were only two options for addressing the situation of such Article 5 Parties: either production of pharmaceutical-grade CFCs should be allowed or Article 5 Parties should receive the support they needed to make the transition to production of non-CFC MDIs.

142. Several representatives proposed that the Fund Secretariat update the paper on the basis of any new information and in light of the decisions on the issue to be taken at the Eighteenth

Meeting of the Parties. One representative mentioned the need to address topics such as CFC production for basic domestic needs and stockpiles. Given that the official text of the decisions of the Eighteenth Meeting of the Parties would not be available in time for the 50th Meeting of the Executive Committee, the revised version of the policy paper should be submitted for consideration by the Executive Committee at its 51st Meeting.

143. Following the discussion, the Executive Committee decided:

- (a) To request the Governments of Bangladesh and Egypt, assisted by the relevant implementing agencies, to include the following in the 2007 and 2008 annual implementation programmes of their national CFC phase-out plans:
 - (i) Specific activities that were technically viable and economically feasible that could be implemented in the shortest possible period of time to achieve the greatest reduction in consumption of CFCs, such as the introduction of non-CFC drop-in refrigerants for servicing refrigeration equipment and/or cost-effective equipment retrofits;
 - (ii) Assessment of the feasibility of importing recovered and recycled CFCs for servicing existing refrigeration equipment;
 - (iii) Within the flexibility for reallocating approved funds provided in the agreements between the Governments concerned and the Executive Committee, consider establishing stockpiles of pharmaceutical-grade CFC for use in metered-dose-inhaler (MDI) production facilities, if technically feasible and economically viable;
- (b) To request the Government of Bangladesh to submit to the 50th Meeting a proposal for the development of a transition strategy for the phase-out of CFC-based MDIs. In developing its strategy, Bangladesh was invited to consider, among other things:
 - (i) Accelerating the replacement of CFC-MDIs with hydrofluoroalkane-MDIs and/or other non-CFC alternatives (i.e. dry powder inhalers) by multi-national companies that had already introduced those products in other Article 5 Parties;
 - (ii) Inviting multinational companies manufacturing CFC-MDIs in Bangladesh to provide information demonstrating the steps being taken to assist the earliest possible changeover to the manufacture of non-CFC asthma and chronic obstructive pulmonary disease treatments in Bangladesh;
 - (iii) To facilitate the earliest possible completion by the leading nationally-owned manufacturer of MDIs in Bangladesh of the manufacturing facilities for non-CFC MDIs currently under implementation;

- (c) To request the Government of Egypt to finalize as soon as possible the preparation of a project for the phase-out of CFCs in the manufacture of MDIs that had been approved for UNIDO at the 45th Meeting of the Executive Committee, addressing any compliance-related issues; and
- (d) To request the Fund Secretariat to update document UNEP/OzL.Pro/ExCom/49/39, taking into account any new information that might come to light and the implications of decisions to be taken at the Eighteenth Meeting of the Parties, and to present the revised paper to the Executive Committee at its 51st Meeting.

(Decision 49/33)

AGENDA ITEM 11: COSTS CHARGED TO MULTILATERAL FUND ACCOUNTS THAT WERE NOT ASSIGNED TO EITHER PROJECT OR ADMINISTRATIVE COSTS WITH RESPECT TO THE APPLICATION OF MISCELLANEOUS INCOME, EXCHANGE RATE LOSSES AND GAINS, AND BANK CHARGES (FOLLOW-UP TO DECISION 48/38)

144. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/49/40, which reported on information provided by the implementing agencies, in response to decision 48/38, on costs charged to the Multilateral Fund accounts for the 2003-2005 triennium that had not been assigned to either project or administrative costs.

145. Following the presentation, the Executive Committee decided:

- (a) To note the report on costs charged to the Multilateral Fund accounts that had not been assigned to either project or administrative costs with respect to the application of miscellaneous income, exchange-rate losses and gains, and bank charges (follow-up to decision 48/38) as contained in document UNEP/OzL.Pro/ExCom/49/40;
- (b) To note, with appreciation, that all the costs of UNDP and the World Bank had been assigned to either project or administrative costs;
- (c) To note, with appreciation, UNEP's agreement that all costs would be classified as either project or administrative costs and that expenditures amounting to US \$60,556 that had previously not been so assigned would be categorized as such; and
- (d) To request UNIDO to continue its efforts to comply with decision 48/38(b) and to report on the outcome to the 50th Meeting of the Executive Committee in the context of the annual reconciliation of accounts required by decision 38/9(d).

(Decision 49/34)

AGENDA ITEM 12: PROVISIONAL 2005 ACCOUNTS

146. The Executive Committee considered the audited accounts of the Fund for the years 1991-2004 and the provisional accounts for the year 2005 (UNEP/OzL.Pro/ExCom/49/41), which were presented by the Treasurer.

147. During his presentation, the Treasurer updated the Executive Committee on issues raised by the Board of Auditors in the audit report contained in Annex I to the document before the Meeting. He pointed out that the draft auditor's report suggested that the 2005 financial accounts of the Multilateral Fund might be qualified, meaning that they were not seen as consistent with standard auditing procedures for two reasons: the first was the fact that, for the Multilateral Fund, receivable contributions amounting to US \$82.267 million had long been outstanding and had not been written off; the second inconsistency was the fact that the provisional accounts of the implementing agencies were used in UNEP's final accounts. However, in their latest draft report, the auditors decided not to qualify the 2005 financial accounts of the Multilateral Fund. The Treasurer was nevertheless concerned that the issues mentioned in the draft report might arise again with regard to the 2006 accounts of the Fund. He suggested that the Executive Committee might wish to request the Eighteenth Meeting of the Parties to consider the draft report of the Board of Auditors relating to the provisional accounts, and to draw the Parties' attention to the issues raised in relation to the Multilateral Fund; specifically the issue of the long-outstanding receivables and the United Nations system accounting standards, which required amounts not considered recoverable to be written off.

148. In the ensuing discussion, a question was asked regarding the implications of the comment in the draft audit report regarding the outstanding contribution of US \$82.267 million. The Treasurer emphasized that he was simply voicing the request of the Board of Auditors, but that the Parties should bear in mind that they did not necessarily have to comply with that request. It would then be for the Board of Auditors to decide on their way forward in respect of the issue of the receivable amounts as disclosed in the financial statements of the Multilateral Fund.

149. One member indicated that the Multilateral Fund's way of operating with regard to budgeting funds from the triennial replenishment might not have been sufficiently understood by the Board of Auditors and suggested that clarification provided by the Treasurer to the auditors might resolve the issue and prevent similar misunderstandings from arising in future.

150. Following the discussion, the Executive Committee decided:

- (a) To take note of the Fund's 2005 provisional accounts as contained in document UNEP/OzL.Pro/ExCom/49/41;
- (b) To note that the 2005 final accounts of the Fund would be submitted to the Committee at the 50th Meeting taking into account adjustments for prior years;

- (c) To note the actions taken by the Treasurer to reflect adjustments resulting from the reconciliation of the 2003 -2004 accounts exercise;
- (d) To request the Treasurer to make the necessary adjustments in 2006 to transfer bank charges on transfers made by the Treasurer to the implementing agencies from the Secretariat budget to the administrative costs, or as directed by the Executive Committee;
- (e) To take note of the Treasurer's report on the audit of the Multilateral Fund accounts and the possibility that a separate audit of the financial statements of the Multilateral Fund might take place;
- (f) To take note of the additional information provided on the outstanding contributions from countries with economies in transition and disputed contributions from countries not belonging to this category; and
- (g) To note the explanations provided in respect of the submissions of the implementing agencies' provisional accounts to the Executive Committee.

(Decision 49/35)

AGENDA ITEM 13: CONTINUATION OF THE CONSIDERATION OF TERMS OF REFERENCE, BUDGET AND MODALITIES FOR A STUDY REGARDING COLLECTION, RECOVERY, RECYCLING, RECLAMATION, TRANSPORTATION AND DESTRUCTION OF UNWANTED ODS

151. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/49/42 containing a brief introduction recalling the recent discussions of the Executive Committee on the matter. Document UNEP/OzL.Pro/ExCom/47/56, which contained proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36), was contained in Annex I to document UNEP/OzL.Pro/ExCom/49/42.

152. In decision 47/52, the Executive Committee had agreed to consider the terms of reference for the study at its 48th Meeting. However, as the Executive Committee had engaged in extensive background discussions at that time regarding the report of a Meeting of Experts held in Montreal from 13 to 15 March 2006 rather than undertaking a detailed examination of the terms of reference, the item had been deferred and placed on the agenda for the 49th Meeting of the Executive Committee. During the period between the 48th and 49th Meetings, the Technology and Economic Assessment Panel had reported to the 26th Meeting of the Open-Ended Working Group on terms of reference for the conduct of case studies on the technology and costs associated with a process for replacing CFC-containing refrigeration and air conditioning equipment, including environmentally sound recovery, transport and final disposal of such equipment and of the associated CFCs, prepared pursuant to decision XVII/17 of the Seventeenth Meeting of the Parties. In its proposal to the Eighteenth Meeting of the Parties on the issue, the Open-Ended Working Group had made specific reference to the need for

coordination with the Executive Committee in order to prevent duplication of efforts with regard to the finalization of terms of reference on the issue of unwanted ODS.

153. Given the above situation and having regard to Executive Committee decisions 46/36, 47/52 and 48/37, as well as Executive Committee discussions on issues related to destruction of ODS during recent years and the report of the Meeting of Experts, the Executive Committee decided:

- (a) To take note with appreciation of document UNEP/OzL.Pro/ExCom/49/42, which included the proposed terms of reference for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ozone-depleting substances;
- (b) To inform the Parties, through a letter from the Chair of the Executive Committee to the Ozone Secretariat, that:
 - (i) The Executive Committee was discussing the above-mentioned terms of reference and was of the view that there were substantial commonalities between those terms of reference and those being considered by the Parties in relation to decision XVII/17 of the Seventeenth Meeting of the Parties;
 - (ii) The issues raised by both sets of the above-mentioned terms of reference could be considered by the Executive Committee of the Multilateral Fund, given that it had already held substantial discussions and initiated some work with respect to studying the issue of collection, recovery, recycling, reclamation, transportation and destruction of unwanted ozone-depleting substances;
 - (iii) A request could be addressed to the Executive Committee to develop consolidated terms of reference and if agreed by the Executive Committee to initiate a study based on the consolidated terms of reference, and to report to the Nineteenth Meeting of the Parties on the progress made in that respect; and
- (c) To consider the issue at the 50th Meeting of the Executive Committee, in light of any guidance provided by the Eighteenth Meeting of the Parties.

(Decision 49/36)

AGENDA ITEM 14: OTHER MATTERS

Request for intersessional approval of the project to phase out CFC-11 and CFC-12 production in Argentina

154. At the 48th Meeting of the Executive Committee, the World Bank had submitted the 2006 annual work programme for the Strategy for gradual phase-out of CFC-11 and CFC-12 production, on behalf of the Government of Argentina (UNEP/OzL.Pro/ExCom/48/26). The project had subsequently been withdrawn, to be resubmitted at the 49th Meeting pursuant to further verification, including a financial audit. As the financial audit had been submitted to the Fund Secretariat over four weeks after the required deadline for project submission for Executive Committee Meetings, the review of the revised financial audit report and the request for releasing the 2006 tranche of funding for the project could not be considered at the 49th Meeting. Timely approval of the funding tranche was, however, crucial to enable Argentina to comply with its commitments under the Montreal Protocol. As resubmission of the funding request to the 50th Meeting would potentially compromise Argentina's ability to meet its compliance requirements, the Executive Committee was being asked to consider approving the funding tranche intersessionally.

155. Following a discussion, the Executive Committee decided exceptionally to proceed with intersessional review and approval of the 2006 annual funding tranche for the Strategy for gradual phase-out of CFC-11 and CFC-12 production in Argentina.

(Decision 49/37)

The non-paper from Canada on future work in relation to the issues raised at the 26th Meeting of the Open-Ended Working Group of relevance to the Executive Committee

156. At the 26th Meeting of the Open-Ended Working Group, a paper had been introduced on the future of the Montreal Protocol, outlining a series of questions designed to help open a broad discussion about the long-term evolution and adaptation of the ozone regime to reflect the new challenges and circumstances the Protocol could expect to face. Given the importance of the issues raised, some members of the Executive Committee expressed the view that it might be useful to begin considering the Multilateral Fund's strategy in that regard. It was also pointed out that a discussion on the issues, which were highly political, would take place at the Eighteenth Meeting of the Parties. It was then clarified that what was sought was a discussion paper to stimulate the Executive Committee's deliberations, and that any comments made at the Meeting of the Parties could be used as input for such a paper.

157. Following the exchange of views, the Executive Committee decided to include in the agenda of its 50th Meeting an item dealing with the preparation of a discussion paper on the issues raised at the 26th Meeting of the Open-Ended Working Group with regard to the future of the Montreal Protocol, as they related to the Multilateral Fund, taking into account the comments made on the issue at the Eighteenth Meeting of the Parties.

(Decision 49/38)

Exports of CFCs to non-Article 5 countries for essential use for metered dose inhalers (MDI) and process agent applications approved by the Meeting of the Parties

158. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/49/Inf.2 consisting of a background note from the Secretariat and China's request, as conveyed in correspondence from the World Bank, that such exports not be counted within the limits given in the Agreement for the accelerated phase-out plan. The Executive Committee referred the issue to the Subgroup on the Production Sector. The outcome of the discussions and the relevant decision by the Executive Committee are reflected under agenda item 7(d), in paragraph 134 of the present report.

Treasury services

159. The Chair drew the Meeting's attention to a draft decision proposed with respect to treasury services. He indicated that, following the 48th Meeting, the issue of the extent of the services delivered by the Treasurer had been covered by the Chief Officer in her communication with the Director of UNON. Based on this, the Chair concluded that the issue of the delivery of services had been adequately addressed by the Fund Secretariat. He pointed out that decision 48/41(b) was concerned instead with the distribution of tasks between the P5 and P4 positions as provided in decision 42/42(c), under which the contract with UNEP had been agreed, and he had therefore written to UNEP on this basis as requested by the Executive Committee. A reply had been received from UNEP immediately prior to the present Meeting, indicating that structural changes being considered by the new management of UNEP might be able to address the question of the P5 position, and asking for the release of the US \$100,000 retained from the 2006 annual fee. The reply indicated that there was a commitment from UNEP to reach an early and mutually agreeable solution. The Chair had discussed the matter with the Secretariat and proposed to react positively to the overture made by UNEP, while stressing that services were not yet up to the standard required as a P5 officer had yet to be recruited.

160. The Executive Committee decided:

- (a) To note the progress reported with respect to the P5 position addressed in decisions 42/42 (c) and 48/41 (b);
- (b) To note that the Executive Committee still felt that the services provided were not up to the standard required and believed that the appointment of a P5 officer was needed to achieve that standard; and
- (c) To agree to the request for the release of the US \$100,000 thus far withheld, on the understanding that, at the 50th Meeting:
 - (i) The matter would be addressed in the context of consideration of the release of funding for 2007 treasury fees; and

- (ii) By that time, UNEP would have presented a mutually agreeable solution to the P5 issue.

(Decision 49/39)

Report of the Executive Committee to the Eighteenth Meeting of the Parties

161. Given the fact that the Eighteenth Meeting of the Parties would be held prior to the 50th Meeting of the Executive Committee, the Chair said that the report of the Executive Committee to the Meeting of the Parties covering the matters dealt with at the 48th and 49th Meetings would be prepared by the Secretariat and intersessionally reviewed by the Chair of the Executive Committee.

162. The Executive Committee decided to authorize the Chair to review intersessionally the annual report prepared by the Secretariat for submission to the Meeting of the Parties.

(Decision 49/40)

Arrangements for the 50th Meeting of the Executive Committee

163. The representative of India gave a short presentation on the progress made in preparations for the 50th Meeting of the Executive Committee, to be held in New Delhi from 6 to 10 November 2006. He outlined the logistical arrangements for the meeting and showed a short film highlighting the history, geography and culture of India.

Dates of Executive Committee Meetings in 2007

164. The Chief Officer reported that the Ozone Secretariat had announced at the 26th Meeting of the Open-Ended Working Group (OEWG) that the OEWG's 27th Meeting would be held from 4 to 8 June 2007, and the Nineteenth Meeting of the Parties to the Montreal Protocol would be held from 16 to 20 September 2007, so that it would coincide with International Ozone Day. That meant that it might not be possible to organize Executive Committee Meetings back-to-back with Montreal Protocol meetings in 2007. There was a remote possibility of organizing the summer 2007 meeting of the Executive Committee back-to-back with the Open-Ended Working Group meeting in June, although it would create considerable difficulties in preparing documents on data from country programme updates and implementing agency progress reports, which were due in May of each year, in time for dispatch to Executive Committee members one month before the Meeting. The above scheduling challenges also meant that all three Executive Committee meetings in 2007 would probably take place in Montreal. She advised that further update on the scheduling of Executive Committee meetings in 2007 would be provided at the 50th Meeting.

AGENDA ITEM 15: ADOPTION OF THE REPORT

165. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/49/L.1.

AGENDA ITEM 16: CLOSURE OF THE MEETING

166. Following the customary exchange of courtesies, the Chair declared the meeting closed at 11:45 a.m. on Friday, 14 July 2006.

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

Table 1 : STATUS OF THE FUND FROM 1991-2006 (IN US DOLLARS)

As at 7 July 2006

INCOME	
Contributions received:	
- Cash payments including note encashments	1,748,846,574
- Promissory notes held	95,637,792
- Bilateral cooperation	112,858,416
- Interest earned	151,855,943
- Miscellaneous income	7,206,331
Total Income	2,116,405,056
ALLOCATIONS* AND PROVISIONS	
- UNDP	509,862,194
- UNEP	110,374,810
- UNIDO	449,093,286
- World Bank	860,084,853
Less Adjustments	-
Total allocations to implementing agencies	1,929,415,143
Secretariat and Executive Committee costs (1991-2007)	
- includes provision for staff contracts into 2008	54,182,568
Treasury fees (2003-2006)	1,550,550
Monitoring and Evaluation costs (1999-2006)	2,179,754
Technical Audit costs (1998-2005)	909,960
Information Strategy costs (2003-2004)	
- includes provision for Network maintenance costs for 2004	104,750
Bilateral cooperation	112,858,416
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	(11,468,684)
Total allocations and provisions	2,089,732,457
BALANCE AVAILABLE FOR NEW ALLOCATIONS	26,672,599

* Amounts reflect net approvals for which resources are transferred including promissory notes that are not yet encashed by the implementing agencies. It reflects the Secretariat's inventory figures on the ne approved amounts. These figures are under review in the on-going reconciliation exercise.

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

Table 2 : 1991 - 2006 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 7 July 2006

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	1991 - 2005	2006	1991 - 2006
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	2,046,337,598	133,466,667	2,179,804,265
Cash payments/received	205,992,884	381,375,628	407,529,086	406,430,280	303,955,259	1,705,283,137	43,563,438	1,748,846,574
Bilateral assistance	4,366,255	12,089,441	22,035,587	22,683,491	48,754,998	109,929,772	2,928,644	112,858,416
Promissory notes	0	0	4,318,435	0	76,845,638	81,164,073	14,473,719	95,637,792
Total payments	210,359,139	393,465,069	433,883,108	429,113,771	429,555,895	1,896,376,982	60,965,800	1,957,342,782
Disputed contributions	0	8,098,267	0	0	0	8,098,267	0	8,098,267
Outstanding pledges	24,570,102	31,376,278	38,683,901	10,886,230	44,444,105	149,960,616	72,500,866	222,461,482
Payments %age to pledges	89.54%	92.61%	91.81%	97.53%	90.62%	92.67%	45.68%	89.79%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	19,374,449	151,855,943	0	151,855,943
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	1,386,177	6,474,526	731,805	7,206,331
TOTAL INCOME	217,124,886	423,288,168	479,792,222	484,185,654	450,316,521	2,054,707,451	61,697,605	2,116,405,056

Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	1991 - 2005	2006	1991-2006
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	2,046,337,598	133,466,667	2,179,804,265
Total payments	210,359,139	393,465,069	433,883,108	429,113,771	429,555,895	1,896,376,982	60,965,800	1,957,342,782
Payments %age to pledges	89.54%	92.61%	91.81%	97.53%	90.62%	92.67%	45.68%	89.79%
Total income	217,124,886	423,288,168	479,792,222	484,185,654	450,316,521	2,054,707,451	61,697,605	2,116,405,056
Total outstanding contributions	24,570,102	31,376,278	38,683,901	10,886,230	44,444,105	149,960,616	72,500,866	222,461,482
As % to total pledges	10.46%	7.39%	8.19%	2.47%	9.38%	7.33%	54.32%	10.21%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,570,102	31,376,278	32,907,714	9,811,798	7,511,983	106,177,876	2,777,109	108,954,985
CEITs' outstandings %age to pledges	10.46%	7.39%	6.96%	2.23%	1.58%	5.19%	2.08%	5.00%

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

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

Table 3 : 1991-2006 Summary Status of Contributions

As at 7 July 2006

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Australia*	39,887,538	38,468,443	1,349,795	0	69,299	763,380
Austria	22,642,702	22,510,912	131,790	0	0	-973,034
Azerbaijan	852,844	211,683	0	0	641,162	0
Belarus	2,600,369	0	0	0	2,600,369	0
Belgium	28,029,704	26,243,465	0	0	1,786,239	738,724
Bulgaria	1,096,013	1,096,013	0	0	0	0
Canada*	75,453,563	63,661,409	7,978,595	0	3,813,558	-2,742,487
Cyprus	213,837	148,670	0	0	65,167	0
Czech Republic	6,087,151	6,021,060	66,090	0	0	39,515
Denmark	18,378,204	16,973,466	205,000	0	1,199,738	-1,043,060
Estonia	153,060	153,060	0	0	0	0
Finland	14,624,296	13,177,886	451,870	0	994,541	-679,514
France	164,412,984	103,905,120	13,579,899	36,943,497	9,984,468	-5,679,396
Germany	242,761,819	176,843,838	35,424,568	33,388,158	-2,894,745	-9,191
Greece	10,812,040	7,414,192	0	0	3,397,847	-245,881
Hungary	3,703,582	3,657,088	46,494	0	0	5,904
Iceland	814,246	814,246	0	0	0	-35,558
Ireland	6,078,456	6,078,456	0	0	0	208,838
Israel	7,972,408	3,724,671	38,106	0	4,209,631	0
Italy	127,568,359	114,727,797	9,794,489	0	3,046,072	3,291,976
Japan	417,643,612	396,559,144	16,203,212	0	4,881,256	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	342,429	342,428	0	0	0	2,306
Liechtenstein	208,568	208,567	0	0	0	0
Lithuania	507,942	14,975	0	0	492,967	0
Luxembourg	1,816,865	1,816,865	0	0	0	-100,591
Malta	51,445	28,052	0	0	23,393	0
Monaco	163,080	163,080	0	0	0	183
Netherlands	42,289,184	39,465,288	0	0	2,823,896	0
New Zealand	6,131,848	6,131,848	0	0	0	68,428
Norway	15,481,550	15,481,550	0	0	0	171,673
Panama	16,915	16,915	0	0	0	0
Poland	5,984,411	5,101,105	113,000	0	770,305	0
Portugal	8,790,752	5,378,383	101,700	0	3,310,670	198,162
Russian Federation	95,570,141	0	0	0	95,570,141	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	1,940,170	1,923,647	16,523	0	0	0
Slovenia	665,165	665,164	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	61,409,464	55,747,003	1,587,282	0	4,075,179	0
Sweden	29,117,792	25,321,027	2,129,163	0	1,667,602	-693,292
Switzerland	31,234,278	28,117,500	1,406,673	0	1,710,105	-1,349,839
Tajikistan	98,306	5,333	0	0	92,973	0
Turkmenistan**	293,245	5,764	0	0	287,481	0
Ukraine	8,868,824	785,600	0	0	8,083,224	0
United Arab Emirate	559,639	559,639	0	0	0	0
United Kingdom	137,364,801	112,270,590	565,000	14,291,337	10,237,874	-3,405,931
United States of America	533,894,237	442,207,541	21,567,191	11,014,800	59,104,705	0
Uzbekistan	604,968	188,606	0	0	416,362	0
SUB-TOTAL	2,179,804,265	1,748,846,574	112,858,416	95,637,792	222,461,482	-11,468,684
Disputed Contributions (***)	8,098,267	0	0	0	8,098,267	
TOTAL	2,187,902,532	1,748,846,574	112,858,416	95,637,792	230,559,749	

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.

(**) In accordance with Decisions VI/5 and XVI/39 of the Meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 5 in 2004 and therefore its contribution of US\$5,764 for 2005 should be disregarded.

(***) 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 2006

As at 7 July 2006

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,660,143	2,660,143			0
Austria	1,435,341	1,435,341			0
Azerbaijan	8,355				8,355
Belarus	30,077				30,077
Belgium	1,786,239				1,786,239
Bulgaria	28,406	28,406			0
Canada	4,700,366	335,642	33,900		4,330,824
Cyprus	65,167				65,167
Czech Republic	305,783	305,783			0
Denmark	1,199,738				1,199,738
Estonia	20,051	20,051			0
Finland	890,613				890,613
France	10,075,793				10,075,793
Germany*	14,473,719		2,894,744	14,473,719	(2,894,744)
Greece	885,600				885,600
Hungary	210,539	210,539			0
Iceland	56,812	56,812			0
Ireland	584,830	584,830			0
Israel	780,331				780,331
Italy	8,162,562	6,530,044			1,632,518
Japan	29,362,667	29,362,667			0
Latvia	25,064	25,064			0
Liechtenstein	8,355	8,355			0
Lithuania	40,103				40,103
Luxembourg	128,663	128,663			0
Malta	23,393				23,393
Monaco	5,013	5,013			0
Netherlands	2,823,896				2,823,896
New Zealand	369,279	369,279			0
Norway	1,134,571	1,134,571			0
Poland	770,305				770,305
Portugal	785,344				785,344
Russian Federation	1,838,039				1,838,039
Slovak Republic	85,218	85,218			0
Slovenia	137,017	137,017			0
Spain	4,210,779	140,000			4,070,779
Sweden	1,667,602				1,667,602
Switzerland	2,000,120				2,000,120
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875				10,237,875
United States of America	29,362,667				29,362,667
Uzbekistan	23,393				23,393
TOTAL	133,466,667	43,563,438	2,928,644	14,473,719	72,500,866

* Germany has bilateral assistance of US \$946,611 for 2007 approved at the 48th Executive Committee meeting.

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

Table 5 : Status of Contributions for 2003 - 2005

As at 7 July 2006

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	9,452,417	9,402,711	49,707	0	(1)
Austria	5,498,540	5,498,540	0	0	0
Azerbaijan	23,055	0	0	0	23,055
Belarus	109,510	0	0	0	109,510
Belgium	6,559,055	6,559,055	0	0	(0)
Bulgaria	74,928	74,928	0	0	0
Canada	14,864,502	13,885,511	1,496,257	0	(517,267)
Czech Republic	991,351	925,261	66,090	0	0
Denmark	4,351,570	4,351,570	0	0	0
Estonia	57,637	57,636	0	0	0
Finland	3,031,690	3,031,690	0	0	0
France	37,556,066	0	4,987,704	32,625,062	(56,701)
Germany	56,743,319	26,480,216	11,348,664	18,914,440	(1)
Greece	3,129,672	567,054	0	0	2,562,618
Hungary	697,404	650,910	46,494	0	(0)
Iceland	190,201	190,201	0	0	0
Ireland	1,711,810	1,711,809	0	0	0
Israel	2,409,214	70,024	0	0	2,339,190
Italy	29,417,765	23,534,211	4,470,000	0	1,413,554
Japan	104,280,000	93,202,013	11,868,987	0	(791,000)
Latvia	57,637	57,636	0	0	0
Liechtenstein	34,582	34,582	0	0	0
Lithuania	97,982	0	0	0	97,982
Luxembourg	461,093	461,093	0	0	0
Monaco	23,055	23,075	0	0	(20)
Netherlands	10,092,184	10,092,184	0	0	0
New Zealand	1,400,572	1,400,572	0	0	0
Norway	3,757,912	3,757,912	0	0	0
Poland	1,838,610	1,838,610	0	0	0
Portugal	2,685,870	58,844	101,700	0	2,525,326
Russian Federation	6,916,402	0	0	0	6,916,402
Slovak Republic	247,838	231,315	16,523	0	(0)
Slovenia	466,857	466,857	0	0	0
Spain	14,633,955	13,042,273	1,587,282	0	4,400
Sweden	5,965,397	4,978,750	986,647	0	(0)
Switzerland	7,342,914	6,653,986	978,943	0	(290,015)
Tajikistan	5,764	0	0	0	5,764
Turkmenistan	17,291	5,764	0	0	11,527
Ukraine	305,474	0	0	0	305,474
United Kingdom	32,155,508	17,864,172	0	14,291,337	(1)
United States of America	104,280,000	52,773,162	10,750,000	11,014,800	29,742,038
Uzbekistan	63,400	21,133	0	0	42,267
TOTAL	474,000,000	303,955,259	48,754,998	76,845,638	44,444,105

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

Table 6 : Status of Contributions for 2005

As at 7 July 2006

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			0
Bulgaria	24,976	24,976			0
Canada	4,954,834	5,071,627	400,473	0	(517,266)
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		2,685,021	9,924,993	(91,325)
Germany	18,914,440	1,260,963	3,782,888	6,304,813	7,565,776
Greece	1,043,224				1,043,224
Hungary	232,468	232,468			0
Iceland	63,400	63,400			0
Ireland	570,603	570,603			0
Israel	803,071				803,071
Italy	9,805,922	7,844,737	547,631		1,413,554
Japan	34,760,000	28,382,193	6,377,807		0
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	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		101,700		793,590
Russian Federation	2,305,467				2,305,467
Slovak Republic	82,613	82,613			0
Slovenia	155,619	155,619			0
Spain	4,877,985	4,082,144	791,441		4,400
Sweden	1,988,466	1,797,210	343,468		(152,212)
Switzerland	2,447,638	2,447,638	290,015		(290,015)
Tajikistan	1,921				1,921
Turkmenistan	5,764				5,764
Ukraine	101,825				101,825
United Kingdom	10,718,503			10,718,503	0
United States of America	34,760,000		5,375,000		29,385,000
Uzbekistan	21,133				21,133
TOTAL	158,000,000	67,885,492	20,695,444	26,948,308	42,470,756

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

Table 7 : Status of Contributions for 2004

As at 7 July 2006

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	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	2,302,683	10,216,006	0
Germany	18,914,440	6,304,813	3,782,888	12,609,626	(3,782,888)
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				803,071
Italy*	9,805,922	7,844,737	1,961,185		0
Japan	34,760,000	30,098,098	5,452,902		(791,000)
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	7,145,668		3,572,834	0
United States of America	34,760,000	22,948,262	5,375,000	6,079,700	357,038
Uzbekistan	21,133	0			21,133
TOTAL	158,000,000	103,445,452	20,949,667	32,478,166	1,126,716

* Italy's bilateral cooperation amount was approved at the 46th meeting in 2005.

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

Table 8 : Status of Contributions for 2003

As at 7 July 2006

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,101,099	49,707	0	(0)
Austria	1,832,847	1,832,847	0	0	0
Azerbaijan	7,685	0	0	0	7,685
Belarus	36,503		0	0	36,503
Belgium	2,186,352	2,186,352	0	0	(0)
Bulgaria	24,976	24,976	0	0	0
Canada	4,954,834	4,146,375	808,459	0	(0)
Czech Republic	330,450	264,360	66,090	0	0
Denmark	1,450,523	1,450,523	0	0	0
Estonia	19,212	19,212	0	0	0
Finland	1,010,563	1,010,563	0		0
France	12,518,689	0	0	12,484,064	34,625
Germany	18,914,440	18,914,440	3,782,888	0	(3,782,888)
Greece	1,043,224	567,054	0	0	476,170
Hungary	232,468	185,974	46,494	0	0
Iceland	63,400	63,400	0	0	0
Ireland	570,603	570,603	0	0	0
Israel	803,071	70,024	0	0	733,047
Italy*	9,805,922	7,844,737	1,961,185	0	0
Japan	34,760,000	34,721,722	38,278	0	0
Latvia	19,212	19,212	0	0	0
Liechtenstein	11,527	11,527	0	0	0
Lithuania	32,661	0	0	0	32,661
Luxembourg	153,698	153,698	0	0	0
Monaco	7,685	7,705	0	0	(20)
Netherlands	3,364,061	3,364,061	0	0	0
New Zealand	466,857	466,857	0	0	0
Norway	1,252,637	1,252,637	0	0	0
Poland	612,870	612,870	0	0	0
Portugal	895,290	58,844	0	0	836,446
Russian Federation	2,305,467	0	0	0	2,305,467
Slovak Republic	82,613	66,090	16,523	0	0
Slovenia	155,619	155,619	0	0	0
Spain	4,877,985	4,877,985	0	0	0
Sweden	1,988,466	1,590,773	340,264		57,429
Switzerland	2,447,638	2,447,638	0	0	0
Tajikistan	1,921	0	0	0	1,921
Turkmenistan	5,764	0	0	0	5,764
Ukraine	101,825	0	0	0	101,825
United Kingdom	10,718,503	10,718,503	0	0	(0)
United States of America	34,760,000	29,824,900	0	4,935,100	0
Uzbekistan	21,133	21,133	0	0	0
TOTAL	158,000,001	132,624,315	7,109,888	17,419,164	846,635

* Italy's bilateral cooperation amount was approved at the 46th meeting in 2005.

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

Table 9 : Status of Promissory notes

As at 7 July 2006

in USD

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	A WORLD BANK	B TREASURER	C= A+B TOTAL	D UNDP	E UNEP	F UNIDO	G WORLD BANK	H TREASURER	D+E+F+G+H=I I=C TOTAL
	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value
Canada		0	0					0	0
France		36,943,497	36,943,497				36,943,497	0	36,943,497
Germany		33,388,158	33,388,158	1,088,800		18,000,000	14,299,358	0	33,388,158
The Netherlands		0	0					0	0
United Kingdom		14,291,337	14,291,337			779,814	12,739,381	772,142	14,291,337
United States of America		11,014,800	11,014,800	6,303,743				4,711,057	11,014,800
TOTAL	0	95,637,792	95,637,792	7,392,543	0	18,779,814	63,982,236	5,483,199	95,637,792

Appendix

**LIST OF COUNTRIES, WHICH AS AT 7 JULY 2006, HAVE CONFIRMED TO THE
TREASURER THAT THEY WOULD BE USING THE FIXED-EXCHANGE-RATE
MECHANISM DURING THE 2006 – 2008 TRIENNIUM**

1. Australia
2. Austria
3. Belgium
4. Canada
5. France
6. Germany
7. Greece
8. Hungary
9. Latvia
10. Slovak Republic
11. United Kingdom

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
ALBANIA					
SEVERAL					
Ozone unit support					
Renewal of institutional strengthening project (phase II)	UNEP		\$109,200	\$0	\$109,200
Total for Albania			\$109,200		\$109,200
BENIN					
PHASE-OUT PLAN					
CFC phase out plan					
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP the Government of Canada be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	Canada		\$12,000	\$1,560	\$13,560
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNEP		\$18,000	\$2,340	\$20,340
Total for Benin			\$90,000	\$3,900	\$93,900
CAMEROON					
PHASE-OUT PLAN					
CFC phase out plan					
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNIDO be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNIDO		\$30,000	\$2,250	\$32,250
Total for Cameroon			\$30,000	\$2,250	\$32,250
CENTRAL AFRICAN REPUBLIC					
PHASE-OUT PLAN					
CFC phase out plan					
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNEP		\$30,000	\$3,900	\$33,900

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Total for Central African Republic			\$30,000	\$3,900	\$33,900	
CONGO, DR						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$143,750	\$18,688	\$162,438	
National CFC phase-out plan (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNDP		\$193,750	\$14,531	\$208,281	4.81
Total for Congo, DR			\$337,500	\$33,219	\$370,719	
COSTA RICA						
FUMIGANT						
Methyl bromide						
Total methyl bromide phase-out used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications (tranche IV)	UNDP	63.6	\$969,057	\$72,679	\$1,041,736	11.35
Total for Costa Rica			63.6	\$969,057	\$1,041,736	
CROATIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal CFC phase-out management plan (4th tranche) <i>Approved in accordance with the revised Agreement between the Government and the Executive Committee, and on the understanding that UNIDO will provide annual reports confirming the achievement of the agreed consumption targets and that all activities relevant for that period, as foreseen in the implementation plan, have been completed.</i>	UNIDO	43.1	\$20,200	\$1,515	\$21,715	3.87
Total for Croatia			43.1	\$20,200	\$1,515	\$21,715
ECUADOR						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2006 annual programme	IBRD	70.0	\$227,410	\$17,055	\$244,465	7.19
Total for Ecuador			70.0	\$227,410	\$17,055	\$244,465
EQUATORIAL GUINEA						
SEVERAL						
Ozone unit support						
Start-up of institutional strengthening project <i>Approved on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations.</i>	UNEP		\$40,000	\$0	\$40,000	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Project preparation/supervision						
Project preparation for a country programme/refrigerant management plan	UNEP		\$60,000	\$7,800	\$67,800	
<i>Approved on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations.</i>						
Total for Equatorial Guinea			\$100,000	\$7,800	\$107,800	
GAMBIA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNDP		\$12,000	\$900	\$12,900	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNDP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Project preparation for a terminal phase-out management plan	UNEP		\$18,000	\$2,340	\$20,340	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Total for Gambia			\$30,000	\$3,240	\$33,240	
GRENADA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (first tranche)	UNEP		\$37,000	\$4,810	\$41,810	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Terminal phase-out management plan (first tranche)	UNDP		\$40,000	\$3,600	\$43,600	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Total for Grenada			\$77,000	\$8,410	\$85,410	
GUINEA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNEP		\$15,000	\$1,950	\$16,950	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNIDO be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNIDO		\$15,000	\$1,125	\$16,125	
Total for Guinea			\$30,000	\$3,075	\$33,075	
INDIA						
PHASE-OUT PLAN						
CTC phase out plan						
CTC phase-out for the consumption and production sectors: 2006 annual programme <i>The approval of the 2006 annual programme and associated funding was without prejudice to any decisions that might be taken by the Meeting of the Parties regarding compliance issues arising from the treatment of ODS produced and stockpiled for use as feedstock in future years. Should the Meeting of the Parties take a decision on the issue of the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years, the Executive Committee would consider the relevance of that decision with respect to India's CTC phase-out agreement and take action as appropriate. The Executive Committee also requested that in future annual programmes of the CTC phase-out plan the breakdown of CTC consumption include the quantities used for the process agent sector and process agent applications.</i>	Germany		\$300,000	\$57,500	\$357,500	2.25
CTC phase-out for the consumption and production sectors: 2006 annual programme <i>The approval of the 2006 annual programme and associated funding was without prejudice to any decisions that might be taken by the Meeting of the Parties regarding compliance issues arising from the treatment of ODS produced and stockpiled for use as feedstock in future years. Should the Meeting of the Parties take a decision on the issue of the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years, the Executive Committee would consider the relevance of that decision with respect to India's CTC phase-out agreement and take action as appropriate. The Executive Committee also requested that in future annual programmes of the CTC phase-out plan the breakdown of CTC consumption include the quantities used for the process agent sector and process agent applications. Furthermore, the World Bank was requested to ensure that the verification of the 2006 work programme examined the 801 metric tonnes of increased CTC stock in 2005 and to report on its use in 2006 and that the Government of India and the World Bank take into account any future decision by the Meeting of the Parties concerning the treatment of ODSs produced and stockpiled for use as feedstock in future years when implementing and reporting on the India CTC phase-out agreement. Note: 232 ODP tonnes of CTC will be phased-out in the production sector.</i>	IBRD	232.0	\$9,556,267	\$716,720	\$10,272,987	2.25

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CTC phase-out for the consumption and production sectors: 2006 annual programme <i>The approval of the 2006 annual programme and associated funding was without prejudice to any decisions that might be taken by the Meeting of the Parties regarding compliance issues arising from the treatment of ODS produced and stockpiled for use as feedstock in future years. Should the Meeting of the Parties take a decision on the issue of the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years, the Executive Committee would consider the relevance of that decision with respect to India's CTC phase-out agreement and take action as appropriate. The Executive Committee also requested that in future annual programmes of the CTC phase-out plan the breakdown of CTC consumption include the quantities used for the process agent sector and process agent applications.</i>	France		\$500,000	\$85,000	\$585,000	2.25
CTC phase-out for the consumption and production sectors: 2006 annual programme <i>The approval of the 2006 annual programme and associated funding was without prejudice to any decisions that might be taken by the Meeting of the Parties regarding compliance issues arising from the treatment of ODS produced and stockpiled for use as feedstock in future years. Should the Meeting of the Parties take a decision on the issue of the treatment of ozone-depleting substances produced and stockpiled for use as feedstock in future years, the Executive Committee would consider the relevance of that decision with respect to India's CTC phase-out agreement and take action as appropriate. The Executive Committee also requested that in future annual programmes of the CTC phase-out plan the breakdown of CTC consumption include the quantities used for the process agent sector and process agent applications.</i> <i>Note: 347 ODP tonnes of CTC will be phased-out in the production sector.</i>	UNIDO	347.0	\$399,046	\$29,928	\$428,974	2.25
	Total for India	579.0	\$10,755,313	\$889,148	\$11,644,461	
KIRIBATI						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II) <i>Approved for one year only and on an exceptional basis.</i>	UNEP		\$7,666	\$0	\$7,666	
	Total for Kiribati		\$7,666		\$7,666	
KOREA, DPR						
PROCESS AGENT						
Sectoral phase out plan						
Supplementary plan for terminal phase-out of CTC as process agent	UNIDO	229.9	\$884,399	\$66,330	\$950,729	
PRODUCTION						
ODS closure						
Closure of ODS production plant (third tranche) <i>UNIDO and the Government were requested to continue monitoring the production at the plant 2.8 Vinalon Complex to ensure the sustainability of the ODS production phase-out. UNIDO was also requested to submit a verification report to the last meeting in 2007 and 2008.</i>	UNIDO		\$488,750	\$24,438	\$513,188	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
PHASE-OUT PLAN					
CFC phase out plan					
Implementation of the NPP: regulations, training programme and monitoring (second tranche)	UNEP	54.0	\$163,400	\$21,242	\$184,642
CTC phase out plan					
Plan for terminal phase-out of CTC (fourth tranche)	UNIDO	100.0	\$500,000	\$37,500	\$537,500
<i>Approved in accordance with an amended Agreement between the Government and the Executive Committee to make provision for submission to the second meeting of the year.</i>					
Total for Korea, DPR		383.9	\$2,036,549	\$149,510	\$2,186,059
LAO, PDR					
PHASE-OUT PLAN					
CFC phase out plan					
Project preparation for a terminal phase-out management plan for CFCs	France		\$30,000	\$3,900	\$33,900
<i>Approved on the understanding that in developing and subsequently implementing the TPMP France be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>					
Total for Lao, PDR			\$30,000	\$3,900	\$33,900
LIBERIA					
PHASE-OUT PLAN					
CFC phase out plan					
Project preparation for a terminal phase-out management plan	UNDP		\$12,000	\$900	\$12,900
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNDP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>					
Project preparation for a terminal phase-out management plan	UNEP		\$18,000	\$2,340	\$20,340
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>					
Total for Liberia			\$30,000	\$3,240	\$33,240
MADAGASCAR					
PHASE-OUT PLAN					
CFC phase out plan					
Project preparation for a terminal phase-out management plan	UNEP		\$30,000	\$3,900	\$33,900
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>					

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase III)	UNEP		\$60,700	\$0	\$60,700	
Total for Madagascar			\$90,700	\$3,900	\$94,600	
MALAYSIA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2006 annual programme	IBRD	120.0	\$1,013,300	\$83,197	\$1,096,497	6.03
Total for Malaysia		120.0	\$1,013,300	\$83,197	\$1,096,497	
MAURITANIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
Total for Mauritania			\$60,000		\$60,000	
MICRONESIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II)	UNEP		\$11,333	\$0	\$11,333	
<i>Approved for one year only and on an exceptional basis.</i>						
Total for Micronesia			\$11,333		\$11,333	
NICARAGUA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNDP		\$15,000	\$1,125	\$16,125	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNDP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Project preparation for a terminal phase-out management plan	UNEP		\$15,000	\$1,950	\$16,950	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
Total for Nicaragua			\$90,000	\$3,075	\$93,075	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
NIGERIA						
PHASE-OUT PLAN						
ODS phase out plan						
Terminal ODS phase-out umbrella project in the solvent sector (3rd tranche)	UNIDO		\$425,000	\$31,875	\$456,875	7.96
<i>Approved an adjustment to the condition for submission of requests for funding agreed in decision 43/31, to make provision for submission to the second meeting of each year.</i>						
Total for Nigeria			\$425,000	\$31,875	\$456,875	
PALAU						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II)	UNEP		\$11,333	\$0	\$11,333	
<i>Approved for one year only and on an exceptional basis.</i>						
Total for Palau			\$11,333		\$11,333	
QATAR						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II, second year funding)	UNIDO		\$44,500	\$3,338	\$47,838	
<i>Approved on the understanding that funds would not be disbursed until Qatar had submitted a country programme report for 2005.</i>						
Total for Qatar			\$44,500	\$3,338	\$47,838	
SAINT LUCIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000	
Total for Saint Lucia			\$60,000		\$60,000	
SAUDI ARABIA						
SEVERAL						
Project preparation/supervision						
Preparation of a country programme/national phase-out plan	UNIDO		\$65,000	\$4,875	\$69,875	
Total for Saudi Arabia			\$65,000	\$4,875	\$69,875	
SEYCHELLES						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	France		\$20,000	\$2,600	\$22,600	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP France be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Total for Seychelles			\$20,000	\$2,600	\$22,600	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SOLOMON ISLANDS						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II) <i>Approved for one year only and on an exceptional basis.</i>	UNEP		\$6,833	\$0	\$6,833	
Total for Solomon Islands			\$6,833		\$6,833	
SYRIA						
FUMIGANT						
Methyl bromide						
Methyl bromide national phase-out plan (soil fumigation) <i>Approved in accordance with a revised agreement between the Government and the Executive Committee for the complete phase-out of methyl bromide.</i>	UNIDO	48.0	\$240,000	\$21,600	\$261,600	
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan for Syria (first tranche) <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i>	UNIDO	100.0	\$430,000	\$32,250	\$462,250	5.91
Total for Syria		148.0	\$670,000	\$53,850	\$723,850	
TONGA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II) <i>Approved for one year only and on an exceptional basis.</i>	UNEP		\$6,566	\$0	\$6,566	
Total for Tonga			\$6,566		\$6,566	
TRINIDAD AND TOBAGO						
FUMIGANT						
Methyl bromide						
Technical assistance to phase out the use of methyl bromide	Canada	0.1	\$30,000	\$3,900	\$33,900	
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche) <i>Approved on the understanding that UNDP will continue to ensure performance and financial verification and will report to the Executive Committee that the control targets listed in the agreement and the associated activities have been met on an annual basis.</i>	UNDP	34.1	\$240,000	\$18,000	\$258,000	5.97
Total for Trinidad and Tobago		34.2	\$270,000	\$21,900	\$291,900	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/43
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
TUNISIA						
PHASE-OUT PLAN						
ODS phase out plan						
National ODS phase-out plan (first tranche)	IBRD	169.5	\$790,000	\$59,250	\$849,250	7.20
<i>Approved in accordance with the agreement between the Government and the Executive Committee, on the understanding that the report covering its implementation, to be submitted with the request for second tranche, would include a detailed account of the institutional set-up, in particular the monitoring and reporting responsibilities, and cover the 2007 CFC and halon consumption data.</i>						
Total for Tunisia		169.5	\$790,000	\$59,250	\$849,250	
URUGUAY						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase VII)	UNDP		\$150,800	\$11,310	\$162,110	
Total for Uruguay			\$150,800	\$11,310	\$162,110	
VENEZUELA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase VIII)	UNDP		\$285,480	\$21,411	\$306,891	
Total for Venezuela			\$285,480	\$21,411	\$306,891	
VIETNAM						
PHASE-OUT PLAN						
ODS phase out plan						
National CFC and halon phase-out plan (second tranche)	IBRD	165.0	\$586,000	\$43,950	\$629,950	3.94
Total for Vietnam		165.0	\$586,000	\$43,950	\$629,950	
GRAND TOTAL		1,776.3	\$19,566,740	\$1,547,372	\$21,114,112	

Summary

UNEP/OzL.Pro/ExCom/49/43
Annex II

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant	0.1	\$30,000	\$3,900	\$33,900
Phase-out plan		\$862,000	\$150,560	\$1,012,560
TOTAL:	0.1	\$892,000	\$154,460	\$1,046,460
INVESTMENT PROJECT				
Fumigant	111.6	\$1,209,057	\$94,279	\$1,303,336
Process agent	229.9	\$884,399	\$66,330	\$950,729
Production		\$488,750	\$24,438	\$513,188
Phase-out plan	1,434.7	\$14,765,123	\$1,134,111	\$15,899,234
TOTAL:	1,776.2	\$17,347,329	\$1,319,158	\$18,666,487
WORK PROGRAMME AMENDMENT				
Phase-out plan		\$228,000	\$25,020	\$253,020
Several		\$1,099,411	\$48,734	\$1,148,145
TOTAL:		\$1,327,411	\$73,754	\$1,401,165
Summary by Parties and Implementing Agencies				
Canada	0.1	\$42,000	\$5,460	\$47,460
France		\$550,000	\$91,500	\$641,500
Germany		\$300,000	\$57,500	\$357,500
IBRD	756.5	\$12,172,977	\$920,172	\$13,093,149
UNDP	97.7	\$1,918,087	\$144,456	\$2,062,543
UNEP	54.0	\$1,041,781	\$71,260	\$1,113,041
UNIDO	868.0	\$3,541,895	\$257,024	\$3,798,919
GRAND TOTAL	1,776.3	\$19,566,740	\$1,547,372	\$21,114,112

**ADJUSTMENTS ARISING FROM THE 49TH MEETING OF THE EXECUTIVE COMMITTEE
FOR PROJECTS AND ACTIVITIES**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNDP (per decision 49/3(b)&(c))	650,450	82,209	732,659
UNEP (per decision 49/3(b)&(c))	50,803	12,076	62,879
UNIDO (per decision 49/3(b)&(c))	216,855	26,190	243,045
World Bank (per decision 49/3(b)&(c))	3,406,663	411,657	3,818,320
Total	4,324,771	532,132	4,856,903

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS
BASED ON DECISIONS OF THE 49TH MEETING OF THE EXECUTIVE COMMITTEE**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Canada (1)	42,000	5,460	47,460
France (1)	550,000	91,500	641,500
Germany (2)	300,000	57,500	357,500
UNDP	1,267,637	62,247	1,329,884
UNEP	990,978	59,184	1,050,162
UNIDO	3,325,040	230,834	3,555,874
World Bank	8,766,314	508,515	9,274,829
Total	15,241,969	1,015,240	16,257,209

(1) Total amount to be assigned to 2006 bilateral contributions.

(2) Amount for Germany of US \$357,500 to be applied in 2007.

Annex III

AGREEMENT BETWEEN THE GOVERNMENT OF GRENADA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE TERMINAL PHASE-OUT MANAGEMENT PLAN

1. This Agreement represents the understanding of the Government of Grenada (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances as described in the TPMP document.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 5 of Appendix 2-A (the “Funding”) to the Country, commencing with the entry into force of the import/export licensing system to monitor and control trade in ozone depleting substances. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the funding approval schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the funding approval schedule:
 - (a) That the Country has met the target for the applicable year;
 - (b) That the meeting of these targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report

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

7. While the funding was determined on the basis of estimates of the needs of the country to carry out its obligations under this agreement, the Executive Committee agrees that the country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

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

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the funding approval schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the funding approval schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

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

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

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

APPENDICES

APPENDIX 1-A: The Substances

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

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	2.986	0.896	0.896	0.896	0	
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	2.986	0.896	0.896	0.896	0	
3. UNEP agreed funding (US \$)	37,000	48,000	32,500	12,500	0	130,000
4. UNDP agreed funding (US \$)	40,000	50,000	30,000	0	0	120,000
5. Total agreed funding (US \$)	77,000	98,000	62,500	12,500	0	250,000
6. UNEP support costs (US \$)	4,810	6,240	4,225	1,625	0	16,900
7. UNDP support costs (US \$)	3,600	4,500	2,700	0	0	10,800
8. Total agency support costs (US \$)	8,410	10,740	6,925	1,625	0	27,700

APPENDIX 3-A: Funding approval schedule

1. Funding other than payments in 2006, will be considered for approval at the first meeting of the year of the annual implementation programme. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

APPENDIX 4-A: Format of Annual Implementation Programme

1. Data

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

2. Targets

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

3. Industry Action

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

4. Technical Assistance

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

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

7. Administrative Fees

APPENDIX 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the TPMP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Office.

Verification and reporting

3. The Executive Committee reserves the right for requesting through the Lead IA an independent verification of the activities that have been implemented under the TPMP for Grenada, as per decision 45/54. In this case, the Government of Grenada in consultation with the Lead IA would select the independent organization (auditing) to carry out the verification of the TPMP.

APPENDIX 6-A: Role of the Lead IA

1. The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Assisting the Country in preparation of the Annual Implementation Programme;
 - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual

Implementation Programme. For this undertaking, separate funding will be provided by the Executive committee to the Lead Agency,

- (d) Ensuring that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinating the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B: Role of Cooperating IA

1. The cooperating implementing agency, will:
 - (a) Provide policy development assistance when required;
 - (b) Assist the Government of Grenada in the implementation and verification of the activities funded for by UNDP; and
 - (c) Provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

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

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$15,000.00 per ODP tonne of reductions in consumption not achieved in the year.

Annex IV

AMENDED AGREEMENT BETWEEN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF THE OZONE-DEPLETING SUBSTANCE CARBON TETRACHLORIDE (CTC)

1. This Agreement represents the understanding of Democratic People's Republic of Korea (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substance CTC (the "Substance") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substance in the solvent sector in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the "Targets") and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substance.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 5 of Appendix 2-A (the "Funding") to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the "Funding Approval Schedule").
4. The Country will meet the consumption limits for the Substance as indicated in row 1 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the target for the applicable year;
 - (b) That the meeting of these targets has been independently verified as described in paragraph 8;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 8.
7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations, which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.
8. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.
9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.
10. The Funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the Funding of any other consumption/production sector projects or any other related activities in the Country.
11. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide access by the Lead IA to information necessary to verify compliance with this Agreement.
12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The Substances

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

Year	2003	2004	2005 CTC- 85%	2006	2007	2008	2009	2010
Montreal Protocol reduction schedules			192.8	192.8	92.8	92.8	92.8	0
1. Max allowable total consumption of Annex B Group II substance	2,200	2,200	192.8	92.8	77.8	37.8	0	0
2. Reduction from ongoing projects	0	0	565.8	0	0	0	0	0
3. New reduction under the present plan	0	0	1,441.4	100.0	15	40	37.8	0
4. Total annual reduction of Annex B Group II substance	0	0	2,007.2	100.0	15	40	37.8	0
5. Lead IA agreed funding (US\$)	3,500,000	1,000,000	300,000	500,000	284,844	100,000		
6. Lead IA support cost (US\$)	262,500	75,000	22,500	37,500	21,363	7,500		
7. Total agreed funding (US\$)	3,762,500	1,075,000	322,500	537,500	306,207	107,500		

Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the Executive Committee's second meeting of each year.

Appendix 4-A: Format of Annual Implementation Programme

1. **Data**

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

2. Targets

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

3. Industry Action

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

4. Technical Assistance

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

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

1. As developed in Section 5 of the Plan: The Terminal CTC Phase-out Plan will be managed by a dedicated Policy and Management Committee, consisting of a co-ordinator to be designated by the Government and supported by representatives and experts from the Lead IA and the necessary support infrastructure. The Policy and Management Support component of the Phase-out Plan will include the following activities for the duration of the Plan:

- (a) Management and co-ordination of the Plan implementation with the various Government policy actions pertaining to the Fumigant, Process Agent and Solvent Sectors;
- (b) Establishment of a policy development and enforcement programme, covering various legislative, regulatory, incentive, disincentive and punitive actions to enable the Government to acquire and exercise the required mandates in order to ensure compliance by the industry with the phase-out obligations;
- (c) Development and implementation of training, awareness and capacity-building activities for key government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the Plan objectives and obligations;
- (d) Awareness creation of the Phase-out Plan and the Government initiatives in the Sectors among consumers and public, through workshops, media publicity and other information dissemination measures;
- (e) Development of a programme and procedures, if needed, to address the impact of CTC phase-out on the certain number of small scale enterprises in the Country re-using spent CTC, in view of the hardship that CTC elimination will cause them;
- (f) Preparation of implementation plan including determining the sequence of enterprise participation in planned sub-projects;
- (g) Verification and certification of CTC phase-out in completed projects within the Plan through plant visits and performance auditing;
- (h) Establishment and operation of a reporting system for use of CTC substitutes by enterprises; and
- (i) Establishment and operation of a decentralised mechanism for monitoring and evaluation of Plan outputs, in association with provincial regulatory environmental bodies to ensure sustainability.

Appendix 6-A: Role of the Lead IA

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in 2005;
- (f) Ensuring that technical reviews undertaken by the lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substance has been eliminated in accordance with the Targets;
- (j) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (k) Providing assistance with policy, management and technical support when required.

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

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$5,600 per ODP tonne of reductions in consumption not achieved in the year.

Annex V

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 49TH MEETING

Albania

1. The Executive Committee has reviewed the report submitted with the institutional strengthening project renewal request for Albania and notes with appreciation that Albania reported data to the Ozone Secretariat which showed that Albania was in compliance with the Montreal Protocol reduction steps for all controlled substances. The Executive Committee acknowledges with appreciation that Albania established in 2005 its national ODS law, including an import/export licensing system to control trade in ODS. The Executive Committee also notes that Albania ratified all the Amendments to the Montreal Protocol. With implementation of the activities planned for the next phase, the Executive Committee is hopeful that Albania will achieve outstanding success in the continued phase-out of ODS.

Benin

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Benin and notes with appreciation that Benin has reported data to the Ozone Secretariat indicating that Benin is ahead of the Montreal Protocol phase-out schedule. Benin has taken significant steps to phase out its CFC consumption. The Executive Committee is therefore hopeful that, in the next two years, Benin will continue to implement its country programme with outstanding success in the reduction of current levels of CFC consumption.

Kiribati

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Kiribati and notes with appreciation that Kiribati reported 2004 data to the Ozone Secretariat which showed that Kiribati maintained zero CFC consumption. However, the Executive Committee notes that the training of customs officials has not yet taken place due to the delay in establishing the ODS licensing system. With implementation of the remaining activities under the regional strategy for Pacific Island countries, the Executive Committee is hopeful that in the next two years Kiribati will put in place the means needed to sustain its CFC phase-out.

Madagascar

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Madagascar and notes with appreciation that Madagascar has reported 2004 data to the Ozone Secretariat indicating that the country reduced its CFC consumption below the Montreal Protocol's 50 per cent reduction target and has reduced consumption of methyl bromide to zero. The Executive Committee is therefore hopeful that, in the next two years, Madagascar will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption.

Mauritania

5. The Executive Committee has reviewed the information presented with the institutional strengthening project renewal for Mauritania and notes with appreciation that Mauritania has reported data to the Ozone Secretariat showing that Mauritania is in compliance with the Montreal Protocol control measures for all controlled substances. The Executive Committee greatly appreciates the steps taken by Mauritania to phase-out its consumption and is hopeful that, in the next two years, Mauritania will continue with the implementation of its refrigerant management plan with outstanding success in the further reduction of CFC consumption levels.

Federated States of Micronesia

6. The Executive Committee has reviewed the information presented with the institutional strengthening project renewal request for the Federated States of Micronesia and notes with concern that Micronesia reported CFC consumption in 2004 which exceeded its baseline. However, the Executive Committee also notes that the data reported to the Fund Secretariat for 2005 indicates that Micronesia has reduced its CFC consumption to a level below the 2005 Montreal Protocol CFC control target. The Executive Committee is hopeful that in the next phase of the institutional strengthening project, Micronesia will be able to establish ODS regulations, complete the customs training programme and continue with implementation of the regional strategy with outstanding success in the further reduction of CFC consumption levels.

Nicaragua

7. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Nicaragua and notes with appreciation that the country reported CFC consumption lower than 50 per cent of its baseline consumption and maintained the level of consumption of methyl bromide, CTC and TCA at zero. Nicaragua has taken some important initiatives including the reduction of ODS imports through operation of a licensing system, the organization of training workshops for customs officers and the monitoring of recovery and recycling projects. The Executive Committee greatly appreciates the efforts of Nicaragua to reduce the consumption of ODS. The Executive Committee expresses the expectation that, in the next two years, Nicaragua will continue to improve the operation of the licensing system, and implement its refrigerant management plan and non-investment programmes with outstanding progress, to sustain and build upon its current levels of reduction in the consumption of ODS.

Palau

8. The Executive Committee has reviewed the information presented with the institutional strengthening project renewal for Palau and notes that Palau reported 2004 data to the Ozone Secretariat which showed that Palau was in compliance with the Montreal Protocol freeze on CFC consumption levels. It also notes that training in good refrigeration practices was carried out and that ODS regulations were established in 2005. The Executive Committee is therefore hopeful that, in the next two years, Palau will complete the customs training project, enforce the ODS regulations and continue with the implementation of planned activities with outstanding success in the reduction of its current CFC consumption.

Saint Lucia

9. The Executive Committee has reviewed the information submitted with the institutional strengthening project renewal request for Saint Lucia and notes with appreciation that Saint Lucia reported Article 7 data to the Ozone Secretariat demonstrating that the Party was in compliance with the Montreal Protocol reduction steps for all controlled substances. The Executive Committee acknowledges with appreciation that Saint Lucia has ratified all the Amendments to the Montreal Protocol. The Executive Committee also notes that Saint Lucia has received funds for the preparation of a terminal phase-out management plan and is committed to achieve the total phase-out of ozone-depleting substances by the established deadlines. With the activities planned for the next phase, the Executive Committee is hopeful that Saint Lucia will continue phasing-out ODS with outstanding success.

Solomon Islands

10. The Executive Committee has reviewed the information in connection with the submitted institutional strengthening project renewal request for Solomon Islands and notes that Solomon Islands reported 2004 data to the Ozone Secretariat which showed that Solomon Islands maintained the Montreal Protocol CFC consumption freeze. The Executive Committee also notes that while the Solomon Islands has taken significant steps to phase out its ODS consumption, customs training has not taken place due to a delay in establishing an ODS licensing system. With the activities foreseen in the next phase of the institutional strengthening project, including implementation of a licensing system, the Executive Committee is hopeful that the Solomon Islands will achieve outstanding success in the reduction of its CFC consumption.

Tonga

11. The Executive Committee has reviewed the information presented with the institutional strengthening project renewal request for Tonga and notes with appreciation that Tonga reported 2004 data to the Ozone Secretariat which showed that Tonga had achieved a CFC consumption of zero. The Executive Committee notes that Tonga has taken significant steps to phase out its ODS consumption and is hopeful that, with the establishing of an ODS licensing system, Tonga will be able to sustain its early achievement of full compliance with the control measures of the Montreal Protocol.

Uruguay

12. The Executive Committee has reviewed and notes with appreciation the terminal report presented with the institutional strengthening project renewal request for Uruguay. In particular, the Executive Committee notes that Uruguay has met the Montreal Protocol 50 per cent CFC reduction target on schedule. It also appreciates the progress made in the implementation of phase-out projects in key ODS-consuming sectors, specifically the MDI sector and the refrigeration/air-conditioning servicing sector. The Executive Committee also notes with appreciation that Uruguay has achieved compliance with the methyl bromide consumption target in the action plan approved under decision XVII/39 of the Meeting of the Parties in 2005. The Executive Committee commends the Government of Uruguay for these achievements and expresses the expectation that, in the next two years, it will continue the implementation of its planned activities with outstanding success in the reduction of current ODS consumption levels.

Venezuela

13. The Executive Committee has reviewed and notes with appreciation the terminal report presented with the institutional strengthening project renewal request for Venezuela. In particular, the Executive Committee notes that Venezuela has met the Montreal Protocol 50 per cent CFC reduction target on schedule. It also appreciates the progress made in the implementation of phase-out projects in key ODS-consuming sectors, specifically the national CFC phase-out plan and the CFC production facility closure project. The Executive Committee commends the Government of Venezuela for these achievements and expresses the expectation that, in the next two years, it will continue the implementation of its planned activities with outstanding success in the reduction of current ODS consumption levels.

Annex VI

AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN THE SYRIAN ARAB REPUBLIC

1. The Executive Committee:

- (a) At its 34th Meeting, approved US \$1,084,139 as the total funds available to achieve the complete phase-out of methyl bromide used in grain storage (105 ODP tonnes), on the understanding that the remaining consumption of controlled uses of methyl bromide eligible for funding would be 8 ODP tonnes; and
- (b) At its 49th Meeting, approved an additional US \$240,000 as the total funds available to achieve the complete phase-out of methyl bromide used in soil fumigation (48 ODP tonnes, of which 40 ODP tonnes will be phased out with financial assistance from outside the Multilateral Fund).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for the Syrian Arab Republic has been established at 188.55 ODP tonnes. The Syrian Arab Republic has also reported MB consumption of 91.398 ODP tonnes for 2005, excluding quarantine and pre shipment applications. Accordingly, the Syrian Arab Republic would therefore appear to be in compliance with the 2005 Montreal Protocol 20 per cent reduction.

3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project documents will ensure that the Syrian Arab Republic meets the reduction schedule presented below. In this regard, the Syrian Arab Republic will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	Maximum level of methyl bromide consumption (ODP tonnes)		
	Grain fumigation	Soil fumigation	Maximum level
2001	105.0		105.0
2002	100.8		100.8
2003	99.0		99.0
2004	65.7		65.7
2005	43.4		43.4
2006	18.0	48.0*	66.0
2007	6.0	39.0	45.0
2008	0.0	27.0	27.0
2009		0.0	0.0

* Including 40 ODP tonnes to be phased out by the Government with financial assistance from outside the Multilateral Fund.

4. Upon successful completion of the projects, the Syrian Arab Republic commits to permanently sustaining the consumption levels indicated in the table above through import restrictions and other policies it may deem necessary. UNIDO shall report to the Executive Committee on the progress achieved in meeting the reductions required by the projects.

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

Year	Level of funding (US \$)		
	Grain fumigation	Soil fumigation	Total
2001	300,000		300,000
2003	351,725		351,725
2005	432,414		432,414
2006		240,000*	240,000

(*) UNIDO will disburse US \$100,000 in 2006 and US \$140,000 in 2007, on the understanding that the Executive Committee has favorably reviewed the prior year's progress report.

6. The Government of Syria will have flexibility in implementing the project components it considers important to meet its phase-out commitments. UNIDO agrees to manage the funding for the projects in a manner designed to ensure that the agreed specific annual reductions are met.

7. These agreed conditions between the Government of the Syrian Arab Republic and the Executive Committee have taken into account the already approved methyl bromide phase-out project in grain storage and, therefore, supersede the agreements approved at the 34th Meeting of the Executive Committee.

Annex VII

AGREEMENT BETWEEN THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE CONGO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE NATIONAL CFC PHASEOUT PLAN (NCPP)

1. This Agreement represents the understanding of the Government of the Democratic Republic of the Congo (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) in the refrigeration sector, prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the use of the Substances in Annex A (Group I) of the Montreal Protocol in accordance with the annual phase-out targets set out in row 8 of Appendix 2-A (the “Targets, and Funding”) and this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances for the refrigeration sector as described in the NCPP document.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 12 of Appendix 2-A (the “Funding”) to the Country, commencing with the entry into force of an import/export licensing system to monitor and control trade in ozone depleting substances. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the target for the applicable year;
 - (b) That the meeting of these targets has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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

7. While the funding was determined on the basis of estimates of the needs of the country to carry out its obligations under this Agreement, the Executive Committee agrees that the country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of Activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The United Nations Environment Programme (the “Lead IA”) has agreed to be the lead implementing agency and the United Nations Development Programme (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 13 and 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of

the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

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

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

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

APPENDICES

Appendix 1-A: The Substances

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

PROJECT DATA		2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	1. Montreal Protocol limits	332.8	99.8	99.8	99.8	0.0	
	2. Annual phase-out from ongoing solvents projects	4.0	0.0	0.0	0.0	0.0	4.0
	3. Annual phase-out from ongoing foam projects	45.0	0.0	0.0	0.0	0.0	45.0
	4. Annual phase-out from ongoing RMP projects	33.0	30.0	15.2	0.0	0.0	78.2
	5. Annual phase-out newly addressed (NCP)	0.0	5.0	21.5	25.0	0.0	51.5
	6. Annual unfunded phase-out (aerosols)	7.0	0.0	0.0	0.0	0.0	7.0
7. Total ODS consumption to be phased out		89.0	35.0	36.7	25.0	0.0	185.7
8. Resulting CFC targets to be achieved		185.7	96.7	61.7	25.0	0.0	
9. Total ODS consumption to be phased-in (HCFCs)							n/a
Project costs (US \$):							
10. Funding for lead agency UNEP		143,750	71,875	71,875			287,500
11. Funding for UNDP		193,750	71,875	71,875			337,500
12. Total project funding		337,500	143,750	143,750			625,000
Support costs (US \$)							
13. Support cost for lead agency UNEP (13%)		18,688	9,344	9,344			37,375
14. Support cost for UNDP (7.5%)		14,531	5,391	5,391			25,313
15. Total support costs		33,219	14,734	14,734			62,688
16. Total cost to Multilateral Fund (US \$)		370,719	158,484	158,484			687,688
17. Project cost effectiveness (US \$/kg)		4.81 (on the basis of CFC consumption in the refrigeration servicing sector)					

Appendix 3-A: Funding Approval Schedule

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

Appendix 4-A: Format for Annual Implementation Programme

1. Data

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

2. Targets

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

3. Industry Action

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

Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the Monitoring Project, which is included within this NCPP. The national Ozone Unit will hire a team on a part time basis for the monitoring of the NCPP activities. The role of the monitoring will be to assess the implementation of the NCPP every year by making surveys, fields visits (etc.) and then propose the required modifications if needed. The role of the monitoring team will also include compilation necessary data for the preparation of an annual report and assistance to NOU in the organization of the annual NCPP meeting.

2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the NCPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Office.

Verification and reporting

3. Under this component there are two independent types of verification as follows:
- (a) In accordance to decision 45/54 of the Executive Committee. The Executive Committee reserves the right for independent verification in case the Executive Committee selects D.R. Congo for related auditing as per decision 45/54.
 - (b) Verification for monitoring and in accordance to the NCPP and the NCPP Annual Implementation Programme objectives. The outcome of the different elements of the NCPP and of the monitoring activities will be verified independently by an external organization. The Government, Lead Agency and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

Institution for conducting the verification

4. Based on the discussion with the United Nations Environment Programme, the Government of D.R. Congo should select the independent organization (auditing) to carry out the verification of the NCPP results and the monitoring programme.

Frequency of verification and reporting

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

Appendix 6-A: Role of the Lead IA

1. The Lead IA UNEP will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme. For this undertaking, separate funding will be provided by the Executive committee to the Lead Agency.
- (c) Assisting the country in Preparation of the Annual Implementation Programme
- (d) Ensuring that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinating the activities of the Coordinating IAs, if any;

- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

Appendix 6-B: Role of Cooperating IA

1. The cooperating implementing agency UNDP will:
 - (a) Provide policy development assistance when required;
 - (b) Assist the Government of D.R. Congo in the implementation and verification of the activities funded for by the United Nations Development Programme; and
 - (c) Provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

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

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 VIII

REVISED AGREEMENT FOR THE TERMINAL CFC PHASE-OUT MANAGEMENT PLAN (TPMP) FOR CROATIA

1. The Executive Committee approves a total of US \$379,700, excluding agency support costs, in funding for the phased reduction and complete phase-out of Annex A, Group I substances used in Croatia. This is the total funding that would be available to Croatia from the Multilateral Fund for the total elimination of the use of Annex A, Group I substances in Croatia. The agreed level of funding would be paid out in installments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.

2. By this Agreement, Croatia commits that, in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I CFC consumption in accordance with the annual consumption limits given in Table 2.

Table 1: Funding levels and profile under the TPMP

Funding (US \$)	2003	2004	2005	2006	2007	2008	
Component I (Sweden)	46,000	24,700	21,500	0	0	0	92,200
Component II (UNIDO)	184,000	48,300	35,000	20,200	0	0	287,500
Agency fees (Sweden)	3,450	1,853	1,613	0	0	0	6,915
Agency fees (UNIDO)	13,800	3,623	2,625	1,515	0	0	21,563
Total (Sweden)	49,450	26,553	23,113	0	0	0	99,115
Total (UNIDO)	197,800	51,923	37,625	21,715	0	0	309,063
Grand total	247,250	78,475	60,738	21,715	0	0	408,178

Table 2: Maximum allowable consumption for Annex A, Group I (CFCs) in ODP tonnes

Year	(ODP tonnes)
2003	98
2004	98
2005	65
2006	*
2007	*
2008	*
2009	*
2010	0

*The By-Law on Substances that Deplete the Ozone Layer (of 30 January 1999) includes a clause on importing on an exceptional basis between 2006 and 2009 up to 21.9 ODP tonnes of Annex A (Groups I and II) and/or Annex B (Groups II and III) or products containing these substances, when these substances and/or products are for preserving human, plant and/or animal life; national defense, safety and fire-fighting; and scientific research safety, when such products cannot be replaced by environmentally-sound and economically-viable alternatives.

3. In order to assist Croatia in achieving the 2003 reduction targets and to initiate measures necessary to meet the other reduction targets included in Table 2, the Executive Committee decided at its 39th Meeting to provide US \$379,700 plus agency support costs to Croatia. The TPMP consists of the phase-out plan for the remaining CFC consumption in the servicing sector prepared with assistance from the Government of Sweden. As the lead agency, UNIDO will assist the Government of Croatia to implement the overall TPMP, particularly activities indicated in Table 3. The Government of Sweden, as co-implementing agency, will provide assistance to Croatia to implement activities included in Table 3. The funding provided by the Government of Sweden, as stated in Table 1, will be counted against the Swedish bilateral quota of its contribution to the Multilateral Fund in annually specified tranches.

4. The Executive Committee also agrees, in principle, that the funds for 2003 will be provided upon approval of this Agreement and thereafter funds will be provided at the first meeting of the Executive Committee of each year, in accordance with Table 1, for the exact amounts listed in Table 1 and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this Agreement. On this basis, the payment indicated in year 2003 will be for activities to be undertaken in the remainder of 2003 until June 2004.

5. Payments noted in Table 1, other than the payment in 2003, will be released based on confirmation that the agreed phase-out targets noted in Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year have been undertaken in accordance with the annual implementation plan. Hence, payment in 2004 for the 2004 implementation plan would be released based on confirmation that the 2003 consumption target had been met and all 2003 implementation plan activities had been completed, and likewise for future years.

6. The Government of Croatia agrees to ensure accurate monitoring of the phase-out. The Government of Croatia will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement are consistent with Croatia's report to the Ozone Secretariat under Article 7 of the Montreal Protocol.

7. The Government of Croatia also agrees to allow independent verification audits as provided for in this Agreement and, in addition, external evaluation as may be directed by the Executive Committee, to verify that annual consumption levels correspond to those agreed in Table 2 and that implementation of the TPMP proceeds as scheduled and agreed in annual implementation programmes.

8. The Croatia Terminal CFC Phase-out Management Plan may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Croatia with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 2. The Executive Committee understands that during implementation, as long as it is consistent with this Agreement, the funds provided to Croatia pursuant to this Agreement may be used in any manner that Croatia believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between the Government of Croatia, UNIDO as the lead implementing agency, and the Government of

Sweden as co-implementing agency. In the Executive Committee's acknowledgement of the flexibility available to Croatia to achieve a complete CFC phase-out, it is noted that Croatia is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 2 of this Agreement.

9. The Government of Croatia agrees that the funds being agreed in principle by the Executive Committee at its 39th Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to Croatia to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be requested for any related activities. It is also understood that, apart from the agency fees referred to in paragraph 11 below, the Government of Croatia, the Multilateral Fund, its implementing agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of CFCs in the country.

10. The Government of Croatia agrees that if the Executive Committee meets its obligations under this Agreement but that the Government of Croatia does not meet the reduction requirements stated in paragraph 2 and other requirements outlined under this document, the implementing agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfillment of this Agreement depends on the satisfactory performance of its obligation by both the Government of Croatia and the Executive Committee.

11. UNIDO has agreed to be the lead implementing agency for the implementation of this Terminal Phase-out Management Plan, with the Government of Sweden as co-implementing agency for the implementation of Component I of the TPMP. A fee of a total of 7.5 per cent of the annual funds has been agreed in accordance with the provisions of this Agreement and distributed between the two agencies as shown in Tables 1 and 3. As the lead implementing agency, UNIDO will be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the Croatia Terminal CFC Phase-out Management Plan;
- (b) Reporting annually on the implementation of the annual implementation programmes;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by UNIDO are carried out by appropriate independent technical experts;
- (e) Assisting Croatia in the preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) Carrying out required supervision missions;

- (g) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme and accurate data reporting;
- (h) Ensuring that disbursements are made to Croatia based on agreed performance targets in the project and provisions in this Agreement; and
- (i) Providing policy development assistance when required.

12. The Government of Sweden, as co-implementing agency, will be responsible for the following:

- (a) Assisting the Government of Croatia in the implementation and verification of the activities funded by the Swedish bilateral quota as per Component I of Table 1, including providing policy development assistance;
- (b) Providing reports to UNIDO on these activities, for inclusion in consolidated reports; and
- (c) Ensuring that disbursements are made to Croatia based on agreed performance targets in the project and provisions in this Agreement.

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

Table 3: Cash flow of the TPMP for Croatia

Description	Total (US\$)	2003		2004		2005		2006
		UNIDO	Sweden	UNIDO	Sweden	UNIDO	Sweden	UNIDO
Training of existing workforce								
3-day training course	11,000	11,000						
1+1 -day training course	45,000	15,000		10,000		20,000		
Technical assistance	6,000		6,000					
Contingency	6,200			6,200				
Sub-Total	68,200	26,000	6,000	16,200		20,000		
Strengthening of vocational schools								
Update/produce training materials	10,000	10,000						
Procurement of equipment	36,000	36,000						
Training of trainers	5,000	5,000						
Technical assistance	3,000		3,000					
Contingency	5,400			5,400				
Sub-Total	59,400	51,000	3,000	5,400				
Code of practice	22,000		8,000		8,700		5,300	
Contingency	2,200						2,200	
Sub-Total	24,200		8,000		8,700		7,500	
Reclamation capability								
Initiate infrastructure	20,000		20,000					
Contingency	2,000				2,000			
Equipment	102,000	102,000						
Contingency	10,200			10,200				
Sub-Total	134,200	102,000	20,000	10,200				
Monitoring and implementation								
Targeted information	15,000	5,000		5,000		5,000		
Contingency	1,500			1,500				
Monitoring/implementation/evaluation	52,000		9,000		14,000		14,000	15,000
Contingency	5,200							5,200
Subsidies for demo. projects	20,000			10,000		10,000		
Sub-Total	93,700	5,000	9,000	16,500	14,000	15,000	14,000	20,200
Total	379,700	184,000	46,000	48,300	24,700	35,000	21,500	20,200
Support Cost (7.5%)	28,478	13,800	3,450	3,623	1,853	2,625	1,613	1,515
Grand Total	408,178	197,800	49,450	51,923	26,553	37,625	23,113	21,715

Annex IX

AGREEMENT BETWEEN THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Syrian Arab Republic (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) before 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 9 of Appendix 2-A (“The Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the target for the applicable year;
 - (b) That the meeting of the target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institution and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in

Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the funding was determined on the basis of estimates of the needs of the country to carry out its obligations under this agreement, the Executive Committee agrees that the country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (“Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification in collaboration with NOU as per Guideline for the verification of national consumption targets of multi-year agreements. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 and 12 of Appendix 2-A.

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

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

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

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

APPENDIX 1-A: THE SUBSTANCES

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

	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	1,112.32	1,112.32	333.7	333.7	333.7	0	-
1. Max allowable total consumption of CFCs (ODP tonnes)	869.7*	869.7	328.7	207.2	70.0	0.0	1,475.4
2. Reduction from on-going projects (ODP tonnes)	-	441	0	0	0	0	441
3. New reduction under plan (ODP tonnes)	-	100.0	121.5	207.2	70.0	0.0	
4. Unfunded reductions (ODP tonnes)	-	65.7	87.2	102.9	35.7	0.0	291.6
5. Funded reductions (ODP tonnes)	-	34.3	34.3	34.3	34.3	0.0	137.1
6. Total annual reduction (ODP tonnes)		541.0	121.5	137.2	70.0	0.0	869.7
7. Lead IA agreed funding (US \$)	-	430,000	0	170,000	154,050	0	754,050
8. Lead IA support costs (US \$)	-	32,250	0	12,750	11,554	0	56,554

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the second meeting of the year for which funding is being requested.

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/ies	

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 monitors the consumption data of all ODS. Inspections at converted companies are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Syria.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity will be done by:
 - (a) Establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
 - (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
 - (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
 - (d) Occasional visits to service workshops, recycling and reclamation centres.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

CFC quantity

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

Cost information

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

6. Data and information collected will be analysed to check the adequate operations of the scheme.

7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.

8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

APPENDIX 6-A: ROLE OF THE LEAD 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) Providing verification to 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 \$11,000 per ODP tonne of reductions in consumption not achieved in the year.

Annex X

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

1. This Agreement represents the understanding of Tunisia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) by January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (“The Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3 and consistent with existing MLF policies and guidelines, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 6 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 56 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the target for the applicable year;
 - (b) That the meeting of the target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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

7. While the funding was determined on the basis of estimates of the needs of the country to carry out its obligations under this agreement, the Executive Committee agrees that the country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

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

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

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

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

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

APPENDIX 1-A: THE SUBSTANCES

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

Annex	Group	Chemical
Annex A	I	CFC-11, CFC-12 and CFC-115
Annex A	II	Halon 1211 and Halon 1301

APPENDIX 2-A: THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010	Total
1. Annex A, Group I Montreal Protocol Reduction Schedule (ODP tonnes)	870.1	435.05	435.05	130.5	130.5	130.5	0	
2. Max allowable total consumption of CFCs under the NOPP (ODP tonnes)	NA	NA	300.0	130.5	130.5	130.5	0	
3. Annex A, Group II Montreal Protocol Reduction Schedule (ODP tonnes)	104.3	52.15	52.15	52.15	52.15	52.15	0	
4. Max allowable total consumption of CFCs under the NOPP (ODP tonnes)	NA	NA	42.00	42.00	42.00	42.00	0	
6. Total agreed NOPP funding (US \$)	0	0	790,000	0	345,395	0	0	1,135,395
7. WB support costs (US \$)			59,250	0	25,905	0	0	85,155
8. Total agreed grant for tranche, including support cost (US\$)			849,250	0	371,300	0	0	1,220,550

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding other than the payments in 2006, will be considered for approval at the second Executive Committee meeting in 2008 together with the 2008-2009 implementation plan.

APPENDIX 4-A: FORMAT FOR 2008-2009 IMPLEMENTATION PLAN

1. **Data**

Country _____

Year of plan _____

of years completed _____

of years remaining under the plan _____

Target ODS consumption of the preceding year _____

Target ODS consumption of the year of plan _____

Level of funding requested _____

Lead implementing agency _____

Co-operating agency(ies) _____

2. **Targets**

Target:		Preceding Year	Year of Plan	Reduction
Indicators				
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)
Servicing						
Aerosol						
Foam						
Halon						
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 NOU within ANPE has the overall responsibility for monitoring of the implementation of the NOPP;
2. All monitoring activities will be coordinated and managed through a project management team to be established within the NOU. The management team will consist of staff appointed within NOU, supported by sector specific consultants as needed;
3. Consistent with the existing ODS import control system, of all imports of ODSs substances are based on import permits issued by NOU and monitored and recorded by NOU. With the initiation of the NOPP, the import will be controlled within the limits given in the agreement and the overall national ODS policies. The NOU will provide the Bank's Tunisian Task Team with regular updates on ODS import during the year; and
4. Annual verification of ODS import, as required by this agreement, will be carried out by an independent party each year. Based on agreed TOR, ANPE will select an independent consultant/company to carry the annual verification of the ODS imports during the year and status of implementation of activities planned for the same year. The annual verification report will be submitted to the Bank not later than May 1 each year.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's ODS phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the implementation programme;
- (c) Assisting the Country in preparation of the 2008-2009 Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Implementation Programmes;
- (e) Reporting on the implementation of the Implementation Programme of the preceding years and preparing an Implementation Programme for the year 2008-2009 for submission to the Executive Committee;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Target;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) Providing assistance with policy, management and technical support when required.

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

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$14.4/kg of ODS reduction in consumption not achieved in the year.
