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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixtieth Meeting
Montreal, 12-15 April 2010

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organization matters

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/60/1 contains the provisional agenda for the 60th Meeting of the Executive Committee.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee might wish to adopt the agenda of the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/60/1 and, if needed, as amended verbally at the plenary.

(b) Organization of work

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

3. Secretariat activities

Document UNEP/OzL.Pro/ExCom/60/2 presents a report on the activities of the Secretariat since the 59th Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 59th Meeting, the preparations for the 60th Meeting, as well as information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this reporting period.

Issues to be addressed: None.

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

Action expected from the Executive Committee: The Executive Committee may wish to take note of the report on the Secretariat Activities (document UNEP/OzL.Pro/ExCom/60/2).

4. Financial matters

(a) Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/60/3 provides information on the status of the Fund as recorded at UNEP as at 5 March 2010. At that date, the fund balance stood at US \$116,186,390. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 59th Meeting.

Issues to be addressed: None.

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

- (a) Note the report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in document UNEP/OzL.Pro/ExCom/60/3;
- (b) Note the list of Parties (Annex I to document UNEP/OzL.Pro/ExCom/60/3) that have opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2009-2011; and
- (c) Urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

(b) Outstanding contributions to the Multilateral Fund by the Russian Federation (decision 59/54)

Document UNEP/OzL.Pro/ExCom/60/4 provides information on the outstanding contributions to the Multilateral Fund by the Russian Federation as at 5 March 2010 and was prepared pursuant to decision 59/54.

Issues to be addressed:

- There is no MEA example where one Party's accumulated debt was forgiven/written off

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

- (a) Take note of document UNEP/OzL.Pro/ExCom/60/4 and Annex I;
- (b) Request the Chief Officer to reply to the letter of the Government of the Russian Federation and convey the Executive Committee's views over the long outstanding contributions from the Russian Federation as expressed at the 60th Meeting; and
- (c) Consider whether to refer the issue of the Russian Federation's outstanding contributions to the Multilateral Fund for consideration by either the next Open-ended Working Group and/or the Twenty-second Meeting of the Parties to the Montreal Protocol.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document [UNEP/OzL.Pro/ExCom/60/5](#) presents a summary of the financial adjustments indicated by the bilateral and implementing agencies and agreed by the Fund Secretariat. The document includes statistical data for projects with balances that have been held for over the allowable 12-month period after completion and, pursuant to decision 41/92(b), indicates the level of resources available to the 60th Meeting of the Executive Committee.

Issues to be addressed: None.

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

- (a) To note:
- (i) The report on balances and availability of resources contained in document [UNEP/OzL.Pro/ExCom/60/5](#);
 - (ii) The net level of funds being returned by the implementing agencies to the 60th Meeting is amounting to US \$66,944 against projects. This includes the return of US \$38,855 from UNDP, US \$9 from UNEP, and US \$28,080 from UNIDO;
 - (iii) The net level of support costs being returned by the implementing agencies to the 60th Meeting is amounting to US \$6,445 against projects. This includes the return of US \$3,912 from UNDP, US \$1 from UNEP and US \$2,532 from UNIDO;
 - (iv) The net level of funds and support costs being returned by the bilateral agencies to the 60th Meeting is US \$192,731. This includes a return of US \$52,712 by Finland, US \$16 from France and US \$140,003 from Sweden and to request the Treasurer to follow-up with Finland, France and Sweden on the cash transfer of those amounts;
- (b) To approve the transfer of the two projects of ROM/PHA/45/TAS/31 and YUG/PHA/43/TAS/22 from Sweden to UNIDO of US \$123,897 in project cost and US \$9,292 in programme support cost as per Sweden's request to the Secretariat by letter of 12 February 2010 thereby:
- (i) Reducing bilateral funding approved for the Government of Sweden for the implementation of the project ROM/PHA/45/TAS/31 by US \$83,219 plus agency support cost of US \$10,818 and to increase the funding approved for UNIDO for implementation of the same project by US \$83,219 plus agency support cost of US \$6,241 as agreed mutually between all stakeholders; this decision will form an amendment to the agreement between the Government of Romania and the Executive Committee; and
 - (ii) Reducing the funding approved for the Government of Sweden for implementation of the project YUG/PHA/43/TAS/22 by US \$40,678 plus agency support cost of US \$5,288 and to increase the funding approved for UNIDO for implementation of the same project by US \$40,678 plus agency support cost of US \$3,051 as agreed mutually between all stakeholders; this decision will form

an amendment to the agreement between the Government of Serbia and the Executive Committee;

- (c) To note:
- (i) That implementing agencies had balances totalling US \$4,579,745 excluding support costs from projects completed over two years ago. This includes US \$709,606 from UNDP, US \$1,295,490 from UNEP, US \$522,148 from UNIDO, and US \$2,052,501 from the World Bank;
 - (ii) To note that UNEP has un-obligated balance of US \$1,928,039 on completed projects and requests UNEP to report on the application of the financial rules regarding obligating cash advances by the 61st Meeting; and
 - (iii) That France had balances totalling US \$87,864, Japan US \$20,203 and Spain US \$26,841 including support costs.
- (b) Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol**

Document UNEP/OzL.Pro/ExCom/60/6 contains four parts. Part I has been prepared in response to decisions 32/76(b) and 46/4, which requested the Secretariat to prepare an update for each Meeting of the Executive Committee on the status of compliance of Article 5 countries. Part II contains information on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance. Part III presents data on the implementation of country programmes. Part IV presents the results of the progress made to achieve compliance, including information on projects with implementation delays.

Issues to be addressed:

- Need to revise the format for country programme data reporting for HCFC activities and for CAP to provide training for the revision at its network meetings;
- On implementation delays and status reports:
 - Report from UNEP on the completion of the project for the “Development of guidelines to promote safety in aerosol conversions”;
 - Cancellation of projects unless progress is achieved by the 61st Meeting for activities for which status reports were requested that have had had persistent difficulties in implementation;
 - Need to urge countries to take actions to enable implementation of some activities with ongoing difficulties.

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

- (a) Noting:
- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, France, Germany, Japan, Spain, and the four implementing agencies, addressed in UNEP/OzL.Pro/ExCom/60/6;
 - (ii) That the requests for projects submitted to the 60th Meeting by Nauru, Saudi Arabia and Somalia are subjected to the receipt of the 2008 country programme (CP) implementation data in accordance with decision 52/5 on receipt of CP

implementation data as a precondition for the approval and release of funding for projects;

- (iii) The completion of three of the 23 projects listed with implementation delays;
- (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress or some progress) and report to and notify Governments and implementing agencies as required;

(b) Requesting:

- (i) The UNEP CAP to provide a session on the revised format for country programme data reporting at its network meeting;
- (ii) Additional status reports on the projects listed in Annex V to the present document;
- (iii) An update of the delay report required for the following project during the 60th Meeting:

Agency	Code	Project title
UNEP	GLO/ARS/39/TAS/246	Development of guidelines to promote safety in aerosol conversions

- (iv) The Secretariat to modify the country programme data reporting format to include information relevant to the HCFC phase-out including whether HCFC control measures are included in licensing systems;

(c) Considering cancellation of the following projects at the 61st Meeting unless progress is achieved as indicated:

- (i) The RMP in Ethiopia under French implementation if progress is not reported on implementing ODS regulations (ETH/REF/44/TAS/14);
- (ii) The halon banking project in the Libyan Arab Jamahiriya (LIB/HAL/47/TAS/26) if a business plan is not submitted to the 61st Meeting for halon activities;
- (iii) The halon banking project in Bosnia and Herzegovina (BHE/HAL/42/TAS/18) if progress is not reported on the delivery of the halon equipment;
- (iv) The halon banking project preparation in Kuwait (KUW/HAL/45/PRP/07) if a site has not been selected for the halon equipment by the 61st Meeting;

(d) Urging:

- (i) Project document signature for the institutional strengthening project in Bosnia and Herzegovina (BHE/SEV/43/INS/19);
- (ii) Reporting as required for the institutional strengthening project in Mauritius (MAR/SEV/53/INS/19); and
- (iii) Initiation of the terminal phase-out management plan (TPMP) verification report in Kuwait (KUW/PHA/52/TAS/10).

6. 2010-2012 business plans

(a) Consolidated business plan of the Multilateral Fund

Document [UNEP/OzL.Pro/ExCom/60/7](#) is a consolidation of the implementing and bilateral agencies' 2010-2012 business plans. The document discusses *inter alia* the extent to which the business plans address the needs identified in the Model rolling three-year ODS phase-out plan for 2010-2012. It also addresses resource allocation for the 2010-2014 and performance indicators and concludes with observations and recommendations.

Issues to be addressed:

- Modification of MYA amounts;
- Funding for TPMP activities beyond 2010;
- TPMP in Somalia (UNEP and UNIDO);
- New MB and methyl chloroform activities;
- Costs for IS projects;
- ODS disposal activities:
 - removal of project preparation requests;
 - reduction of the allocation for the ODS disposal activity in China;
 - window for ODS disposal activities;
- Excess of tonnage (for accelerated phase-out);
- Shortage of tonnage;
- HCFC production activities;
- Values of HPMP, HCFC demonstration and HCFC investment project preparation;
- Funds for LVC countries;
- Cost-effectiveness of HCFC activities for non-LVC countries;
- Cost-effectiveness differentiation for HCFC phase-out.

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

- (a) Note the consolidated 2010-2012 business plan of the Multilateral Fund as contained in [UNEP/OzL.Pro/ExCom/60/7](#) and the fact that it addresses activities to address the 2015 control measures of the Montreal Protocol;
- (b) Adopt a budget of US \$193.9 million for 2010 while noting the budget for 2011 of US \$203 million established by decision 57/4;
- (c) Modify the multi-year agreements amounts in the agencies' business plans to reflect the records of the Fund Secretariat;
- (d) Consider the extent to which the Multilateral Fund should continue to allocate funding for terminal phase-out management plan (TPMP) activities beyond 2010 in the light of the approval of HCFC phase-out management plans (HPMPs);
- (e) Limit the allocation for the TPMP in Somalia to the maximum level per decision 45/54(c) and adjust the business plans of UNEP and UNIDO, accordingly;
- (f) Request the implementing agencies to consider the need for methyl bromide activities in Iraq and methyl chloroform activities in Brazil, Colombia, Haiti, India, the Democratic People's Republic of Korea and Mexico;

- (g) Amend the business plans of the implementing agencies according to the model rolling three-year phase-out plan for institutional strengthening projects;
- (h) Determine whether new project preparation requests for ODS disposal, as well as those without ODS phase-out, that are included in the business plans should be removed in the light of decision 58/19, paragraph (a)(ii)b.;
- (i) Reduce the allocation for the ODS disposal activity in China to US \$1.9 million for the 150 ODP tonnes to be destroyed instead of the US \$4.311 million total costs in the business plans of UNIDO (US \$2.129 million) and Japan (US \$2.182 million);
- (j) Agree a window, in the light of decision XXI/2, for ODS disposal activities amounting to US \$TBD;
- (k) Allow/remove tonnage beyond that required for compliance with the 2015 control measures for the accelerated phase-out indicated in the business plans according to the Compliance Oriented Model for: China; Colombia; Costa Rica; Indonesia; Jordan; Mongolia; the Philippines; Seychelles; and Thailand;
- (l) Add tonnage to the resource allocation for the following countries to ensure there are sufficient resources to meet compliance requirements since the tonnage level was more than 10 ODP tonnes below that required: Argentina; Kenya; Kuwait; Mexico; Nigeria; Viet Nam; and Yemen;
- (m) Establish a resource allocation for HCFC production in the business plans amounting to US \$TBD for the period 2010 to 2014;
- (n) Remove/maintain activities in the business plans funds for:
 - (i) The HCFC production sector for countries not currently eligible;
 - (ii) The HCFC production sector beyond project preparation in the current triennium;
 - (iii) Additional HCFC demonstration projects beyond those for which project preparation had already been approved;
 - (iv) HCFC demonstration projects without a phase-out; and
 - (v) HCFC demonstration projects to be submitted after 2011;
- (o) Change the business plans for HPMP, HCFC demonstration and HCFC investment project preparation to correspond to the values approved for such activities in the light of decisions 55/13, and 56/16;
- (p) Allocate funds in the business plans for low-volume-consuming (LVC) countries in the light of the discussion of HPMPs for the servicing sector to-date;
- (q) Adjust the cost-effectiveness of HCFC activities for non-LVC countries to US \$TBD/ODP kilogram based on the tonnage included in the agencies' business plans for planning purposes, as adjusted, and taking into account other decisions taken by the Committee with respect to business plan allocations;

- (r) Include in business planning a cost-effectiveness differentiation for the HCFC phase-out similar to that experienced for the CFC phase-out where China received 81 per cent of the cost-effectiveness value received by other Article 5 countries; and
- (s) Request:
- (i) A status report on modifying licensing systems to address the accelerated phase-out of HCFCs to be submitted in the context of the agencies' progress reports to be submitted to the 61st Meeting;
 - (ii) That the business plans to be submitted to the 63rd Meeting should address planning for the period 2011 to 2014; and
 - (iii) Implementing agencies to indicate in a submission to the 61st Meeting and in future business plans:
 - a. The level of co-funding that will be received for business plan activities;
 - b. The level of HCFC phase-out, by chemical, for example HCFC-22 and HCFC-141b; and
 - c. The level of climate benefits that could be addressed beyond that required to achieve compliance.

(b) Business plans of the implementing agencies

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/60/8 presents the business plans for bilateral agencies for the years 2010-2012. The Governments of Canada, Czech Republic, France, Germany, Italy, and Japan provided information on their 2010-2012 planned bilateral activities. Data for 2009 and 2010 annual tranches for Italy and Spain is also included.

Issues to be addressed:

- ODS disposal activities that are not included in France's business plan;
- Amount for TPMP in Botswana above that in the Secretariat's records (Germany);
- Value of HCFC project preparation exceeds the level allowed (Germany);
- Phase-out levels to cover project components of HPMPs not provided (Germany and Japan);
- Activity not required for compliance: methyl bromide technical assistance activity (Italy);
- Phase-out levels for ODS disposal activities not provided (Japan);

Action expected from the Executive Committee: The Executive Committee may wish to consider noting with appreciation the 2010-2012 business plans on bilateral cooperation submitted by Canada, Czech Republic, France, Germany, Italy and Japan as addressed in UNEP/OzL.Pro/ExCom/60/8 and taking into account any modifications based on consideration of the following issues and activities addressed in the context of the consolidated business plan:

- (a) The values of multi-year agreements;
- (b) Terminal phase-out management plan activities after 2010;
- (c) HCFC tonnage;

- (d) HCFC demonstration projects;
- (e) HCFC servicing sector in low-volume-consuming (LVC) countries;
- (f) HCFC activities for non-LVC countries;
- (g) ODS disposal activities including the US \$1 million for ODS disposal that was not included in France's business plan;
- (h) Other activities not required for compliance: methyl bromide technical assistance activity in Italy's business plan.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/60/9 contains a summary of UNDP's 2010-2012 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of UNDP's 2010-2012 business plan is attached to the document.

Issues to be addressed:

- HCFC tonnage exceeding that required by the Model for China;
- Level of phase-out not covered for HCFC demonstration projects in Turkey and Kuwait;
- HCFC demonstration preparation budget over the eligible funding limit for China;
- Figure associated with the conversion of HCFC XPS foams to methyl formate and the co-blowing demonstration project in China;
- Value of HCFC servicing sector activities in LVC countries over the level under discussion;
- Resource mobilization;
- High values of business plan activities;
- Co-funding; and
- Performance indicators.

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

- (a) Endorsing the 2010-2012 business plan of UNDP as contained in UNEP/OzL.Pro/ExCom/60/9 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of:
 - (i) Those activities associated with issues addressed in the consolidated business plan including:
 - a. Terminal phase-out management plan activities after 2010;
 - b. HCFC tonnage;
 - c. HCFC demonstration projects;
 - d. HCFC servicing sector in low-volume-consuming (LVC) countries;
 - e. HCFC projects for non-LVC countries;
 - f. ODS disposal activities;

- (ii) Maintaining the HCFC tonnage in UNDP's business plan for:
 - a. Costa Rica as it represents an unavoidable acceleration; and
 - b. Colombia since the data represents actual data collection and not accelerated phase-out;
 - (iii) Adjusting the HCFC tonnage for China according to the model rolling three-year phase-out plan to reflect the estimated nature of the data;
 - (iv) To modify the figure associated with the conversion of HCFC XPS foams to methyl formate and the co-blowing demonstration project in China from US \$86,000 to US \$30,000, plus agency support costs;
- (b) Approving the performance indicators for UNDP set out in Table 3 as contained in document UNEP/OzL.Pro/ExCom/60/9 while setting a target of 54 for the number of annual tranches approved, a target of 28 for the number of individual projects approved, a target of 250.5 tonnes for ODP phase-out, and a target of 45 for project completion .

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/60/10 contains a summary of UNEP'S 2010-2012 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of UNEP's 2010-2012 business plan is attached to the document.

Issues to be addressed:

- MYA values exceeding those in the Secretariat's records;
- TPMP in Somalia exceeding the maximum level allowed;
- Value of institutional strengthening projects;
- HCFC activities:
 - Funding for the HCFC production phase-out (Executive Committee policy on the eligibility of swing plants for additional funding from the Multilateral Fund to support HCFC production phase-out in India);
 - HCFC consumption tonnage (accelerated phase-out);
 - HCFC demonstration projects;
 - Value of HCFC servicing sector activities in LVC countries over the level under discussion (HCFC guidelines);
- ODS disposal activities;
- Other activities not required for compliance (resource mobilization, studies and workshops);
- Green Customs Initiative and regional enforcement networks in the light of decision 52/28;
- Co-funding; and
- Performance indicators.

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

- (a) Endorsing the 2010-2012 business plan of UNEP as contained in UNEP/OzL.Pro/ExCom/60/10 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels. The endorsement is with any modifications based on consideration of the following activities:

- (i) Those activities associated with issues addressed in the consolidated business plan including:
 - a. The value of multi-year agreements;
 - b. Terminal phase-out management plan (TPMP) activities after 2010;
 - c. TPMP for Somalia;
 - d. Institutional strengthening values and the inclusion of a ten per cent increase for non-Montreal Protocol activities;
 - e. HCFC production sector;
 - f. HCFC tonnage;
 - g. HCFC demonstration projects;
 - h. HCFC servicing sector in low-volume-consuming (LVC) countries;
 - i. HCFC projects for non-LVC countries;
 - j. ODS disposal activities;
- (ii) Maintaining the HCFC tonnage in UNEP's business plan for Mongolia as it represents an unavoidable phase-out acceleration;
- (iii) Maintaining or removing the following activities not required for compliance:
 - a. Chiller activities in the light of information dissemination as part of the Compliance Assistance Programme (CAP) – Technical assistance to LVC countries for replacement of energy efficient chillers and large size equipment in the tourism, supermarket and the fishery sectors in Asia and the Pacific;
 - b. Combating Illegal Trade in the light of decision 52/28 for integrated enforcement training under the Montreal Protocol through Green Customs Initiative;
 - c. Combating Illegal Trade in the light of its decisions to fund first tranches without prejudice to funding second tranches and the comments in UNEP's Work Programme, as appropriate:
 - i. First tranches:
 - (1) Combating Illegal Trade Regional Enforcement networks - West Asia;
 - (2) Combating Illegal Trade Regional Enforcement networking to improve compliance with Multilateral Environmental Agreements that include trade restrictions (Montreal Protocol; Rotterdam, Stockholm and Basel Conventions) (Request funding for ozone component) in Asia and the Pacific;

- (3) Combating Illegal Trade Regional: Caribbean Customs Enforcement Network;
 - ii. Second tranches:
 - (1) Combating Illegal Trade Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia network countries (second tranche);
 - (2) Combating Illegal Trade ODS Customs Enforcement Network in Latin America, (second year);
- d. CTC activity in the light of possible inclusion as a thematic workshop in association with regional network meetings for International workshop with CTC producers and countries on post-2010 use of CTC as feedstock;
- e. Guidelines activities appropriateness for UNEP for developing guidelines, standards and good practices for use of natural refrigerants in room air conditioning and small refrigeration equipment in cooperation with international standard association;
- f. Methyl bromide (MBR) activities not required for compliance since activities have already been funded for the project Trinidad and Tobago MBR policy support;
- g. MBR - Non-investment activities in the light of decision 59/55, the MBR workshop at the 21st Meeting of the Parties, and comments in UNEP's Work Programme, as appropriate:
 - i. Regional technical workshop to share experience in identification, implementation and adoption of MBR alternatives in tobacco, cut-flower and vegetable sub-sectors in Africa;
 - ii. Case studies and related toolkits for MBR alternatives in tobacco, cut-flower and vegetable sub-sectors in Africa;
 - iii. Technology transfer and MBR phase-out strategy through mainstreaming MBR alternatives in national university education in Africa;
 - iv. Regional workshops in Asia and the Pacific, West Asia, Latin America and the Caribbean, and Europe and Central Asia to inform stakeholders of the viability of MBR alternatives for QPS disseminating the EU experience of QPS use ban;
 - v. Dates/Methyl Bromide Help Desk for South Asia, Africa and West Asia;
- h. Studies and MDI activities in the light of comments in the UNEP Work Programme for:
 - i. Techno-economic study on cost benefit of leapfrogging high-global warming potential (GWP) alternatives to HFCs to low-GWP or zero-GWP alternatives;

- ii. Technical assistance to MDI producing countries in Asia and Pacific region for CFC use for EUNs 2010-2012;
- i. Workshops in the light of possible inclusion as a thematic workshop in association with regional network meetings for:
 - i. Regional workshops on co-financing opportunities to get climate benefits engaging financial institutes, private sector and international development agencies in cooperation with the World Bank;
 - ii. Regional technology transfer workshops on available low-GWP, non-ODS alternatives in various sectors supporting HPMP implementation in cooperation with WB and implementing agencies;
 - iii. Regional workshop on ODS alternative for laboratory and analytical uses following decision XXI/8 in Asia and the Pacific;
- (b) Approving the 2010 performance indicators and targets for UNEP set out in Tables 4 and 5 as contained in document UNEP/OzL.Pro/ExCom/60/10.

(iv) UNIDO

Document UNEP/OzL.Pro/ExCom/60/11 contains a summary of UNIDO's 2010-2012 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of UNIDO'S 2010-2012 business plan is attached to the document.

Issues to be addressed:

- MYA values exceeding those in the Secretariat's records;
- TPMP in Somalia exceeding the maximum level allowed;
- Value of institutional strengthening projects;
- HCFC activities:
 - HCFC tonnage;
 - HCFC demonstration projects;
 - Value of HCFC servicing sector activities in LVC countries over the level under discussion;
- Other activities not required for compliance (resource mobilization);
- High values of business plan activities;
- Co-funding; and
- Performance indicators.

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

- (a) Endorsing the 2010-2012 business plan of UNIDO as contained in UNEP/OzL.Pro/ExCom/60/11 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels. The endorsement is with any modifications based on consideration of the following activities:
 - (i) Those activities associated with issues addressed in the consolidated business plan including:

- a. The values of multi-year agreements;
 - b. Terminal phase-out management plan activities after 2010;
 - c. Values of institutional strengthening other than those indicated in the model rolling three-year phase-out plan;
 - d. HCFC tonnage;
 - e. HCFC demonstration projects;
 - f. HCFC servicing sector in low-volume-consuming (LVC) countries;
 - g. HCFC projects for non-LVC countries;
 - h. ODS disposal activities;
- (ii) Maintaining the HCFC tonnage in UNIDO's business plan for Croatia as it represents an unavoidable phase-out acceleration;
- (b) Approving the performance indicators for UNIDO set out in Table 3 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/60/11 while setting a target of 39 for the number of annual programmes of multi-year agreements approved, a target of 27 for the number of individual projects approved, a target of 965.7 tonnes for ODP phase-out and a target of 15 for project completion.
- (v) World Bank**

Document UNEP/OzL.Pro/ExCom/60/12 contains a summary of the World Bank's 2010-2012 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of the World Bank's 2010-2012 business plan is attached to the document.

Issues to be addressed:

- MYA values exceeding those in the Secretariat's records;
- Value of institutional strengthening projects;
- HCFC activities:
 - HCFC production phase-out (Executive Committee policy on the eligibility of swing plants for additional funding from the Multilateral Fund to support HCFC production phase-out in India);
 - HCFC consumption tonnage;
 - Value of HCFC servicing sector activities in LVC countries over the level under discussion;
- Other activities not required for compliance (resource mobilization, a workshop, and a preparation of a study on technology options);
- High values of business plan activities;
- Co-funding; and,
- Performance indicators.

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

- (a) Endorsing the 2010-2012 business plan of the World Bank as contained in UNEP/OzL.Pro/ExCom/60/12 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:
 - (i) Those activities associated with issues addressed in the consolidated business plan including:
 - a. The values of multi-year agreements (MYAs);
 - b. Values of institutional strengthening other than those indicated in the model rolling three-year phase-out plan;
 - c. HCFC production sector;
 - d. HCFC tonnage;
 - e. HCFC servicing sector in low-volume-consuming (LVC) countries;
 - f. HCFC projects for non-LVC countries;
 - g. ODS disposal activities;
 - (ii) Maintaining the HCFC tonnage in the World Bank's business plan for:
 - a. Philippines since it reflects an expectation that consumption will rise significantly in the coming years;
 - b. Jordan since it reflects an expectation that consumption will rise significantly in the coming years;
 - c. Thailand since it reflects the improving economic climate in the country;
 - d. Indonesia as it represents an unavoidable phase-out acceleration.
- (b) Approving the performance indicators for the World Bank set out in Table 3 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/60/12 while setting a target of nine for the number of annual tranches of MYAs to be approved.

7. Programme implementation

(a) Annual tranche submission delays

Document UNEP/OzL.Pro/ExCom/60/13 addresses delays in the submission of tranches that were due at the 60th Meeting and presents recommendations for consideration by the Executive Committee. It also presents several annual tranches that have been withdrawn from consideration at the 60th Meeting due to delays in implementation.

Issues to be addressed:

- 30 of the 55 annual tranches due for submission to the 60th Meeting were not submitted due largely to lack of progress in implementing approved tranches.

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

- (a) With appreciation, the information on annual tranches submission delays of multi-year agreements submitted to the Secretariat by France, UNDP, UNEP, UNIDO, and the World Bank as contained in the document (UNEP/OzL.Pro/ExCom/60/13);
 - (b) That 25 of the 55 annual tranches of multi-year agreements due for submission had been submitted on time to the 60th Meeting, but the remaining 30 have not been;
 - (c) That letters should be sent for the annual tranches, indicated in Table 1 of the present document, that had been due for submission to the last two meetings with the reasons indicated for the delay, and encouraging implementing agencies and the relevant Article 5 governments to take action to expedite the implementation of the approved tranches so that the overdue tranches could be submitted as early as possible; and
 - (d) That letters should be sent for the annual tranches, indicated in Table 2 of the present document, that had been due for submission to the 60th Meeting with the reasons indicated for the delay, and encouraging implementing agencies and the relevant Article 5 governments to submit these annual tranches as early as possible.
- (b) Report on implementation of approved projects with specific reporting requirements**

Document UNEP/OzL.Pro/ExCom/60/14 consists of progress reports on the implementation of NPPs/TPMPs in Afghanistan (1), Brazil (1), Cambodia (1), Fiji (1), Georgia (1), the Islamic Republic of Iran (1), Maldives (1), the Philippines (1), and Samoa (1), as well as reports on the production sector in China (3) and the Bolivarian Republic of Venezuela (1).

Issues to be addressed: None.

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

- (a) **Afghanistan – National phase-out plan (Germany and UNEP):** Take note of the progress report on the implementation of the 2009 work programme of the national CFC phase-out plan (NPP) for Afghanistan and of the verification report of 2008 CFC consumption; approve the annual implementation programme for 2010; and request the Government of Afghanistan, with the assistance of the Government of Germany and UNEP, to submit a progress report on the implementation of the 2010 work programme of the NPP no later than the 63rd Meeting of the Executive Committee.
- (b) **Brazil – National CFC phase-out plan: implementation plan for the eighth tranche (UNDP):** Note the 2008 verification report and the 2009 annual implementation report of the national CFC phase-out plan (NPP) in Brazil; approve the annual implementation plans for the years 2010 and 2011; and request the Government of Brazil, with the assistance of UNDP, as lead agency, to submit annual implementation reports regarding the previous year to the first meeting of the Executive Committee every year until the NPP is completed.
- (c) **Cambodia – Terminal phase-out management plan (UNEP and UNDP):** Take note of the progress report on the implementation of the terminal phase-out management plan for Cambodia.

- (d) **Fiji – Terminal phase-out management plan (UNEP and UNDP):** Take note of the 2009 progress report on the implementation of the terminal phase-out management plan for Fiji.
- (e) **Georgia – Terminal CFC phase-out management plan (verification report UNDP):** Note the successful verification of Georgia's compliance with its phase-out obligations for CFC consumption under the terminal phase-out management plan in 2008.
- (f) **Iran (Islamic Republic of) – National CFC phase-out plan: 2010 annual implementation programme and 2008 audit report (Germany):** Note the 2008 verification report and the 2009 annual implementation report of the national CFC phase-out plan (NPP) in the Islamic Republic of Iran; approve the annual implementation plan for the year 2010; and request the Government of the Islamic Republic of Iran, with the assistance of the Government of Germany, as lead agency, to submit annual implementation reports regarding the previous year to the first meeting of the Executive Committee every year until the NPP is completed.
- (g) **Maldives – Terminal phase-out management plan (UNEP and UNDP):** Take note of the progress report on the implementation of the terminal phase-out management plan (TPMP) for Maldives, and request UNEP and UNDP to expedite the implementation of the end-user investment component of the TPMP, and to report to the Executive Committee at its 62nd Meeting on the progress of implementation of this remaining component.
- (h) **Philippines (the) – National phase-out plan (World Bank):** Take note of the progress report on the implementation of the 2009 work programme of the national CFC phase-out plan (NPP) for Philippines and of the verification report of 2008 CFC consumption; approve the annual implementation programme for 2010; and request the Government of Philippines, with the assistance of the World Bank, to submit a progress report on the implementation of the 2010 work programme of the NPP no later than the 63rd Meeting of the Executive Committee, including a verification report of 2009 consumption.
- (i) **Samoa – Terminal phase-out management plan (UNEP and UNDP):** Take note of the progress report on the implementation of the terminal phase-out management plan (TPMP) for Samoa and request UNEP and UNDP to expedite the implementation of the end-user investment component of the TPMP, and to report to the Executive Committee at its 62nd Meeting on the progress of implementation of this remaining component.
- (j) **China – CFC production phase-out programme: verification of the 2009 annual work programme (World Bank):** Commend the Government of the People's Republic of China and the World Bank for the good efforts made to comply with decisions 56/13 and 57/31 and in successfully implementing the audit for 2009 to confirm the level of production of CFCs for MDIs in China and the remaining stocks.
- (k) **China – Phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I): 2009 verification (World Bank):** Take note of the verification report of the CTC production and consumption for process agent and other non-identified uses (phase I) of the China CTC sector plan for 2009.
- (l) **China – Strategy for gradual phase-out of 1,1,1-trichloroethane (TCA) production (second stage programme) (World Bank):** Commend the Government of the People's

Republic of China and the World Bank for successfully dismantling the remaining TCA production facility in China.

- (m) **Venezuela ((Bolivarian Republic of) – CFC production phase-out programme (World Bank):** Commend the Government of Bolivarian Republic of Venezuela and the World Bank for the good efforts made to comply with decision 54/15(a) and in successfully implementing the audit for 2009 to confirm the sustained cessation of CFC production at the PRODUVEN plant in the Bolivarian Republic of Venezuela.

8. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/60/15 contains six sections: an analysis of the number of projects submitted by bilateral and implementing agencies to the 60th Meeting; policy issues identified during the project review process; projects and activities submitted for blanket approval; investment projects for individual consideration; activities and projects not required for compliance; and activities submitted to the 60th Meeting that are not included in the business plan.

Issues to be addressed:

- Projects submitted to the 60th Meeting not included in business plan or not required for compliance;
- Funding of institutional strengthening renewals;
- Final tranches of ODS phase-out plans not submitted to the 60th Meeting;
- HCFC phase-out projects with a requested level of funding of over US \$5 million;
- HCFC phase-out projects in domestic and commercial refrigeration enterprises.

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

Projects submitted to the 60th Meeting not included in business plan or not required for compliance

- (a) Require that activities submitted at the same meeting as that at which the business plans are considered should be deferred from consideration at the same meeting if they are either: not included in the business plans, submitted at a higher value than those in the business plans, or represent activities not required for compliance that have not been previously considered by the Committee to ensure that business plans reflect submissions to the same meeting and to provide the Committee with a first consideration of a new activity in the business plan before a funding request is made;

Funding of institutional strengthening renewals

- (b) Extending the current date of up to December 2011 for funding renewals of institutional strengthening (IS) projects at current levels to the usual two-year period of renewal;
- (c) Requesting bilateral and implementing agencies as appropriate to include in the request for renewal of IS projects the following indicators:
- (i) The achievement of effective measures to control HCFC imports, as a condition for full, two-year approval of requests for renewal of IS funding for all projects submitted after the end of 2011;

- (ii) Specification as an objective for the development of measures to ensure the long term sustainability of monitoring, enforcement and reporting activities, without ongoing support from IS funding, together with indicators for progressive achievement of this objective;
- (d) Requesting the Secretariat to complete the work on objectives, indicators and formats so that the results can be applied to requests for renewal of institutional strengthening projects submitted from the beginning of 2011 onwards;
- (e) Further requesting the Secretariat to place consideration of a possible further review of funding for renewal of IS projects on the agenda of the Executive Committee at a future meeting;

Final tranches of ODS phase-out plans not submitted to the 60th Meeting

- (f) Allowing the submission of outstanding funding tranches of national phase-out plans (NPPs) or terminal phase-out plans (TPMPs) in Article 5 countries to the 61st Meeting on the understanding that the Governments concerned, with the assistance from relevant bilateral and implementing agencies, will consider implementing activities to sustain zero consumption of CFCs, and other activities to facilitate the phase-out of HCFCs;
- (g) Funding tranches of NPPs or TPMPs not submitted to the 61st Meeting should be integrated into the relevant HCFC phase-out management plans (HPMPs) of the countries concerned;

HCFC phase-out projects with a requested level of funding of over US \$5 million

- (h) In order to allow for a thorough review of HCFC projects in the consumption sector with a requested level of funding of more than US \$5 million that might be submitted in 2010 by Article 5 countries in advance of completion of their HPMPs, bilateral and implementing agencies assisting those countries are requested to submit only one project proposal covering all the enterprises in the relevant sector or subsector, 12 weeks in advance of the Meeting at which it is to be considered;

HCFC phase-out projects in domestic and commercial refrigeration enterprises

- (i) Consider that projects for the conversion of domestic and/or commercial refrigeration enterprises where the total HCFC consumption is used as a foam blowing agent should be considered under the foam sector as rigid insulation refrigeration foam; and to establish the cost-effectiveness threshold at a future meeting once sufficient information has been gathered from the review of HCFC phase-out projects as stand-alone projects and/or as components of HPMPs;

Projects and activities submitted for blanket approval

- (j) Approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex [] to the final report, together with the conditions or provisions included in the corresponding project evaluation documents and the conditions attached to the projects by the Executive Committee;
- (k) That, for projects related to renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex [] to the final report;

(b) Bilateral cooperation

Document [UNEP/OzL.Pro/ExCom/60/16](#) provides an overview of requests from bilateral agencies, and whether these are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2009-2010. Of the fifteen projects submitted to the 60th Meeting, there are six requests that are fully addressed in this document while the others are addressed in the respective country project proposals.

Issues to be addressed:

- Cut-off date for eligibility of HCFC manufacturing enterprises;
- Nature of activities usually undertaken by UNEP;
- Projects not required for compliance;
- Resource mobilization activity to be discussed under agenda item “Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility”.

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

- (a) To consider whether to fund the request for the Government of Germany for the preparation of an investment project as part of the HPMP for Afghanistan at the level of funding of US \$30,000 indicated in Table 5 of document [UNEP/OzL.Pro/ExCom/60/16](#), consistent with decision 56/16;
- (b) To consider whether or not to approve the request from the Government of Italy to prepare two technical publications on the experiences of project implementation in the Montreal Protocol, at the level of funding of US \$110,000 plus support costs;
- (c) To consider the request of Italy to funding the project on a study on mechanisms and strategies for accounting emission reductions related to HCFC phase-out in the post-2012 climate regime: synergies between Montreal Protocol and the carbon finance in the introduction of alternatives to HCFCs in light of the information presented above, and in the discussion on agenda item 11, Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility.
- (d) To request the Treasurer to offset the costs of the bilateral projects approved at the 60th Meeting as follows:
 - (i) [US \$887,922] (including agency fees) against the balance of Canada’s bilateral contribution for 2010;
 - (ii) US \$90,965 (including agency fees) against the balance of the Czech Republic’s bilateral contribution for 2010;
 - (iii) [US \$1,120,000] (including agency fees) against the balance of France’s bilateral contribution for 2010;
 - (iv) [US \$305,008] (including agency fees) against the balance of Germany’s bilateral contribution for 2010;
 - (v) [US \$770,566] (including agency fees) against the balance of Italy’s bilateral contribution for 2010;

- (vi) [US \$566,243] (including agency fees) against the balance of Japan's bilateral contribution for 2010; and
- (vii) [US \$893,000] (including agency fees) against the balance of Spain's bilateral contribution for 2010;

(c) Work programmes

(i) 2010 work programme of UNDP

Document UNEP/OzL.Pro/ExCom/60/17* contains 7 activities submitted by UNDP including two requests for renewal of the institutional strengthening projects, three project preparation requests for HCFC demonstration projects, one request for preparation for an ODS disposal project, and one request for technical assistance for resource mobilization. The requests for renewal of the institutional strengthening projects were recommended for blanket approval and have therefore been approved under agenda item 8(a). The rest are for individual consideration.

Issues to be addressed:

- Activities to be discussed under Agenda item 6b(iv) under the agency's business plan;
- Demonstration project in the XPS foam sector when not yet agreed in the business plan
- Demonstration projects in the solvent sector, sector with the smallest contribution to the overall HCFC consumption in the country;
- Resource mobilization activity to be discussed under agenda item "Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility".

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

- (a) To express to the Governments of Brazil and India the comments which appear in Annex II to document UNEP/OzL.Pro/ExCom/60/17*;
- (b) To consider the submissions and whether or not to approve the requests for:
 - (i) Project preparation for a demonstration project for conversion from HCFC-142b+HCFC-22 technology to Methyl Formate with CO₂ co-blowing technology in the manufacture of XPS Foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd. (US \$30,000);
 - (ii) Project preparation for a demonstration project for conversion from HCFC-141b to solvent-free modified silicone oil for silication applications at Shifeng Medical Apparatus and Instrument Co. Ltd. (US \$30,000); and
 - (iii) Project preparation for a demonstration project for conversion from HCFC-141b to a combination of Isopropyl Alcohol and Hydrocarbon-based compounds in solvent cleaning applications at Zhejiang KDL Medical Equipment Group Ltd. (US \$30,000);
- (c) To approve the request for project preparation for a pilot project for ODS disposal in India in the light of the information presented, and in line with decision 58/19.
- (d) To consider the request for technical assistance for mobilizing resources to maximize climate benefits of HCFC phase-out, in light of the information presented, and in the

discussion on agenda item 11, Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility.

(ii) 2010 work programme of UNEP

Document UNEP/OzL.Pro/ExCom/60/18 contains 21 activities submitted by UNEP, including requests for four institutional strengthening projects, four for project preparation, six for technical assistance, and nine TPMP/NPP tranches and one HPMP which are discussed in the relevant country project documents. Five activities are recommended for blanket approval and were approved under agenda item 8(a). Six are for individual consideration and are described in this work programme.

Issues to be addressed:

- No country programme implementation data for 2008;
- Activities not required for compliance and to be discussed in Agenda item 6b(iii) under the agency's business plan;
- Higher cost of activity not in line with decision 57/9.

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

- (a) To consider the institutional strengthening renewal request for Nauru in view of decision 52/5(f) and approve the projects subject to the receipt of Nauru's country programme data for 2008 by the Multilateral Fund Secretariat as soon as possible and not later than 1 May 2010. Once approved, the Executive Committee may also wish to express to the Government of Nauru the comments which appear in Annex II to the document;
- (b) To consider not approving the project for the establishment of a methyl bromide help desk for dates, and urge UNEP to continue providing assistance to the countries in West Asia through the Compliance Assistance Programme;
- (c) To consider approving the project for regional enforcement networking to improve compliance with the Montreal Protocol and support other chemical Multilateral Environmental Agreements, for one year only at the level of funding of US \$165,000 plus support cost indicated in Table 1 of document UNEP/OzL.Pro/ExCom/60/18, on the understanding that:
 - (i) This is without prejudice to future funding approvals for the remaining year proposed for this project;
 - (ii) In requesting funding for the second year, UNEP shall prepare a report on the outputs of the network's first year of operation;
- (d) To consider not approving the request for technical assistance for Article 5 countries to manage their essential-use nominations, and urge UNEP to continue providing assistance to these countries through the regional networks funded under the Compliance Assistance Programme;
- (e) To approve the proposal for the development of HCFC phase-out management plan (HPMP) for Pacific Island countries (PIC) through a regional approach at the level of funding of US \$494,600 plus support cost indicated in Table 1 of document UNEP/OzL.Pro/ExCom/60/18, on the understanding that:

- (i) The resulting HPMP for the PIC countries will contain activities to meet the 35 per cent reduction target of HCFC consumption by 2020; and
 - (ii) UNEP continues exploring how the regional approach could be used in the implementation of the HPMPs for these 12 countries;
- (f) To consider not approving the request for a techno-economic study on cost benefit of leapfrogging high GWP alternatives to HFCs to low GWP or zero GWP alternatives.
- (iii) 2010 work programme of UNIDO**

Document UNEP/OzL.Pro/ExCom/60/19 contains 18 activities submitted for funding by UNIDO including 16 requests for project preparation and two technical assistance requests. Twelve requests comprising of project preparation for HPMPs and investment activities in HPMPs as well as technical and preparatory assistance for methyl bromide were recommended for blanket approval and have therefore been considered under agenda item 8(a). The other six requests are for individual consideration.

Issues to be addressed:

- No country programme implementation data for 2008;
- Activities to be discussed under Agenda item 6b(v) under the agency's business plan;
- Project preparation requests for demonstration project in the XPS foam sector
- Project preparation for ODS disposal projects in line with decision 59/10
- Resource mobilization activity to be discussed under agenda item "Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility".

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

- (a) The requests for project preparation for HCFC investment activities for large AC manufacturers in the refrigeration and foam sectors in view of decision 52/5(f) and approve the request for additional project preparation for investment activities for Saudi Arabia subject to the receipt of its country programme 2008 by the Multilateral Fund as soon as possible and not later than 1 May 2010;
- (b) The request for project preparation for a demonstration project using HC as alternative to HCFC-22 in the manufacture of XPS foam at Shanghai Xinzhaio at the level of funding indicated in Table 1 of document UNEP/OzL.Pro/ExCom/60/19;
- (c) The request for project preparation of a pilot ODS disposal project in Egypt, in the light of the information presented, and approving it in line with decisions 58/19 and 59/10;
- (d) The request for project preparation of a pilot ODS disposal project in Nigeria in the light of the information presented, and approving it in line with decisions 58/19 and 59/10.
- (e) The request for technical assistance for mobilizing resources to maximize climate benefits of HCFC phase-out, in light of the information presented, and in the discussion on agenda item 11, Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility.

(iv) 2010 work programme of the World Bank

Document UNEP/OzL.Pro/ExCom/60/20 contains four activities submitted for funding by the World Bank including one request for institutional strengthening renewal for the Philippines, two requests for project preparation on HPMP investment activities and one request for technical assistance for resource mobilization. The request for renewal of the institutional strengthening project and those for project preparation for HPMPs were recommended for blanket approval and have been dealt with under agenda item 8(a). The request for a technical assistance project for resource mobilization is for individual consideration.

Issue to be addressed:

- Resource mobilization activity to be discussed under agenda item “Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility”.

Action expected from the Executive Committee: The Executive Committee may wish to consider the request for resource mobilization, in light of the information presented in document UNEP/OzL.Pro/ExCom/60/20, and in the discussion under agenda item 11, Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility.

(d) Investment projects

Document UNEP/OzL.Pro/ExCom/60/15 contains a list of projects for individual consideration (see Table 1). There are [four] projects still under discussion due to cost-related issues. All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in agenda item 8(a).

Issues to be addressed: In Table 1 below, each of the projects should be considered for approval individually. Project descriptions and the comments of the Secretariat can be found in the relevant country project document referred to in the table.

Country	Project	Agency	Issue	ExCom document
Foam				
Colombia	Demonstration project to validate the use of super-critical CO ₂ in the manufacture of sprayed polyurethane rigid foam	Japan	HCFC demonstration project. Cost agreed	60/25
Colombia	Conversion plan from HCFCs to hydrocarbons in the production of polyurethane rigid insulation foam in the domestic refrigeration subsector (Mabe Colombia, Industrias Haceb, Challenger and Indusel S.A.) Challenger)	UNDP	HCFC investment project. Cost agreed	60/25
Croatia	Phase-out of HCFC-141b from the manufacturing of polyurethane rigid and integral skin foams at Poly-Mix	Italy	HCFC investment project. Two technologies proposed. Cost agreed	60/27
Pakistan	Phase-out of HCFC-141b from the manufacturing of insulation PU rigid foam at United Refrigeration, HNR (Haier), Varioline Intercool and Shadman Electronics companies	UNIDO	HCFC investment project. Cost agreed	60/36
Pakistan	Phase-out of HCFC-141b from the manufacturing of insulation PU rigid foam at Dawlance	UNIDO	HCFC investment project. Cost agreed	60/36
Turkey	Validation of the use of HFO-1234ze as blowing agent in the manufacture of extruded polystyrene foam boardstock (phase I)	UNDP	HCFC demonstration project. Cost agreed	60/41
Fumigant				
Chile	National phase-out of methyl bromide - terminal project (first tranche)	UNIDO/UNEP	Multiyear agreement. No outstanding issues. Cost agree	60/23

Country	Project	Agency	Issue	ExCom document
Phase-out plan				
Bangladesh	National ODS phase-out plan (fifth, sixth and seventh tranches)	UNDP/UNEP	CFC consumption over allowable level in agreement, due to high consumption for MDIs	60/21
Egypt	National CFC phase-out plan (fourth and fifth tranches)	UNIDO	CFC consumption over level in agreement, due to manufacturing of MDIs	60/28
HPMP				
Macedonia, FYR	HCFC phase-out management plan (phase I, first tranche)	UNIDO	HPMP (resubmitted from the 59th Meeting)	60/40
Maldives	HCFC phase-out management plan (first tranche)	UNDP/UNEP	HPMP for complete HCFC phase-out	60/33
Refrigeration				
China*	Demonstration project for conversion from HCFC-22 technology to HFC-32 technology in the manufacture of commercial air-source chillers/heat pumps at Tsinghua Tong Fang Artificial Environment Co. Ltd.	UNDP	HCFC demonstration project. Cost not yet agreed	60/24
China*	Demonstration project for conversion from HCFC-22 technology to Ammonia/CO2 technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd.	UNDP	HCFC demonstration project. Cost not yet agreed	60/24
Jordan*	Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co.	UNIDO	HCFC demonstration project. Cost not yet agreed	60/31
Destruction				
Mexico*	Demonstration project for disposal of unwanted ODS (phase I)	France/UNIDO	ODS destruction project. Cost not yet agreed	60/34

(*) If no agreement on the funding level is reached two weeks in advance of the 60th Meeting, the project would be deferred to a future Meeting as required under decision 20/15.

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

9. HCFCs

(a) Relevant aspects of component upgrade in HCFC conversion projects (decision 59/13(b))

Document UNEP/OzL.Pro/ExCom/60/45 contains information regarding the relevant aspects of component upgrade in HCFC conversion projects as requested by the Executive Committee in its decision 59/13.

Issues to be addressed:

- Conversion of refrigeration and air conditioning equipment manufacturers and funding for components which strongly influence the energy efficiency with impact on the overall costs of the projects.

Action expected from the Executive Committee: The Executive Committee may wish to consider defining as a baseline for currently manufactured equipment in the refrigeration and air conditioning sector, against which funding is provided for the conversion of manufacturing facilities, either as:

- (a) The physical characteristics of the equipment to be no more than the sum of the physical characteristics of its components, so that after a conversion the defining characteristics of the components would remain largely unchanged or only improved to the degree necessary where no similar component would be available;

Or

- (b) The energy efficiency of the equipment, so that after a conversion the energy efficiency would remain largely unchanged; and

- (c) Request the Fund Secretariat to develop, in time for the 61st Meeting, terms of reference for a market study to provide the necessary base data for a model on how to fund incremental operating costs for compressors.

- (b) Outstanding HCFC issues: cut-off date, level of incremental operating costs, funding provided to the servicing sector, and incremental capital costs (decision 59/46)**

Document UNEP/OzL.Pro/ExCom/60/46 was prepared in response to decision 59/46. At the 59th Meeting of the Executive Committee, the contact group on outstanding HCFC policy issues was reconvened to consider the text agreed in principle during the 58th Meeting of the Committee as well as the bracketed draft decision text, and a summary of still outstanding issues. The document presents the status of the criteria for funding HCFC phase-out in the consumption sector negotiated by the contact group during the 59th Meeting. The document also includes two annexes (i.e., a summary of the progress on negotiations on incremental operating costs and cut-off dates during the 59th Meeting; and a summary of the further analysis on HCFC phase-out in the refrigeration servicing sector, including a new funding approach that was presented at the 59th Meeting)

Issues to be addressed:

- The options for an eligible cut-off date for installation of HCFC-based manufacturing equipment;
- Providing funding for the second-stage conversions of enterprises that were converted from CFC to HCFC technology through the Multilateral Fund;
- Methodologies for calculating eligible incremental costs, in particular operating costs, during the first stage of the implementation of HPMPs;
- Cost effectiveness thresholds for HCFCs;
- Technological upgrades and conversions before the end of the equipment's useful life;
- Applicability of the low-volume consuming country category with regard to HCFCs;
- Starting points for aggregate reductions in HCFC consumption.

Action expected from the Executive Committee: The Committee might wish to consider adopting the following criteria for funding HCFC phase-out in the consumption sector in Article 5 countries (for ease of reference, the new text introduced during the negotiations is highlighted):

Cut-off date

- (a) Not to consider any projects to convert to HCFC-based capacity installed after [2005] or [21 September 2007];
- (b) [Not to consider any projects to convert HCFC-based capacity installed after 21 September 2007; [and for the Executive Committee to consider [review] all eligible projects that will come forward with installed capacity prior to this date];

- (c) For the first stage of the HPMP, to consider projects to convert HCFC capacity installed between 2005 [December 2006] and 21 September 2007 [on the basis of] [taking into account] [subject to] funding available through the Multilateral Fund and national circumstances, recognizing the agreement in decision XIX/6 of the Nineteenth Meeting of the Parties that funding shall be stable and sufficient].

Second-stage conversion

- (d) To apply the following principles in regard to second-stage conversion projects for the first stage of HPMP implementation to achieve the 2013 and 2015 HCFC phase-out compliance targets, to be reviewed by the Executive Committee no earlier than the last meeting in 2013:
- (i) Full funding of eligible incremental costs of second-stage conversion projects will be considered in those cases where an Article 5 Party clearly demonstrates in its HPMP that such projects are necessary to comply with the Montreal Protocol HCFC targets up to and including the 35 per cent reduction step by 1 January 2020 and/or are the most cost-effective projects measured in ODP tonnes that the Party concerned can undertake in the manufacturing sector in order to comply with these targets;
 - (ii) Funding for all other second-stage conversion projects not covered under paragraph (d)(i) above will be limited to funding for installation, trials, and training associated with those projects;

Starting points for aggregate reductions in HCFC consumption

- (e) To establish the starting points for aggregate reductions in HCFC consumption, for those Article 5 countries that submit projects in advance of their assessed baseline, at the time of submission of either the HCFC investment project or the HPMP, whichever is first submitted for the consideration of the Executive Committee;
- (f) To allow Article 5 countries to choose between the most recent reported HCFC consumption under Article 7 of the Montreal Protocol at the time of the submission of the HPMP, and/or the investment project and the average of consumption forecast for 2009 and 2010, in calculating starting points for aggregate reductions in HCFC consumption;
- (g) To adjust the agreed starting points for aggregate reductions in HCFC consumption in cases where calculated HCFC baselines based on reported Article 7 data are different from the calculated starting point based on the average consumption forecast for 2009-2010;

Eligible incremental costs of HCFC phase-out projects

- (h) To apply the following principles in regard to eligible incremental costs of HCFC phase-out projects for the first stage of HPMP implementation to achieve the 2013 and 2015 HCFC phase-out compliance targets, subject to a review in 2013:
 - (i) When preparing HCFC phase-out projects in the foam, refrigeration and air-conditioning sectors, bilateral and implementing agencies shall use the technical information contained in document UNEP/OzL.Pro/ExCom/55/47 as a guide;

- (ii) The current cost-effectiveness threshold values used for CFC phase-out projects shall be used as guidelines during the development and implementation of the first stage of HPMPs measured in metric kg [and countries will have the flexibility to allocate the approved funding [between incremental capital costs and incremental operating costs] within the threshold];

[(ii)bis: When calculating incremental capital costs, [the cost associated with climate friendly technology will be taken into account, as appropriate], [Article 5 countries will be provided with sufficient funding to cover incremental capital cost above the threshold] to enable them to introduce climate-friendly technology taking into account the safety requirements];

[[Incremental] costs associated with safety requirements and [introduction of climate friendly technology] [climate benefits] shall be provided to Article 5 countries above the cost effectiveness thresholds];

[Funding of up to 10 [20] [35] percent above the cost-effectiveness threshold will be provided for projects in the foam sector¹ which require the implementation of safety measures in order to gain additional co-benefits to the climate];

HCFC phase-out in the foam sector

- (iii) Incremental operating costs for projects in the foam sector will be considered at [US \$xx/metric kg (*as per the values in the table below*)] of HCFC consumption to be phased out at the manufacturing enterprise [for a transitional period of one year] [two years] [three months];
- (iv) For group projects linked to systems houses, incremental operating costs will be calculated on the basis of the total HCFC consumption of all downstream foam enterprises to be phased out;

HCFC phase-out in the refrigeration and air-conditioning manufacturing sector

- (v) Incremental operating costs for projects in the air conditioning sub-sector will be considered at [US \$xx/metric kg (*as per the values in the table below*)] of HCFC consumption to be phased out at the manufacturing enterprise [for a transitional period of xx months] [one year];
- (vi) Incremental operating costs for projects in the commercial refrigeration sub-sector will be considered at [US \$xx/metric kg (*as per the values in the table below*)] of HCFC consumption to be phased out at the manufacturing enterprise [for a transitional period of xx months] [one year];
- (vii) Consistent with decision 31/45, incremental operating costs will not be considered for enterprises categorized under the refrigeration equipment assembly, installation and charging sub-sector;

¹ The Executive Committee might wish to consider deleting the reference to the foam sector, as some HCFC alternative technologies for the refrigeration and air-conditioning sectors might also require the implementation of safety measures.

[Party]	IOC (US \$/kg) ²				Cut off date
	HCFC-141b foam	HCFC-142b foam	Air conditioning	Commercial refrigeration	
Convener	1.73	1.60	5.93	4.63	2006
Article 5	1.73	1.60	6.50	4.06	2007
Non-Article 5	1.73	1.60	5.93	4.63	2006
Non-Article 5	1.40	1.20	5.93	3.50	2007

HCFC phase-out in the refrigeration servicing sector

- (viii) Article 5 countries [that have up to 90 percent of HCFC consumption in the refrigeration servicing sector measured in ODP tonnes] must include in their HPMP, as a minimum:
- a. A commitment to meeting, without further requests for funding, at least the freeze in 2013 and [the 10 per cent reduction step in 2015] or [the 35 per cent reduction by 2020] in the refrigeration servicing sector. This shall include a commitment by the country to restrict imports of HCFC-based equipment if necessary to achieve compliance with the reduction steps and to support relevant phase-out activities;
 - b. Mandatory reporting, by the time funding tranches for the HPMP are requested, on the implementation of activities undertaken in the refrigeration servicing sector in the previous year, as well as a thorough and comprehensive work plan for the implementation of the following tranche's activities;
 - c. A description of the roles and responsibilities of major stakeholders, as well as the lead implementing agency and the cooperating agencies, where applicable;
- (ix) Article 5 countries that have [up to 90 percent of HCFC consumption in the refrigeration servicing sector measured in ODP tonnes] will be provided funding consistent with the table below on the understanding that project proposals will still need to demonstrate that the funding level is necessary to achieve the 2013 and [2015], or [2020] phase-out targets:

² A summary on the progression of the negotiations on incremental operating costs and cut-off dates is presented in Annex I to this document.

Activities	Level of HCFC consumption in the servicing sector (*)							
	Below 20 m. tonnes (1.1 odp t)	Up to 100 m. tonnes (5.5 odp t)	Up to 300 m. tonnes (16.5 odp t)	Up to 500 m. tonnes (27.5 odp t)	Up to 1,000 m. tonnes (55odp t)	(***)		
						Up to 5,000 m. tonnes (275 odp t)	Up to 8,000 m. tonnes (440 odp t)	Above 8,000 m. tonnes (440 odp t)
Legislation	10,000	10,000	10,000	20,000	30,000	50,000	50,000	80,000
Customs training	30,000	40,000	50,000	60,000	80,000	120,000	140,000	160,000
Technicians training	40,000	60,000	70,000	100,000	160,000	240,000	300,000	400,000
Technical assistance(**)	50,000	100,000	300,000	500,000	1,000,000	5,000,000	8,000,000	11,000,000
Monitoring (***)	20,000	40,000	90,000	140,000	250,000	1,000,000	1,700,000	2,300,000
Total (in US \$)	150,000	250,000	520,000	820,000	1,520,000	6,410,000	10,190,000	13,940,000

(*) Figures represent maximum amounts for each group.

(**) For countries with an HCFC consumption above 20 metric tonnes (1.1 ODP tonnes), actual amount should be prorated according to the level of HCFC consumption in the servicing sector.

(***) For countries with an HCFC consumption above 20 metric tonnes (1.1 ODP tonnes), actual amount should be calculated as 20 per cent of the total cost of the activities.

(****) No longer applicable as per sub-paragraph (xi) below.

- (x) Article 5 countries that have [up to 90 percent of HCFC consumption in the refrigeration servicing sector measured in ODP tonnes], and that receive funding consistent with the above table, will have flexibility in utilizing the resources available under the refrigeration servicing sector to address specific needs that might arise during project implementation to facilitate the smoothest possible phase-out of HCFCs;
- (xi) Article 5 countries with HCFC consumption in both the manufacturing and refrigeration servicing sectors, and having [less than 90 percent of their HCFC consumption in the refrigeration servicing sector measured in ODP tonnes], should first address consumption in the manufacturing sector to achieve the 2013 and 2015 phase-out targets. However, if such countries clearly demonstrate that they require assistance in the refrigeration servicing sector to comply with these targets, funding for these activities, such as training, will be calculated at US\$4.50/metric kg, which will be deducted from their starting point for aggregate reductions in HCFC consumption;

HCFC phase-out in the aerosol, fire extinguisher and solvent sectors

- (xii) The eligibility of incremental capital and operating costs for HCFC phase-out projects in the aerosol, fire extinguisher and solvent sectors will be considered on a case-by-case basis.

(c) Cost for conversion of component manufacturing vs. incremental operating cost (decision 59/14)

Document UNEP/OzL.Pro/ExCom/60/47 contains information on determining whether the cost for the manufacturing of components is eligible versus incremental operating cost. The policy issue was brought to the Committee's attention during its 59th Meeting and the Committee decided to defer its consideration to the 60th Meeting.

Issues to be addressed:

- Whether in general cost for the manufacturing of components is eligible versus a possible increase in incremental operating cost;
- Whether specifically the retooling of heat exchanger production would constitute incremental cost.

Action expected from the Executive Committee: The Executive Committee might wish to consider the suggestion in sub paragraph (a) of document UNEP/OzL.Pro/ExCom/60/47 and, in addition, the suggestions contained in sub-paragraphs (b) to (e) of the same document establishing eligibility of the conversion of component manufacturing, or alternatively (f) as below, establishing eligibility of incremental operating costs for components:

- (a) Not to treat as an incremental cost, in case of conversion of refrigeration or air conditioning systems from HCFC to a hydrocarbon or an HFC, the capital costs related to retooling for a change in diameter of the tubing within tube-and-fin heat exchangers, since these are considered to constitute an avoidable technical upgrade;

And

- (b) To discontinue funding of incremental operating cost for components, and instead fund conversions of component manufacturers and component manufacturing facilities in the production of air conditioning equipment;
- (c) Not to include any incremental operating cost in the funding provided for manufacturers of components; and
- (d) To establish a list of components, the manufacturers of which might be viewed as eligible for funding, and to enclose in that list compressors;
- (e) To exclude facilities where less than 50 per cent of the production is for components for HCFC equipment, and for those with higher levels to deduct from the incremental cost the share of the non-HCFC components produced;

Or

- (f) To include incremental operating cost related to higher component costs within the definition of incremental operating costs, and not to allow funding for conversions of component manufacturers or a component manufacturing facility within an equipment manufacturer.
- (d) Revised template for draft agreements for HCFC phase-out management plans (decision 59/16(b))**

Document UNEP/OzL.Pro/ExCom/60/48 contains a revised template for a draft agreement for HCFC phase-out management plans based on a proposed preliminary template presented to the 59th Meeting and comments received as per decision 59/16(b). The document also presents a description of the changes as compared to the preliminary version presented at the 59th Meeting.

Issues to be addressed:

- Adoption of the template as a starting point for drafting agreements related to future HPMPs

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

- (a) Approve the template contained in Annex II to document UNEP/OzL.Pro/ExCom/60/48, as a basis for the drafting of an Agreement between a country and the Executive Committee regarding HCFC phase-out management plans; and
- (b) Request that future draft agreements schedule the submission of final tranches so that consumption will have been reported under Article 7 of the Montreal Protocol for the year 2013 before the last tranche of the agreement is to be approved.

10. Report of the Sub-group on the Production Sector

Document UNEP/OzL.Pro/ExCom/60/49 will be issued during the 60th Meeting and it will provide a report of the meeting of the Production sector sub-group to take place in the margins of the Meeting. The document will contain an account of the Sub-group's consideration of a provisional agenda, the Terms and Conditions under which the existing CFC production agreements with China and India and associated accelerated phase-out agreements might be modified; Terms of reference for the technical audit of HCFC production in Article 5 countries; and Work to-date on remaining elements of a final decision with respect to the HCFC production sector (documents UNEP/OzL.Pro/ExCom/60/SGP/1-4).

11. Incentives associated with Multilateral Fund climate impact indicator and a Special Funding Facility (decisions 59/45(b) and 59/48)

Document UNEP/OzL.Pro/ExCom/60/50 was prepared in response to decisions 59/45(b) and 59/48 and contains two parts. Part I addresses the Incentives associated with Multilateral Fund climate impact indicator (MCII) and Part II addresses A Special Funding Facility. Part I recalls some basic information on the MCII and identifies two sets of possible directions. Part II summarizes the work to-date by the Executive Committee on a Facility in the light of decisions taken by the Executive Committee and the Meeting of the Parties. It presents comments provided by members of the 2009 Executive Committee following the discussion at the 59th Meeting as well as a proposal by Sweden that was presented during the meeting, and contains an excerpt of the detailed discussion during the 59th Meeting that included accounts of presentations by the World Bank, UNDP, UNIDO and the ICF Study on ODS Disposal.

Issues to be addressed:

- Incentives associated with the MCII:
 - Incentives for the case that the MCII for the alternative shows a higher impact on the climate than for the HCFC baseline;
 - Possibilities to provide incentives to facilitate that the MCII for the alternative shows a lower impact on the climate than for the HCFC baseline;
- Special Funding Facility:
 - Guidance on how to take forward the call from the Meeting of the Parties for additional voluntary contributions for ODS disposal per decision XXI/2, paragraph 6;
 - Definition and criteria for funding from the Special Funding Facility;
 - Methodologies, protocols, and standards to obtain carbon credits;
 - Possibility to use the Facility for ODS disposal; and
 - Use of the US \$1.2 million allocated to the Facility to-date.

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

- (a) Consider the types of incentives to be associated with the MCII and other relevant questions related to it, using, *inter alia*, document UNEP/OzL.Pro/ExCom/60/50;

- (b) Request the Secretariat to provide more information or draft guidelines for specific issues related to the Multilateral Fund climate impact indicator, as deemed necessary following the discussion, in time for the 62nd Meeting;
- (c) Noting the document entitled “A Special Funding Facility (decisions 59/45(b) and 59/48)” as contained in UNEP/OzL.Pro/ExCom/60/50;
- (d) Agreeing to forward the present document to the 30th Open-ended Working Group Meeting along with an additional annex, containing the excerpt from the Report of the 60th Meeting on this agenda item in accordance with decision XXI/2, paragraph 5;
- (e) Providing guidance on how to take forward the call from the Meeting of the Parties in decision XXI/2 paragraph 6;
- (f) Discussing the suggestions provided by the Fund Secretariat in the light of the contributions submitted by Australia, Germany, and the United States of America pursuant to decision 59/48, including:
 - (i) Agreeing to the definition and criteria for the Special Funding Facility specified in paragraph 29 of document UNEP/OzL.Pro/ExCom/60/50;
 - (ii) Requesting the Fund Secretariat to:
 - a. Continue its efforts to collect additional resources for ODS disposal in the light of decision XXI/2, paragraph 6;
 - b. Review the proposed methodologies for carbon credits and recommend new methodologies that might be developed for consideration at the 62nd Meeting;
 - (iii) Setting an initial target of US \$54 million in voluntary contributions to the Multilateral Fund to address decision XXI/2, paragraph 6 to provide assistance for ODS disposal while agreeing to continue to study the level of funding needed; and,
 - (iv) Using the existing funds in the Special Funding Facility for an ODS disposal activity contained in projects at the current meeting that are not considered eligible under the Multilateral Fund in the light of decision XXI/2, paragraph 6.

12. Methodology for identifying project-related costs in UNIDO’s annual report on administrative costs (decision 59/28(c))

Document UNEP/OzL.Pro/ExCom/60/51 describes UNIDO’s proposed methodology for identifying project-related costs in its annual report on administrative costs and provides comments of the Fund Secretariat.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to note document UNEP/OzL.Pro/ExCom/60/51 on the methodology for identifying project-related costs in UNIDO’s annual report on administrative costs (decision 59/28 (c)).

13. Historical analysis of the cost of Executive Committee Meetings (decision 57/43(d))

Document UNEP/OzL.Pro/ExCom/60/52 is submitted in response to decision 57/43(d) and presents background information on Executive Committee budgetary allocations and venues; provides standard costs of the meetings of the Executive Committee when held in Montreal and when held outside Montreal and also presents a set of conclusions and recommendations.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of document UNEP/OzL.Pro/ExCom/60/52.

14. Budget of the Multilateral Fund Secretariat (follow-up to decision 59/52)

Document UNEP/OzL.Pro/ExCom/60/53 was prepared pursuant to decision 59/52 and provides feedback received from Nairobi on the application of the 5 per cent budget increase as well as that received from the other UNEP office in Montreal and the United Nations lead agency in Montreal on their annual budget increase. It also presents information on the Secretariat's budgeting methodology and calculation and concludes with observations and recommendations.

Issues to be addressed: None.

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

- (a) Noting the report prepared by the Secretariat on the budget of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/60/53;
- (b) The explanation provided by UNEP justifying a 5 per cent annual increase as applied historically to the Multilateral Fund Secretariat's staff cost estimates;
- (c) The explanation provided by the Secretariat regarding the difference in the rate of increase between the two UNEP Secretariats in Montreal;
- (d) Maintaining the salary staff component costs of the 2011 budget approved at 5 per cent increase against the 2010 staff costs totalling US \$3,771,753 and revising the 2012 salary staff component costs of the budget to calculate it on a basis of a 5 per cent increase against the 2011 staff totalling US \$3,938,992 as shown in Annex II to this document in line with Nairobi staff costs as reflected in the Host Government Agreement;
- (e) Or revising the salary staff component costs of the 2011 budget to reflect a 3 per cent increase against the 2010 staff costs totalling US \$3,699,910 and revise the 2012 salary staff component costs of the budget totalling US \$3,810,907 which is calculated on a basis of a 3 per cent inflation rate against the 2011 staff cost levels as shown in Annex III to document UNEP/OzL.Pro/ExCom/60/53.

15. Other matters
