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

**REPORT OF THE SIXTIETH MEETING OF THE EXECUTIVE COMMITTEE**

Introduction

1. The 60<sup>th</sup> 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, Montreal, Canada, from 12 to 15 April 2010.
2. The Meeting was attended by representatives of the following countries, Members of the Executive Committee in accordance with decision XXI/27 of the Twenty-First Meeting of the Parties to the Montreal Protocol:
  - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Belgium, Canada (Vice-Chair), France, Japan, Switzerland, and the United States of America; and
  - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Colombia (Chair), Grenada, India, Morocco, Namibia, Saudi Arabia and Senegal.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.
4. The Executive Secretary and the Deputy Executive Secretary of the Ozone Secretariat were also present. The President of the Bureau of the Twenty-first Meeting of the Parties to the Montreal Protocol, the President of the Implementation Committee, and the Co-Chair of the Technology and Economic Assessment Panel (TEAP) also attended.
5. Representatives of the Alliance for Responsible Atmospheric Policy, Greenpeace and the Institute for Governance and Sustainable Development also attended as observers.

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

6. The Meeting was opened at 10 a.m. on Monday, 12 April 2010, by the Chair, Mr. Javier Camargo (Colombia), who welcomed Members, drawing their attention to the business planning activities on the agenda and the many important policy issues to be resolved at the Meeting, which would be one day shorter than usual, pursuant to decision 57/39(b).

7. As the 60<sup>th</sup> Meeting was the first of the year, the implementing agencies' business plans would be discussed and it was thus important for the Executive Committee to provide them with strategic direction based on the compliance needs of Article 5 countries, while taking into account the total resources available for the triennium compared to the funding levels in the business plans submitted for approval. It was also necessary to explore how current work on the phase-out of HCFCs could be fully integrated with the remaining activities related to phasing out CFCs. A final decision was sought on funding for institutional strengthening (IS) projects, which played an essential role in Article 5 countries' capacity to comply with the Montreal Protocol. The Chair further pointed out that the list of projects for individual consideration included two HCFC phase-out management plans (HPMPs), one of which gave the Executive Committee its first opportunity to review an HPMP for a low-volume-consuming (LVC) country. As the HPMP in question also proposed to accelerate HCFC phase-out and took climate co-benefits into account, the Executive Committee's careful consideration of the project could potentially generate valuable guidance that would encourage such proactive intervention.

8. With regard to policy issues, the Chair said that, with CFC phase-out completed in the milestone year of 2010, HCFC phase-out was the major challenge ahead. It was imperative for consensus to be reached in the ongoing discussion on outstanding HCFC issues, including the cut-off date, the level of incremental operating costs and funding for the servicing sector, to name but a few. Lack of guidance in this matter had an impact not only on project development and subsequent project approvals, but also on the ability of Article 5 countries to meet their HCFC phase-out obligations under the Protocol. The issue of a special funding facility would again be discussed by the Executive Committee, with a new aspect introducing incentives associated with the climate indicator, as requested by decision 59/45(b).

9. The Chair concluded by expressing his confidence that all Members would, as always, strive to meet the targets established for the Meeting.

## **AGENDA ITEM 2: ORGANIZATIONAL MATTERS**

10. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/60/1:

### **(a) Adoption of the agenda**

1. Opening of the Meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Secretariat activities.

4. Financial matters:
  - (a) Status of contributions and disbursements;
  - (b) Outstanding contributions to the Multilateral Fund by the Russian Federation (decision 59/54).
5. Status of resources and planning:
  - (a) Report on balances and availability of resources;
  - (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.
6. 2010-2012 business plans:
  - (a) Consolidated business plan of the Multilateral Fund;
  - (b) Business plans of the implementing agencies:
    - (i) Bilateral agencies;
    - (ii) UNDP;
    - (iii) UNEP;
    - (iv) UNIDO;
    - (v) World Bank.
7. Programme implementation:
  - (a) Annual tranche submission delays;
  - (b) Report on implementation of approved projects with specific reporting requirements.
8. Project proposals:
  - (a) Overview of issues identified during project review;
  - (b) Bilateral cooperation;
  - (c) Work programmes:
    - (i) 2010 work programme of UNDP;
    - (ii) 2010 work programme of UNEP;
    - (iii) 2010 work programme of UNIDO;
    - (iv) 2010 work programme of the World Bank;

- (d) Investment projects.
9. HCFCs:
    - (a) Relevant aspects of component upgrade in HCFC conversion projects (decision 59/13(b));
    - (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);
    - (c) Cost for conversion of component manufacturing vs. incremental operating cost (decision 59/14);
    - (d) Revised template for draft agreements for HCFC phase-out management plans (decision 59/16(b)).
  10. Report of the Sub-group on the Production Sector.
  11. Incentives associated with the Multilateral Fund climate impact indicator and a special funding facility (decisions 59/45(b) and 59/48).
  12. 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)).
  14. Budget of the Multilateral Fund Secretariat (follow-up to decision 59/52).
  15. Other matters.
  16. Adoption of the report.
  17. Closure of the meeting.

11. The Executive Committee agreed to include in the discussion under agenda item 15 (Other matters) a sub-item on pre-blended polyols, given the use of pre-blended polyols by small and medium-sized enterprises in Article 5 countries, and the potential impact of conversion. At the request of the Secretariat, a sub-item on the dates and venues of the 61<sup>st</sup> and 62<sup>nd</sup> Executive Committee Meetings was also included under agenda item 15.

**(b) Organization of work**

12. One Member drew the Committee's attention to the importance of referring to the project report from the Nordic Environment Finance Corporation (NEFCO) on the guide for developing greenhouse gas emission reduction projects based on the destruction of ozone-depleting substances (ODS), submitted by Switzerland for the information of the 60<sup>th</sup> Meeting of the Executive Committee (document UNEP/OzL.Pro/ExCom/60/Inf.2), when discussing agenda item 11 (Incentives associated with the Multilateral Fund climate impact indicator and a special funding facility (decisions 59/45(b) and 59/48)).

13. Regarding the order in which the items on the agenda would be discussed, a number of Members stressed the urgency of discussing outstanding HCFC policy issues, pointing out that the resolution of

those issues would have an impact on many decisions before the Executive Committee at the present Meeting and in the future. As it was impossible to begin HCFC conversion without the guidelines, it was imperative to deal with the remaining issues such as the cut-off date for conversion and eligible incremental costs, and to implement HCFC demonstration and investment projects. Another Member called the Executive Committee's attention to the urgency of continuing the discussions on outstanding issues on HCFCs within the framework used up to the 59<sup>th</sup> Meeting and, accordingly, to reconvene the contact group to deal further with the matter.

14. The Chair reminded Members that such an HCFC contact group, which had been convened at the 58<sup>th</sup> and 59<sup>th</sup> Meetings of the Executive Committee, would need to be re-established and he proposed that a general discussion of the HCFC issue be held in plenary before the contact group met, given the presence of new Executive Committee Members.

15. The Chair also informed the Executive Committee of the need to convene the Sub-group on the Production Sector, and asked Members to nominate candidates for the Sub-group, to be composed of a maximum of eight Members from Article 5 and non-Article 5 countries. The Executive Committee was subsequently informed of the following nominations for the Sub-group: Colombia, Grenada and India, representing Article 5 countries, and Canada, Switzerland and the United States of America, representing non-Article 5 countries.

16. The Chair invited Executive Committee Members to meet with members of the Secretariat in an informal group to review the salary staff component costs in relation to the budget, in preparation for the discussion under item 14 (Budget of the Multilateral Fund Secretariat), pursuant to decision 59/52.

### **AGENDA ITEM 3: SECRETARIAT ACTIVITIES**

17. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/60/2, which highlighted some of the key activities undertaken since the 59<sup>th</sup> Meeting.

18. The Secretariat had prepared 53 documents for the present Meeting, including 24 related to funding projects in specific Article 5 countries. A total of 102 funding requests, amounting to nearly US \$56 million, had been received by the Secretariat, of which 88 – representing US \$48.6 million – were before the Committee for consideration following review by the Secretariat. Of that number, 40 projects and activities amounting to nearly US \$40.5 million, including several contained in the work programmes of the agencies, were for individual consideration for a variety of reasons.

19. A number of documents were of particular importance as they dealt with the future commitments and policies of the Multilateral Fund. They included the consolidated business plan of the Fund for 2010 to 2012; the overview of issues arising from project review, which had identified several policy matters of particular significance; four policy papers on HCFCs, including two on new issues related to conversion projects and incremental operating costs; three documents covering the production sector; and, further to decisions 59/45 and 59/48, a consolidated paper on incentives associated with the Multilateral Fund climate impact indicator and a special funding facility.

20. The Chief Officer and various professional staff had attended a number of meetings since the 59<sup>th</sup> Executive Committee Meeting. In addition to missions undertaken by the Chief Officer and outlined in document UNEP/OzL.Pro/ExCom/60/2, she had also attended UNEP's Executive Management Team retreat in Nairobi from 18 to 20 November 2009.

21. The Chief Officer also informed the Committee that the recruitment process for the two vacant P3 positions had been completed, and introduced the two new staff members: Ms Xiaojuan Wang and Mr. Djiby Diop. The selection process for the D1 Deputy Chief Officer position had also been completed,

with Nairobi informing her that very day that the appointment of Mr. Eduardo Ganem had been approved. The recruitment of the Senior Monitoring and Evaluation Officer was also well under way. The selection panel had met at the beginning of April and drawn up a short list of candidates from the 334 applications received. Interviews were expected to take place in the very near future.

22. Finally, the Chief Officer said that the Secretariat had successfully relocated to its new offices in Montreal in December. She thanked the Government of Canada for its assistance and support in the move.

23. In the ensuing discussion, the Executive Committee congratulated Mr. Ganem on his promotion and welcomed the new members of the Secretariat. Several Members thanked the Secretariat for all its work in preparing for the present Meeting, and for the high-quality analysis in the technical and policy documents. The representative of Canada congratulated the Secretariat on its move to a new location and thanked it for consulting with the Government of Canada regarding the selection of the premises.

24. Members requested further information on the missions of the Chief Officer to China and Indonesia. In response, she said that the purpose of the mission to Beijing had been to meet with the Vice-Minister of Environmental Protection, senior officials of the Ministry, and the Foreign Economic Cooperation Office of the Ministry of Environmental Protection to discuss issues related to HCFCs, the Montreal Protocol and the Multilateral Fund. It had been a very positive meeting and the Vice-Minister of Environmental Protection had stated that China was keen to expedite finalization of Executive Committee policy guidelines on HCFCs, especially as China planned to submit its HPMP in 2010. In Shanghai, she had attended the first day of the meeting of the TEAP Medical Technical Options Committee (MTOC) to advise on progress in implementation of metered-dose inhaler (MDI) conversion projects. In Bali, she had attended the simultaneous extraordinary meetings of the Conferences of the Parties to the Basel, Rotterdam and Stockholm Conventions and the 11<sup>th</sup> Special Session of the Governing Council of UNEP. She informed the Executive Committee that discussions at the Bali meeting had been extremely general and, although they might influence UNEP's work programme, they had no direct bearing on the work of the Executive Committee.

25. Following the discussion, the Executive Committee took note, with appreciation, of the report on Secretariat activities.

#### **AGENDA ITEM 4: FINANCIAL MATTERS**

##### **(a) Status of contributions and disbursements**

26. The Treasurer introduced document UNEP/OzL.Pro/ExCom/60/3, which contained his report on the status of contributions and disbursements. Since publication of the document in March, however, there had been additional deposits. The Treasurer said that, as at 9 April, the Fund had received an additional cash contribution from one Party – Ireland. It had also received the Government of Canada's payment for the final 2008 and the estimated 2009 cost differential of having the Secretariat in Montreal as opposed to Nairobi. The total amount of new resources received since publication of the report amounted to US \$1,568,591. Fifteen Parties had paid their 2010 pledges either in full or in part, while the number that had made payments towards their pre-2010 pledges remained 11.

27. Since the 59<sup>th</sup> Meeting of the Executive Committee, the Fund had gained US \$382,986 from exchange rate differences. The total amount gained since the inception of the fixed-exchange-rate mechanism (FERM) was thus US \$35,908,794. Also, on the basis of the value of new receipts of promissory notes and the encashment of old ones, the stock of notes stood at US \$30,671,458.

28. The Treasurer gave an update on total income, explaining that, since publication of document UNEP/OzL.Pro/ExCom/60/3, the figure had risen to US \$2,635,128,942. The Fund's balance

therefore stood at US \$117,754,981, and was made up of US \$87,083,523 in cash and US \$30,671,458 in promissory notes. He also stated that the value of the promissory notes due for encashment was as follows: US \$7,591,208 for the year 2010; US \$8,454,843 for the year 2011; US \$4,628,015 for the year 2012; and US \$9,997,392 in unscheduled promissory notes.

29. One Member expressed his appreciation to those countries that had made their contributions to the Fund and encouraged those with outstanding contributions to pay them as soon as possible.

30. The Executive Committee decided:

- (a) To note:
  - (i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes, as contained in Annex I to the present report;
  - (ii) The list of Parties that had opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2009-2011, as contained in Annex I to the present report; and
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

**(Decision 60/1)**

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

31. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/4, which had been prepared pursuant to decision 59/54 and provided an update on the outstanding contributions to the Multilateral Fund by the Russian Federation as at 5 March 2010. She said that the Russian Federation had indicated in its letter of 14 April 2009 that writing off the accrued arrears, amounting to US \$103,103,225, could have some effect on the adoption of a positive stance with regard to the payment of its current contributions by the Russian Federation. She informed the Executive Committee that there had been no other case in which the Russian Federation's contributions to a Multilateral Environmental Agreement (MEA) had not been made and no example of an MEA where a Party's accumulated debt had been forgiven or written off.

32. A number of Members expressed their concern at the non-payment of contributions by the Russian Federation. Some thought that it would be useful to have informal discussions with the delegates of the Russian Federation in the margins of the 30<sup>th</sup> meeting of the Open-ended Working Group of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (OEWG). It was also suggested that at any such informal discussions it would be important to include both representatives from the Ministry of Natural Resources and the Environment and from the Ministry of Finance of the Russian Federation, as well as from the Ozone Secretariat. It was also noted that similar difficulties had been experienced by UNEP with respect to other outstanding contributions and it was suggested that it would be useful to coordinate any action by the Executive Committee with UNEP when dealing with the issue of arrears in payment of contributions by the Russian Federation. Several Members also suggested that, as the Executive Committee had done everything possible to resolve the issue, it was now time for the matter to be referred to the Parties for their consideration.

33. Members also agreed that it was important for the Secretariat to write to the Russian Federation to request resolution of the issue and to express the concerns that had been raised by Members. At the same

time, the Russian Federation needed to be encouraged to start making its contributions and should be informed that no consideration of its request for writing off its arrears could be considered until that happened.

34. The Deputy Executive Secretary of the Ozone Secretariat reminded the Executive Committee that one of the Parties would have to request that the issue be placed on the agenda of the meeting of the OEWG if it was to take up consideration of the arrears of the Russian Federation at the level of the Parties. An informal meeting could be held the day before the opening of the OEWG meeting among the Chair and Vice-Chair of the Executive Committee, the Treasurer, the Fund Secretariat, the Ozone Secretariat, and representatives of the Russian Ministry of Finance and the Ministry of Natural Resources and the Environment.

35. Following the discussion, the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/60/4, and in particular Annex I;
- (b) To request the Chief Officer to reply to the letter from the Government of the Russian Federation and convey the Executive Committee's views on the long outstanding contributions from the Russian Federation, as expressed at the 60<sup>th</sup> Meeting; and
- (c) Also to request the Chief Officer to invite representatives of the Ministry of Natural Resources and the Environment and the Ministry of Finance of the Russian Federation, the Chair and Vice-Chair of the Executive Committee, the Treasurer and the Ozone Secretariat to participate in an informal meeting to be held the day before the commencement of the 30<sup>th</sup> meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer.

**(Decision 60/2)**

## **AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING**

### **(a) Report on balances and availability of resources**

36. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/5, which presented the information from bilateral and implementing agencies on balances from completed projects, the return of funds from cancelled projects, statistics for projects with balances held over 12 months after completion, and a summary of obligated and unobligated balances, as well as the explanations from the implementing agencies as to why balances had been withheld.

37. She said that implementing agencies were returning US \$73,389 in project and support costs and that bilateral agencies were returning US \$140,019 in project and support costs; this latter amount took into account the request received prior to the Meeting from the Government of Finland advising that it wished to use an unspent balance of US \$52,712 from two completed projects for other projects instead of returning it to the Fund. She also informed the Committee that US \$133,189 was being transferred from Sweden to UNIDO for two projects and that the transfer was at a reduced support cost for UNIDO. The Committee might wish to amend the agreements with the governments concerned to reflect the change of implementing agency.

38. With the balances returned from completed and cancelled projects, and the information provided by the Treasurer in the oral update of his report on the status of the Fund (UNEP/OzL.Pro/ExCom/60/3) regarding the amount of cash and promissory notes available to the Executive Committee, the total funds available for new commitments at the present Meeting were US \$117,968,389. As the total being



requested for funding projects at the present Meeting was US \$48.6 million, sufficient funds were available to fund the projects being submitted for approval.

39. The Executive Committee decided:

- (a) To note:
  - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/60/5;
  - (ii) That the net level of funds being returned to the 60<sup>th</sup> Meeting by the implementing agencies was US \$66,944 against projects, which included the return of US \$38,855 from UNDP, US \$9 from UNEP and US \$28,080 from UNIDO;
  - (iii) That the net level of support costs being returned by the implementing agencies to the 60<sup>th</sup> Meeting was US \$6,445 against projects, which included the return of US \$3,912 from UNDP, US \$1 from UNEP and US \$2,532 from UNIDO; and
  - (iv) That the net level of funds and support costs being returned by the bilateral agencies to the 60<sup>th</sup> Meeting was US \$140,019, which reflected no return from Finland as a result from its intent to use its unspent balance on other projects, US \$16 by France and US \$140,003 by Sweden, and to request the Treasurer to follow up the cash transfer of those amounts with France and Sweden;
- (b) To approve the transfer to UNIDO of two projects (ROM/PHA/45/TAS/31 and YUG/PHA/43/TAS/22) from Sweden, as well as the transfer of US \$123,897 in project costs and US \$9,292 in support costs for the two projects, as requested by Sweden in its letter to the Secretariat of 12 February 2010, and thereby:
  - (i) Reduce the 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 costs 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 costs of US \$6,241, as agreed mutually between the Governments of Romania and Sweden and UNIDO; the text of the present decision would form an amendment to the Agreement between the Government of Romania and the Executive Committee; and
  - (ii) Reduce the bilateral funding approved for the Government of Sweden for implementation of the project YUG/PHA/43/TAS/22 by US \$40,678, plus agency support costs 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 costs of US \$3,051, as agreed mutually between the Governments of Serbia and Sweden and UNIDO; the text of the present decision would form an amendment to the Agreement between the Government of Serbia and the Executive Committee;
- (c) To note:
  - (i) That implementing agencies had total balances of US \$4,579,745, excluding support costs, from projects completed more than two years previously, which comprised US \$709,606 for UNDP, US \$1,295,490 for UNEP, US \$522,148 for

UNIDO, and US \$2,052,501 for the World Bank;

- (ii) That UNEP had an unobligated balance of US \$1,928,039 for completed projects; and
- (iii) That there were balances totalling US \$52,712 for Finland, US \$87,864 for France, US \$20,203 for Japan and US \$26,841 for Spain, including support costs; and
- (d) To request UNEP to report on the application of the financial rules regarding obligated cash advances by the 61<sup>st</sup> Meeting.

**(Decision 60/3)**

**(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**

40. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/6, which contained an executive summary, four parts, and three annexes. Part I showed that all countries at risk of not meeting interim reductions or with remaining consumption of ODS except for HCFCs prior to the 2010 phase-out either had projects approved or activities conducted under the Global Environment Facility (GEF). The exception was Ecuador, which had remaining CTC consumption of 0.1 ODP tonnes. All countries had either received HPMP preparation funds or had submitted requests to the 60<sup>th</sup> Meeting. The latest consumption data indicated that 91 countries continued to have some CFC consumption, while 52 countries had reported zero consumption. For the remaining substances (excluding HCFCs), most countries had zero consumption. Part II of the document related to Article 5 countries that were subject to decisions on compliance. Information provided by Article 5 countries indicated that 62 of the 68 issues identified had been resolved. Part III of the document contained data on the implementation of country programmes, data collection, the use of the new format when submitting data, and levels of consumption by substance. Only four countries had used the web-based system to transfer data to the Secretariat. Part IV of the report addressed issues relating to projects with implementation delays, indicating that 23 ongoing projects were considered to have implementation delays.

41. During the discussion, the representative of UNEP reported on the global project “Development of guidelines to promote safety in aerosol conversions” (GLO/ARS/39/TAS/246), indicating that the French version of the document was already available. The Secretariat was subsequently informed that the Spanish text had been circulated and was available on-line.

42. Several Members commented positively on document UNEP/OzL.Pro/ExCom/60/6. It was noted that Mexico had returned to compliance with respect to CTC consumption, which had been at zero since 2009, and that Saudi Arabia had provided 2008 and 2009 country programme data to the Fund Secretariat, and that it had returned to compliance in 2009 with respect to CFC consumption.

43. In response to a request from one Member, the representative of the Secretariat indicated that Ecuador had received no assistance for the phase-out of CTC because, despite efforts by the World Bank, no project had been forthcoming. Furthermore, under its Compliance Assistance Programme (CAP), UNEP had provided assistance to LVC countries in the past in addressing small volumes of CTC consumption.

44. One Member expressed concern at the low level of use of the on-line system for country programme data reporting and indicated that it might be advisable for UNEP/CAP to convene a session on using the on-line tool at network meetings. In addition, the Multilateral Fund Secretariat, and UNEP OzonAction could work together to identify problems associated with the low level of use of the on-line

reporting function in order to determine whether the issue was related to problems associated with Internet access in Article 5 countries, or other issues, and to determine how the situation could be improved.

45. The representative of UNIDO said that, although the project documents had not yet been signed, progress had been made in achieving compliance in Bosnia and Herzegovina, however, the issue relating to the IS projects was complicated by changes in the Ministry of the Environment and the fact that two entities claimed to be responsible for the projects, therefore, a high level mission might be useful. With respect to Iraq, he indicated that considerable progress had been achieved on CFC phase-out and that UNIDO was working closely with UNEP to achieve compliance by 2011.

46. Following the discussion, the Executive Committee decided:

- (a) To note:
  - (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 document UNEP/OzL.Pro/ExCom/60/6;
  - (ii) That the request for projects submitted to the 60<sup>th</sup> Meeting by Somalia was subject to the receipt of the 2008 country programme implementation data in accordance with decision 52/5 as a precondition for the approval and release of funding for projects;
  - (iii) The completion of four 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
  - (v) The update by UNEP with respect to the global project "Development of guidelines to promote safety in aerosol conversions" (GLO/ARS/39/TAS/246);
- (b) To request:
  - (i) UNEP to hold a session on the revised format for country programme data reporting at its network meetings;
  - (ii) UNEP and the Secretariat to identify problems associated with the low level of use of on-line reporting to determine how best to encourage the timely reporting of Article 5 country programme data using such systems;
  - (iii) Additional status reports on the projects listed in Annex II to the present report; and
  - (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 were included in licensing systems;
- (c) To consider cancellation of the following projects at the 61<sup>st</sup> Meeting unless progress had been achieved as indicated:

- (i) The refrigerant management plan (RMP) in Ethiopia (ETH/REF/44/TAS/14), implemented by France, if progress on implementing ODS regulations had not been reported;
  - (ii) The halon banking project in the Libyan Arab Jamahiriya (LIB/HAL/47/TAS/26), implemented by UNIDO, if a business plan for halon activities had not been submitted;
  - (iii) The halon banking project in Bosnia and Herzegovina (BHE/HAL/42/TAS/18), implemented by UNIDO, if progress in the delivery of the halon equipment had not been reported; and
  - (iv) The halon banking project preparation in Kuwait (KUW/HAL/45/PRP/07), implemented by UNIDO, if a site had not been selected for the halon equipment; and
- (d) To urge:
- (i) Signing of the project document for the institutional strengthening project in Bosnia and Herzegovina (BHE/SEV/43/INS/19), implemented by UNIDO;
  - (ii) Reporting as required for the IS project in Mauritius (MAR/SEV/53/INS/19), implemented by UNEP; and
  - (iii) Initiation of the terminal phase-out management plan (TPMP) verification report in Kuwait (KUW/PHA/52/TAS/10), implemented by UNEP.

**(Decision 60/4)**

## **AGENDA ITEM 6: 2010-2012 BUSINESS PLANS**

### **(a) Consolidated business plan of the Multilateral Fund**

47. The representative of the Secretariat presented the consolidated 2010-2012 business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/60/7). He said that the business plans submitted by the bilateral and implementing agencies included activities that exceeded the budgets for 2010 and 2011 by US \$111.8 million and US \$231.4 million, respectively, largely owing to uncertainties associated with the cost of HCFC activities. He recalled that the business plans, which included some deferred activities, were intended for planning purposes only and that the standard decision for endorsing them did not denote approval of the activities, the associated levels of funding, or the associated tonnage.

48. The document raised several other issues: the HCFC tonnage allocations in the business plans; the reconciliation of the multi-year agreement (MYA) amounts in the agencies' business plans with the Secretariat's records; how to deal with new project preparation requests and requests that did not contain ODS volumes to be phased out in the business plans, in light of decision 58/19(a)(ii)b; the possible establishment of a window for ODS disposal activities in light of decision XXI/2 of the Twenty-first Meeting of the Parties; the fact that the amounts proposed by the agencies exceeded the maximum level allowed for project preparation for HPMPs, HCFC demonstration projects, and HCFC investment projects; the lack of information on the extent to which co-funding would be obtained for proposed HCFC and ODS disposal activities to maximize climate and other environmental benefits; and the fact that the values for HPMPs in LVC countries exceeded those under discussion with regard to the HCFC guidelines by US \$35.42 million.

49. During the discussion, it was suggested that funding tranches of terminal phase-out management plans (TPMPs) outstanding beyond 2010 should be integrated into HPMPs. Several Members said that, in that case, the outstanding funding should be added to the funding required for the HPMPs rather than maintaining the same HPMP funding level.

50. In response to the proposal to remove new project preparation requests for ODS disposal activities from the business plans, one Member considered decision XXI/2 of the Twenty-first Meeting of the Parties to be reason enough not to curtail or even stop submissions of such requests and to continue considering each request on its own merits. Others maintained, however, that funding for the preparation of a sufficient number and wide variety of ODS disposal projects had already been approved, at the 58<sup>th</sup> Meeting and the 59<sup>th</sup> Meeting. Pursuant to decision 59/10, in order to ensure regional representation, UNIDO had submitted two additional project preparation requests for ODS disposal pilot projects in its business plan for 2010, one for Africa and one for West Asia. The only category under-represented in the projects approved so far was for LVC countries. One Member stressed the importance of ensuring that ODS destruction did not lead to the production of virgin ODS. It was considered that certain issues relating to ODS disposal needed to be discussed further, including the disposal of ODS in the ship-breaking industry, where it was unclear to which country the released ODS belonged.

51. There was discussion of whether decision 54/39(h) required countries to seek co-funding, as it simply “encouraged” countries and agencies to explore potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs. One Member considered that, in future business plans, implementing agencies should not be bound to include the level of co-funding that would be received for business plan activities. It was pointed out, however, that such details would be for information purposes only and could prove useful for future reference.

52. The representative of the Secretariat explained that recommendation (e) in document UNEP/OzL.Pro/ExCom/60/7 was intended to address the issue of countries in which there was residual consumption of ODS but no activities in the agencies’ business plans. In response, however, the representative of India said his country had no TCA consumption. The representative of Colombia advised that Brazil and Colombia were not interested in having TCA activities and the Secretariat had been informed by the representative of Grenada that Mexico should also be removed from the recommendation.

53. It was suggested that additional tonnage be removed from the business plans solely to help the Committee see clearly the tonnage required for compliance, although such action was in no way intended to discourage countries from dealing with all their ODS consumption at the same time.

54. Some Members thought it premature to include activities for the HCFC production sector that were not currently eligible in the business plans, as insufficient progress had been made by the Sub-group on the Production Sector in finalizing eligibility criteria. One Member, however, stressed the essential nature of production in efforts to ensure that accelerated phase-out targets were met. As the Committee was unable to decide whether to maintain or remove those activities, the representative of the Secretariat advised that, without a decision, they would remain in the business plans.

55. In response to a question on the definition of an HCFC demonstration project “without phase-out”, the representative of the Secretariat recalled that, according to table 7 of the document, the phrase referred both to projects for which no phase-out amount had been stated and to projects that would result in zero phase-out. The representative of UNDP said that the agency had not indicated an HCFC phase-out level in cases where that would not occur until the second phase of the project.

56. In considering issues related to HCFCs, the Committee felt it important to ensure that any decision taken would be consistent with the new HCFC cost guidelines to be adopted under agenda item 9(b). Given that the cost estimates in the business plans were rather high, the Committee needed to

be careful not to create false expectations among Parties regarding the amount of funding that would be approved in the next few years. It was suggested that implementing agencies revise their business plans to ensure that they were consistent with the guidelines and resubmit them to the 61<sup>st</sup> Meeting of the Executive Committee.

57. Following the discussion, the Executive Committee decided:

- (a) To note the consolidated 2010-2012 business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/60/7 and the fact that it addressed activities for compliance with the 2015 control measures of the Montreal Protocol;
- (b) To adopt a budget of US \$193.9 million for 2010, while noting the budget of US \$203 million for 2011, established by decision 57/4;
- (c) To modify the multi-year agreement amounts in the agencies' business plans to reflect the records of the Fund Secretariat;
- (d) To integrate terminal phase-out management plan activities beyond 2010 and those planned for Somalia into HCFC phase-out management plans;
- (e) To request the bilateral and implementing agencies to consider the need for methyl chloroform activities in Haiti and the Democratic People's Republic of Korea;
- (f) To amend the business plans of the bilateral and implementing agencies according to the model rolling three-year phase-out plan for institutional strengthening projects;
- (g) To remove new project preparation requests for ODS disposal included in the business plans, except those required by decision 59/10 and requests for countries that had been considered at the 59<sup>th</sup> Meeting;
- (h) To modify the allocation for the ODS disposal activity in China in the business plans of Japan to US \$1,320,000 for 100 ODP tonnes and of UNIDO to US \$1,320,000 for 100 ODP tonnes;
- (i) To request the bilateral and implementing agencies at the 61<sup>st</sup> Meeting to suggest a level of funding for ODS activities in low-volume-consuming (LVC) countries in light of decision XXI/2 of the Twenty-first Meeting of the Parties;
- (j) To establish a resource allocation for HCFC production in the business plans amounting to US \$147,000,000 for the period 2010 to 2014, guided by the amount suggested by the UNEP's Technology and Economic Assessment Panel in its Assessment of the Funding Requirements for the Replenishment of the Multilateral Fund for the Period 2009-2011;
- (k) To maintain activities in the business plans for additional HCFC demonstration projects beyond those for which project preparation had already been approved;
- (l) To maintain activities in the business plans for HCFC demonstration projects with no phase-out;
- (m) To remove from the business plans activities for HCFC demonstration projects to be submitted after 2010;

- (n) To modify 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;
- (o) To request:
  - (i) A status report on establishing or modifying licensing systems, legislation and regulations pursuant to funding provided through decision 54/39(e) to address the accelerated phase-out of HCFCs, to be submitted to the 61<sup>st</sup> Meeting in the context of the agencies' progress reports;
  - (ii) That the business plans to be submitted to the 61<sup>st</sup> Meeting address planning for the period 2010 to 2014 and the 63<sup>rd</sup> Meeting 2011 to 2014; and
  - (iii) Implementing agencies to indicate in their submissions to the 61<sup>st</sup> Meeting and in future business plans:
    - a. The level of HCFC phase-out, by chemical, for example HCFC-22 and HCFC-141b; and
    - b. The level of climate co-benefits that could be achieved through HCFC phase-out activities required to achieve compliance;
- (p) To request the bilateral and implementing agencies to revise their 2010-2012 business plans to take into account the criteria for funding HCFC phase-out in the consumption sector adopted by the Executive Committee (see decision 60/44), and in particular:
  - (i) To ensure that the selection of projects in the business plans was consistent with the cut-off date applicable to HCFC-based capacity;
  - (ii) To include projects for second-stage conversions when they were necessary, and/or the most cost-effective projects in the manufacturing sector, to facilitate the compliance of Article 5 countries with HCFC control measures up to and including the 2020 reduction step;
  - (iii) To adjust the indicative costs of HCFC projects in the business plans to reflect the relevant parameters agreed with respect to incremental operating costs, phase-out costs in the refrigeration servicing sector, and cost-effectiveness thresholds; and
  - (iv) To ensure that for each Article 5 country included in the business plans, the year or years of HCFC consumption used to calculate the quantity of HCFC tonnage to be funded for phase-out to achieve compliance with the 2013 HCFC freeze and 2015 HCFC 10 per cent reduction corresponded to one of the two agreed options for the starting point for aggregate sustained reductions;
- (q) To request the bilateral and implementing agencies to submit their revised business plans to the 61<sup>st</sup> Meeting of the Executive Committee taking into account the above, and

- (r) To request the Secretariat to prepare a revised consolidated business plan for the 61<sup>st</sup> Meeting based on the revised business plans submitted.

**(Decision 60/5)**

**(b) Business plans of the implementing agencies**

**(i) Bilateral agencies**

58. Pursuant to decision 60/5 on the consolidated 2010-2012 business plan, the Executive Committee took note of the 2010-2012 business plans of Canada, the Czech Republic, France, Germany, Italy and Japan, as contained in document UNEP/OzL.Pro/ExCom/60/8.

**(ii) UNDP**

59. Pursuant to decision 60/5 on the consolidated 2010-2012 business plan, the Executive Committee took note of the 2010-2012 business plan of UNDP, as contained in document UNEP/OzL.Pro/ExCom/60/9.

**(iii) UNEP**

60. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/60/10 and Add.1, which contained UNEP's business plan. He explained that a number of projects in the business plan were subject to decisions made under other agenda items at the present Meeting, notably those on issues identified during project review (agenda item 8(a)), the HCFC criteria to be adopted at the present Meeting that resolved outstanding issues (agenda item 9(b)), and a special funding facility (agenda item 11), as well as decisions on HCFC demonstration projects and ODS destruction projects. He listed the other projects in UNEP's business plan that were not required for compliance and necessitated a further decision by the Executive Committee.

61. Following the presentation, the need to focus on the main priorities of compliance, on TPMP activities, on HPMP preparation projects and on other activities aimed at HCFC phase-out was highlighted. While certain other projects complemented those main priorities and might be worth keeping, it was better to come back to them as part of work programme amendments.

62. Following the discussion, the Executive Committee decided:

- (a) To note the 2010-2012 business plan of UNEP, as contained in documents UNEP/OzL.Pro/ExCom/60/10 and Add.1, and to request that the following activities be removed from its revised submission to the 61<sup>st</sup> Meeting:
  - (i) Technical assistance to low-volume-consuming countries for replacement of energy efficient chillers and large-size equipment in the tourism, supermarket and fisheries sectors in Asia and the Pacific;
  - (ii) Guidelines on standards and good practices for use of natural refrigerants in room air conditioning and small refrigeration equipment, in cooperation with international standards associations;
  - (iii) Case studies and related toolkits for MB alternatives in tobacco, cut-flower and vegetable sub-sectors in Africa;
  - (iv) Technology transfer and MB phase-out strategy through mainstreaming MB alternatives in national university education in Africa;



- (v) 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 MB alternatives for quarantine and pre-shipment (QPS) applications, disseminating the European Union's experience of the ban on the use of MB for QPS;
  - (vi) Dates/Methyl Bromide Help Desk for South Asia, Africa and West Asia;
  - (vii) Technical assistance to countries in the Asia and Pacific region that produce metered-dose inhalers (MDIs) for CFC use for essential use nominations for 2010-2012;
  - (viii) Regional workshop on ODS alternatives for laboratory and analytical uses in the Asia and Pacific region, pursuant to decision XXI/6 of the Twenty-first Meeting of the Parties;
- (b) To request UNEP:
- (i) To submit a complete list of special compliance assistance activities with the Compliance Assistance Programme (CAP) budget (submitted to the last Meeting of the Executive Committee each year) so that the Executive Committee would be able to examine and approve the budget in a more holistic manner;
  - (ii) To reflect and include in the business plan (submitted to the first Meeting of the Executive Committee the following year):
    - a. The approved CAP budget; and
    - b. The list of special compliance activities from the approved budget.

**(Decision 60/6)**

**(iv) UNIDO**

63. Pursuant to decision 60/5 on the consolidated 2010-2012 business plan of the Multilateral Fund, the Executive Committee took note of the 2010-2012 business plan of UNIDO, as contained in document UNEP/OzL.Pro/ExCom/60/11.

**(v) World Bank**

64. Pursuant to decision 60/5 on the consolidated 2010-2012 business plan of the Multilateral Fund, the Executive Committee took note of the 2010-2012 business plan of the World Bank, as contained in document UNEP/OzL.Pro/ExCom/60/12.

**AGENDA ITEM 7: PROGRAMME IMPLEMENTATION**

**(a) Annual tranche submission delays**

65. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/13, which addressed delays in the submission of tranches due at the 60<sup>th</sup> Meeting and emanated from a history of late submission of annual tranches that had resulted in delays in transferring funds and in fulfilling obligations to fund the activities required by the annual tranches. The document included information provided by France, UNDP, UNEP, UNIDO and the World Bank, as well as the standard

recommendations noting that 25 of the 55 tranches due for submission had not come forward and that letters should be sent to those countries for which the annual tranches had not been submitted.

66. Following the Secretariat's presentation, the Executive Committee decided:

- (a) To note with appreciation, the information on annual tranche submission delays under multi-year agreements (MYAs) 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) To further note that 25 of the 55 annual tranches in MYAs due for submission had been submitted on time to the 60<sup>th</sup> Meeting, but that the remaining 30 had not been;
- (c) To request the Secretariat to send letters for the annual tranches, as indicated in Table 1 in Annex III to the present report, that had been due for submission to the previous two Meetings with the reasons indicated for the delay, and encouraging bilateral and 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) To request the Secretariat to send letters for the annual tranches, as indicated in Table 2 in Annex III to the present report, that had been due for submission to the 60<sup>th</sup> Meeting with the reasons indicated for the delay, and encouraging bilateral and implementing agencies and the relevant Article 5 governments to submit those annual tranches as early as possible.

**(Decision 60/7)**

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

67. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/14, which contained progress reports on the implementation of national phase-out plans (NPPs)/TPMPs in Afghanistan, Brazil, Cambodia, Fiji, Georgia, the Islamic Republic of Iran, Maldives, Philippines, and Samoa. The Governments of Cambodia, Fiji, Georgia, Maldives and Samoa had reported zero consumption of CFCs under Article 7 of the Montreal Protocol, and the latest CFC consumption levels reported by the Governments of Afghanistan, Brazil, the Islamic Republic of Iran and Philippines were much lower than those allowed under the Montreal Protocol. The document also contained progress reports on the implementation of the CFC, CTC and TCA production sector plans in China, and the CFC production plan in the Bolivarian Republic of Venezuela. All the progress reports had been submitted with their mandatory verification reports, where applicable.

68. During the discussion, one Member commented on the reported delay in the investment component of the TPMP in Maldives and suggested that, where activities had not been implemented, they might be taken into account by the Committee when it considered the activities contained in the HPMP for Maldives submitted to the 60<sup>th</sup> Meeting.

69. Following the discussion, the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/60/14 on the implementation of approved projects with specific reporting requirements;
- (b) With regard to Afghanistan:
  - (i) To 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 on 2008 CFC consumption;

- (ii) To approve the annual implementation programme for the year 2010;
  - (iii) To 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 for the NPP no later than the 63<sup>rd</sup> Meeting of the Executive Committee;
- (c) With regard to Brazil:
- (i) To note the 2008 verification report and the 2009 annual implementation report on the national CFC phase-out plan (NPP) in Brazil;
  - (ii) To approve the annual implementation programmes for the years 2010 and 2011;
  - (iii) To 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 each year until the NPP had been completed;
- (d) With regard to Cambodia, to take note of the 2009 progress report on the implementation of the terminal phase-out management plan for Cambodia;
- (e) With regard to Fiji, to take note of the 2009 progress report on the implementation of the terminal phase-out management plan for Fiji;
- (f) With regard to Georgia, to 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;
- (g) With regard to the Islamic Republic of Iran:
- (i) To note the 2008 verification report and the 2009 annual implementation report on the national CFC phase-out plan (NPP) in the Islamic Republic of Iran;
  - (ii) To approve the annual implementation programme for the year 2010;
  - (iii) To 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 each year until the NPP had been completed;
- (h) With regard to Maldives:
- (i) To take note of the progress report on the implementation of the terminal phase-out management plan (TPMP) for Maldives;
  - (ii) To request UNEP and UNDP:
    - a. To expedite the implementation of the end-user investment component of the TPMP;

- b. To report to the Executive Committee at its 62<sup>nd</sup> Meeting on the progress in implementing this remaining component;
- (i) With regard to Philippines:
  - (i) To 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 on 2008 CFC consumption;
  - (ii) To approve the annual implementation programme for 2010;
  - (iii) To 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 for the NPP no later than the 63<sup>rd</sup> Meeting of the Executive Committee, including a verification report on 2009 consumption;
- (j) With regard to Samoa:
  - (i) To take note of the 2009 progress report on the implementation of the terminal phase-out management plan (TPMP) for Samoa;
  - (ii) To request UNEP and UNDP:
    - a. To expedite the implementation of the end-user investment component of the TPMP;
    - b. To report to the Executive Committee at its 62<sup>nd</sup> Meeting on the progress in implementing this remaining component;
- (k) With regard to China:
  - (i) In connection with the CFC production phase-out programme: verification of the 2009 annual work programme, to commend the Government of China and the World Bank for the good efforts made to comply with decisions 56/13 and 57/31 and for successfully implementing the audit for 2009 to confirm the level of production of CFCs for metered-dose inhalers in China and the remaining stocks;
  - (ii) To take note of the verification report on the phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I);
  - (iii) In connection with the strategy for gradual phase-out of TCA production (second stage programme), to commend the Government of China and the World Bank for successfully dismantling the remaining TCA production facility in China; and
- (l) With regard to the Bolivarian Republic of Venezuela, to commend the Government of the Bolivarian Republic of Venezuela and the World Bank for the good efforts made to comply with decision 54/15(a) and for successfully implementing the audit for 2009 to confirm the sustained cessation of CFC production at the PRODUVEN plant in the Bolivarian Republic of Venezuela.

**(Decision 60/8)**

## AGENDA ITEM 8: PROJECT PROPOSALS

### (a) Overview of issues identified during project review

70. The Chair asked the Secretariat to introduce documents UNEP/OzL.Pro/ExCom/60/15 and Add.1, and then present each of the issues identified during project review one-by-one, as set out in the documents.

71. The representative of the Secretariat provided an update on the projects and activities submitted and the level of funding available. He went on to list the six issues identified during project review, namely, projects submitted to the 60<sup>th</sup> Meeting not included in the business plans or not required for compliance; funding of IS renewals; final tranches of ODS phase-out plans not submitted to the 60<sup>th</sup> Meeting; HCFC phase-out projects with a requested level of funding over US \$5 million; HCFC phase-out projects in domestic and commercial refrigeration enterprises; and the submission of a demonstration project for disposal of unwanted ODS in Mexico, which referred to the special funding facility and would therefore be discussed under item 11 (Incentives associated with the Multilateral Fund climate impact indicator and a special funding facility (decisions 59/45(b) and 59/48)). The document also contained the list of projects and activities submitted for blanket approval, and the list of investment projects for individual consideration.

#### Projects submitted to the 60<sup>th</sup> Meeting not included in business plans or not required for compliance

72. Introducing the issue of projects that had been submitted to the present Meeting but had either not been included in the business plans of the implementing agencies, or were not required for compliance, the representative of the Secretariat explained that the Committee had before it a net value of activities that exceeded the amount in the business plans by some US \$13 million dollars. He also clarified that the ODS demonstration project presented by the Government of France had been in France's business plan, but did not appear in the relevant document. He further indicated that the agencies' business plans included several activities not required for compliance. In order to ensure that business plans accurately reflected the activities submitted by implementing agencies to the same Meeting at which the plans were to be considered, it might be advisable for the Executive Committee to defer consideration of any activities that were either not included in the business plans, were submitted at a higher value than that in the business plans or represented activities not required for compliance.

73. Following the introduction, Members said that there needed to be consistency between the business plans and activities submitted to the first Meeting of the year, but that the issues related mostly to the process. At the same time, it was recognized that activities not required for compliance and not previously considered by the Executive Committee should be considered first in the context of business plans.

74. One Member considered that, if different values were given for projects in the business plans and in project submissions, the Secretariat should automatically adjust the value in the business plan to reflect that of the submission. If a submitted project was not in the business plan because an implementing agency had forgotten to include it, for instance, the Secretariat should automatically include the project in the business plan for that implementing agency.

75. Following the discussion, the Executive Committee decided:

- (a) To request the Secretariat to automatically adjust the business plans of the bilateral and implementing agencies to reflect the values in previously approved multi-year agreements and in other previous decisions of the Executive Committee, and to ensure that activities reflected those submitted to the first Meeting of the year and their associated values in order to ensure consistency between submissions and business plans

at the first Meeting of the year; and

- (b) To defer consideration of approval of new activities not required for compliance and not previously considered by the Executive Committee until after their consideration in the context of business plans at the first Meeting of the year.

**(Decision 60/9)**

Funding of institutional strengthening renewals

76. The representative of the Secretariat drew attention to the policy issue relating to the funding of IS renewals. Funding for all IS projects being considered at the present Meeting had been requested in accordance with decision 59/47, with the exception of the projects for Mongolia and Nauru, for which the initial submissions included a 10 per cent increase in the funding level requested to account for additional work to address ozone and climate benefits; and the former Yugoslav Republic of Macedonia, where IS was a component of that country's HPMP renewal requests. The IS project for the former Yugoslav Republic of Macedonia required the attention of the Committee as the duration of the IS within the HPMP appeared inconsistent with decision 59/47(a). While the IS renewal requests for Mongolia and Nauru had been adjusted to be consistent with decision 59/47, the Secretariat was seeking the Committee's guidance on the general policy for IS renewals in respect of the normal practice of funding renewals for a period of two years.

77. One Member asked whether the extension of financial support for IS funding for Article 5 Parties up to December 2011 would be automatically applied to those IS renewal projects that had been approved at the 59<sup>th</sup> Meeting, as well as to those renewals approved at the 57<sup>th</sup> and 58<sup>th</sup> Meetings. The representative of the Secretariat explained that, as decision 59/47 had been taken after those requests had received blanket approval at the 59<sup>th</sup> Meeting, retroactive extension of the funding for those IS projects could only be done with the agreement of the Executive Committee. With regard to those IS projects approved at the 57<sup>th</sup> and 58<sup>th</sup> Meetings, it was explained that they would have to be submitted to the Executive Committee as new extension requests.

78. There was general agreement during the discussion that IS funding should continue in the future. It was also agreed that, consistent with decision 59/47, IS projects that had been approved at the 59<sup>th</sup> Meeting could be extended up to December 2011.

79. Following further discussions, it was agreed that it would be useful for the Secretariat to prepare a paper for discussion at the 61<sup>st</sup> Meeting containing, *inter alia*, indicators for monitoring and reporting activities, the objectives, and formats that could be applied to the requests for renewal of IS. The paper should address options for the continued funding of IS renewals in the context of decisions that would be taken on the HCFC cost guidelines, and the monitoring requirements under the HPMPs. It should also include a table containing a list of those IS projects approved at the 57<sup>th</sup> and 58<sup>th</sup> Meetings.

80. Following the discussion, the Executive Committee decided:

- (a) To extend the date for funding of institutional strengthening (IS) projects approved at the 59<sup>th</sup> Meeting of the Executive Committee not exceeding two years up to December 2011 in line with decision 59/47;
- (b) To request the Secretariat to prepare a document on objectives, indicators and formats pertaining to requests for the renewal of IS projects for consideration by the Executive Committee at its 61<sup>st</sup> Meeting; and

- (c) To consider the issue of the options for funding IS projects further at the 61<sup>st</sup> Meeting of the Executive Committee.

**(Decision 60/10)**

Final tranches of ODS phase-out plans not submitted to the 60<sup>th</sup> Meeting

81. The representative of the Secretariat drew attention to the policy issue relating to the final tranches of ODS phase-out plans that had not been submitted to the 60<sup>th</sup> Meeting. He said that there were several reasons for the delays in the submission of tranches of multi-year projects, including the internal restrictions that prevailed in some countries on the travel of experts, as well as updating ODS regulations and in the procurement and distribution of equipment. He reminded the Committee that the agreements between the Executive Committee and Article 5 countries stipulated that funding would be provided when the annual consumption limits on the ODS specified in the agreements had been met.

82. The Executive Committee decided:

- (a) To allow the submission of outstanding funding tranches of national phase-out plans (NPPs) or terminal phase-out management plans (TPMPs) in Article 5 countries to the 61<sup>st</sup> Meeting of the Executive Committee on the understanding that the governments concerned, with assistance from relevant bilateral and implementing agencies, would consider implementing activities to sustain zero consumption of CFCs and other activities to facilitate the phase-out of HCFCs; and
- (b) That funding tranches of NPPs or TPMPs not submitted to the 61<sup>st</sup> Meeting should be integrated into the relevant HCFC phase-out management plans of the countries concerned.

**(Decision 60/11)**

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

83. The representative of the Secretariat drew attention to the policy issue relating to HCFC phase-out projects with a requested level of funding of over US \$5 million. He advised that, at its 20<sup>th</sup> Meeting the Executive Committee had decided that projects over US \$5 million should be submitted 12 weeks prior to the Meeting at which they were to be considered. He explained that UNIDO had submitted an HCFC phase-out project for Pakistan at a total cost of over US \$6 million eight weeks before the present Meeting and, when asked to defer the project, UNIDO had divided it into two proposals, each at a funding level of below US \$5 million. The Secretariat had reviewed both proposals. However, as a general rule, and in order to allow for a thorough review of high-cost HCFC projects that might be submitted in 2010 in advance of completion of the HPMPs, only one project proposal covering all the enterprises in the relevant sector or sub-sector should be submitted 12 weeks in advance of the Meeting at which it was to be considered.

84. The Executive Committee decided:

- (a) To request bilateral and implementing agencies submitting HCFC projects in the consumption sector with a level of funding of more than US \$5 million to submit only one project proposal covering all the enterprises in the relevant sector or sub-sector; and
- (b) That the project proposal should be submitted 12 weeks in advance of the Meeting at which it was to be considered.

**(Decision 60/12)**

HCFC phase-out projects in domestic and commercial refrigeration enterprises

85. The representative of the Secretariat drew attention to the policy issue relating to HCFC phase-out projects in domestic and commercial refrigeration enterprises. During the phase-out of CFCs, the conversion of domestic and commercial refrigeration had been considered under the refrigeration sector, but now that the use of CFCs had been completely phased out, the conversion of all HCFC-based domestic refrigeration manufacturing plants and all commercial refrigeration plants using HFC-134 as the refrigerant related only to HCFC used as a foam blowing agent. On that basis, those projects should be considered under the foam sector rather than under the refrigeration sector. He also informed the Committee that the introduction of hydrocarbon technology as the preferred replacement technology, in particular in domestic refrigeration enterprises, was more complex than in other rigid foam applications and that consequently the cost-effectiveness threshold of US \$7.83 per kilo for the rigid foam sub-sector might not be applicable.

86. A Member suggested that the issue was technical and agreed that when it was only foam that was at issue, projects should be considered under the foam sector. However, some commercial equipment still used HCFCs as refrigerants. In those cases, the projects needed to be evaluated on the basis of the requirements previously agreed.

87. The representative of the Secretariat reported that after informal discussions it had been agreed that, as there were still some cases of commercial refrigeration using HCFCs for both refrigeration and foam, any decision ought to be limited to domestic refrigeration enterprises.

88. Following a discussion, the Executive Committee decided:

- (a) That projects for the phase-out of HCFCs used by domestic refrigeration enterprises should be considered under the foam sector as rigid insulation refrigeration foam; and
- (b) To establish the cost-effectiveness threshold for the rigid insulation refrigeration foam sub-sector at a future Meeting once sufficient information had been gathered from the review of HCFC phase-out projects as stand-alone projects and/or as components of HCFC phase-out management plans.

**(Decision 60/13)**

List of projects and activities submitted for blanket approval

89. The representative of the Secretariat reported that Annex I to document UNEP/OzL.Pro/ExCom/60/15 listed 48 projects and activities with a total value of about US \$8.1 million, which had been recommended for blanket approval. The two project preparation requests for HCFC phase-out activities for Saudi Arabia and the request for Nauru's IS renewal project had been added to the list as the outstanding country programme report had been submitted to the Fund Secretariat. Approval of the projects included the relevant conditions or provisions in the corresponding project evaluation sheets, as well as the approval of implementation programmes associated with the relevant tranches of multi-year projects.

90. Following the presentation, the Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex IV to the present 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;



- (b) To approve additional funding for the institutional strengthening (IS) projects that were approved at the 59<sup>th</sup> Meeting for Argentina, Belize, Bolivia, Cameroon, Costa Rica, Cuba, Ecuador, Ethiopia, Guyana, Haiti, Indonesia, Kiribati, Kuwait, Libyan Arab Jamahiriya, Madagascar, Malawi, Marshall Islands, Morocco, Namibia, Nicaragua, Niger, Niue, Palau, Qatar, Saint Kitts and Nevis, Senegal, Serbia, Solomon Islands, Somalia, Suriname, Swaziland, Tonga, Trinidad and Tobago, Yemen, and Zimbabwe, at the levels indicated in Annex IV to the present report in line with decision 60/10(a); and
- (c) That for projects related to renewal of IS submitted to the 60<sup>th</sup> Meeting, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex V to the present report.

**(Decision 60/14)**

Additional policy issue raised by Canada : Accelerated phase-out of HCFCs

91. The representative of Canada raised an additional policy issue for consideration by the Executive Committee with respect to several HCFC projects submitted to the 60<sup>th</sup> Meeting that proposed levels of HCFC phase-out greater than the 10 per cent required to be phased out by 2015. In some cases, levels of phase-out proposed represented 30 to 40 per cent of the baseline. He said that while that might be appropriate in some cases, namely, in very LVC countries where levels of tonnage were small or where funding was provided over a shorter period to facilitate management or achieve economies of scale, the Multilateral Fund could not sustain such high levels of phase-out within the current replenishment period, especially for larger countries. However, the Executive Committee could support accelerated phase-out in LVC countries where the phase-out could be achieved and sustained and where there was a strong commitment. Where countries had proposed accelerated phase-out of HCFCs, the Executive Committee should make decisions on a case-by-case basis taking into account levels of HCFC consumption in LVC countries and the rationale behind the accelerated phase-out.

92. Following the presentation, the Executive Committee decided that projects which accelerated the phase-out of consumption of HCFCs could be considered on a case-by-case basis for low-volume-consuming countries that had a strong national level of commitment in place to support accelerated phase-out.

**(Decision 60/15)**

**(b) Bilateral cooperation**

93. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/16, which provided an overview of requests from bilateral agencies. A total of fifteen requests for bilateral cooperation, with a value of US \$4,633,704, including agency fees, had been received by the Secretariat for approval at the Meeting. Three requests for bilateral cooperation had been received from Canada; one from the Czech Republic, one from the Government of France; four from the Government of Germany; three from the Government of Italy; two from the Government of Japan; and one from the Government of Spain. All requests were within the relevant Government's allocation for 2010. Of the requests for individual consideration, three, one from the Government of Germany and two from the Government of Italy, required further decisions from the Executive Committee as listed below.

Afghanistan: Preparation of an HCFC phase-out management plan (Germany)

94. In presenting the project, the representative of the Secretariat explained that the criteria for HCFC phase-out proposed for adoption at the present Meeting (under item 9(b)) set the cut-off date for funding HCFC-based manufacturing capacity at 2007.

95. The Executive Committee decided to approve funding for the request from the Government of Germany for the preparation of an investment project as part of the HCFC phase-out management plan for Afghanistan at the level of funding of US \$30,000, plus agency support costs of US \$3,900 consistent with decision 56/16.

**(Decision 60/16)**

Publication of two technical handbooks on experience gained in the phase-out of ODS (Italy)

96. The representative of the Secretariat advised that, pursuant to the Executive Committee's decision at the present Meeting regarding projects not required for compliance (decision 60/9), the request from the Government of Italy to prepare two technical publications should be deferred to a subsequent Meeting of the Executive Committee.

97. The Executive Committee decided to defer the request from the Government of Italy to prepare two technical publications on experience gained in project implementation under the Montreal Protocol, to the 61<sup>st</sup> Meeting consistent with decision 60/9.

**(Decision 60/17)**

Study on mechanisms and strategies for accounting emission reductions related to HCFC phase-out in the post-2012 climate regime: synergies between the Montreal Protocol and carbon finance in the introduction of alternatives to HCFCs (Italy)

98. In presenting the project, the representative of the Secretariat explained that, according to the Executive Committee's decision at the present Meeting regarding projects not required for compliance (decision 60/9), the request from the Government of Italy to conduct the study should be deferred to a subsequent Meeting of the Executive Committee.

99. The Executive Committee decided to defer the request from the Government of Italy to fund the project for a study on mechanisms and strategies for accounting emission reductions related to HCFC phase-out in the post-2012 climate regime: synergies between the Montreal Protocol and carbon finance in the introduction of alternatives to HCFCs to the 61<sup>st</sup> Meeting consistent with decision 60/9.

**(Decision 60/18)**

100. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 60<sup>th</sup> Meeting as follows:

- (a) US \$887,922 (including agency fees) against the balance of Canada's bilateral contribution for 2010;
- (b) US \$90,965 (including agency fees) against the balance of the Czech Republic's bilateral contribution for 2010;
- (c) US \$305,008 (including agency fees) against the balance of Germany's bilateral contribution for 2010;

- (d) US \$237,300 (including agency fees) against the balance of Italy's bilateral contribution for 2010;
- (e) US \$566,243 (including agency fees) against the balance of Japan's bilateral contribution for 2010; and
- (f) US \$893,000 (including agency fees) against the balance of Spain's bilateral contribution for 2010.

**(Decision 60/19)****(c) Work programmes****(i) 2010 work programme of UNDP**

101. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/17, which contained the work programme of UNDP for 2010 consisting of seven requests: two had been approved under agenda item 8(a) and five projects remained for individual consideration as described below.

China: Project preparation for a demonstration project for conversion from HCFC-142b and HCFC-22 technology to methyl formate with CO<sub>2</sub> co-blowing technology in the manufacture of XPS foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd.

China: 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.

China: 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.

102. The representative of the Secretariat introduced the three requests for project preparation for HCFC demonstration projects in China, saying that UNDP had stressed the importance of the three projects for the sectors concerned: one in the extruded polystyrene (XPS) foam sector, and the other two for solvent cleaning uses in the medical equipment subsector.

103. Following the presentation, one Member elaborated on the methyl formate technology for the XPS foam sector, and on the alternatives proposed for the two solvent projects for the medical equipment sub-sector, describing the projects as being key to beginning HCFC phase-out as soon as possible in China. In view of safety issues he urged UNDP to consider other technology alternatives developed in Japan. There was some discussion about whether the methyl formate technology could be called new as projects involving that compound had been approved by the Executive Committee for other countries. The representative of UNDP clarified that it was important to make a distinction between methyl formate used in the polyurethane (PU) foam sector and its use in the XPS sector, as methyl formate was used only as a blowing agent for XPS foam and was not part of the chemical reaction. Depending on the findings of the demonstration project, the technology could have a significant impact on converting small and medium-sized enterprises, which represented the bulk of the XPS foam industry in China.

104. With regard to the two solvent projects, one Member pointed out that in its report the Secretariat had stated that the solvent sector in China was quite small, which seemed to indicate that the project would not have a significant impact on compliance. The representative of UNDP explained that China was addressing HCFC-141b as a priority, and the solvent sector was a major concentration point for HCFC-141b. Furthermore, the medical equipment sub-sector addressed by the projects involved highly emissive uses of HCFC-141b. As the sub-sector had an impact on health, it was important to find an alternative quickly, in order to meet the 2013 and 2015 phase-out targets. Converting the medical

equipment sub-sector would address a large part of the 4,000 tonnes of HCFC-141b consumption involved.

105. The Executive Committee decided:

- (a) To approve the project preparation for a demonstration project for conversion from HCFC-142b and HCFC-22 technology to methyl formate with CO<sub>2</sub> co-blowing technology in the manufacture of extruded polystyrene foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd., at the level of funding indicated in Annex IV to the present report;
- (b) Not to approve the 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.; and
- (c) To approve the 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., at the level of funding indicated in Annex IV to the present report.

**(Decision 60/20)**

India: Project preparation for a pilot/demonstration project for ODS destruction

106. The Executive Committee decided to defer the request for project preparation for a pilot project for ODS disposal in India to the 61<sup>st</sup> Meeting, consistent with decision 60/5.

**(Decision 60/21)**

Global: Resource mobilization for climate co-benefits

107. UNDP had re-submitted a request for a global project on resources mobilization for climate co-benefits.

108. Following the presentation, the Executive Committee decided to defer the request for technical assistance for mobilizing resources to maximize climate benefits of HCFC phase-out to the 61<sup>st</sup> Meeting.

**(Decision 60/22)**

**(ii) 2010 work programme of UNEP**

109. The representative of the Secretariat, introducing document UNEP/OzL.Pro/ExCom/60/18, said that five activities had been recommended for blanket approval and had been approved under agenda item 8(a). The request for renewal of the IS project for Nauru, submitted for individual consideration, had also been approved under agenda item 8(a), as country programme implementation data for 2008 had been received. UNEP had also submitted five requests for regional and global projects, three of which had been deferred in line with decision 60/9, which, *inter alia*, deferred consideration of projects not included in the business plans and not required for compliance to a subsequent Meeting. The two remaining projects considered for individual approval involved regional enforcement networking in the South Asia region, and project preparation for the development of an HPMP for Pacific Island Countries (PIC) through a regional approach.

Regional (South Asia): Regional enforcement networking to improve compliance with the Montreal Protocol and to support other chemical Multilateral Environmental Agreements (MEAs) that include trade restrictions

110. The representative of the Secretariat introduced the project for a regional enforcement network to assist controlling illegal trade in CFCs in the South Asia region. One Member recalled that the same activity had already been approved by the Executive Committee at a previous Meeting. It was further pointed out that countries received assistance for enforcement and customs training through NPPs, TPMPs and HPMPs.

111. The Executive Committee decided not to approve the project for regional enforcement networking to improve compliance with the Montreal Protocol and to support other chemical Multilateral Environmental Agreements.

**(Decision 60/23)**

Regional (Pacific Island Countries): Development of HCFC phase-out management plans (HPMPs) for PICs through a regional approach

112. The representative of the Secretariat introduced the project, stating that the level of funding currently being sought would cover the development of activities and a plan to allow the countries concerned to meet the 35 per cent reduction in 2020, and not just the 2013 and 2015 measures as initially envisaged.

113. Following the presentation, the Executive Committee decided to approve the proposal for the development of HCFC phase-out management plans (HPMPs) for Pacific Island countries (PICs) through a regional approach, at the level of funding indicated in Annex IV to the present report, on the understanding that:

- (a) The resulting HPMPs for the PICs would contain activities to meet the 35 per cent reduction target in HCFC consumption by 2020; and
- (b) UNEP will continue to explore how the regional approach could be used in the implementation of the HPMPs for these 12 countries.

**(Decision 60/24)**

**(iii) 2010 work programme of UNIDO**

114. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/19, which contained the 2010 work programme for UNIDO. In addition to the 12 projects presented for blanket approval, which had been approved under agenda item 8(a), six projects had been listed for individual consideration: two requests for additional HPMP preparation funding for investment activities, one request for project preparation for a demonstration project in the XPS foam sector, two requests for project preparation for ODS disposal projects, and one for resource mobilization. She pointed out, however, that among those six projects, the request for preparation of a pilot ODS disposal project in Egypt had been withdrawn by UNIDO, and the request for the additional HPMP project preparation for investment activities for Saudi Arabia had already been approved under agenda item 8(a) as the country had submitted the 2008 country programme data that had been outstanding at the time documents were dispatched.

China: Project preparation for a demonstration project for hydrocarbon blowing agent in the XPS sector

115. The representative of the Secretariat said that UNIDO had also submitted a request for project preparation for a demonstration project in the XPS foam sector for China, to test hydrocarbon technology as an alternative foam blowing agent to HCFC-22.

116. The Executive Committee decided to approve the request for project preparation for a demonstration project using hydrocarbon (HC) as an alternative to HCFC-22 in the manufacture of XPS foam at Shanghai Xinzhaoh, at the level of funding indicated in Annex IV to the present report.

**(Decision 60/25)**

Nigeria: Project preparation for an ODS disposal demonstration project

117. The representative of the Secretariat said that UNIDO had submitted a request for project preparation for an ODS disposal demonstration project in line with decision 59/10. The proposed project preparation exercise aimed to develop a project that included activities related to ODS collection, transportation, storage and delivery to the destruction facility. The Secretariat had reviewed the submission in light of the guidelines for ODS disposal projects set out in decision 58/19.

118. The Executive Committee decided to approve the request for project preparation for a pilot ODS disposal project in Nigeria, at the level of funding indicated in Annex IV to the present report.

**(Decision 60/26)**

Global: Resource mobilization funding

119. The representative of the Secretariat recalled that the request for funding for technical assistance to enable UNIDO to mobilize resources to maximize the climate co-benefits of HCFC phase-out was a revised version of the submission considered at the 57<sup>th</sup> and 58<sup>th</sup> Meetings, at which the issue of a facility for additional income had been discussed. The project aimed to develop concepts and methods for achieving additional climate benefits of HCFC phase-out projects and ODS destruction activities.

120. The Executive Committee decided to defer consideration of the request for global resource mobilization for maximizing climate co-benefits of HCFC phase-out to the 61<sup>st</sup> Meeting.

**(Decision 60/27)**

**(iv) 2010 work programme of the World Bank**

121. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/20, which contained four requests: three had been approved under blanket approval under agenda item 8(a), and one project remained for the individual consideration of the Executive Committee.

Global: Resource mobilization for maximizing climate co-benefits of HCFC phase-out

122. The World Bank had re-submitted a request for technical assistance to enable it to mobilize resources to maximize climate co-benefits of HCFC phase-out.

123. The Executive Committee decided to defer consideration of the request for global resource mobilization for maximizing climate co-benefits of HCFC phase-out to the 61<sup>st</sup> Meeting.

**(Decision 60/28)**

**(d) Investment projects**

Foam sector

Colombia: Demonstration project to validate the use of super-critical CO<sub>2</sub> in the manufacture of sprayed polyurethane rigid foam (Japan)

124. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/25. The project proposal was for a demonstration of the use of super-critical CO<sub>2</sub> in the manufacture of sprayed rigid foam, at a total cost US \$441,100. The demonstration would be carried out in cooperation with a local systems house and included foaming equipment designed for use with the technology, an evaluation of relevant foam properties, a performance/cost analysis, and dissemination of the technology to systems houses in Colombia and other Latin American countries.

125. Responding to requests by one Member for additional information as to what would be included in the technology transfer during the project, the representative of Japan explained that the technology would be easy to introduce into Article 5 countries because of its low cost and high thermal insulation performance. The technology provider was also willing to disseminate the supercritical CO<sub>2</sub> technology through investment projects once the demonstration project had been completed.

126. One Member mentioned that the Executive Committee was breaking new ground with super-critical CO<sub>2</sub> technology as it was not yet known how it would work. The decision to approve the project was justified because it would demonstrate a technology with low global-warming potential (GWP) where otherwise only a technology with a high GWP was available in spray foam applications. However, it had to be understood that only that particular demonstration project for the technology would be approved by the Executive Committee.

127. The Executive Committee decided to approve the demonstration project to validate the use of super-critical CO<sub>2</sub> in the manufacture of sprayed polyurethane (PU) rigid foam in Colombia, at a cost of US \$441,100, plus agency support costs of US \$57,343 for Japan, on the understanding that the project was approved on an exceptional basis and would be the final and only validation project for super-critical CO<sub>2</sub> technology in the manufacture of sprayed polyurethane rigid foams.

**(Decision 60/29)**

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 (UNDP)

128. The representative of the Secretariat said that the project proposal in document UNEP/OzL.Pro/ExCom/60/25 related to the phase-out of 61.4 ODP tonnes of HCFCs used as a foam blowing agent in the domestic refrigeration sub-sector in Colombia, at a total cost of some US \$9.2 million, before deducting the foreign ownership component of one plant. The four companies covered under the plan had selected cyclopentane as the alternative technology. Once the conversions had taken place, the Government would issue a regulation banning the production and importation of HCFC-based domestic refrigerators. Approval of the plan was crucial to ensure Colombia's compliance with the 2013 and 2015 controls. Once the project was completed, a total of 420 metric tonnes of HCFC-141b and 178.6 metric tonnes of HCFC-22 would be phased out, 426 tonnes of cyclopentane

would be phased in, and some 607,000 tonnes of CO<sub>2</sub> that would otherwise have been emitted into the atmosphere would not be emitted.

129. One Member reminded the Committee that it had already discussed the issue of imported pre-blended polyols, and the agencies had been requested not to submit additional projects for the phase-out of HCFCs contained in imported pre-blended polyols. From the information before the Executive Committee, it appeared that 42 ODP tonnes of HCFC-141b were being exported from Colombia.

130. In response, another Member explained that, in the case of Colombia, the issue of polyols concerned exports by systems houses that were not related to the present project. He further observed that the project could be seen as a demonstration project, not for the purpose of demonstrating the use of HC technology but rather to collect information that would allow the cost effectiveness threshold for the rigid insulation refrigeration foam sub-sector previously discussed at the present Meeting to be determined.

131. The representative of UNDP explained that the project had originally been submitted as an investment project for the domestic refrigeration sector in advance of the HPMP for Colombia. He did not consider that the project constituted accelerated phase-out of consumption of HCFCs, as it would only contribute to the 10 per cent reduction in baseline consumption. He also indicated that the Government had selected the HCFC baseline as the starting point for the aggregate reduction in HCFC consumption.

132. One Member pointed out that estimated average consumption of HCFCs for 2009 and 2010 was some 185 ODP tonnes and that 10 per cent of that amounted to 18.5 ODP tonnes, whereas the project addressed the phase-out of 56 ODP tonnes.

133. The Executive Committee decided:

- (a) To approve, on an exceptional basis and without setting a precedent, the project for the 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), at a total cost of US \$5,621,483, plus agency support costs of US \$421,611 for UNDP;
- (b) To note that the Government of Colombia had agreed at the 60<sup>th</sup> Meeting to establish as its starting point for sustained aggregate reduction in HCFC consumption the average consumption for 2009 and 2010;
- (c) To deduct 56.02 ODP tonnes (598.6 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in HCFC consumption; and
- (d) To request UNDP to provide to the Secretariat, at the end of each year of the project's implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports of the HCFC phase-out management plan, once it had been approved.

**(Decision 60/30)**

Croatia: Phase-out of HCFC-141b in the manufacture of polyurethane rigid and integral skin foams at Poly-Mix (Italy)

134. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/27, which contained the proposed project for the phase-out of 1.76 tonnes of HCFC-141b used as a blowing agent in



the manufacture of rigid polyurethane and integral skin foam at Poli-Mix, at a total cost of almost US \$252,000. The project had been deferred from a previous Meeting, and had been resubmitted with two alternative types of technology. One technology related to a mixture of HFCs and the other was based on new formulations for water-based technology. The water-based technology would bring greater climate benefits than the HFC one.

135. During the discussion, one Member commended the bilateral implementing agency and the Government of Croatia for a thoughtful and thorough paper, which included a clear comparison of the costs of using water-based technology as against HFC-365/227 technology. He noted the preference of Croatia to adopt the water-based technology, which was twice as costly as the HFC technology. Both types of technology were less harmful to the climate in terms of GWP than the one currently in use.

136. Several Members referred to the policy issue raised by Croatia's preference for the water-based technology, given that the terms of reference and the guidelines for considering projects required that the Executive Committee provide assistance for the most cost-effective alternative. That was also reflected in decision II/8, paragraph 1, of the Second Meeting of the Parties, and decision IV/18 of the Fourth Meeting of the Parties. They suggested that under the project the Multilateral Fund should provide assistance for the HFC technology. However, taking into account decision XIX/6 of the Nineteenth Meeting of the Parties, the Executive Committee might agree to provide funding for the most cost-effective eligible technology on a grant basis, and consider providing funds on a loan basis or using an alternative source of funding to make up the difference so Croatia could implement the more climate beneficial water-based technology. Members also raised the issue of the guidelines on HCFC phase-out to be adopted at the present Meeting, which allowed for possible flexibility on a case-by-case basis in considering water-based technology. The guidelines would allow the Committee to evaluate the water-based technology in the project on its merits, including the fact that it was a small-scale project and the water-based technology was 10 times more advantageous for climate change than the HFC technology.

137. Some Members raised the possibility of considering funding the differential between the most cost-effective technology and the technology with the greatest climate benefits on a demonstration basis from the US \$1.2 million returned from the Thai Chiller Project. It was noted, however, that there had been suggestions to nominally set those funds aside for a special funding facility, which was still under discussion, and that it might be premature to take a decision to commit any of those funds before a decision had been taken with respect to the facility, particularly given the potential for setting a precedent. Moreover, at the 59<sup>th</sup> Meeting, a project for Croatia sufficient to meet its 2013-2015 compliance obligations had been approved. A Member indicated that the project raised the issue of accelerated phase-out but, on the basis that Croatia was an LVC country, he would be prepared to consider the project.

138. As a result of discussions with the Secretariat, the bilateral implementing agency presented to the Executive Committee a revised cost for the project for the water-based technology, after deducting funding requested for contingencies for capital costs and not claiming the incremental operating costs.

139. Following a discussion, the Executive Committee decided:

- (a) To approve the project for HCFC-141b used in the manufacture of rigid polyurethane and integral skin foam at Poli-Mix, at the amount of US \$210,000, plus agency support costs of US \$27,300 for Italy;
- (b) To note:
  - (i) That the Government of Croatia agreed at the 60<sup>th</sup> Meeting to establish as its starting point for sustained aggregate reduction in HCFC consumption the level of consumption in 2008;

- (ii) That the quantity of HCFCs eligible for Multilateral Fund assistance for phase-out to meet Croatia's 2013 freeze and 2015 phase-out targets corresponded to 10 per cent of the starting point for aggregate reductions in HCFC consumption;
  - (iii) That the deduction of 1.76 ODP tonnes (16.0 metric tonnes) of HCFCs from the starting point for aggregate reduction in HCFC consumption constituted an accelerated phase-out and that approval of the project was on an exceptional basis without prejudice to future projects; and
- (c) To request the Government of Italy to provide to the Secretariat, at the end of each year of the project's implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include the report in the implementation reports on the HPMP, once it had been approved.

**(Decision 60/31)**

Pakistan: Phase-out of HCFC-141b in the manufacture of insulation PU rigid foam at United Refrigeration, HNR (Haier), Varioline Intercool and Shadman Electronics companies (UNIDO)  
Pakistan: Phase-out of HCFC-141b in the manufacture of insulation PU rigid foam at Dawlance (UNIDO)

140. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/36, and gave an overview of the issues linked to both projects for Pakistan. He drew Members' attention to the fact that three of the five enterprises in the proposals had already received assistance from the Multilateral Fund for conversion from CFC to HCFC-141b and HFC-134a. Once completed, the projects, submitted at a cost of US \$6.25 million, would phase out a total of 652 metric tonnes of HCFC-141b, phase in 391 tonnes of cyclopentane, and prevent emission of 455,000 tonnes of CO<sub>2</sub> into the atmosphere.

141. Following the presentation, one Member stated that since the criteria for funding HCFC phase-out to be adopted by the Executive Committee at the present Meeting could not be applied to the HCFC projects under consideration at the same Meeting since they had been prepared and submitted before the Meeting, it was important to avoid setting precedents with the HCFC projects approved at the present Meeting, including the two projects for Pakistan. On the technical side, he expressed continued concern regarding the level of HCFCs phased out, depending on the starting point for aggregate reductions in HCFC consumption. It was therefore necessary to obtain from Pakistan some confirmation as to the starting point for aggregate reduction.

142. Following the discussion, the Executive Committee decided:

- (a) To approve, on an exceptional basis and without setting a precedent, the projects for the phase-out of HCFC-141b in the manufacture of insulating polyurethane (PU) rigid foam at United Refrigeration, HNR (Haier), Varioline Intercool and Shadman Electronics companies, at a total cost of US \$3,559,359, plus agency support costs of US \$266,952 for UNIDO, and the phase-out of HCFC-141b in the manufacture of insulation PU rigid foam at Dawlance, at a total cost of US \$1,281,490, plus agency support costs of US \$96,112 for UNIDO;
- (b) To note that the Government of Pakistan agreed at the 60<sup>th</sup> Meeting to establish as its starting point for its sustained aggregate reduction in HCFC consumption the average consumption for 2009 and 2010, which was Pakistan's baseline;

- (c) To deduct 71.7 ODP tonnes (651.8 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in HCFC consumption; and
- (d) To request UNIDO to provide to the Secretariat, at the end of each year of the projects' implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports on the HPMP, once it had been approved.

**(Decision 60/32)**

Turkey: Validation of the use of HFO-1234ze as a blowing agent in the manufacture of extruded polystyrene foam boardstock (phase I) (UNDP)

143. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/41, containing the project to validate the use of HFO-1234ze as a blowing agent, at a total cost of US \$192,500. He explained that HFO-1234ze had zero ODP and a GWP of six. The demonstration project was being conducted in Turkey because of the size of the XPS foam boardstock manufacturing industry, with a total consumption of 2,860 metric tonnes of HCFCs. Other factors taken into consideration were that Turkey was the second largest consumer of HCFC-142b among Article 5 countries, and the Government was considering phasing out HCFC consumption by the end of 2015. Depending on the results of implementation of the validation phase, a phase II proposal would be prepared.

144. Following the presentation, one Member pointed out that the use of HFO-1234ze as a blowing agent was truly fledgling technology, and that it was necessary to wait and see the results of the validation process before engaging in the technology dissemination workshops proposed in the project.

145. The Executive Committee decided to approve the pilot project for validation of the use of HFO-1234ze as blowing agent in the manufacture of extruded polystyrene (XPS) foam boardstock (phase I) in Turkey, at a cost of US \$165,000, plus agency support costs of US \$14,850 for UNDP, on the understanding that the project would be the final validation project for HFO-1234ze in the manufacture of XPS foam, that the technology dissemination workshops would be deferred to phase II of the project depending on the results of the validation process, and that approval of the project was without prejudice to consideration of any future funding request for phase II of the project by the Executive Committee.

**(Decision 60/33)**

Fumigant

Chile: National phase-out of methyl bromide - terminal project (first tranche) (UNIDO and UNEP)

146. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/60/23, which contained a project proposal for a NPP for MB in Chile. Implementation of the project would achieve the complete phase-out of controlled uses of MB by 1 January 2015. The technology to phase out MB (grafting and various alternative chemicals) would be introduced in pilot trials with the voluntary participation of the growers. The 2006 Ozone Law established the maximum annual import of MB according to the phase-out schedule in the Protocol. The Government of Chile was confident that, through the project, MB consumption would be completely phased out by the end of 2014. The total cost of the project was agreed at US \$1.73 million with a cost-effectiveness of US \$10.25/kg.

147. Following the presentation, the Executive Committee decided:

- (a) To approve in principle the terminal project for the national phase-out plan (NPP) for methyl bromide (MB) for Chile, at a total cost of US \$1,657,917, plus agency support costs of US \$124,344 for UNIDO, and US \$73,000, plus agency support costs of US \$9,490 for UNEP, on the understanding that no additional funding would be provided to Chile for the phase-out of controlled uses of MB in the country;
- (b) To approve the Agreement between the Government of Chile and the Executive Committee for the phase-out of controlled uses of MB contained in Annex VI to the present report; and
- (c) To approve the first tranche of the NPP for MB at a total cost of US \$1,100,000, plus agency support costs of US \$82,500 for UNIDO, and US \$73,000, plus agency support costs of US \$9,490 for UNEP.

**(Decision 60/34)**

#### Phase-out plan

##### Bangladesh: National ODS phase-out plan (fifth, sixth and seventh tranches) (UNDP and UNEP)

148. Introducing document UNEP/OzL.Pro/ExCom/60/21, the representative of the Secretariat said that the project related to a request for approval of the last three tranches of the NPP for Bangladesh. He recalled that, at its 57<sup>th</sup> Meeting, the Executive Committee had approved three tranches of the NPP for Bangladesh at a reduced funding level because the CFC consumption levels for 2007 and 2008 had been above those allowed under the Protocol and the NPP Agreement. In decision 57/28, the Committee had also stated that if the maximum level of CFC consumption for both the refrigeration servicing and the MDI sub-sectors in 2009 was exceeded, the Committee might consider applying the penalty clause in full.

149. CFC consumption had been reduced to 158 ODP tonnes in 2008, of which almost 100 ODP tonnes had been used in manufacturing MDIs. Although data collection for 2009 was still under way, preliminary estimates showed CFC consumption in 2009 of 127 ODP tonnes, which was above the 53 ODP tonnes stipulated in the NPP Agreement. The representative of the Secretariat also pointed out that implementation of the MDI project had resulted in the phase-out of 46 ODP tonnes of CFCs and that UNDP had reported that, as of 1 January 2010, CFCs were no longer allowed in the country, except those required for the manufacture of MDIs.

150. The representative of UNDP, responding to requests for clarification of certain issues, said that to date two of the three manufacturers of MDIs had launched HFA-MDI formulations on the market. Acme Pharmaceuticals, the smallest of the three beneficiary enterprises, had encountered difficulties in introducing HFA formulations but planned to do so by mid-2011. The request for several tranches stemmed from the delays at the beginning of the project resulting from the late signing of the project agreement between the Government of Bangladesh and the implementing agencies, which had taken three years.

151. In the ensuing discussion, it was pointed out that the present situation, whereby Bangladesh had exceeded the consumption stated in the 2009 Agreement, was merely a recurrence of the situation one year previously when the country had exceeded its allowable consumption for 2008. The Executive Committee had at that time made recommendations to assist Bangladesh in remedying its difficulties by creating greater demand for service technicians. Although some 800 technicians had been trained in good service practices and 900 in retrofitting, if the country continued to import virgin CFCs then there was no incentive for them to undertake recovery and recycling.

152. In response to a question as to whether the 2009 data had been submitted to the Ozone Secretariat, the representative of the Secretariat informed the Committee that by 8 April 2010 the data had not yet been received. It was decided that a small informal group would be constituted to discuss whether to proceed with the full application of the penalty clause and whether any such decision could and should be taken on the basis of unofficial consumption data.

153. After hearing the report of the informal group, the Executive Committee decided:

- (a) To take note of the progress report on the implementation of the second to fourth tranches of the national ODS phase-out plan (NPP) for Bangladesh, and the verification report on 2008 CFC consumption, as contained in document UNEP/OzL.Pro/ExCom/60/21;
- (b) To note the fast track implementation of the project for the phase-out of CFCs used for the manufacture of metered dose inhalers (MDIs) approved by the Executive Committee at its 52<sup>nd</sup> Meeting, which had so far resulted in the reduction of 46 ODP tonnes of CFCs;
- (c) To apply the penalty clause in the Agreement between the Government of Bangladesh and the Executive Committee, calculated, at 50 per cent of the amount for each of the fifth and sixth tranches being submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis that no sufficient and timely regulatory controls on imports of CFCs for the refrigeration servicing sector had been applied to curtail consumption in the sector;
- (d) Using the method outlined in sub-paragraph (c) above, to apply a total penalty of US \$81,500 for the fifth and sixth tranches of the NPP for Bangladesh;
- (e) To approve the fifth and sixth tranches of the NPP for Bangladesh at a total funding level of US \$55,000, plus agency support costs of US \$4,125 for UNDP, and US \$26,500, plus agency support costs of US \$3,445 for UNEP, which took into account the penalty using the method outlined in sub-paragraph (c) above;
- (f) To request the Government of Bangladesh and UNDP to submit to the 61<sup>st</sup> Meeting a detailed progress report on the implementation of the NPP for Bangladesh and a comprehensive plan of action associated with the seventh and last tranche of the NPP to sustain compliance with the Montreal Protocol targets in 2010 and beyond, including extension of activities to address HCFC controls and reductions; and
- (g) To note that the maximum level of CFC consumption from 1 January 2010 was zero, as stipulated in the Agreement, except for any essential uses of CFCs that the Parties might approve for Bangladesh for the production of MDIs.

**(Decision 60/35)**

Egypt: National CFC phase-out plan (fourth and fifth tranches) (UNIDO)

154. Introducing document UNEP/OzL.Pro/ExCom/60/28, the representative of the Secretariat said that the project related to the request for approval of the last two tranches of the NPP for Egypt. He said that the levels of CFC consumption between 2007 and 2009 had been above those allowed under the NPP Agreement, although they were below the maximum levels permitted under the Montreal Protocol.

155. Nevertheless, the amount of CFCs used in all sectors, excluding the pharmaceutical sector, had been reduced from 445 ODP tonnes to 78 ODP tonnes between 2006 and 2007 and to 9.8 ODP tonnes in 2008. Furthermore, the 2009 progress report on the implementation of Egypt's country programme

reported the use of 60.9 ODP tonnes of CFCs from stocks in 2008. It could therefore be concluded that CFCs had been phased out completely by 2009, except for those amounts used for manufacturing MDIs.

156. In the ensuing discussion, the representative of UNIDO explained that the CFCs used in the manufacture of MDIs had in fact been excluded from the NPP. Egypt and UNIDO were commended for the progress made. The recovery and recycling of 178 tonnes of CFCs in 2008 was highlighted as a significant achievement.

157. The Executive Committee decided:

- (a) To take note of the progress report on the implementation of the third tranche of the national CFC phase-out plan (NPP) for Egypt and the verification report on 2009 CFC consumption, as contained in document UNEP/OzL.Pro/ExCom/60/28;
- (b) To approve the 2010 annual implementation programme associated with the fourth and fifth (final) tranches;
- (c) To request the Government of Egypt, with the assistance of UNIDO, to submit a progress report on the implementation of the work programme associated with the fourth and fifth (final) tranches of the NPP no later than the 63<sup>rd</sup> Meeting of the Executive Committee; and
- (d) To approve the 2010 plan associated with the fourth and fifth (final) tranches of the NPP, at a cost of US \$300,000, plus agency support costs of US \$22,500 for UNIDO, taking into account that CFCs used in all sectors except for the manufacture of metered-dose inhalers (MDIs), had been completely phased out by 2009.

**(Decision 60/36)**

## HPMP

### Maldives: HCFC phase-out management plan (first tranche) (UNDP and UNEP)

158. The representative of the Secretariat said that the project proposal for the HPMP for Maldives (document UNEP/OzL.Pro/ExCom/60/33) had been submitted by UNEP, as the designated lead agency, at a total cost of US \$1,275,000 for an accelerated phase-out of HCFC consumption by 2020. The HPMP closely followed the guidelines adopted by the Executive Committee in decision 54/39 and the current submission included the request for a first tranche at a funding level of US \$755,940, plus support costs.

159. Maldives reported consumption of 67.4 metric tonnes (3.7 ODP tonnes) of HCFC in 2008. Activities to be undertaken in the country would be a combination of non-investment activities and would be implemented jointly by UNEP and UNDP. The Government of Maldives would also provide counterpart funding that would initiate activities for the promotion of ozone and climate co-benefits and would include a standards and labelling programme for energy efficiency, as well as the development of a framework for efficient and low HCFC economic development. She said that the HPMP was exceptional in that it addressed an accelerated phase-out that was 10 years in advance of the Montreal Protocol's control measures and was an example of a programme for an LVC country that had also made an attempt to include climate co-benefits in the activities being developed.

160. One Member expressed his concern on the delays being experienced in the implementation of the TPMP for Maldives and asked whether it would be possible for the funding that had been approved for the TPMP to be merged into the funding for the HPMP. He also observed that one of the essential components of the plan was the inclusion of elements to address the ozone and climate benefits of HCFC

phase-out as a fundamental part of the country's policy to achieve carbon neutrality by 2020. He raised the issue of which baseline was to be used to measure the progress toward climate neutrality and who would be responsible for monitoring that.

161. The representative of UNEP explained that the Government of Maldives was dedicated to achieving carbon neutrality by 2020, either by establishing carbon sinks or reducing emissions, and explained that UNEP would be responsible for enforcement and information activities. He said that in 2001 Maldives had some 130 million tonnes of CO<sub>2</sub> equivalent emissions and that by 2020 it was expected to have only 3.5 million tonnes of CO<sub>2</sub> equivalent emissions from HCFCs, which would correspond to 2 per cent of the CO<sub>2</sub> equivalent emissions for 2001.

162. The representative of the Secretariat said she had discussed the issues related to the delays in the implementation of the TPMP with both UNEP and UNDP and had been assured by UNDP that due consideration had been given to ensuring that the equipment being purchased could be used for HCFCs as well.

163. Another Member thanked Maldives and the implementing agencies for preparing the HPMP, which would totally phase out the use of HCFCs in that country. He expressed some concern at the cost and the possible overlap between the funding for project management and for IS, drawing attention to some opportunities for reducing the total funding. However, the project was the first HPMP to come forward from an LVC country and could be approved on that basis.

164. The representative of UNEP, after consultations with the Government of Maldives, said that the Government agreed to total funding of US \$1,100,000 for the HPMP and wished UNEP to convey its views to the Executive Committee. In the statement read by the representative of UNEP, the Government of Maldives sought the flexibility to request additional funding in future to address its emerging needs, and that it be allowed to request funds from the special funding facility, once established, for climate co-benefits. The Government also requested that it be allowed to change the starting point for the baseline to the average of 2009 and 2010 HCFC consumption, if that was higher, and that the funding be adjusted accordingly in line with any future decision on the refrigeration servicing sector that might apply to Maldives. The representative of UNEP also extended the invitation of the Government of Maldives to the Chair and the Members of the Executive Committee to participate in the launch of its HPMP.

165. The Executive Committee decided:

- (a) To approve in principle, and on an exceptional basis, the HCFC phase-out management plan (HPMP) for Maldives, at the amount of US \$1,100,000, plus agency support costs of US \$129,900 (comprising US \$680,000 plus agency support costs of US \$88,400 for UNEP and US \$420,000 plus agency support costs of US\$31,500 for UNDP), noting that this level of funding was for an accelerated HCFC phase-out up to 2020;
- (b) To note with appreciation the commitment by the Government of Maldives to accelerate its phase-out of HCFCs by 10 years in advance of the Montreal Protocol schedule, and to freeze its HCFC consumption in 2011, and the comments provided by the Government of Maldives made by UNEP on its behalf at the 60<sup>th</sup> Meeting;
- (c) To approve the Agreement between the Government of Maldives and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex VII to the present report;
- (d) To approve the starting point of 3.7 ODP tonnes of HCFCs, proposed by the country based on its latest (2008) HCFC consumption, as indicated in Appendices 1-A and 2-A to the Agreement; and

- (e) To approve the first implementation plan for 2010-2012, and the first tranche of the HPMP for the Maldives at the amount of US \$355,940, plus agency support costs of US \$46,272 for UNEP, and US \$400,000, plus agency support costs of US \$30,000 for UNDP.

**(Decision 60/37)**

The former Yugoslav Republic of Macedonia: HCFC phase-out management plan (phase I, first tranche) (UNIDO)

166. Introducing document UNEP/OzL.Pro/ExCom/60/40, the representative of the Secretariat said that, on behalf of the Government of the former Yugoslav Republic of Macedonia, UNIDO, as the designated implementing agency, had submitted to the 60<sup>th</sup> Meeting of the Executive Committee an HPMP at a total cost of US \$1,530,000 for the first stage of the plan until the year 2015. The HPMP had first been submitted to the 59<sup>th</sup> Meeting but its consideration had been deferred because of the policy issues it raised. It nevertheless closely followed the specifications of the guidelines adopted by the Executive Committee as per decision 54/39. The former Yugoslav Republic of Macedonia did not have any HCFC production, and HCFC-22 and HCFC-141b were being imported, the latter exclusively as part of a polyol foam-blowing mixture (pre-blended polyol).

167. Phase I of the HPMP appeared to be an example of an exceptionally well-formulated strategic programme, using the experience of past programmes and the legal and organizational basis established by the country during the phase-out of CFCs and other ODS. Nevertheless, the eligibility of some of the elements, namely, foam blowing from imported pre-blended polyols, and the disposal activities, remained uncertain.

168. In the ensuing discussion, the Committee again thanked the Government of the former Yugoslav Republic of Macedonia for being the first to submit an HPMP. The proposed waste disposal centre was deemed by Members not to be eligible. The HPMP should focus on phasing out consumption rather than on disposal activities. It was suggested that the country and the implementing agency explore the possibility of alternative funding sources, such as co-funding. One Member recalled that it was also important to ensure that destruction of ODS did not create any perverse incentive to increase production. The representative of UNIDO informed the Committee that the Government of the former Yugoslav Republic of Macedonia was only requesting partial funding for the centre. The main concern of the Government was to ensure the sustainability of ODS phase-out.

169. There was discussion of whether pre-blended polyols constituted official consumption under the Montreal Protocol and, accordingly, whether they were eligible for funding from the Multilateral Fund. One Member said that there should be no difference between the way in which pure polyols and blended polyols were viewed by the Executive Committee to avoid discriminatory treatment of countries. The representative of UNIDO advised the Committee that, in its 2001-2008 data reporting, the former Yugoslav Republic of Macedonia had in fact reported pre-blended polyols as consumption.

170. One Member pointed out that, although the HCFC guidelines were to be adopted under agenda item 9(b), the Committee had yet to decide on how it was going to apply them. He said, however, that the funding envisaged in the guidelines for the servicing sector in LVC countries was adequate and those guidelines should therefore apply to the servicing sector activities in the HPMP of the former Yugoslav Republic of Macedonia.

171. After consultations between the Government of the former Yugoslav Republic of Macedonia and UNIDO, the Government revised its draft Agreement to reflect an extension of funding for IS until 2020, and a total funding level in line with the proposed HPMP cost guidelines. The revised Appendix 2-A to the Agreement included an accelerated phase-out schedule and a funding schedule.



172. The Executive Committee decided:

- (a) To approve, in principle, the HCFC phase-out management plan (HPMP) for the former Yugoslav Republic of Macedonia, at the amount of US \$1,030,000, plus agency support costs of US \$77,250 for UNIDO;
- (b) To approve the Agreement between the former Yugoslav Republic of Macedonia and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex VIII to the present report;
- (c) Regarding institutional strengthening (IS):
  - (i) To include in the approval funding for IS until 2020;
  - (ii) To request the former Yugoslav Republic of Macedonia not to submit a funding request for IS outside the HPMP Agreement until the end of the last year mentioned in Appendix 2-A to the Agreement;
- (d) To approve the starting point proposed by the country, which was the baseline consumption and was therefore presently a non-quantifiable amount;
- (e) To request the Secretariat, once the baseline data was known, to update Appendix 1-A to the Agreement with the information related to the starting point and Appendix 2-A to the Agreement with the figures for the maximum allowable consumption, and to notify the Executive Committee of the starting point and the resulting levels of maximum allowable consumption accordingly;
- (f) To approve the first annual implementation plan for 2010, and the first tranche of the HPMP for the former Yugoslav Republic of Macedonia at the amount of US \$15,000, plus agency support costs of US \$1,125 for UNIDO;
- (g) To allow the former Yugoslav Republic of Macedonia to submit to the Executive Committee at a future Meeting for subsequent inclusion in its HPMP funding requests for activities related to:
  - (i) Phase-out of the use of HCFC-141b in pre-blended polyols;
  - (ii) Disposal of ODS; and
- (h) To note with appreciation the commitment by the Government of the former Yugoslav Republic of Macedonia to reduce the consumption of HCFCs by 35 per cent from the future calculated baseline by the year 2020.

**(Decision 60/38)**

### 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)

173. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/24, which contained a demonstration project for conversion from HCFC-22 technology to HFC-32 technology in the manufacture of commercial air-source chillers/heat pumps. The project addressed a consumption level of

61.8 metric tonnes (3.40 ODP tonnes) of HCFC-22, based on 2008 consumption data and aimed to demonstrate that HFC-32 technology was a viable replacement for the use of HCFC-22 as a refrigerant. The document advised that the adoption of HFC-32 technology implied a 62 per cent reduction in GWP compared to HCFC-22, it was competitively priced, and the performance was energy efficient, although its flammability required that certain safety measures be employed. Given the cost issues associated with the project, and in particular the conversion of the manufacture of heat exchangers, UNDP and the Secretariat agreed that 20 per cent of the cost related to the conversion of the heat exchanger production could be considered eligible for this new technology within the context of a demonstration project.

174. Following the presentation, the Executive Committee decided:

- (a) To approve the 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., at a level of US \$1,229,336, plus agency support costs of US \$92,200 for UNDP;
- (b) To request UNDP and the Government of China to deduct 3.40 ODP tonnes (61.9 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HCFC phase-out management plan;
- (c) To note that, with the partial funding of the conversion of the heat exchanger production, no more funding would be provided for the conversion of heat exchanger production at Tsinghua Tong Fang in the event that funding for the conversion of the manufacture of other products at the company was requested in the future, and heat exchangers from the converted production could be used for such products;
- (d) To request UNDP to provide to the Secretariat at the end of each year of the project's implementation period, or part thereof, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b); and
- (e) To note that the funding provided under this demonstration project was not indicative of future funding levels for similar conversions.

**(Decision 60/39)**

China: Demonstration project for conversion from HCFC-22 technology to ammonia/CO<sub>2</sub> technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd. (UNDP)

175. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/24, which contained a demonstration project for conversion from HCFC-22 technology to ammonia/CO<sub>2</sub> technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications. The project addressed a consumption level of 250 metric tonnes (13.75 ODP tonnes) of HCFC-22, based on 2008 consumption data and aimed to demonstrate the suitability of ammonia/CO<sub>2</sub> technology as a viable replacement for HCFC-22. The ammonia/CO<sub>2</sub> technology was innovative and would be energy efficient, cost effective and environmentally benign.

176. The representative of the Secretariat noted that because the technology was new and, given the nature of the demonstration project, the Secretariat did not view the costs identified in the document as indicative of future funding levels. The beneficiary had agreed to provide counterpart funding for eligible costs at a level of US \$321,000, which reduced the funding required from the Multilateral Fund, accordingly.

177. Following the presentation, the Executive Committee decided:

- (a) To approve the demonstration project for conversion from HCFC-22 technology to ammonia/CO<sub>2</sub> technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd., at a level of US \$3,964,458, plus agency support costs of US \$297,334 for UNDP;
- (b) To request UNDP and the Government of China to deduct 13.75 ODP tonnes (250 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HCFC phase-out management plan;
- (c) To request UNDP to provide to the Secretariat at the end of each year of the project's implementation period, or part thereof, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b); and
- (d) To note that the funding provided under this demonstration project, as well as the funding level for particular items, was not indicative of future funding levels for similar conversions.

**(Decision 60/40)**

Jordan: Phase-out of HCFC-22 and HCFC-141b in the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co. (UNIDO)

178. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/31, which included a demonstration project for the phase-out of HCFC-22 and HCFC-141b in the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co. The company was a large manufacturer of air-conditioning equipment and consumed 125 metric tonnes (6.9 ODP tonnes) of HCFC-22 and 10.8 metric tonnes (1.2 ODP tonnes) of HCFC-141b.

179. Project preparation funding had been approved at the 56<sup>th</sup> Meeting and the project had been under discussion among the Secretariat, UNIDO, and the Executive Committee since the 58<sup>th</sup> Meeting. At the 59<sup>th</sup> Meeting, the Executive Committee had decided to request that the project at Petra Engineering Industries Co. be treated as a demonstration project and had requested the Secretariat to review the project on the basis that a conversion to HFC technology was acceptable for products for which no low-GWP technology had been commercialized. The company agreed to convert the manufacturing of small air-conditioning equipment to HCs, but given difficulties associated with switching to HCs for large air-conditioning units, the chosen replacement technology for the large units was HFC. HCs would also be used for the company's foaming operations, which currently used HCFC-141b. The company had proposed substantive changes to its heat exchanger production.

180. During the discussion, several Members noted that the project, which had been deferred by the Executive Committee several times, was important for Jordan to allow it to comply with its commitments under the Montreal Protocol, in particular meeting the freeze up to 2013. Further, it had merit as a pilot project to gain experience about moving away from the use of HCFCs. Members also indicated that it was not possible to approve funding related to the conversion of heat exchanger manufacturing until the issue had been discussed by the Executive Committee and a decision had been taken either at the present Meeting or at the 61<sup>st</sup> Meeting.

181. Following the discussion, the Executive Committee decided:

- (a) To approve the demonstration project for phase-out of HCFC-22 and HCFC-141b from

the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co. without funding for any of the cost items related to the conversion of the manufacturing of tube-and-fin heat exchangers for the remaining activities, at a level of US \$2,167,033, plus agency support costs of US \$162,527 for UNIDO;

- (b) To consider funding of the cost items related to the conversion of the manufacturing of tube-and-fin heat exchangers, removed from the funding as per sub-paragraph (a) above, when the related policy issue contained in document UNEP/OzL.Pro/ExCom/60/47 was being considered;
- (c) To request UNIDO and the Government of Jordan to deduct 8.06 ODP tonnes of HCFCs (125 metric tonnes of HCFC-22 and 10.8 metric tonnes of HCFC-141b) from the starting point for sustained aggregate reductions in eligible consumption, as set by Jordan's HCFC phase-out management plan (HPMP);
- (d) To deduct US \$65,500 from eligible costs for future service sector activities in Jordan under an HPMP;
- (e) To note the commitment of Petra Engineering Industries Co. to develop, convert manufacture and actively promote HC-based split air conditioners;
- (f) To request UNIDO not to shift the funding of US \$279,750 for the activities referred to under (e) above to any activity not related to the above commitment;
- (g) To request UNIDO to provide to the Secretariat at the end of each year of the project's implementation period, or part thereof, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b); and
- (h) To note that the funding provided under this demonstration project was not indicative of future funding levels for similar conversions.

**(Decision 60/41)**

### Destruction

#### Mexico: Demonstration project for disposal of unwanted ODS (phase I) (UNIDO and France)

182. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/60/34/Add.1, which contained the comments and recommendations of the Fund Secretariat on the project proposal for a demonstration project for the disposal of unwanted ODS (phase I) in Mexico. The project covered issues related to ODS collection associated with the extraction of ODS from refrigerators. The associated costs involved the expense of removing the CFC-12 and extracting CFC-11 from the refrigerators and transferring it into containers. Preliminary guidelines decided by the Executive Committee at the 58<sup>th</sup> Meeting specified that no funding would be available for the collection of ODS, which specifically included extracting CFCs from refrigerators. However, once the refrigerant and foam blowing agent had been extracted, further treatment of the ODS would be eligible for funding under the Multilateral Fund. Because funding was not available from the Multilateral Fund for collection of the ODS, the proposal addressed the possibility of obtaining funds from other sources, including the special funding facility, and explored the potential for using voluntary carbon markets to generate income from the destruction of CFCs, based on their climate impact. Given uncertainties associated with carbon markets, the Secretariat

sought guidance from the Executive Committee on how it might wish to use funds in the special funding facility to fund the recovery and extraction of CFC-12 and CFC-11.

183. During the discussion, a Member sought clarification from the Secretariat with respect to the relationship between this project and a previous one under which project preparation funding had been approved for the World Bank with respect to ODS disposal in Mexico, and whether the current project was being put forward for funding exclusively from the special funding facility or also sought funds from the Multilateral Fund budget. The representative of the Secretariat indicated that UNIDO and the World Bank had submitted to the Secretariat a document that presented a detailed understanding of the tasks that would be undertaken by each agency on ODS disposal. With respect to funding, he indicated that, in light of discussions to date, the use of funds from the special funding facility to remove the CFC-12 from the refrigerators was considered as a possible option for determining whether it was viable to remove the CFCs for eventual destruction.

184. The representative of UNIDO said that the idea behind the project was to develop a concept on how to approach ODS destruction, particularly given that ODS collection was not covered by the Multilateral Fund. Several Members said that the project was an exciting one as the first ODS disposal project to come from the early approvals of project preparation. It was also noted that the project could provide useful guidelines for future ODS destruction projects and on that basis would move the discussion forward.

185. One Member pointed out that ODS disposal projects would be considered at the 61<sup>st</sup> Meeting and that it might be appropriate to include this one in that group. It was also noted that the project referred to the potential for funding from the special funding facility, although discussions were under way among Members of the Executive Committee on the facility and had not progressed sufficiently to warrant a decision on the facility as a potential source of funding.

186. As the project was not related to compliance and addressed several complex and important issues, it warranted further time for discussion. One Member proposed that it be submitted to the 61<sup>st</sup> Meeting of the Committee and, in the meantime, consultations be held on the types of activity eligible for funding under demonstration projects, and that efforts be made to clarify the issue prior to the 61<sup>st</sup> Meeting.

187. Following a discussion, the Executive Committee decided:

- (a) To defer consideration of the demonstration project for disposal of unwanted ODS (phase I) in Mexico to the 61<sup>st</sup> Meeting;
- (b) To request the implementing agency and the Secretariat to work with the Government of Mexico to further clarify elements of the project; and
- (c) That the proposal should address financial aspects related to how the costs associated with the project might be covered by sources other than the Multilateral Fund, taking into account discussions to date on the special funding facility.

**(Decision 60/42)**

## **AGENDA ITEM 9: HCFCs**

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

188. The representative of the Secretariat recalled that the issue of eligibility of measures to improve the climate impact of the conversion from HCFCs had been raised at the 59<sup>th</sup> Meeting of the Executive

Committee, and the Committee had decided to discuss the issue at its 60<sup>th</sup> Meeting on the basis of a document providing information regarding the relevant aspects of component upgrade in HCFC conversion projects. The Secretariat had prepared document UNEP/OzL.Pro/ExCom/60/45 accordingly.

189. Following a discussion, the Executive Committee decided:

- (a) To defer consideration of the issue of component upgrade in HCFC conversion projects until its 61<sup>st</sup> Meeting; and
- (b) To request the Secretariat to supplement the document on relevant aspects of component upgrade in HCFC conversion projects (document UNEP/OzL.Pro/ExCom/60/45) with examples of the possible consequences of each option, drawing on the experiences of the implementing agencies.

**(Decision 60/43)**

**(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)**

190. Before asking the representative of the Secretariat to present the item, the Chair reminded Members that there had been long discussions on the matter of outstanding HCFC issues at previous Meetings, and that the contact group on HCFCs that had met at the 59<sup>th</sup> Meeting of the Executive Committee, being unable to resolve those issues, had decided to defer discussion to the 60<sup>th</sup> Meeting.

191. In presenting the item, the representative of the Secretariat explained that document UNEP/OzL.Pro/ExCom/60/46 set out the status of discussions held by the contact group on HCFCs at its two previous Meetings, as well as the conclusions it had been able to reach. The document also contained two annexes, one summarizing the progress made on the issues of incremental operating costs and cut-off dates; and the other presenting further analysis on HCFC phase-out in the refrigeration servicing sector, including a new funding approach presented at the 59<sup>th</sup> Meeting.

192. Three outstanding issues remained to be addressed: the first was the cut-off date for installation of HCFC-based manufacturing equipment, with two dates being proposed of 2005 or 21 September 2007; the second outstanding issue related to the eligible incremental costs of HCFC phase-out projects where the Executive Committee had to decide on the level of incremental operating costs for phasing out HCFCs in the foam, air conditioning, and commercial refrigeration sectors; the third issue related to funding for HCFCs in the refrigeration servicing sector. It had been proposed that Article 5 countries with 90 per cent or more of their total HCFC consumption in the servicing sector would receive funding as listed in the table under paragraph 6(ix) of document UNEP/OzL.Pro/ExCom/60/46. An alternative proposal, explained in Annex II, had been presented to the contact group at the 59<sup>th</sup> Meeting, but had not been considered owing to lack of time. The proposal dealt with countries with total HCFC consumption below 360 metric tonnes, most of which was in the refrigeration servicing sector, with consumption some countries being in the manufacturing sector. Those countries could meet the 2013 and 2015 compliance levels by phasing out consumption in the servicing sector alone, in the manufacturing sector alone, or a combination of both.

193. Following the presentation, the Chair called for general comments to initiate debate on the issue. He reminded Members that a number of projects submitted for the Executive Committee's consideration depended on even more progress being made, all the way through to resolution of those matters.

194. One Member stated that the decision made in 2007 to accelerate HCFC phase-out necessarily and unequivocally meant a cut-off date of 2007, not 2005. He also felt that there should be no question about eligibility for second-stage conversion, considering that the participation of companies that had converted

from CFCs to HCFCs with support from the Multilateral Fund was necessary to ensure compliance with HCFC phase-out in his country. With regard to the starting point for aggregate reductions, he did not agree with the Secretariat's analysis to the effect that the starting points should be established at the time of submission of HCFC investment projects, if submitted before HPMPs. He deemed the issue of eligible incremental costs to be too complex to discuss in plenary, saying he preferred to discuss it within the contact group on HCFCs. Another Member similarly emphasized that a number of factors made it difficult to estimate accurately the cost of HCFC conversion, including the fact that the technology was still emerging and that projects approved by the Multilateral Fund were still being implemented. He pointed out that it had taken five years to obtain the estimates needed to establish policy guidelines for CFC conversion, and that investment projects in large, medium- and low-volume consuming countries, as well as demonstration projects, were required to generate sufficient data and analysis to provide a basis for HCFC guidelines. Another Member stressed the need for flexibility, but also said that it was time to take some important and difficult decisions to enable Article 5 countries to comply with their HCFC phase-out obligations.

195. Another Member explained that very detailed discussions had taken place in the contact group on HCFCs at the Executive Committee's two previous Meetings. It was therefore difficult to have a general discussion about the topic without seeming to reopen some of the points that had been agreed in principle in the contact group. He also pointed out that the difference between the levels of incremental operating costs had been reduced through negotiations to only US \$1 per kilogram. The issue of the cut-off date was pending consideration of the level of incremental operating costs. Article 5 countries wanted the Executive Committee to expedite the adoption of guidelines for HCFC phase-out, but that could not be done if issues were reopened. Another Member expected the discussion in the contact group on HCFCs to take up where the discussion at the 59<sup>th</sup> Meeting had left off. The purpose of the discussion remained to find a package of support measures for HCFC phase-out that would be acceptable to all.

196. Following the discussion, it was clarified that the open-ended contact group had previously been composed of Executive Committee Members, including the Members of co-opted delegations.

197. The contact group on HCFCs appointed Switzerland as facilitator and, following three sessions of intense debate, the facilitator was able to report on the successful fulfilment of the contact group's mandate, and to present the criteria for funding HCFC phase-out in the consumption sector in Article 5 countries. He highlighted the spirit of commitment and compromise that had brought the negotiations in the contact group to such a positive conclusion, and thanked all Members and the Secretariat for their hard work. Referring to the flexibility in allocating the approved funding mentioned under subparagraph f(iii) of the proposed guidelines, the facilitator said that it was understood that reallocation would be reported within the existing reporting framework for project implementation and completion. He also mentioned that the extra funding foreseen under subparagraph f(iv) for introduction of the reporting of low GWP alternatives would also be available to cover the cost of implementing safety measures. Both the facilitator and the Chair pointed out that the criteria had been agreed following an arduous process that had begun over a year previously, and which had benefited from the efforts of the previous year's Executive Committee Members. The Chair highlighted the contribution of the previous facilitator of the contact group on HCFCs, the representative of Australia. The achievement was an important one, not just for the Executive Committee and for the Montreal Protocol, but also for the planet as a whole.

198. Following the description of the agreed criteria by the facilitator of the contact group on HCFCs, the Executive Committee decided:

In determining criteria for funding HCFC phase-out in the consumption sector in Article 5 countries:

Cut-off date

- (a) Not to consider any projects to convert HCFC-based manufacturing capacity installed after 21 September 2007;

Second-stage conversion

- (b) To apply the following principles in regard to second-stage conversion projects for the first stage of HCFC phase-out management plan (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 (b)(i) above will be limited to funding for installation, trials, and training associated with those projects;

Starting points for aggregate reductions in HCFC consumption

- (c) 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;
- (d) 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;
- (e) 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

- (f) 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 in paragraph 32 of the final report of the 16<sup>th</sup> Meeting of the Executive Committee (document UNEP/OzL.Pro/ExCom/16/20), to be measured in metric kilogrammes, shall be used as guidelines during the development and implementation of the first stage of HPMPs;
- (iii) That countries will have the flexibility to allocate the approved funding from incremental operating costs to incremental capital costs and to allocate up to 20 per cent of the approved funding for incremental capital costs to incremental operating costs, as long as the use of the flexibility does not change the intent of the project. Any reallocation should be reported to the Executive Committee;
- (iv) Funding of up to a maximum of 25 per cent above the cost effectiveness threshold will be provided for projects when needed for the introduction of low global warming potential (GWP) alternatives;

HCFC phase-out in the foam sector

- (v) Incremental operating costs for projects in the foam sector will be considered at US \$1.60/metric kg for HCFC-141b and US \$1.40/metric kg for HCFC-142b consumption to be phased out at the manufacturing enterprise;
- (vi) For group projects linked to systems houses, incremental operating costs will be calculated on the basis of the total HCFC consumption to be phased out for all downstream foam enterprises;
- (vii) The Executive Committee will consider, on a case-by-case basis, funding higher levels of incremental operating costs than indicated in paragraph (f)(v) above when required for the introduction of low-GWP water-blown technology;

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

- (viii) Incremental operating costs for projects in the air conditioning sub-sector will be considered at US \$6.30/metric kg of HCFC consumption to be phased out at the manufacturing enterprise;
- (ix) Incremental operating costs for projects in the commercial refrigeration sub-sector will be considered at US \$3.80/metric kg of HCFC consumption to be phased out at the manufacturing enterprise;
- (x) Consistent with decision 31/45 of the Executive Committee, incremental operating costs will not be considered for enterprises categorized under the refrigeration equipment assembly, installation and charging sub-sector;

HCFC phase-out in the refrigeration servicing sector

- (xi) Article 5 countries that have total HCFC consumption of up to 360 metric 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, and if the country so decides, the 35 per cent reduction step in 2020. 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 and in the manufacturing sector when applicable, in the previous year, as well as a thorough and comprehensive annual work plan for the implementation of the following activities associated with the next tranche;
  - c. A description of the roles and responsibilities of major stakeholders, as well as the lead implementing agency and the cooperating agencies, where applicable;
- (xii) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes will be provided funding consistent with the level of consumption in the refrigeration servicing sector as shown in 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 phase-out targets, and if the country so decides, the 2020 phase-out targets:

<b>Consumption (metric tonnes)*</b>	<b>Funding up to 2015 (US\$)</b>	<b>Funding up to 2020 (US\$)</b>
>0 <15	51,700	164,500
15 <40	66,000	210,000
40 <80	88,000	280,000
80 <120	99,000	315,000
120 <160	104,500	332,500
160 <200	110,000	350,000
200 <320	176,000	560,000
320 <360	198,000	630,000

(\*) Level of baseline HCFC consumption in the refrigeration servicing sector

- (xiii) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes and that receive funding consistent with the above table, will have flexibility in utilizing the resources available to address specific needs that might arise during project implementation to facilitate the smoothest possible phase-out of HCFCs;
- (xiv) Article 5 countries that have total HCFC consumption of up to 360 metric tonnes, used in both the manufacturing and refrigeration servicing sectors, could submit HCFC phase-out investment projects in accordance with prevailing policies and decisions of the Multilateral Fund, in addition to funding for addressing HCFC consumption in the servicing sector;
- (xv) Article 5 countries that have total HCFC consumption above 360 metric tonnes should first address consumption in the manufacturing sector to meet the reduction steps in 2013 and 2015. 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

- (xvi) 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.

**(Decision 60/44)**

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

199. The representative of the Secretariat recalled that, during preparation of the 59<sup>th</sup> Meeting of the Executive Committee, the Secretariat had identified an issue related to the cost of conversion of component manufacturing in relation to incremental operating cost. The Secretariat had prepared document UNEP/OzL.Pro/ExCom/60/47 on the matter in response to decision 59/14.

200. The Executive Committee decided to defer consideration of the cost for conversion of component manufacturing vs. incremental operating cost to its 61<sup>st</sup> Meeting.

**(Decision 60/45)**

**(d) Revised template for draft agreements for HCFC phase-out management plans (decision 59/16(b))**

201. The Executive Committee decided to defer a decision on adopting the revised template for draft agreements for HCFC phase-out management plans (document UNEP/OzL.Pro/ExCom/60/48) to its 61<sup>st</sup> Meeting, noting that implementing agencies and Members should be provided with a final opportunity to submit comments on the revised template, to be reflected in the documentation for the 61<sup>st</sup> Meeting.

**(Decision 60/46)**

**AGENDA ITEM 10: REPORT OF THE SUB-GROUP ON THE PRODUCTION SECTOR**

202. The Sub-group on the Production Sector was re-constituted and convened at the 60<sup>th</sup> Meeting of the Executive Committee. The Sub-group consisted of the representatives of Canada, Colombia, Grenada, India, Switzerland and the United States of America, with the representative of Canada as convenor. Representatives of UNIDO and the World Bank were also present as observers.

203. The representative of Canada introduced the Sub-group's report as contained in document UNEP/OzL.Pro/ExCom/60/49, saying that the Sub-group had considered two of the three items on the draft agenda proposed by the Secretariat, namely, the CFC production agreements with China and India; and a report on possible modifications to the terms of reference for technical audits adopted at the 32<sup>nd</sup> Meeting of the Executive Committee. It had not had time to address the matter of work to date on remaining elements of a final decision with respect to the HCFC production sector so work on that issue would have to continue at the next Meeting of the Executive Committee.

204. Following consideration of the recommendations in the report of the Sub-group on the Production Sector, the Executive Committee decided:

- (a) To note the paper on terms and conditions under which the existing CFC production Agreements with China and India and associated accelerated phase-out Agreements

might be modified and the report on possible modifications to the terms of reference for the technical audit adopted at the 32<sup>nd</sup> Meeting, as appropriate, to meet the audit needs of the production of HCFCs, both contained in document UNEP/OzL.Pro/ExCom/60/49;

- (b) To modify the production sector Agreements for China and India to allow the production for export of pharmaceutical-grade CFCs for 2010, with an annual review, for purposes of meeting essential use requirements of other countries provided that exporting countries had reporting and verification systems in place and that the reporting and verification systems collected and reported on the following information:
  - (i) Documents from metered-dose inhaler (MDI) manufacturers ordering pharmaceutical-grade CFCs;
  - (ii) Approvals from importing country governments for purchasing essential use pharmaceutical-grade CFCs;
  - (iii) Approvals received from governments of producing countries that order and the essential production authorized;
  - (iv) Raw materials consumed for production run;
  - (v) Amount of pharmaceutical-grade CFC produced;
  - (vi) Amount of non-pharmaceutical-grade CFC produced;
  - (vii) Documentation (transport, storage, disposal) verifying that the amount of non-pharmaceutical CFCs had been destroyed;
  - (viii) Export documentation from producers;
  - (ix) Invoices from MDI manufacturers; and
  - (x) Audit reports verifying all the above;
- (c) To request the World Bank, as the implementing agency for the CFC production phase-out plans for China and India, to provide its services in carrying out the verification/audit and to submit reports to the Executive Committee on behalf of China and India on the understanding that:
  - (i) The World Bank verified that the producer had access to destroy the excess CFC produced using a destruction technique approved by the Parties;
  - (ii) The cost of verification would be approved in advance of the audit by the Executive Committee;
- (d) That:
  - (i) The Fund Secretariat, on behalf of the Executive Committee, would seek confirmation from the importing country of the actual quantities imported by that country;
  - (ii) The producing country agreed to limit the production of non-pharmaceutical specification grade CFCs to the extent possible and pay for their destruction;

- (iii) The Executive Committee would consider application of the penalty clause to any CFC production determined as being excessive by the verification reports; and
- (e) To adopt the terms of reference for the technical audit of HCFC production in Article 5 countries contained in Annex IX to the present report.

**(Decision 60/47)**

**AGENDA ITEM 11: INCENTIVES ASSOCIATED WITH THE MULTILATERAL FUND CLIMATE IMPACT INDICATOR AND A SPECIAL FUNDING FACILITY (DECISIONS 59/45(b)) AND 59/48)**

205. The representative of the Secretariat introduced Part I of document UNEP/OzL.Pro/ExCom/60/50 on the Multilateral Fund climate impact indicator (MCII). In his presentation, he recalled that the MCII, which was a forecast based on a minimum set of standardized input data, would show the climate impact of an alternative technology in relation to HCFCs, i.e. whether the alternative technology would have a lower or higher climate impact. The goal was to use the MCII to prioritize HCFC phase-out technologies to minimize impacts on climate. A starting point for further discussion would be to set the target for an acceptable value for the MCII for conversion projects in manufacturing, where a firm phase-out commitment made monitoring easier, to provide climate neutrality compared to HCFCs. As some HCFC phase-out activities might not achieve climate neutrality, it was important to increase the options available to Article 5 countries in planning their HPMPs by providing incentives for cases where the MCII indicated that the alternative technology had a higher climate impact than the HCFC baseline, and cases where the alternative technology had a lower climate impact than the HCFC baseline.

206. Following the presentation of Part I of the document, some Members expressed the view that, rather than discussing the incentives that should be associated with the MCII, they should be considering the data and methodology underlying the MCII in order to understand it better. They also referred to decision 59/45(e), in which the Executive Committee invited the Secretariat to publish said data and methodology on the Intranet for Members and representatives of implementing agencies. Under the same decision, a request had been made for concrete examples of how the MCII would work in the context of specific HCFC phase-out projects. In response, the representative of the Secretariat clarified that concrete examples of the MCII had been provided in the HCFC projects for Jordan and China, and explained that the mandate of the Secretariat had not been to provide the MCII and the associated methodology to the present Meeting. Executive Committee Members felt that the discussion should take place only once the members had the opportunity to try out the MCII.

207. A representative of the Secretariat introduced Part II of the document that addressed the special funding facility and the work done by the Executive Committee on it to-date. The document included annexes on comments from Members, the Swedish proposal from the 59<sup>th</sup> Meeting and an excerpt from the detailed discussion at that Meeting. It provided suggestions on how to move the process forward, in particular, with respect to decision XXI/2, paragraphs 5 and 6. A representative from Switzerland introduced UNEP/OzL.Pro/ExCom/60/Inf.2 that contained the project report for the Nordic Environment Finance Corporation (NEFCO) on the guide for developing greenhouse gas emission reduction projects based on the destruction of ozone depleting substances, submitted by Switzerland for the information of the Sixtieth Meeting of the Executive Committee. A representative of the Ozone Secretariat reminded members that decision XXI/2 called for a specific agenda item for a Report of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol on a special facility under the Multilateral Fund at the 30<sup>th</sup> Open-ended Working Group Meeting, and that a seminar on the environmentally sound management of banks of ozone-depleting substances would be held in line with

that decision on 14 June 2010, which would address options for mobilizing available funds to destroy ODS.

208. Members felt additional discussion was needed to address the policy issues associated with the special funding facility and a contact group was formed. The contact group met twice and reached a decision on the documentation to be presented to the Open-ended Working Group.

209. The Executive Committee decided to request the Secretariat to present the report of the Executive Committee on the special funding facility to the 30<sup>th</sup> Meeting of the of the Open-ended Working Group of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (OEWG), based on Annex V to document UNEP/OzL.Pro/ExCom/60/50, the “Excerpt from Report of the 59<sup>th</sup> Meeting of the Executive Committee, Agenda item 12: Further Concept Paper for a Special Funding Facility for Additional Income from Loans and Other Sources (decision 58/37)”.

**(Decision 60/48)**

#### **AGENDA ITEM 12: METHODOLOGY FOR IDENTIFYING PROJECT-RELATED COSTS IN UNIDO’S ANNUAL REPORT ON ADMINISTRATIVE COSTS (DECISION 59/28(c))**

210. The representative of the Secretariat introduced the methodology for identifying project-related costs in UNIDO’s annual report on administrative costs (document UNEP/OzL.Pro/ExCom/60/51), which had been prepared in response to decision 59/28(c).

211. The Executive Committee took note of 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)).

#### **AGENDA ITEM 13: HISTORICAL ANALYSIS OF THE COST OF EXECUTIVE COMMITTEE MEETINGS (DECISION 57/43(d))**

212. The representative of the Secretariat introduced the historical analysis of the cost of Executive Committee Meetings (document UNEP/OzL.Pro/ExCom/60/52), which had been prepared in response to decision 57/43(d). A few members expressed their appreciation for the information provided and indicated that the Executive Committee dates and venues should also take into account the practical aspect for delegates for having meetings back-to-back with the Ozone Secretariat.

213. The Executive Committee took note of the historical analysis of the cost of Executive Committee Meetings (decision 57/43(d)), as contained in document UNEP/OzL.Pro/ExCom/60/52.

#### **AGENDA ITEM 14: BUDGET OF THE MULTILATERAL FUND SECRETARIAT (FOLLOW-UP TO DECISION 59/52)**

214. The representative of the Secretariat said that at the 59<sup>th</sup> Meeting concerns had been expressed about the 5 per cent annual budget increase in the staff costs in the 2011 and 2012 budgets of the Secretariat. The Secretariat had been requested, in decision 59/52, to provide supporting documents to justify the 5 per cent increase in staff costs, and had been asked to meet with an informal budget group in the margins of the 60<sup>th</sup> Meeting to discuss the issue. She said that there was no written rule providing for such a 5 per cent increase but that UNEP had also confirmed that, as staff costs could not be predicted with accuracy, such increases were justified and were determined by taking an average of all United Nations staff entitlements.

215. The facilitator of the informal budget group said that the group had met and had had a fruitful discussion on the issue with the Secretariat. He reported that the group had agreed to recommend a 5 per cent increase in the budget for staff costs for 2011 and a 3 per cent increase for 2012, as approved at the 59<sup>th</sup> Meeting. The informal group had also agreed that the Secretariat should be requested to continue to monitor the issue of staff costs to assess the appropriate rate of increase for future years.

216. One Member reminded the Committee that the issue was about UNEP's budgeting procedures not the Secretariat's staffing level and costs.

217. The Executive Committee decided:

- (a) To maintain the annual increase in salary for staff for 2011 and 2012 approved at the 59<sup>th</sup> Meeting, as presented in Annex IX to document UNEP/OzL.Pro/ExCom/59/59, which had been approved for 2011 on the basis of a 5 per cent increase against the 2010 staffing costs and for 2012 on the basis of a 3 per cent increase against the 2011 staffing costs; and
- (b) To request the Secretariat to continue monitoring staff costs to assess the appropriate rate of increase for future years and to report back to the Executive Committee when presenting the 2010 accounts of the Fund at the 65<sup>th</sup> Meeting in 2011.

**(Decision 60/49)**

## **AGENDA ITEM 15: OTHER MATTERS**

### Consumption arising from HCFC-141b contained in pre-blended foam chemicals

218. The representative of Morocco presented a proposal for a decision on "consumption arising from HCFC-141b contained in pre-blended foam chemicals". He said that the proposed decision would serve the interests of small and medium-sized enterprises (SMEs) against the interest of larger corporations with respect to HCFCs contained in pre-blended polyols, and would assist SMEs and Article 5 countries with costs associated with compliance with deadlines under the Montreal Protocol. In many cases pre-blended polyols had to be imported or manufactured locally, and all should be counted as consumption and products using pre-blended polyols should qualify for support under the Multilateral Fund.

219. The Chief Officer reminded the Executive Committee that, further to decision 59/12, the Multilateral Fund Secretariat had been asked to prepare a paper on this issue, in cooperation with the Ozone Secretariat, focusing on the import and export of pre-blended polyols. The Secretariat had begun to work on the document and had asked for input from implementing agencies. As of the deadline of 31 March 2010, only one implementing agency had submitted information and it would be useful if the other agencies could submit any relevant information to the Secretariat as soon as possible so that it could continue to develop this important document.

220. Several Members supported discussion on the issue, but others indicated that it would be preferable to defer consideration to the 61<sup>st</sup> Meeting so that the Executive Committee could have an informed discussion, assisted by the information to be provided in the document requested by decision 59/12.

221. The Executive Committee decided to defer consideration of consumption arising from HCFC-141b contained in pre-blended foam chemicals to the 61<sup>st</sup> Meeting.

**(Decision 60/50)**

Dates and venues of the 61<sup>st</sup> and 62<sup>nd</sup> Meetings of the Executive Committee

222. The Executive Committee decided:

- (a) To hold its 61<sup>st</sup> Meeting in Montreal from 5 to 9 July 2010, thus amending decision 59/56; and
- (b) To hold its 62<sup>nd</sup> Meeting in Montreal from 22 to 26 November 2010.

**(Decision 60/51)**

Tribute to Mr. Steve Gorman

223. The Executive Committee also heard words of tribute for Mr. Steve Gorman, who was attending his last Executive Committee meeting as representative of the World Bank. Mr. Gorman's contributions to the Montreal Protocol began during the very early days of the Protocol, when the Fund was in its formative stage. Initially he was the Canadian delegate to the meetings, and then became the Network and Policy Manager in UNEP's OzonAction Programme, before taking on his responsibilities as leader of the World Bank's Montreal Protocol team. The representative of the United States of America wished to record in the report of the meeting Mr. Gorman's extraordinary and creative contribution to the implementation of the Montreal Protocol.

**AGENDA ITEM 16: ADOPTION OF THE REPORT**

224. The Executive Committee adopted its report on the basis of the draft report contained in documents UNEP/OzL.Pro/ExCom/60/L.1 and Add.1.

**AGENDA ITEM 17: CLOSURE OF THE MEETING**

225. Following the customary exchange of courtesies, the Chair declared the Meeting closed at 8 p.m. on Thursday, 15 April 2010.



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

**Table 1 : STATUS OF THE FUND FROM 1991-2010 (IN US DOLLARS)**

As at 9 April 2010

<b>INCOME</b>		
Contributions received:		
- Cash payments including note encashments		2,261,582,836
- Promissory notes held		30,671,458
- Bilateral cooperation		129,335,594
- Interest earned		199,797,194
- Additional income from loans and other sources		1,198,947
- Miscellaneous income		12,542,913
<b>Total Income</b>		<b>2,635,128,942</b>
<b>ALLOCATIONS* AND PROVISIONS</b>		
- UNDP	580,967,680	
- UNEP	176,036,373	
- UNIDO	556,103,912	
- World Bank	1,023,343,785	
Unspecified projects	1,198,947	
Less Adjustments	-	
<b>Total allocations to implementing agencies</b>		<b>2,337,650,697</b>
Secretariat and Executive Committee costs (1991-2010)		
- includes provision for staff contracts into 2012		78,789,450
Treasury fees (2003-2010)		3,550,550
Monitoring and Evaluation costs (1999-2009)		2,941,754
Technical Audit costs (1998-2005)		909,960
Information Strategy costs (2003-2004)		
- includes provision for Network maintenance costs for 2004		104,750
Bilateral cooperation		129,335,594
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		(35,908,795)
<b>Total allocations and provisions</b>		<b>2,517,373,961</b>
Cash		<b>87,083,523</b>
<b>Promissory Notes:</b>		
	<b>2010</b>	7,591,208
	<b>2011</b>	8,454,843
	<b>2012</b>	4,628,015
	<b>Unscheduled</b>	9,997,392
		<b>30,671,458</b>
<b>BALANCE AVAILABLE FOR NEW ALLOCATIONS</b>		<b>117,754,981</b>

\* 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 net approved amounts. These figures are under review in the ongoing reconciliation exercise.

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

Table 2 : 1991 - 2010 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 9 April 2010

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	1991 - 2008	2009	2010	1991 - 2010
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	368,028,480	2,414,366,078	133,342,202	133,346,281	2,681,054,562
Cash payments/received	206,290,209	381,555,255	412,580,770	407,987,672	417,388,241	329,435,787	2,155,237,935	94,982,121	11,362,781	2,261,582,836
Bilateral assistance	4,366,255	11,909,814	21,699,586	21,315,399	48,181,291	19,098,367	126,570,712	2,764,882	0	129,335,594
Promissory notes	0	0	0	0	0	9,104,030	9,104,030	21,567,428	0	30,671,458
Total payments	210,656,464	393,465,069	434,280,356	429,303,071	465,569,532	357,638,185	2,290,912,677	119,314,430	11,362,781	2,421,589,889
Disputed contributions	0	8,098,267	0	0	0	32,471,642	40,569,909	0	0	40,569,909
Outstanding pledges	24,272,777	31,376,278	38,286,653	10,696,930	8,430,468	10,390,296	123,453,401	14,027,772	121,983,500	259,464,673
Payments %age to pledges	89.67%	92.61%	91.90%	97.57%	98.22%	97.18%	94.89%	89.48%	8.52%	90.32%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	19,374,449	43,537,814	195,393,757	4,403,437	0	199,797,194
Additional income						1,198,947	1,198,947	0	0	1,198,947
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	1,386,177	3,377,184	9,851,710	1,741,884	949,319	12,542,913
<b>TOTAL INCOME</b>	<b>217,422,212</b>	<b>423,288,168</b>	<b>480,189,470</b>	<b>484,374,955</b>	<b>486,330,158</b>	<b>405,752,130</b>	<b>2,497,357,091</b>	<b>125,459,751</b>	<b>12,312,100</b>	<b>2,635,128,942</b>
<b>Accumulated figures</b>	<b>1991-1993</b>	<b>1994-1996</b>	<b>1997-1999</b>	<b>2000-2002</b>	<b>2003-2005</b>	<b>2006-2008</b>	<b>1991 - 2008</b>	<b>2009</b>	<b>2010</b>	<b>1991 - 2010</b>
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	368,028,480	2,414,366,078	133,342,202	133,346,281	2,681,054,562
Total payments	210,656,464	393,465,069	434,280,356	429,303,071	465,569,532	357,638,185	2,290,912,677	119,314,430	11,362,781	2,421,589,889
Payments %age to pledges	89.67%	92.61%	91.90%	97.57%	98.22%	97.18%	94.89%	89.48%	8.52%	90.32%
Total income	217,422,212	423,288,168	480,189,470	484,374,955	486,330,158	405,752,130	2,497,357,091	125,459,751	12,312,100	2,635,128,942
Total outstanding contributions	24,272,777	31,376,278	38,286,653	10,696,930	8,430,468	10,390,296	123,453,401	14,027,772	121,983,500	259,464,673
As % to total pledges	10.33%	7.39%	8.10%	2.43%	1.78%	2.82%	5.11%	10.52%	91.48%	9.68%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,272,777	31,376,278	32,614,393	9,811,798	7,511,983	6,366,431	111,953,660	2,946,537	3,454,471	118,354,667
CEITs' outstandings %age to pledges	10.33%	7.39%	6.90%	2.23%	1.58%	1.73%	4.64%	2.21%	2.59%	4.41%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Ukraine and Uzbekistan, including Turkmenistan up to 2004 as per decision XVI/39.

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

Table 3 : 1991-2010 Summary Status of Contributions

As at 9 April 2010

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB:Negative amount = Gain
Andorra	21,816	8,868	0	0	12,948	0
Australia*	50,993,246	49,721,339	1,271,907	0	0	786,082
Austria	28,385,051	26,817,428	131,790	0	1,435,834	-1,264,056
Azerbaijan	885,741	311,683	0	0	574,059	0
Belarus	2,725,273	0	0	0	2,725,273	0
Belgium	35,169,914	33,386,049	0	0	1,783,865	243,247
Bulgaria	1,217,575	1,217,575	0	0	0	0
Canada*	94,492,348	79,473,880	9,452,810	0	5,565,658	-4,320,581
Cyprus	486,621	415,396	0	0	71,225	0
Czech Republic	7,608,455	7,451,400	157,055	0	0	109,087
Denmark	23,170,196	23,009,143	161,053	0	0	-1,048,571
Estonia	244,963	219,062	0	0	25,901	3,432
Finland	18,231,475	17,779,605	451,870	0	0	-783,278
France	204,964,091	170,150,918	14,701,335	9,997,393	10,114,445	-17,391,451
Germany	299,477,339	227,502,179	43,247,246	16,877,065	11,850,850	-3,395,238
Greece	14,512,794	13,162,389	0	0	1,350,404	-1,657,738
Hungary	4,914,611	4,458,166	46,494	0	409,951	-76,259
Iceland	1,047,658	1,047,658	0	0	0	22,369
Ireland	8,688,807	8,688,807	0	0	0	428,027
Israel	10,889,585	3,844,671	152,462	0	6,892,452	0
Italy	160,336,772	135,991,541	14,631,808	0	9,713,424	3,291,976
Japan	530,189,232	481,298,959	16,403,924	0	32,486,350	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	450,832	450,779	0	0	53	-2,483
Liechtenstein	257,652	257,652	0	0	0	0
Lithuania	688,510	195,543	0	0	492,967	0
Luxembourg	2,349,379	2,349,379	0	0	0	-93,761
Malta	153,269	125,750	0	0	27,519	0
Monaco	182,818	182,818	0	0	0	-1,388
Netherlands	54,000,822	52,484,860	0	0	1,515,962	0
New Zealand	7,699,207	7,284,806	0	0	414,401	176,109
Norway	20,282,421	20,282,421	0	0	0	151,511
Panama	16,915	16,915	0	0	0	0
Poland	9,147,011	7,066,002	113,000	0	1,968,009	0
Portugal	12,067,605	9,419,794	101,700	0	2,546,111	198,162
Romania	326,748	213,435	0	0	113,313	0
Russian Federation	103,131,225	0	0	0	103,131,225	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	2,314,569	2,196,065	16,523	0	101,981	0
Slovenia	1,250,000	1,250,000	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	79,439,939	72,316,482	2,318,844	0	4,804,613	-1,077,461
Sweden	35,920,365	32,358,304	1,828,377	0	1,733,684	-959,401
Switzerland	39,171,325	37,258,095	1,913,230	0	0	-1,680,340
Tajikistan	104,885	18,086	0	0	86,799	0
Turkmenistan**	293,245	5,764	0	0	287,481	0
Ukraine	9,144,846	1,082,925	0	0	8,061,920	0
United Arab Emirate	559,639	559,639	0	0	0	0
United Kingdom	179,344,061	168,027,306	565,000	0	10,751,755	-7,566,790
United States of America	618,814,595	555,525,211	21,567,191	3,797,000	37,925,193	0
Uzbekistan	677,654	188,606	0	0	489,048	0
SUB-TOTAL	2,681,054,562	2,261,582,836	129,335,594	30,671,458	259,464,673	-35,908,795
Disputed Contributions***	40,569,909	0	0	0	40,569,909	0
TOTAL	2,721,624,471	2,261,582,836	129,335,594	30,671,458	300,034,582	0

NB: (\*) The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39<sup>th</sup> Meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40<sup>th</sup> Meeting to read US \$1,208,219 and US \$6,449,438 instead of US \$1,300,088 and US \$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. Amount for the United States of America netted off from the 2007 and 2008 contributions.

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

**Table 4 : Status of Contributions for 2010**

As at 9 April 2010

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,948				12,948
Australia	2,892,711	2,892,711			0
Austria	1,435,834				1,435,834
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865				1,783,865
Bulgaria	32,375	32,375			0
Canada	4,819,027				4,819,027
Cyprus	71,225				71,225
Czech Republic	454,869	454,869			0
Denmark	1,196,258	1,196,258			0
Estonia	25,900				25,900
Finland	912,976	912,976			0
France	10,199,760				10,199,760
Germany	13,884,041				13,884,041
Greece	964,777			964,777	
Hungary	394,976				394,976
Iceland	59,894	59,894			0
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645				8,221,645
Japan	26,910,144				26,910,144
Latvia	29,138	29,085			53
Liechtenstein	16,188	16,188			0
Lithuania	50,181				50,181
Luxembourg	137,594	137,594			0
Malta	27,519				27,519
Monaco	4,856	4,856			0
Netherlands	3,031,924	1,515,961			1,515,962
New Zealand	414,401				414,401
Norway	1,265,865	1,265,865			0
Poland	810,995				810,995
Portugal	853,083				853,083
Romania	113,313				113,313
Russian Federation	1,942,503				1,942,503
Slovak Republic	101,981				101,981
Slovenia	155,400	155,400			0
Spain	4,804,458				4,804,458
Sweden	1,733,684				1,733,684
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755				10,751,755
United States of America	29,333,333				29,333,333
Uzbekistan	12,950				12,950
<b>TOTAL</b>	<b>133,346,281</b>	<b>11,362,781</b>	<b>0</b>	<b>0</b>	<b>121,983,500</b>

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

**Table 5 : Status of Contributions for 2009**

As at 9 April 2010

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	8,868	8,868			0
Australia	2,892,711	2,892,711			0
Austria	1,435,834	1,435,834			0
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865	1,783,865			0
Bulgaria	32,375	32,375			0
Canada	4,819,027	4,034,205	99,440		685,381
Cyprus	71,225	71,225			0
Czech Republic	454,869	363,904	90,965		0
Denmark	1,196,258	1,196,258			0
Estonia	25,900	25,900			0
Finland	912,976	912,976			0
France	10,199,760		287,682	9,997,393	(85,315)
Germany	13,884,041	2,314,007	1,974,067	11,570,034	(1,974,067)
Greece	964,777	579,149			385,628
Hungary	394,976	380,000			14,976
Iceland	59,894	59,894			0
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645	6,687,842	152,550		1,381,252
Japan	26,910,144	26,749,966	160,178		0
Latvia	29,138	29,138			0
Liechtenstein	16,188	16,188			0
Lithuania	50,181				50,181
Luxembourg	137,594	137,594			0
Malta	27,519	27,519			0
Monaco	4,856	4,856			0
Netherlands	3,031,924	3,031,924			0
New Zealand	414,401	414,401			0
Norway	1,265,865	1,265,865			0
Poland	810,995				810,995
Portugal	853,083				853,083
Romania	113,313	113,313			0
Russian Federation	1,942,503				1,942,503
Slovak Republic	101,981	101,981			0
Slovenia	155,400	155,400			0
Spain	4,804,458	4,239,303			565,155
Sweden	1,733,684	1,733,684			0
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755	10,751,755			0
United States of America	29,333,333	20,741,473			8,591,860
Uzbekistan	12,950				12,950
<b>TOTAL</b>	<b>133,342,202</b>	<b>94,982,121</b>	<b>2,764,882</b>	<b>21,567,428</b>	<b>14,027,772</b>

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

**Table 6 : Status of Contributions for 2008**

As at 9 April 2010

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			0
Bulgaria	28,406	28,406			0
Canada	4,700,366	3,903,141	940,073		(142,848)
Cyprus	65,167	65,167			0
Czech Republic	305,783	305,783			0
Denmark	1,199,738	1,199,738			0
Estonia	20,051	20,051			0
Finland	890,613	890,613			0
France	10,075,793	9,148,063	842,980		84,750
Germany*	14,473,719	2,894,744	2,953,920	2,894,744	5,730,311
Greece	885,600	885,600			0
Hungary	210,539	210,539			0
Iceland	56,812	56,812			0
Ireland	584,830	584,830			0
Israel	780,331		114,356		665,975
Italy	8,162,562	4,665,805	1,521,994		1,974,763
Japan	29,362,667	29,362,667	33,900		(33,900)
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			0
Monaco	5,013	5,013			0
Netherlands	2,823,896	1,671,687			1,152,209
New Zealand	369,279	369,279			0
Norway	1,134,571	1,134,571			0
Poland	770,305	424,287			346,018
Portugal	785,344				785,344
Romania	100,122	100,122			0
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	4,044,217	731,562		(565,000)
Sweden	1,667,602	1,667,602			0
Switzerland	2,000,120	1,997,218	91,689		(88,787)
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875	10,237,875			0
United States of America	11,780,749	7,983,749		3,797,000	(0)
Uzbekistan	23,393				23,393
<b>SUB-TOTAL</b>	<b>115,984,871</b>	<b>90,147,014</b>	<b>7,230,474</b>	<b>6,691,744</b>	<b>11,915,639</b>
Disputed Contributions**	17,581,918	0	0	0	17,581,918
<b>TOTAL</b>	<b>133,566,789</b>	<b>90,147,014</b>	<b>7,230,474</b>	<b>6,691,744</b>	<b>29,497,557</b>

(\*) Bilateral assistance of US \$572,817 approved at the 51<sup>st</sup> Meeting of the Excom applied in 2008 and US \$353,814 approved at the 52<sup>nd</sup> Meeting of the Excom applied in 2008.

(\*\*) Balance of USA Disputed contribution of US \$32,471,642 of which US \$14,889,724 was applied to 2007.

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

**Table 7 : Status of Contributions for 2006-2008**

As at 9 April 2010

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	7,980,429	7,850,479	129,950	0	0
Austria	4,306,023	4,306,023	0	0	0
Azerbaijan	25,064	0	0	0	25,064
Belarus	90,231	0	0	0	90,231
Belgium	5,358,718	5,358,718	0	0	0
Bulgaria	85,218	85,218	0	0	0
Canada	14,101,098	12,408,709	1,631,889	0	60,500
Cyprus	195,500	195,500	0	0	0
Czech Republic	917,348	917,348	0	0	0
Denmark	3,599,214	3,599,214	0	0	0
Estonia	60,154	60,154	0	0	0
Finland	2,671,840	2,671,840	0	0	0
France	30,227,380	27,778,425	2,357,630	0	91,325
Germany*	43,421,156	29,429,894	8,743,355	5,307,030	(59,124)
Greece	2,656,801	1,527,311	0	0	1,129,490
Hungary	631,617	631,617	0	0	0
Iceland	170,436	170,436	0	0	0
Ireland	1,754,491	1,754,491	0	0	0
Israel	2,340,993	0	114,356	0	2,226,637
Italy	24,487,687	19,590,142	4,787,018	0	110,527
Japan	88,088,000	88,088,000	96,050	0	(96,050)
Latvia	75,192	75,192	0	0	0
Liechtenstein	25,064	25,064	0	0	0
Lithuania	120,308	0	0	0	120,308
Luxembourg	385,988	385,988	0	0	0
Malta	70,180	70,180	0	0	0
Monaco	15,038	15,038	0	0	0
Netherlands	8,471,687	8,471,687	0	0	0
New Zealand	1,107,836	1,107,836	0	0	0
Norway	3,403,713	3,403,713	0	0	0
Poland	2,310,916	1,964,897	0	0	346,019
Portugal	2,356,031	1,516,085	0	0	839,946
Romania	100,122	100,122	0	0	0
Russian Federation	5,514,116	0	0	0	5,514,116
Slovak Republic	255,654	255,654	0	0	0
Slovenia	411,052	411,052	0	0	0
Spain	12,632,338	12,470,176	731,562	0	(569,400)
Sweden	5,002,807	5,002,807	0	0	0
Switzerland	6,000,361	5,203,789	506,557	0	290,015
Tajikistan	5,013	0	0	0	5,013
Ukraine	195,500	0	0	0	195,500
United Kingdom	30,713,625	30,713,625	0	0	0
United States of America**	55,616,358	51,819,359	0	3,797,000	(1)
Uzbekistan	70,180	0	0	0	70,180
<b>TOTAL</b>	<b>368,028,480</b>	<b>329,435,787</b>	<b>19,098,367</b>	<b>9,104,030</b>	<b>10,390,296</b>

\* Bilateral assistance of US \$572,817 approved at the 51st Meeting of the Excom applied in 2008 and US \$353,814 approved at the 52nd Meeting of the Excom applied in 2008 for Germany.

\*\* The amount of US \$55,616,358 includes the amount of US \$17,581,918 of disputed contributions in 2008.

Table 8: Status of Promissory Notes As At 9 April 2010

## MULTILATERAL FUND'S PROMISSORY NOTES

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
France		9,997,393	9,997,393					9,997,393	9,997,393
Germany		16,877,065	16,877,065					16,877,065	16,877,065
The Netherlands			0					0	0
United Kingdom			0					0	0
United States of America		3,797,000	3,797,000					3,797,000	3,797,000
<b>TOTAL</b>	<b>0</b>	<b>30,671,458</b>	<b>30,671,458</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,671,458</b>	<b>30,671,458</b>



2004-2010 Ledger of Promissory Notes as at 9 April 2010

Table 9 : SCHEDULE OF MULTILATERAL FUND PROMISSORY NOTES: 2004 - 2010

RECEIPTS														ENCASHMENTS			
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain /(Loss) to intended value (USD)					
10/25/2004	2004	Canada		Can\$	6,216,532.80	3,963,867.12	11/9/2004	IBRD	6,216,532.80	1/19/2005	5,140,136.76	1,176,269.64					
4/21/2005	2005	Canada		Can\$	6,216,532.78	3,963,867.12	Nov. 2005	TREASURER	6,216,532.78	Nov. 2005	5,307,831.95	1,343,964.83					
12/22/2006	2006	Canada		Can\$	4,794,373.31	3,780,282.79	1/19/2007	TREASURER	4,794,373.31	1/19/2007	4,086,320.38	328,027.59					
6/27/2008	2008	Canada		Can\$	4,794,373.31	3,780,282.79	9/19/2008	TREASURER	4,794,373.31	9/19/2008	4,492,886.74	732,616.35					
6/12/2009	2009	Canada		Can\$	3,834,018.00	3,855,221.70	12/10/2009	TREASURER	3,834,018.00	12/10/2009	3,608,827.18	(246,394.52)					
12/31/2004	2004	France		Euro	10,597,399.70	9,784,322.50	9/28/2006	TREASURER	10,597,399.70	9/28/2006	12,102,125.26	2,317,802.76					
1/18/2006	2005	France		Euro	11,217,315.23	10,356,075.50	9/28/2006	TREASURER	11,217,315.23	9/28/2006	12,810,082.54	2,453,387.14					
12/20/2006	2006	France		Euro	7,503,239.54	9,342,968.43	7/31/2007	TREASURER	7,503,239.54	7/31/2007	10,249,425.21	906,456.78					
Dec. 2007	2007	France		Euro	7,483,781.61	9,287,393.43	9/16/2008	TREASURER	7,483,781.61	9/16/2008	10,629,963.40	1,342,569.97					
Dec. 2008	2008	France		Euro	7,371,509.51	9,148,063.43	12/8/2009	TREASURER	7,371,509.51	12/8/2009	10,882,559.47	1,734,496.04					
Oct. 2009	2009	France		Euro	6,568,287.40	<b>9,997,393.30</b>	<b>BALANCE</b>	<b>TREASURER</b>									
8/9/2004	2004	Germany	BU 104 1006 01	US\$	18,914,439.57	18,914,439.57	8/3/2005	TREASURER	6,304,813.19	8/3/2005	6,304,813.19	-					
							8/11/2006	TREASURER	6,304,813.19	8/11/2006	6,304,813.19	-					
							2/16/2007	TREASURER	3,152,406.60	2/16/2007	3,152,406.60	-					
							8/10/2007	TREASURER	3,152,406.60	8/10/2007	3,152,406.60	-					
									18,914,439.57								
7/8/2005	2005	Germany	BU 105 1003 01	US\$	7,565,775.83	7,565,775.83	4/18/2006	TREASURER	1,260,962.64	4/18/2006	1,260,962.64	-					
							8/11/2006	TREASURER	1,260,962.64	8/11/2006	1,260,962.64	-					
							2/16/2007	TREASURER	1,260,962.64	2/16/2007	1,260,962.64	-					
							8/10/2007	TREASURER	1,260,962.64	8/10/2007	1,260,962.64	-					
							2/12/2008	TREASURER	1,260,962.64	2/12/2008	1,260,962.64	-					
							8/12/2008	TREASURER	1,260,962.63	8/12/2008	1,260,962.64	-					
									7,565,775.83								
5/10/2006	2006	Germany	BU 106 1004 01	Euro	11,662,922.38	14,473,718.52	2/28/2007	TREASURER	1,943,820.40	2/28/2007	2,558,067.65	145,781.24					
							8/10/2007	TREASURER	1,943,820.40	8/10/2007	2,681,305.85	269,019.44					
							2/12/2008	TREASURER	1,943,820.40	2/12/2008	2,821,066.54	408,780.12					
							8/12/2008	TREASURER	1,943,820.40	8/12/2008	2,930,114.87	517,828.45					
							2/17/2009	TREASURER	1,943,820.40	2/17/2009	2,492,560.89	80,274.47					
							8/12/2009	TREASURER	1,943,820.38	8/12/2009	2,760,613.72	348,327.28					
									11,662,922.38								
7/23/2007	2007	Germany	BU 107 1006 01	Euro	11,662,922.38	14,473,718.52	2/12/2008	TREASURER	1,943,820.40	2/12/2008	2,821,066.54	408,780.12					
							8/12/2008	TREASURER	1,943,820.39	8/12/2008	2,930,114.87	517,828.46					
							2/17/2009	TREASURER	1,943,820.40	2/17/2009	2,492,560.89	80,274.47					
							8/12/2009	TREASURER	1,943,820.38	8/12/2009	2,760,613.72	348,327.30					
							2/11/2010	TREASURER	1,943,820.40	2/11/2010	3,179,312.65	767,026.23					
							<b>BALANCE</b>	<b>1,943,820.41</b>									
									11,662,922.38								
8/15/2008	2008	Germany	BU 108 1004 01	Euro	4,665,168.96	5,789,487.42	2/17/2009	TREASURER	777,528.16	2/17/2009	997,024.36	32,109.79					
							8/12/2009	TREASURER	777,528.16	8/12/2009	1,104,245.49	139,330.92					
							2/11/2010	TREASURER	777,528.16	2/11/2010	529,107.91	(435,806.66)					
							<b>BALANCE</b>	<b>2,894,743.71</b>									
									4,665,168.96								
12/18/2009	2009	Germany	BU 109 1007 01	Euro	9,121,815.12	13,884,041.00	2/11/2010	TREASURER	1,520,302.52	2/11/2010							
							<b>BALANCE</b>	<b>7,601,512.60</b>									
									9,121,815.12								
12/8/2003	2004	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	11/17/2004	TREASURER	3,364,061.32	11/17/2004	3,364,061.32	-					
12/8/2003	2005	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	12/5/2005	TREASURER	3,364,061.32	12/5/2005	3,364,061.32	-					
5/18/2004	2004	UK		GBP	7,243,564.08	10,718,502.63	8/23/2005	TREASURER	1,207,260.68	8/23/2005	2,166,550.02	380,132.91					
							Feb. 2006	TREASURER	3,621,782.04	Feb. 2006	6,303,711.64	944,460.32					
							7/24/2006	TREASURER	3,621,782.04	7/24/2006	4,473,383.73	900,549.53					
									7,243,564.08		12,943,645.39	2,225,142.76					
6/1/2005	2005	UK		GBP	7,243,564.08	10,718,502.63	7/24/2006	TREASURER	1,207,260.68	7/24/2006	2,236,691.86	450,274.75					
							8/9/2006	TREASURER	3,163,681.03	8/9/2006	6,036,303.40	1,354,916.85					
							8/16/2006	TREASURER	2,872,622.37	8/16/2006	5,429,236.28	1,178,537.31					
									7,243,564.08		13,702,231.54	2,983,728.91					
5/13/2005	2004	USA		US\$	4,920,000.00	4,920,000.00	10/27/2005	TREASURER	2,000,000.00	10/27/2005	2,000,000.00	-					
							11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-					
							10/25/2007	TREASURER	920,000.00	10/25/2007	920,000.00	-					
									4,920,000.00								
3/1/2006	2005	USA		US\$	3,159,700.00	3,159,700.00	11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-					
							10/25/2007	TREASURER	1,159,700.00	10/25/2007	1,159,700.00	-					
									3,159,700.00								
4/25/2007	2006	USA		US\$	7,315,000.00	7,315,000.00	10/25/2007	TREASURER	2,500,000.00	10/25/2007	2,500,000.00	-					
							11/19/2008	TREASURER	2,500,000.00	11/19/2008	2,500,000.00	-					
							5/11/2009	TREASURER	2,315,000.00	5/11/2009	2,315,000.00	-					
									7,315,000.00								
2/21/2008	2006	USA		US\$	4,683,000.00	4,683,000.00	11/19/2008	TREASURER	2,341,500.00	11/19/2008	2,341,500.00	-					
							5/11/2009	TREASURER	2,341,500.00	5/11/2009	2,341,500.00	-					
									4,683,000.00								
4/21/2009	2008	USA		US\$	5,697,000.00	5,697,000.00	5/11/2009	TREASURER	1,900,000.00	5/11/2009	1,900,000.00	-					
							<b>BALANCE</b>	<b>3,797,000.00</b>									
									5,697,000.00								

**TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL****Table 10: OUTSTANDING PROMISSORY NOTES SCHEDULE OF ENCASHMENT AS AT 9 APRIL 2010  
(IN US\$)**

	<b>Due in 2010</b>	<b>Due in 2011</b>	<b>Due in 2012</b>	<b>Unscheduled</b>	<b>TOTAL</b>
<b><u>FRANCE:</u></b> Unscheduled				9,997,393	9,997,393
<b><u>GERMANY:</u></b>					
P. Note: (in US \$ at FERM rate of US \$1:Euro 0.8058)					
2007	2,412,287				2,412,287
2008	964,914	1,929,829			2,894,743
2009	2,314,007	4,628,014	4,628,015		11,570,035
<b><u>USA:</u></b>					
2009 Note: (US\$)	1,900,000	1,897,000			3,797,000
	<b>7,591,208</b>	<b>8,454,843</b>	<b>4,628,015</b>	<b>9,997,393</b>	<b>30,671,458</b>

**NOTE:**

For the triennium 2006 - 2008, Germany opted to pay in Euro, using the FERM. Germany's annual payment are made in two tranches, February and August.

USA's promissory notes due in 2010 are payable in November.

**LIST OF COUNTRIES WHICH AS AT 9 APRIL 2010 HAVE EITHER CONFIRMED TO THE TREASURER IN WRITING THAT THEY WOULD BE USING THE FIXED-EXCHANGE-RATE MECHANISM DURING THE 2009 – 2011 REPLENISHMENT PERIOD OR PAID IN NATIONAL CURRENCIES WITHOUT FORMALLY WRITING TO THE TREASURER**

1. Australia
2. Austria
3. Belgium
4. Canada
5. Czech Republic
6. Denmark
7. Estonia
8. Finland
9. France
10. Germany
11. Greece
12. Iceland
13. Ireland
14. Luxembourg
15. New Zealand
16. Norway
17. Spain
18. Sweden
19. Switzerland
20. United Kingdom

**Annex II**

**PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS WERE REQUESTED**

<b>Agency</b>	<b>Code</b>	<b>Project Title</b>
France	ETH/REF/44/TAS/14	Implementation of the RMP update
UNEP	KUW/PHA/52/TAS/10	Terminal phase-out management plan for Annex A Group I substances (first tranche)
UNEP	MAR/SEV/53/INS/19	Extension of the institutional strengthening project (phase III)
UNIDO	BHE/HAL/42/TAS/18	Phase-out of halon consumption
UNIDO	BHE/SEV/43/INS/19	Extension of the institutional strengthening project (phase II)
UNIDO	KUW/HAL/45/PRP/07	Preparation of a halon phase-out plan
UNIDO	LIB/HAL/47/TAS/26	Plan for the phase-out of import and net consumption of halons in the fire fighting sector

**Annex III**

Table 1

**ANNUAL TRANCHEs NOT SUBMITTED TO TWO OR MORE CONSECUTIVE MEETINGS**

Agency	Country	Sector	Tranche	Reason for delay	Planned Submission
World Bank	Antigua and Barbuda	CFC Phase Out Plan	2006	Funds not advance to NOU due to the financial crisis as per the reimbursement approach agreed in the signed grant agreement.	61 <sup>st</sup> Meeting
UNEP	Democratic People's Republic of Korea (the)	CFC Phase Out Plan	2009	Deferred consideration by decision 58/38 until 61 <sup>st</sup> Meeting.	61 <sup>st</sup> Meeting
UNDP	Dominica	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	61 <sup>st</sup> Meeting
UNEP	Dominica	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	62 <sup>nd</sup> Meeting
UNEP	Eritrea	ODS Phase Out Plan	2009	Licensing system/ODS legislation not in place.	61 <sup>st</sup> Meeting
UNIDO	Eritrea	ODS Phase Out Plan	2009	Licensing system/ODS legislation not in place.	62 <sup>nd</sup> Meeting
UNEP	Guatemala	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranche and sufficient funding at this stage.	62 <sup>nd</sup> Meeting
UNEP	Kuwait	ODS Phase Out Plan	2008	Verification audit had not been completed in time.	61 <sup>st</sup> Meeting
UNIDO	Kuwait	ODS Phase Out Plan	2008	Verification audit had not been completed in time.	61 <sup>st</sup> Meeting
France	Lao People's Democratic Republic (the)	CFC Phase Out Plan	2009	Insufficient rate of disbursement.	61 <sup>st</sup> Meeting
UNDP	Peru	CFC Phase Out Plan	2009	Delay in the first tranche due to institutional changes.	61 <sup>st</sup> Meeting
UNEP	Peru	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranche. Sufficient funding at this stage.	62 <sup>nd</sup> Meeting
UNDP	Saint Kitts and Nevis	CFC Phase Out Plan	2009	Low disbursement.	61 <sup>st</sup> Meeting
UNEP	Saint Kitts and Nevis	CFC Phase-out Plan	2009	Country received 2nd and 3rd annual tranches. Sufficient funding at this stage.	62 <sup>nd</sup> Meeting
UNEP	Saint Vincent and the Grenadines	CFC Phase-out Plan	2009	Insufficient progress made with respect to the implementation of the approved tranches.	62 <sup>nd</sup> Meeting
UNEP	Suriname	CFC Phase Out Plan	2009	Insufficient progress made with respect to the implementation of the approved tranches and sufficient funding at this stage.	62 <sup>nd</sup> Meeting
World Bank	Turkey	CFC Phase Out Plan	2008	Verification audits (2007 and 2008) not completed and annual programme incomplete.	61 <sup>st</sup> Meeting

Table 2

**ANNUAL TRANCHEs NOT SUBMITTED THAT WERE DUE FOR THE FIRST TIME  
FOR SUBMISSION TO THE 60<sup>TH</sup> MEETING**

Agency	Country	Sector	Tranche	Reason for Delay	Planned Submission
UNEP	Burundi	CFC Phase Out Plan	2009	Low disbursement and slow implementation.	61 <sup>st</sup> Meeting
UNIDO	Burundi	CFC Phase Out Plan	2009	Sufficient funds available on existing tranche.	61 <sup>st</sup> Meeting
France	Central African Republic (the)	CFC Phase Out Plan	2009	Insufficient rate of disbursement of the 1 <sup>st</sup> tranche.	61 <sup>st</sup> Meeting
UNEP	Central African Republic (the)	CFC Phase Out Plan	2009	Low disbursement and slow start-up of first tranche.	61 <sup>st</sup> Meeting
UNDP	Democratic Republic of the Congo (the)	CFC Phase Out Plan	2008	Low disbursements.	61 <sup>st</sup> Meeting
UNEP	Democratic Republic of the Congo (the)	CFC Phase-Out Plan	2008	Insufficient progress made with respect to the implementation of the approved tranche due to structural and administrative changes.	61 <sup>st</sup> Meeting
UNEP	Equatorial Guinea	ODS Phase Out Plan	2010	Delays in the implementation of first tranche and sufficient funds available at this stage.	61 <sup>st</sup> Meeting
UNEP	Haiti	CFC Phase Out Plan	2010	Sufficient funding at this stage.	63 <sup>rd</sup> Meeting
UNEP	Saudi Arabia	ODS Phase Out Plan	2010	Verification audit had not been completed.	61 <sup>st</sup> Meeting
UNIDO	Saudi Arabia	ODS Phase Out Plan	2010	Verification audit had not been completed.	61 <sup>st</sup> Meeting
UNDP	Sierra Leone	ODS Phase Out Plan	2010	Low disbursements.	61 <sup>st</sup> Meeting
UNEP	Sierra Leone	ODS Phase Out Plan	2010	Delays at the start of implementation of first tranche with sufficient funds available at this stage.	61 <sup>st</sup> Meeting
World Bank	Tunisia	ODS Phase Out Plan	2008	Delays in the procurement of servicing sector equipment and low disbursement.	61 <sup>st</sup> Meeting

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>AFGHANISTAN</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan	Germany		\$30,000	\$3,900	\$33,900	
<b>Total for Afghanistan</b>			<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>	
<b>ARGENTINA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension for institutional strengthening project (phase VI, additional funding)	UNDP		\$155,784	\$11,684	\$167,468	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Argentina</b>			<b>\$155,784</b>	<b>\$11,684</b>	<b>\$167,468</b>	
<b>BAHRAIN</b>						
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (air conditioning sector)	UNIDO		\$30,000	\$2,250	\$32,250	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VI)	UNEP		\$52,500	\$0	\$52,500	
<i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>						
<b>Total for Bahrain</b>			<b>\$82,500</b>	<b>\$2,250</b>	<b>\$84,750</b>	
<b>BANGLADESH</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
National ODS phase-out plan (fifth and sixth tranches)	UNEP		\$26,500	\$3,445	\$29,945	
<i>The Committee noted the progress report on the implementation of the second to the fourth tranches of the phase-out plan, the verification report on 2008 CFC consumption, and the fast track implementation of the project for the phase-out of CFCs used for the manufacturing of MDIs, which had so far resulted in the reduction of 46 ODP tonnes of CFCs. The Committee decided to apply the penalty clause in the Agreement calculated at 50 per cent of the amount for each of the fifth and sixth tranches amounting to US\$81,500, on the basis that not sufficient and timely regulatory controls on imports of CFCs for the refrigeration servicing sector had been applied to curtail consumption in the sector. The Government and UNDP were requested to submit to the 61st Meeting a detailed progress report on the implementation of the phase-out plan; a comprehensive plan of action associated with the seventh and last tranche of the phase-out plan to sustain compliance with the Montreal Protocol targets in 2010 and beyond, including extension of activities to address HCFC controls and reductions. The Committee also noted that the maximum level of CFC consumption from 1 January 2010 was zero, as stipulated in the Agreement, except for any essential uses of CFCs that the Parties might approve for the production of MDIs.</i>						

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National ODS phase-out plan (fifth and sixth tranches)	UNDP	35.2	\$55,000	\$4,125	\$59,125	
<i>The Committee noted the progress report on the implementation of the second to the fourth tranches of the phase-out plan, the verification report on 2008 CFC consumption, and the fast track implementation of the project for the phase-out of CFCs used for the manufacturing of MDIs, which had so far resulted in the reduction of 46 ODP tonnes of CFCs. The Committee decided to apply the penalty clause in the Agreement calculated at 50 per cent of the amount for each of the fifth and sixth tranches amounting to US\$81,500, on the basis that not sufficient and timely regulatory controls on imports of CFCs for the refrigeration servicing sector had been applied to curtail consumption in the sector. The Government and UNDP were requested to submit to the 61st Meeting a detailed progress report on the implementation of the phase-out plan; a comprehensive plan of action associated with the seventh and last tranche of the phase-out plan to sustain compliance with the Montreal Protocol targets in 2010 and beyond, including extension of activities to address HCFC controls and reductions. The Committee also noted that the maximum level of CFC consumption from 1 January 2010 was zero, as stipulated in the Agreement, except for any essential uses of CFCs that the Parties might approve for the production of MDIs.</i>						
<b>Total for Bangladesh</b>		<b>35.2</b>	<b>\$81,500</b>	<b>\$7,570</b>	<b>\$89,070</b>	
<b>BELIZE</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase V, additional funding)	UNEP		\$38,350	\$0	\$38,350	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Belize</b>			<b>\$38,350</b>		<b>\$38,350</b>	
<b>BOLIVIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII, additional funding)	UNEP		\$39,434	\$0	\$39,434	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Bolivia</b>			<b>\$39,434</b>		<b>\$39,434</b>	
<b>BOTSWANA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan	Germany		\$150,000	\$19,500	\$169,500	
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche)	Germany	1.0	\$50,000	\$6,500	\$56,500	
<i>The Government was requested, with the assistance from Germany, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting.</i>						
<b>Total for Botswana</b>		<b>1.0</b>	<b>\$200,000</b>	<b>\$26,000</b>	<b>\$226,000</b>	



## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>BRAZIL</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VI) <i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>	UNDP		\$307,125	\$23,034	\$330,159	
<b>Total for Brazil</b>			<b>\$307,125</b>	<b>\$23,034</b>	<b>\$330,159</b>	
<b>CAMEROON</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$69,766	\$0	\$69,766	
<b>Total for Cameroon</b>			<b>\$69,766</b>		<b>\$69,766</b>	
<b>CHILE</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
National phase-out of methyl bromide - terminal project (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee, and on the understanding that no additional funding would be provided for the phase-out of controlled uses of methyl bromide in the country.</i>	UNIDO		\$1,100,000	\$82,500	\$1,182,500	
National phase-out of methyl bromide - terminal project (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee, and on the understanding that no additional funding would be provided for the phase-out of controlled uses of methyl bromide in the country.</i>	UNEP		\$73,000	\$9,490	\$82,490	
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Servicing sector terminal CFC phase-out plan (second tranche) <i>The Government was requested, with the assistance from Canada, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the phase-out plan no later than the 63rd Meeting.</i>	Canada	32.9	\$261,500	\$33,995	\$295,495	
<b>Total for Chile</b>		<b>32.9</b>	<b>\$1,434,500</b>	<b>\$125,985</b>	<b>\$1,560,485</b>	
<b>CHINA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation of a demonstration project for conversion from HCFC-142b and HCFC-22 technology to methyl formate and co-blowing technology in the manufacture of XPS foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd.	UNDP		\$30,000	\$2,250	\$32,250	
Preparation for technology demonstration project for hydrocarbon blowing agent in the extruded polystyrene (XPS) foam sector	UNIDO		\$30,000	\$2,250	\$32,250	

# List of projects and activities approved for funding

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Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>REFRIGERATION</b>						
<b>Commercial</b>						
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	13.8	\$3,964,458	\$297,334	\$4,261,792	15.86
<i>Approved on the understanding that the funding provided under this demonstration project, as well as the funding level for particular items, was not indicative for future funding levels for similar conversions. UNDP and the Government were requested to deduct 13.75 ODP tonnes (250 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HPMP. UNDP was also requested to provide to the Secretariat at the end of each year of the project's implementation period or part thereof progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).</i>						
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	3.4	\$1,229,336	\$92,200	\$1,321,536	19.86
<i>Approved on the understanding that the funding provided under this demonstration project was not indicative for future funding levels for similar conversions; and with the partial funding of the conversion of the heat exchanger production, no more funding would be provided for the conversion of heat exchanger production at Tsinghua Tong Fang in the event that funding for the conversion of the manufacture of other products at the company was requested in the future, and heat exchangers from the converted production could be used for such products. UNDP and the Government were requested to deduct 3.40 ODP tonnes (61.9 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HPMP. UNDP was also requested to provide to the Secretariat at the end of each year of the project's implementation period, or part thereof, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).</i>						
<b>SOLVENT</b>						
<b>Preparation of project proposal</b>						
Preparation of 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.	UNDP		\$30,000	\$2,250	\$32,250	
<b>Total for China</b>		<b>17.2</b>	<b>\$5,283,794</b>	<b>\$396,284</b>	<b>\$5,680,078</b>	
<b>COLOMBIA</b>						
<b>FOAM</b>						
<b>Rigid</b>						
Demonstration project to validate the use of super-critical CO2 in the manufacture of sprayed polyurethane rigid foam	Japan		\$441,100	\$57,343	\$498,443	
<i>Approved on an exceptional basis and on the understanding that the project would be the final and only validation project for supercritical CO2 technology in the manufacture of sprayed polyurethane rigid foams.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>Rigid (insulation refrigeration)</b>						
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.)	UNDP	56.0	\$5,621,483	\$421,611	\$6,043,094	10.03
<i>Approved on an exceptional basis and without setting a precedent. The Committee noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the average consumption for 2009 and 2010. UNDP and the Government were requested to deduct 56.02 ODP tonnes (598.6 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in HCFC consumption. UNDP was also requested to provide to the Secretariat, at the end of each year of the project's implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports of the HPMP, once it had been approved.</i>						
<b>Total for Colombia</b>		<b>56.0</b>	<b>\$6,062,583</b>	<b>\$478,954</b>	<b>\$6,541,537</b>	
<b>CONGO</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche)	UNIDO	1.8	\$45,000	\$4,050	\$49,050	
<i>The Government was requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting.</i>						
Terminal phase-out management plan (second tranche)	UNEP		\$42,000	\$5,460	\$47,460	
<i>The Government was requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting of the Executive Committee.</i>						
<b>Total for Congo</b>		<b>1.8</b>	<b>\$87,000</b>	<b>\$9,510</b>	<b>\$96,510</b>	
<b>COSTA RICA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VIII, additional funding)	UNDP		\$70,257	\$5,269	\$75,526	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Costa Rica</b>			<b>\$70,257</b>	<b>\$5,269</b>	<b>\$75,526</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>CROATIA</b>						
<b>FOAM</b>						
<b>Multiple-subsectors</b>						
Phase-out of HCFC-141b from the manufacturing of polyurethane rigid and integral skin foams at Poly-Mix <i>The Committee noted that the Government agreed at the 60th Meeting to establish as its starting point for sustained aggregated reduction in HCFC consumption the level of consumption in 2008; that the quantity of HCFCs eligible for Fund assistance for phase-out to meet the 2013 freeze and 2015 phase-out targets corresponded to 10 per cent of the starting point for aggregate reductions in HCFC consumption. The deduction of 1.76 ODP tonnes (16.0 metric tonnes) of HCFCs from the starting point for aggregate reduction in HCFC consumption constituted an accelerated phase-out and approval of the project was on an exceptional basis without prejudice to future projects. Italy was requested to provide to the Secretariat, at the end of each year of the project's implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include the report in the implementation reports on the HPMP, once it had been approved.</i>	Italy	1.8	\$210,000	\$27,300	\$237,300	13.12
<b>Total for Croatia</b>		<b>1.8</b>	<b>\$210,000</b>	<b>\$27,300</b>	<b>\$237,300</b>	
<b>CUBA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VII, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNDP		\$74,533	\$5,590	\$80,123	
<b>Total for Cuba</b>			<b>\$74,533</b>	<b>\$5,590</b>	<b>\$80,123</b>	
<b>ECUADOR</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam manufacturing sector)	UNIDO		\$60,000	\$4,500	\$64,500	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase V, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$81,034	\$0	\$81,034	
<b>Total for Ecuador</b>			<b>\$141,034</b>	<b>\$4,500</b>	<b>\$145,534</b>	
<b>EGYPT</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan (fourth and fifth tranches) <i>Approved taking into account that CFCs used in all sectors except for the manufacture of MDIs, had been completely phased out by 2009. The Government was requested, with the assistance of UNIDO, to submit a progress report on the implementation of the work programme associated with the fourth and fifth (final) tranches of the phase-out plan no later than the 63rd Meeting.</i>	UNIDO	65.0	\$300,000	\$22,500	\$322,500	
<b>Total for Egypt</b>		<b>65.0</b>	<b>\$300,000</b>	<b>\$22,500</b>	<b>\$322,500</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>ETHIOPIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase V, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Ethiopia</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>GRENADA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III)	UNEP		\$52,500	\$0	\$52,500	
<i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>						
<b>Total for Grenada</b>			<b>\$52,500</b>		<b>\$52,500</b>	
<b>GUATEMALA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam sector)	UNIDO		\$60,000	\$4,500	\$64,500	
<b>Total for Guatemala</b>			<b>\$60,000</b>	<b>\$4,500</b>	<b>\$64,500</b>	
<b>GUINEA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche)	UNEP		\$58,000	\$7,540	\$65,540	
<i>The Government was requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting.</i>						
Terminal phase-out management plan (second tranche)	UNIDO	1.5	\$60,000	\$5,400	\$65,400	
<i>The Government was requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting.</i>						
<b>Total for Guinea</b>			<b>1.5</b>	<b>\$118,000</b>	<b>\$12,940</b>	<b>\$130,940</b>
<b>GUINEA-BISSAU</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche)	UNEP	3.9	\$37,500	\$4,875	\$42,375	
<i>The Government was requested, with the assistance from UNEP, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting.</i>						
<b>Total for Guinea-Bissau</b>			<b>3.9</b>	<b>\$37,500</b>	<b>\$4,875</b>	<b>\$42,375</b>

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>GUYANA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$27,500	\$0	\$27,500	
	<b>Total for Guyana</b>		<b>\$27,500</b>		<b>\$27,500</b>	
<b>HAITI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$45,834	\$0	\$45,834	
	<b>Total for Haiti</b>		<b>\$45,834</b>		<b>\$45,834</b>	
<b>INDIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VIII) <i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>	UNDP		\$326,576	\$24,493	\$351,069	
	<b>Total for India</b>		<b>\$326,576</b>	<b>\$24,493</b>	<b>\$351,069</b>	
<b>INDONESIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNDP		\$135,623	\$10,172	\$145,795	
	<b>Total for Indonesia</b>		<b>\$135,623</b>	<b>\$10,172</b>	<b>\$145,795</b>	
<b>IRAQ</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan	UNEP		\$100,000	\$13,000	\$113,000	
	<b>Total for Iraq</b>		<b>\$100,000</b>	<b>\$13,000</b>	<b>\$113,000</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>JORDAN</b>						
<b>REFRIGERATION</b>						
<b>Commercial</b>						
Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co.	UNIDO	8.1	\$2,167,033	\$162,527	\$2,329,560	15.96
<i>Approved without funding for any of the cost items related to the conversion of the manufacturing of tube-and-fin heat exchangers for the remaining activities (the Committee would consider such items when the related policy issue contained in document UNEP/OzL.Pro/ExCom/60/47 was being considered). The Committee noted that the funding provided was not indicative for future funding levels for similar conversions; and that US\$65,500 would be deducted from eligible costs for future service sector activities under an HPMP. Also noted the commitment of Petra Engineering Industries Co. to develop, convert, manufacture and actively promote hydrocarbon-based split air conditioners; UNIDO was requested not to shift the funding of US\$279,750 for the aforementioned activities to any activity not related to the aforementioned commitment. UNIDO and the Government were requested to deduct 8.06 ODP tonnes of HCFCs (125 metric tonnes of HCFC-22 and 10.8 metric tonnes of HCFC-141b) from the starting point for sustained aggregate reductions in eligible consumption, as set by Jordan's HPMP. UNIDO was also requested to provide to the Secretariat at the end of each year of the project's implementation period, or part thereof, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).</i>						
<b>Preparation of project proposal</b>						
Preparation of a HCFC refrigeration sector plan (commercial)	IBRD		\$30,000	\$2,250	\$32,250	
<b>Total for Jordan</b>		<b>8.1</b>	<b>\$2,197,033</b>	<b>\$164,777</b>	<b>\$2,361,810</b>	
<b>KENYA</b>						
<b>FUMIGANT</b>						
<b>Preparation of project proposal</b>						
Project preparation for the elimination of controlled uses of methyl bromide in post-harvest sector	UNIDO		\$40,000	\$3,000	\$43,000	
<b>Total for Kenya</b>			<b>\$40,000</b>	<b>\$3,000</b>	<b>\$43,000</b>	
<b>KIRIBATI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Kiribati</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>KUWAIT</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV, additional funding)	UNEP		\$48,272	\$0	\$48,272	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Kuwait</b>			<b>\$48,272</b>		<b>\$48,272</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>KYRGYZSTAN</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal CFC phase-out management plan (third tranche) <i>The Government was requested, with the assistance of UNEP and UNDP, to submit a progress report on the implementation of the work programme associated with the third and final tranche of the TPMP no later than the 63rd Meeting.</i>	UNEP		\$25,300	\$3,289	\$28,589	
Terminal CFC phase-out management plan (third tranche) <i>The Government was requested, with the assistance of UNEP and UNDP, to submit a progress report on the implementation of the work programme associated with the third and final tranche of the TPMP no later than the 63rd Meeting.</i>	UNDP	5.0	\$60,000	\$4,500	\$64,500	
	<b>Total for Kyrgyzstan</b>	<b>5.0</b>	<b>\$85,300</b>	<b>\$7,789</b>	<b>\$93,089</b>	
<b>LIBYA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase II, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNIDO		\$62,363	\$4,677	\$67,040	
	<b>Total for Libya</b>		<b>\$62,363</b>	<b>\$4,677</b>	<b>\$67,040</b>	
<b>MACEDONIA, FYR</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (phase I, first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee. The Committee also approved the starting point proposed by the country, which was the baseline consumption. Regarding IS, the Government was requested to include in the approval funding for IS until 2020 and not to submit a funding request for IS outside the HPMP Agreement until the end of the last year mentioned in the Agreement in Appendix 2-A. The Secretariat was requested, once the baseline data was known, to update Appendix 1-A to the Agreement with the information related to the starting point and Appendix 2-A to the Agreement with the figures for the maximum allowable consumption, and to notify the Committee of the starting point and the resulting levels of maximum allowable consumption accordingly. The Government was allowed to submit at a future meeting for subsequent inclusion in its HPMP, funding requests for activities related to phase-out of the use of HCFC-141b in pre-blended polyols and disposal of ODS. The Committee noted with appreciation the commitment by the Government to reduce the consumption of HCFC by 35 per cent from the future baseline by the year 2020.</i>	UNIDO		\$15,000	\$1,125	\$16,125	
	<b>Total for Macedonia, FYR</b>		<b>\$15,000</b>	<b>\$1,125</b>	<b>\$16,125</b>	
<b>MADAGASCAR</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase IV, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$27,821	\$0	\$27,821	



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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>Total for Madagascar</b>			<b>\$27,821</b>		<b>\$27,821</b>	
<b>MALAWI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII, additional funding)	UNEP		\$30,586	\$0	\$30,586	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Malawi</b>			<b>\$30,586</b>		<b>\$30,586</b>	
<b>MALDIVES</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (first tranche)	UNDP		\$400,000	\$30,000	\$430,000	
<i>Approved on an exceptional basis and in accordance with the Agreement between the Government and the Executive Committee. The Committee also approved the starting point of 3.7 ODP tonnes of HCFCs, proposed by the country based on its 2008 HCFC consumption. Noted that the level of funding approved in principle was for an accelerated HCFC phase-out up to 2020; and also noted with appreciation the commitment by the Government to accelerate its phase-out of HCFCs by ten years in advance of the Montreal Protocol schedule, to freeze its HCFC consumption in 2011, and the comments provided by the Government made by UNEP on its behalf at the 60th Meeting.</i>						
HCFC phase-out management plan (first tranche)	UNEP		\$355,940	\$46,272	\$402,212	
<i>Approved on an exceptional basis and in accordance with the Agreement between the Government and the Executive Committee. The Committee also approved the starting point of 3.7 ODP tonnes of HCFCs, proposed by the country based on its 2008 HCFC consumption. Noted that the level of funding approved in principle was for an accelerated HCFC phase-out up to 2020; and also noted with appreciation the commitment by the Government to accelerate its phase-out of HCFCs by ten years in advance of the Montreal Protocol schedule, to freeze its HCFC consumption in 2011, and the comments provided by the Government made by UNEP on its behalf at the 60th Meeting.</i>						
<b>Total for Maldives</b>			<b>\$755,940</b>	<b>\$76,272</b>	<b>\$832,212</b>	
<b>MARSHALL ISLANDS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Marshall Islands</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>MEXICO</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
National methyl bromide phase-out plan (second tranche)	Spain	50.0	\$800,000	\$93,000	\$893,000	
National methyl bromide phase-out plan (second tranche)	UNIDO	250.0	\$2,000,000	\$150,000	\$2,150,000	
National methyl bromide phase-out plan (second tranche)	Canada	50.0	\$500,000	\$58,527	\$558,527	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>Total for Mexico</b>		<b>350.0</b>	<b>\$3,300,000</b>	<b>\$301,527</b>	<b>\$3,601,527</b>	
<b>MONGOLIA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (XPS foam manufacturing sector)	Japan		\$60,000	\$7,800	\$67,800	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase VI) <i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>	UNEP		\$42,500	\$0	\$42,500	
<b>Total for Mongolia</b>			<b>\$102,500</b>	<b>\$7,800</b>	<b>\$110,300</b>	
<b>MOROCCO</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam sector)	UNIDO		\$60,000	\$4,500	\$64,500	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration and air conditioning sectors)	UNIDO		\$40,000	\$3,000	\$43,000	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase IV, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$71,500	\$0	\$71,500	
<b>Total for Morocco</b>			<b>\$171,500</b>	<b>\$7,500</b>	<b>\$179,000</b>	
<b>MOZAMBIQUE</b>						
<b>FUMIGANT</b>						
<b>Technical assistance/support</b>						
Technical assistance for the elimination of controlled uses of methyl bromide in soil fumigation <i>Approved as the final funding for methyl bromide phase-out in the country.</i>	UNIDO		\$40,000	\$3,600	\$43,600	
<b>Total for Mozambique</b>			<b>\$40,000</b>	<b>\$3,600</b>	<b>\$43,600</b>	
<b>NAMIBIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VI, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$27,500	\$0	\$27,500	
<b>Total for Namibia</b>			<b>\$27,500</b>		<b>\$27,500</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>NAURU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III)	UNEP		\$52,500	\$0	\$52,500	
<i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>						
<b>Total for Nauru</b>			<b>\$52,500</b>		<b>\$52,500</b>	
<b>NICARAGUA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for Annex A Group I substances (second tranche)	UNEP	2.0	\$70,000	\$9,100	\$79,100	
<i>The Government was requested, with the assistance of UNDP and UNEP, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 63rd Meeting.</i>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase V, additional funding)	UNEP		\$30,000	\$0	\$30,000	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Nicaragua</b>			<b>2.0</b>	<b>\$100,000</b>	<b>\$9,100</b>	<b>\$109,100</b>
<b>NIGER</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII, additional funding)	UNEP		\$29,713	\$0	\$29,713	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Niger</b>			<b>\$29,713</b>		<b>\$29,713</b>	
<b>NIGERIA</b>						
<b>DESTRUCTION</b>						
<b>Preparation of project proposal</b>						
Preparation for a pilot demonstration project on ODS waste management and disposal	UNIDO		\$60,000	\$4,500	\$64,500	
<b>Total for Nigeria</b>			<b>\$60,000</b>	<b>\$4,500</b>	<b>\$64,500</b>	
<b>NIUE</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Niue</b>			<b>\$27,500</b>		<b>\$27,500</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>PAKISTAN</b>						
<b>FOAM</b>						
<b>Rigid (insulation refrigeration)</b>						
Phase-out of HCFC-141b from the manufacturing of insulation PU rigid foam at Dawlance	UNIDO	22.4	\$1,281,490	\$96,112	\$1,377,602	6.29
<i>Approved on an exceptional basis and without setting a precedent. The Committee noted that the Government agreed at the 60th Meeting to establish as its starting point for its sustained aggregate reduction in HCFC consumption the average consumption for 2009 and 2010, which was the country's baseline. UNIDO and the Government were requested to deduct 71.7 ODP tonnes (651.8 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in HCFC consumption. UNIDO was also requested to provide to the Secretariat, at the end of each year of the projects' implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports of the HPMP, once it had been approved.</i>						
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	49.2	\$3,559,359	\$266,952	\$3,826,311	7.94
<i>Approved on an exceptional basis and without setting a precedent. The Committee noted that the Government agreed at the 60th Meeting to establish as its starting point for its sustained aggregate reduction in HCFC consumption the average consumption for 2009 and 2010, which was the country's baseline. UNIDO and the Government were requested to deduct 71.7 ODP tonnes (651.8 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in HCFC consumption. UNIDO was also requested to provide to the Secretariat, at the end of each year of the projects' implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports of the HPMP, once it had been approved.</i>						
<b>Total for Pakistan</b>		<b>71.6</b>	<b>\$4,840,849</b>	<b>\$363,064</b>	<b>\$5,203,913</b>	
<b>PALAU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Palau</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>PARAGUAY</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for Annex A Group I substances (fourth tranche)	UNDP	31.6	\$21,000	\$1,575	\$22,575	
<i>The Government was requested, with the assistance of UNDP and UNEP, to submit a progress report on the implementation of the work programme associated with the fourth and final tranche of the TPMP no later than the 63rd Meeting.</i>						

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Terminal phase-out management plan for Annex A Group I substances (fourth tranche)	UNEP		\$24,000	\$3,120	\$27,120	
<i>The Government was requested, with the assistance of UNDP and UNEP, to submit a progress report on the implementation of the work programme associated with the fourth and final tranche of the TPMP no later than the 63rd Meeting.</i>						
<b>Total for Paraguay</b>		<b>31.6</b>	<b>\$45,000</b>	<b>\$4,695</b>	<b>\$49,695</b>	
<b>PHILIPPINES</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII)	IBRD		\$158,491	\$11,887	\$170,378	
<i>Approved up to 31 December 2011 in accordance with decision 59/47.</i>						
<b>Total for Philippines</b>			<b>\$158,491</b>	<b>\$11,887</b>	<b>\$170,378</b>	
<b>QATAR</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam sector)	UNIDO		\$80,000	\$6,000	\$86,000	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III, additional funding)	UNIDO		\$40,792	\$3,059	\$43,851	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Qatar</b>			<b>\$120,792</b>	<b>\$9,059</b>	<b>\$129,851</b>	
<b>SAINT KITTS AND NEVIS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Saint Kitts and Nevis</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>SAUDI ARABIA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam sector)	UNIDO		\$80,000	\$6,000	\$86,000	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration sector)	UNIDO		\$80,000	\$6,000	\$86,000	
<b>Total for Saudi Arabia</b>			<b>\$160,000</b>	<b>\$12,000</b>	<b>\$172,000</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SENEGAL</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VIII, additional funding)	UNEP		\$69,713	\$0	\$69,713	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Senegal</b>			<b>\$69,713</b>		<b>\$69,713</b>	
<b>SERBIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan (fourth and fifth tranches)	UNIDO	268.0	\$193,500	\$14,513	\$208,013	
<i>The Government was requested, with the assistance from UNIDO, to submit a progress report on the implementation of the work programme associated with the fourth and fifth tranches of the national phase-out plan no later than the 63rd Meeting.</i>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase III, additional funding)	UNIDO		\$60,179	\$4,513	\$64,692	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Serbia</b>			<b>268.0</b>	<b>\$253,679</b>	<b>\$19,026</b>	<b>\$272,705</b>
<b>SOLOMON ISLANDS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Solomon Islands</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>SOMALIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan	UNIDO		\$85,000	\$6,375	\$91,375	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Institutional strengthening (first phase, additional funding)	UNEP		\$30,000	\$0	\$30,000	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Somalia</b>			<b>\$115,000</b>	<b>\$6,375</b>	<b>\$121,375</b>	
<b>SURINAME</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III, additional funding)	UNEP		\$33,611	\$0	\$33,611	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Suriname</b>			<b>\$33,611</b>		<b>\$33,611</b>	

# List of projects and activities approved for funding

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Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SWAZILAND</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Swaziland</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>THAILAND</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2010-2012 annual implementation plan	IBRD	501.6	\$385,000	\$34,650	\$419,650	
<i>The World Bank was requested to continue preparing annual reports on activities and expenditures according to the established formats; and to provide, on an annual basis, a verification of the NPP, until verification of the 2010 consumption had been submitted.</i>						
<b>Total for Thailand</b>			<b>501.6</b>	<b>\$385,000</b>	<b>\$34,650</b>	<b>\$419,650</b>
<b>TONGA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III, additional funding)	UNEP		\$27,500	\$0	\$27,500	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Tonga</b>			<b>\$27,500</b>		<b>\$27,500</b>	
<b>TRINIDAD AND TOBAGO</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VI, additional funding)	UNDP		\$30,000	\$2,250	\$32,250	
<i>Approved in line with decisions 60/10(a) and 60/14.</i>						
<b>Total for Trinidad and Tobago</b>			<b>\$30,000</b>	<b>\$2,250</b>	<b>\$32,250</b>	
<b>TURKEY</b>						
<b>FOAM</b>						
<b>Polystyrene/polyethylene</b>						
Validation of the use of HFO-1234ze as blowing agent in the manufacture of extruded polystyrene foam boardstock (phase I)	UNDP		\$165,000	\$14,850	\$179,850	
<i>Approved on the understanding that the project would be the final validation project for HFO-1234ze in the manufacture of extruded polystyrene boardstock foam, that the technology dissemination workshops would be deferred to phase II depending on the results of the validation process, and that approval of the project was without prejudice to consideration of any future funding request for phase II of the project by the Executive Committee.</i>						
<b>Total for Turkey</b>			<b>\$165,000</b>	<b>\$14,850</b>	<b>\$179,850</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>URUGUAY</b>						
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector)	UNIDO		\$50,000	\$3,750	\$53,750	
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for Annex A Group I Substances (third tranche)	UNDP	29.9	\$45,000	\$3,375	\$48,375	
<i>The Government was requested, with the assistance of the Government of Canada and UNDP, to submit a progress report on the implementation of the work programme associated with the third and final tranche of the TPMP no later than the 63rd Meeting.</i>						
Terminal phase-out management plan for Annex A Group I Substances (third tranche)	Canada		\$30,000	\$3,900	\$33,900	
<i>The Government was requested, with the assistance of the Government of Canada and UNDP, to submit a progress report on the implementation of the work programme associated with the third and final tranche of the TPMP no later than the 63rd Meeting.</i>						
<b>Total for Uruguay</b>		<b>29.9</b>	<b>\$125,000</b>	<b>\$11,025</b>	<b>\$136,025</b>	
<b>VENEZUELA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam sector)	UNIDO		\$100,000	\$7,500	\$107,500	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration and air conditioning manufacturing sector)	UNIDO		\$100,000	\$7,500	\$107,500	
<b>Total for Venezuela</b>			<b>\$200,000</b>	<b>\$15,000</b>	<b>\$215,000</b>	
<b>VIETNAM</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation of a HCFC foam sector plan	IBRD		\$100,000	\$7,500	\$107,500	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation of a HCFC refrigeration sector plan	IBRD		\$100,000	\$7,500	\$107,500	
<b>Total for Vietnam</b>			<b>\$200,000</b>	<b>\$15,000</b>	<b>\$215,000</b>	
<b>YEMEN</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
National ODS phase-out plan (second tranche)	UNIDO	268.7	\$233,000	\$17,475	\$250,475	
<i>The Government was requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the national phase-out plan no later than the 63rd Meeting.</i>						



## List of projects and activities approved for funding

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Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National ODS phase-out plan (second tranche) <i>The Government was requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the national phase-out plan no later than the 63rd Meeting.</i>	UNEP		\$140,000	\$18,200	\$158,200	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VI, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$77,916	\$0	\$77,916	
	<b>Total for Yemen</b>	<b>268.7</b>	<b>\$450,916</b>	<b>\$35,675</b>	<b>\$486,591</b>	
<b>ZIMBABWE</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National phase-out of Annex A (Group I) substances (phase II, fourth tranche) <i>The Government was requested, with the assistance from Germany, to submit a progress report on the implementation of the work programme associated with the fourth and final tranche of the NPP no later than the 63rd Meeting.</i>	Germany		\$40,000	\$5,108	\$45,108	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase VI, additional funding) <i>Approved in line with decisions 60/10(a) and 60/14.</i>	UNEP		\$67,944	\$0	\$67,944	
	<b>Total for Zimbabwe</b>		<b>\$107,944</b>	<b>\$5,108</b>	<b>\$113,052</b>	
<b>REGION: ASP</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Development of HCFC phase-out management plan for PIC countries through regional approach <i>Approved on the understanding that the resulting HPMPs for the PIC countries would contain activities to meet the 35 per cent reduction target in HCFC consumption by 2020; and UNEP would continue to explore how the regional approach could be used in the implementation of the HPMPs for those 12 countries.</i>	UNEP		\$494,600	\$64,298	\$558,898	
	<b>Total for Region: ASP</b>		<b>\$494,600</b>	<b>\$64,298</b>	<b>\$558,898</b>	
<b>REGION: EUR</b>						
<b>SEVERAL</b>						
<b>Technical assistance/support</b>						
Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia network countries (second tranche)	Czech Rep		\$80,500	\$10,465	\$90,965	
Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia network countries (second tranche)	UNEP		\$27,500	\$3,575	\$31,075	
	<b>Total for Region: EUR</b>		<b>\$108,000</b>	<b>\$14,040</b>	<b>\$122,040</b>	
	<b>GRAND TOTAL</b>	<b>1,752.7</b>	<b>\$31,028,816</b>	<b>\$2,449,979</b>	<b>\$33,478,795</b>	

## Summary

UNEP/OzL.Pro/ExCom/60/54  
Annex IV

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
<b>BILATERAL COOPERATION</b>				
Foam	1.8	\$711,100	\$92,443	\$803,543
Fumigant	100.0	\$1,300,000	\$151,527	\$1,451,527
Phase-out plan	33.9	\$561,500	\$72,903	\$634,403
Several		\$80,500	\$10,465	\$90,965
<b>TOTAL:</b>	135.7	\$2,653,100	\$327,338	\$2,980,438
<b>INVESTMENT PROJECT</b>				
Foam	127.6	\$10,627,332	\$799,525	\$11,426,857
Fumigant	250.0	\$3,173,000	\$241,990	\$3,414,990
Refrigeration	25.3	\$7,360,827	\$552,061	\$7,912,888
Phase-out plan	1,214.2	\$2,591,740	\$244,589	\$2,836,329
<b>TOTAL:</b>	1,617.1	\$23,752,899	\$1,838,165	\$25,591,064
<b>WORK PROGRAMME AMENDMENT</b>				
Foam		\$600,000	\$45,000	\$645,000
Fumigant		\$80,000	\$6,600	\$86,600
Refrigeration		\$430,000	\$32,250	\$462,250
Solvent		\$30,000	\$2,250	\$32,250
Phase-out plan		\$679,600	\$83,673	\$763,273
Destruction		\$60,000	\$4,500	\$64,500
Several		\$2,743,217	\$110,203	\$2,853,420
<b>TOTAL:</b>		\$4,622,817	\$284,476	\$4,907,293
<b>Summary by Parties and Implementing Agencies</b>				
Canada	82.9	\$791,500	\$96,422	\$887,922
Czech Republic		\$80,500	\$10,465	\$90,965
Germany	1.0	\$270,000	\$35,008	\$305,008
Italy	1.8	\$210,000	\$27,300	\$237,300
Japan		\$501,100	\$65,143	\$566,243
Spain	50.0	\$800,000	\$93,000	\$893,000
IBRD	501.6	\$773,491	\$63,787	\$837,278
UNDP	174.8	\$12,721,175	\$956,562	\$13,677,737
UNEP	5.9	\$2,768,334	\$191,664	\$2,959,998
UNIDO	934.7	\$12,112,716	\$910,628	\$13,023,344
<b>GRAND TOTAL</b>	1,752.7	\$31,028,816	\$2,449,979	\$33,478,795

**Table 2**

**ADJUSTMENTS ARISING FROM THE 60TH MEETING OF THE EXECUTIVE COMMITTEE FOR BALANCES ON PROJECTS AND ACTIVITIES**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
France (per decision 60/3(a)(iv))	0	-16	-16
UNDP (per decision 60/3(a)(ii)&(iii))	-38,855	-3,912	<b>-42,767</b>
UNEP (per decision 60/3(a)(ii)&(iii))	-9	-1	-10
UNIDO (per decision 60/3(a)(ii)&(iii))	-28,080	-2,532	-30,662
<b>Total</b>	<b>-66,944</b>	<b>-6,461</b>	<b>-73,405</b>

**Table 3**

**ADJUSTMENTS ARISING FROM THE 60TH MEETING OF THE EXECUTIVE COMMITTEE FOR TRANSFERRED PROJECTS**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
Sweden (per decision 60/3(a)(iv)&(b))	-123,897	-16,106	-140,003
UNIDO (per decision 60/3(a)(iv)&(b))	123,897	9,292	133,189

**Table 4**

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON DECISIONS OF THE 60TH MEETING OF THE EXECUTIVE COMMITTEE**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
Canada(1)	791,500	96,422	887,922
Czech Republic(1)	80,500	10,465	90,965
Germany (1)	270,000	35,008	305,008
Italy(1)	210,000	27,300	237,300
Japan (1)	501,100	65,143	566,243
Spain(1)	800,000	93,000	893,000
UNDP	12,682,320	952,650	13,634,970
UNEP	2,768,325	191,663	2,959,988
UNIDO	12,208,533	917,388	13,125,921
World Bank	773,491	63,787	837,278
<b>Total</b>	<b>31,085,769</b>	<b>2,452,826</b>	<b>33,538,595</b>

(1) Total amount to be assigned to 2010 bilateral contributions.

## Annex V

### VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 60<sup>th</sup> MEETING

#### **Bahrain**

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal and notes with appreciation that Bahrain has reported Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol phase-out schedule for CFC consumption. The Executive Committee is therefore hopeful that, in the next two years, Bahrain will continue with the implementation of its terminal phase-out management plan to sustain the phase out of CFCs, and that it will initiate the preparation of the HCFC phase-out management plan as soon as possible.

#### **Brazil**

2. The Executive Committee has reviewed the terminal report presented with the institutional strengthening project renewal request for Brazil and notes with appreciation the outstanding achievements made by Brazil's national ozone unit during the implementation of the fifth phase. In particular, the Executive Committee notes that Brazil completed the phase-out of CFCs, including metered dose inhalers, by 1 January 2010. The Executive Committee also notes progress on the preparation of the HCFC phase-out management plan and notes the successful implementation of the national CFC phase out plan and the elimination of CTC in the process agents sector. The Executive Committee commends the Government of Brazil for its achievements during the fifth phase of the project and expresses the expectation that, in the next two years, Brazil will continue the implementation of its programmed activities with outstanding progress and success.

#### **Grenada**

3. The Executive Committee has reviewed the report submitted with the institutional strengthening project renewal request for Grenada and notes with appreciation its zero consumption of CFCs, halons, and also ODS solvents, and that its methyl bromide imports are only for quarantine and pre-shipment applications (QPS). The Executive Committee also notes that Grenada will commence data gathering to determine its HCFC baseline consumption and initiate the preparation of the HCFC phase-out management plan and encourages Grenada to expedite the activities required for the phase-out of HCFCs in the country.

#### **India**

4. The Executive Committee has reviewed the information presented with the institutional strengthening request for India and notes with appreciation that India has taken significant steps to sustain compliance with the 2010 Montreal Protocol targets. The Executive Committee also notes that India reported a number of successful activities related to phase-out plans, including: timely monitoring and coordination of its phase-out activities as part of the sectoral plans; early and forward-looking action to prepare the HCFC phase-out management plan in close coordination with and participation of the industry; strict monitoring of ODS through the import and export licensing system to control supply and consumption of the ODS; conducting public awareness campaigns, seminars and information outreach programmes on ODS phase-out and promoting information on and adoption of ODS free alternatives. The Executive Committee also appreciates India's efforts to continue to strengthen capacity to monitor and control ODS imports and exports to ensure the complete phase-out post-2010, to expeditiously

implement the CFC MDI phase out project and to intensify initiation of HCFC phase-out project activities in accordance with the Montreal Protocol's accelerated phase-out schedule.

### **Mongolia**

5. The Executive Committee has reviewed the report of the institutional strengthening project extension for Mongolia and notes with appreciation that Mongolia has reported Article 7 data to the Ozone Secretariat indicating that Mongolia is on track to phase out its CFC consumption. It also notes with appreciation the efforts made by the country to establish regulations to monitor HCFC consumption, and encourages Mongolia to continue its HCFC phase-out management plan (HPMP) preparation and then expedite HPMP implementation to phase out HCFC. The Executive Committee is therefore hopeful that, in the next two years, Mongolia will continue with the implementation of its activities with outstanding success to sustain CFC phase-out, and make progress towards compliance with HCFC control measures.

### **Nauru**

6. The Executive Committee has reviewed with appreciation the report of the institutional strengthening project extension for Nauru. The Executive Committee would like to encourage Nauru in its efforts to complete the establishment of ODS regulations, and trusts that these include controls for HCFCs as well. The Executive Committee is therefore hopeful that over the next two years, Nauru will sustain its zero consumption of CFCs. The Committee also hopes that Nauru will initiate the development of its HCFC phase-out management plan as soon as possible.

### **Philippines**

7. The Executive Committee has reviewed the terminal report presented with the institutional strengthening project renewal request for the Philippines. The Committee commends the Government of the Philippines for having successfully phased out Annex A and B substances by 1 January 2010, while planning ahead for HCFC phase-out control measures by instituting a licensing system for HCFCs. The Executive Committee encourages the Philippines to implement the remaining activities under its national CFC phase-out plan as soon as possible in order to ensure that its CFC phase-out achievements are sustained. It also encourages the strict enforcement and monitoring of the ODS licensing system to ensure the prevention of illegal trade following the 1 January 2010 control measures. The Executive Committee also encourages the Philippines to expedite the preparation of the HCFC phase-out management plan so that HCFC phase-out activities can commence as soon as possible to enable the country to comply with the 2013 and 2015 HCFC control measures.

**Annex VI**

**AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN CHILE**

1. The Executive Committee:
  - (a) At its 32<sup>nd</sup> Meeting, approved US \$805,000 as the total funds that will be available to Chile to achieve the complete phase-out of methyl bromide (MB) used in the fruit replanting and nursery sectors (76.2 ODP tonnes), to be implemented by UNDP;
  - (b) At its 45<sup>th</sup> Meeting, approved in principle an additional US \$2,547,156 as the total funds available to Chile to achieve the complete phase-out of MB used in the remaining soil fumigation sectors, excluding quarantine and pre-shipment applications (additional 136.3 ODP tonnes), to be implemented by the World Bank;
  - (c) At its 48<sup>th</sup> Meeting, noted the cancellation by the Government of Chile of the project for the complete phase-out of MB used in the remaining soil fumigation sectors, excluding quarantine and pre-shipment applications approved at its 45<sup>th</sup> Meeting.; and
  - (d) At its 60<sup>th</sup> Meeting, approved an additional US \$1,730,916 as the total funds that will be available to Chile to achieve the complete phase-out of MB used in the horticultural sector (additional 164.4 ODP tonnes), to be implemented by UNIDO and UNEP.
  
2. As reported to the Ozone Secretariat, MB consumption in 2008 was 164.4 ODP tonnes, excluding MB that was used in quarantine and pre-shipment applications. The MB baseline for compliance is 212.5 ODP tonnes. Chile has achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005.
  
3. Through implementation of the above projects, Chile commits to achieve the total phase out of all controlled uses of MB by 1 January 2015, thus ensuring compliance with the Protocol's targets. Chile also commits to the use of import restrictions and other policies it may deem necessary to meet the complete phase-out of MB.
  
4. Disbursement of the funding approved for UNIDO and UNEP for the horticultural sector 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	Total funding (US\$) *		
	UNIDO	UNEP	Total
2010	1,100,000	73,000	1,173,000
2013	557,917		557,917
Total	1,657,917	73,000	1,730,917

\* Excluding agencies' support costs.

5. The Government of Chile is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.
  
6. The Government of Chile, in agreement with UNIDO and UNEP, will have flexibility in organizing and implementing the components of the project which it deems more important to meet the

MB phase-out commitments. UNIDO and UNEP agree to manage the funding for the project in a manner designed to ensure the achievement of the MB phase-out agreed upon. UNIDO and UNEP shall report back annually to the Executive Committee on the progress achieved in putting in place mechanisms to achieve and maintain compliance with the Montreal Protocol schedule.

7. These agreed conditions between the Government of Chile and the Executive Committee supersede the agreement reached between the Government of Chile and the Executive Committee at the 48<sup>th</sup> Meeting of the Executive Committee.

**Annex VII**

**AGREEMENT BETWEEN REPUBLIC OF MALDIVES AND THE EXECUTIVE COMMITTEE  
OF THE MULTILATERAL FUND FOR PHASE-OUT OF CONSUMPTION OF  
HYDROCHLOROFLUROCARBONS**

1. This Agreement represents the understanding of the Government of Maldives and the Executive Committee with respect to reductions of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (the Substances) to a sustained level of 0.0925 ODP tonnes from 1 January 2020.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (Targets and Funding) in this Agreement. The country also agrees to meet the consumption limits specified in the Montreal Protocol reduction schedule for all Substances as well as for those ODS where the Montreal Protocol reduction schedule has already led to complete phase-out, except to the degree that the Parties have agreed on essential or critical use exemptions for the Country. 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 any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this agreement for all ODS specified in Appendix 1-A, and in respect to any consumption of each of the substances which exceeds the level defined in row 4.1.3.
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 3.1 of Appendix 2-A (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 of the Substances as indicated in Appendix 2-A. It will also accept independent verification, to be commissioned by the relevant implementing agency (IA), of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
  - (c) That the Country has substantially completed all actions set out in the previous tranche implementation plan and submitted a tranche implementation report in the form of Appendix 4-A (the "Format of Tranche Implementation Report and Plan") for each previous calendar year; and



- (d) That the Country has submitted and received endorsement from the Executive Committee for tranche implementation plans in the form of Appendix 4-A (the “Format of Tranche Implementation Reports and Plans”) for each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

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 sub-paragraph 5(b).

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 a tranche implementation plan and endorsed by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30% or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this agreement. Reallocations not categorized as major changes may be incorporated in the approved tranche implementation plan, under implementation at the time, and reported to the Executive Committee in the tranche implementation report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

- (a) Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

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 has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IAs taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by being responsible for carrying out the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have entered into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including

regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the funding approval schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche 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. The Executive Committee will discuss each specific case in which the country did not comply with this agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. 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.

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the plan and its subsequent revisions as per sub-paragraph 5(d), the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. 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 Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	3.7

**APPENDIX 2-A: TARGETS AND FUNDING**

Row	Parameter/Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.7	3.7	3.7	3.7	3.7	3.3	3.3	3.3	3.3	3.3	2.4	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	3.7	3.7	3.7	3.3	3.3	3.0	2.4	2.4	1.3	1.3	0.0925	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	355,940	0	0	173,400		100,660	0	50,000	0	0	0	680,000
2.2	Support costs for Lead IA (US \$)	46,272	0	0	22,542	0	13,086	0	6,500	0	0	0	88,400
2.3	Cooperating IA (UNDP) agreed funding (US \$)	400,000	0	0	20,000	0	0	0	0	0	0	0	420,000
2.4	Support costs for Cooperating IA (US \$)	30,000	0	0	1,500	0	0	0	0	0	0	0	31,500
3.1	Total agreed funding (US \$)	755,940	0	0	193,400	0	100,660	0	50,000	0	0	0	1,100,000
3.2	Total support costs (US \$)	76,272	0	0	24,042	0	13,086	0	6,500	0	0	0	119,900
3.3	Total agreed costs (US \$)	832,212	0	0	217,442	0	113,746	0	56,500	0	0	0	1,219,900
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												3.7
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												0.0925

### **APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval not earlier than the first meeting of the year specified in Appendix 2-A.

### **APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS**

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
  - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
  - (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
  - (d) A set of quantitative information for the report and plan, submitted online into a database, as per the relevant decisions of the Executive Committee in respect to the format required. This quantitative information, to be submitted by calendar year, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and agency; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The overall monitoring will be the responsibility of the National Ozone Unit (NOU), Ministry of Housing, Transport and Environment.
2. The consumption will be monitored based on data collected from relevant government departments and crosschecking it with data collected from the distributors and consumers.
3. The NOU will be responsible for reporting and shall submit the following reports in a timely manner:
  - (a) Annual reports on consumption of substances to be submitted to the Ozone Secretariat;
  - (b) Annual reports on progress of implementation of this Agreement to be submitted to the Executive Committee of the Multilateral Fund; and
  - (c) Project-related reports to be submitted to the Lead IA.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for 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 Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future tranche implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the tranches and the overall plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee; this responsibility includes the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;

- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (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.

2. After consultation with the country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

#### **APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will be responsible for the following:
  - (a) Providing policy development assistance when required;
  - (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
  - (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

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

1. In accordance with paragraph 11 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**

**AGREEMENT BETWEEN THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA AND  
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND  
FOR THE REDUCTION IN CONSUMPTION  
OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the former Yugoslav Republic of Macedonia and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (the “Substances”) to a sustained reduction to 65% of the HCFC-22 baseline, prior to 1 January 2020 in compliance with Montreal Protocol schedules. In this context, the HCFC-22 baseline is defined as the average HCFC-22 consumption of 2009 and 2010 as per data reporting under Article 7.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (the “Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule. 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 any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this agreement for all ODS specified in Appendix 1-A, and in respect to any consumption of each of the substances which exceeds the level defined in row 4.1.3.
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 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification to be commissioned by the relevant implementing agency (IA) of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved when an obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
  - (c) That the Country has substantially completed all actions set out in the previous tranche implementation plan and submitted a tranche implementation report in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each previous calendar year; and

- (d) That the Country has submitted and received endorsement from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

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 sub-paragraph 5(b).

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 tranche implementation plan 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 tranche implementation plan, under implementation at the time, and reported to the Executive Committee in the tranche implementation report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

- (a) Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

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 (the “Lead IA”) and in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IA taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche 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. The Executive Committee will discuss each



specific case in which the country did not comply with this agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. 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.

13. 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.

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the plan and its subsequent revisions as per sub-paragraph 5(d), the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. 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 Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	Baseline

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	None			Baseline		Baseline -10%					Baseline -35%	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	Unrestricted			HCFC-22 Baseline*		HCFC-22 Base-line* -10%	HCFC-22 Base-line* -15%	HCFC-22 Base-line* -20%	HCFC-22 Base-line* -25%	HCFC-22 Base-line* -30%	HCFC-22 Base-line* -35%	n/a
2.1	Lead IA (UNIDO) agreed funding( US \$)	15,000	107,000	158,000	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,030,000
2.2	Support costs for Lead IA(US \$)	1,125	8,025	11,850	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	77,250
3.1	Total agreed funding (US \$)	15,000	107,000	158,000	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,030,000
3.2	Total support cost	1,125	8,025	11,850	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	77,250
3.3	Total agreed costs (US \$)	16,125	115,025	169,850	159,100	88,150	88,150	88,150	140,825	80,625	80,625	80,625	1,107,250
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												To 65% of HCFC-22 Baseline*
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												65% of the HCFC-22 Baseline*

\*refers to the average consumption of HCFC-22 reported under Article 7 of the years 2009 and 2010.

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval not earlier than the second meeting of the year specified in Appendix 2-A.

#### **APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORT AND PLAN**

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
  - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
  - (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the year specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
  - (d) A set of quantitative information for the report and plan, submitted online into a database, as per the relevant decisions of the Executive Committee in respect to the format required. This quantitative information, to be submitted by calendar year, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and agency; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The NOU will submit annual progress reports of status of implementation of the HPMP to UNIDO.

2. Monitoring of development of HPMP and verification of the achievement of the performance targets, specified in the Plan, will be assigned to independent local company or to independent local consultants by UNIDO.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be 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) Assisting the Country in preparation of the tranche Implementation Plan and subsequent report as per Appendix 4-A;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future tranche implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (j) Providing assistance with policy, management and technical support when required.

2. After consultation with the country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$50,000 per ODP tonne of reductions in consumption not achieved in the year.

## Annex IX

### TERMS OF REFERENCE (TOR) FOR THE TECHNICAL AUDIT OF HCFC PRODUCTION IN ARTICLE 5 COUNTRIES

#### Background

1. The Montreal Protocol on Substances that Deplete the Ozone Layer and its Montreal Amendment advanced the phase-out schedule of HCFCs in 2007 by its signatory countries, although a distinction has been made in the schedule between developed and developing countries. The developing countries (the Article 5 countries in the language of the Protocol) are required to freeze the production and consumption of such chemicals in 2013 at the average level, between 2009 and 2010. They are subsequently required to reduce the levels of production and consumption in a number of phases until complete phase-out has been achieved in 2040. The Multilateral Fund for the Implementation of the Montreal Protocol was established in 1991 as part of the London Amendment to assist Article 5 countries in complying with the control schedule of the Montreal Protocol. Up until 2009, the Fund has successfully assisted over 140 countries in phasing out the production and consumption of CFCs, halons, the controlled use and production of CTC and methyl bromide and other ozone depleting substances in accordance with the control schedule of the Montreal Protocol. The assistance of the Fund is primarily to cover the incremental costs associated with the transition from employing ozone-depleting to ozone-friendly technologies.

2. Funding of the phase-out of the production of ODS has been done through first, independently auditing the ODS production sector of the concerned country. These audits examine the relevant national and sectoral policies; collect data on ODS-producing plants with respect to their technological sophistication, status quo, designed and actual used capacity, production history, cost of production, and other relevant data. The purpose of the audit is to establish a factual basis for the Executive Committee (the management body of the Multilateral Fund) to consider the funding requests proposed by the respective Article 5 countries. For ensuring consistency of conducting such audits across countries, the Executive Committee adopted the terms of reference for technical audits in 1995 as a general guide to auditing ODS production. These terms of reference were subsequently amended and further developed as necessary to accommodate the specific needs associated with auditing the production of different ODS.

3. The terms of reference contained in this document are designed for auditing of the production of HCFCs, which include HCFC-141b, HCFC-142b, HCFC-123, and HCFC-22 or any applicable HCFC. While the TOR requires the auditing to follow the procedure and cover the ground that are standard to the auditing of the production of other ODS, there are several issues that are specific to the HCFC production. Among these are the impact of the clean development mechanism (CDM) on the HCFC-22 production and the impact of the phase-out of HCFC-22 production on the down-stream industries (such as the production of TFE/PTFE). TFE, the direct reaction product of HCFC-22, is not just used to make PTFE polymer, but also has been used to make HFC-125 which is one component for making R410a, a blend for making an air conditioning agent.

4. With regard to the CDM impact, one key question is whether the CDM credits awarded for reducing HFC-23 emission (a gas controlled by the Kyoto Protocol) provide a perverse incentive to produce HCFC-22, since HFC-23 is a by-product of HCFC-22 production. If it could be established that the high HCFC-22 production was not driven either by the demand for feedstock for TFE/PTFE or refrigeration purposes, it might be due to the financial reward of the CDM credits. A technical audit might provide some insight into this issue. It is expected that to clearly understand the workings of the CDM the audit would collect national and individual plant data from the field, place them in the global context for a supply and demand analysis, and assess the impact of the CDM on an individual company, as well as on national and global situations.

5. With respect to the impact of phasing out HCFC production on downstream industries, the key is the extent to which HCFC-22 production could be absorbed as feedstock for PTFE production, regardless of its final use. Converting HCFC-22 from its use as a refrigerant (a controlled use under the Montreal Protocol) to being used as feedstock (a non-controlled application) would result in a win-win situation. Plants could continue to produce, but with no adverse impact on the environment, since HCFC-22 is completely transformed in the process of being used as feedstock. It is also possible that some plants could be converted from HCFC-22 production (using chloroform) to HFC-32 production (using methylene chloride). Since there is no plant closure, there might only be a need for compensation for the cost of conversion and no need for compensation for plant closure by the Multilateral Fund (MLF).

6. However, there are difficulties associated with achieving this win-win situation. These difficulties relate to segments of the TFE markets, demand from the various global market segments, and availability of technology for PTFE production. These challenges should be examined carefully to determine to what extent they are real, and whether they prevent switching HCFC-22 production completely to feedstock production. It is also important to know whether these difficulties can be overcome and, if so, at what cost.

7. While these are policy-related and macro-level issues, questions and leads are included in the TOR to guide the consultants implementing the audit to collect the relevant data and provide the analysis. It is hoped that they will provide useful input to the Executive Committee to encourage a thorough discussion of these issues.

#### **Objective of the technical audit**

8. The objective of the technical audit is to provide a factual basis for:

- (a) Preparing and finalizing the sector plan by a producing country for phasing out the production of HCFCs in the country; and
- (b) Enabling the Executive Committee's review and funding decisions with respect to the sector plan.

#### **Scope of the audit**

##### Overall Consideration

9. The results of the technical audit should provide a wide enough scope for considering various options for the elimination of HCFC production in a producing country, including the closure of production facilities, the production of ODS substitutes, conversion to feedstock production, and other possibilities.

##### Data Collection and Assessment

10. Where applicable, data should be collected over the past three to five years, except for HCFC plants with approved CDM projects, for which data for three years before and three years after the approval of the CDM projects should be collected. Specifically, the audit should cover:

##### *Capacity*

- (a) Assess the ability to produce HCFCs under sustainable conditions for a full year and the potential capacity of individual plants, and total country production capacity. Where levels of actual production are significantly lower than capacity, explanations are needed (for example, lack of demand, power or feedstock shortages, maintenance, technical failure to operate at full capacity);

- (b) Assess the potential for conversion of individual sites to non-ODS production. For CFC/HCFC-22 swing plants, actual production levels should be stated, along with the capacity of each plant, if operated: a) for CFC-11 and CFC-12 only, and b) for HCFC-22 only (subject to further analysis and verification, including detailed process calculations if necessary. Data should be collected for such analysis and rule out sites for expansion, conversion and/or revamp based on factors such as space limitation or limited access to raw materials);
- (c) Assess the impact of the credits from the CDM on HCFC-22 production by establishing data on:
  - Time (month/year) of approval of the CDM project;
  - Level of HFC-23 produced per year for the past 3 years, where applicable;
  - Individual plant and national HCFC-22 production history, based on site production and storage records and from plant and national sales records, including imports/exports;
  - Sales data, including volume, and unit prices of products, taxes and subsidies, and profit margin of sales; and
- (d) Assess site and national availability and cost of raw materials (such as size and location of plants).

*Production history and profitability*

- (a) Assess individual plant and national production history based on site production and storage records and from plant and national sales records, including imports/exports;
- (b) Establish site-specific economics of production data, including volume and unit costs of raw materials, energy and utilities, by-product credits, maintenance costs, transportation costs, distribution costs, operating labour (number of workers and applicable labour law), plant overhead, taxes and insurance, depreciation, and general and administrative costs; and
- (c) Establish sales data, including volume and unit prices of products, taxes and subsidies, profit margin of sales.

*Assessing HCFC production for controlled and feedstock applications*

- (a) Collect data over the past five years on the distribution of HCFC sales for controlled use and feedstock use;
- (b) Collect data over the past five years on the imports and exports of HCFC for controlled use and feedstock use;
- (c) Assess the potential of each plant producing HCFC entirely for feedstock application;
- (d) Identify the hurdles that prevent a plant from producing entirely for feedstock; and

- (e) Assess options for overcoming such hurdles and the cost scenarios for the different options.

*Assessing HCFC-141b and HCFC-142b*

11. Whilst HCFC-141b is used entirely as an emissive foam blowing agent and to a more limited extent, as a solvent, HCFC-141b is also used, besides its vital XPS foam use, to make the important fluoropolymers, polyvinylidene fluoride PVDF, and fluoroelastomer. HCFC-142b can be made deliberately from HFC152a. Key questions to assess HCFC-141b and HCFC-142b include:

- (a) Do you make HCFC-141b, HCFC-142b, HFC-143a? In what capacity, since when, by what technology (feedstock)?
- (b) What level of product is exported, and what level is used domestically from 2005 to the present year?
- (c) What are the applications by volume by year?
- (d) Can you convert your plant to HCFC-142b, and/or do you already make HCFC-142b as a co-product?
- (e) In this case can you completely eliminate HCFC-141b production but still make HCFC-142b?
- (f) Do you sell HCFC-142b to the PVDF sector? What amount? Can you manage your plant to the explicit volume demands on the PVDF sector?
- (g) If you make HCFC-142b deliberately from HFC152a, how much do you produce? What are the uses? How much is controlled (foam) versus non-controlled (feedstock)?
- (h) If you make HCFC-142b by this route, what is the impact on HFC152a production if you must abandon the controlled (XPS) uses of HCFC-142b?
- (i) Do you export HCFC-142b for intermediate/feedstock applications?

*Technology employed*

- (a) Establish the age and source of technology employed at individual plants (locally developed or imported), material of construction of main process vessels (such as the main hydrofluorination reactor);
- (b) Assess maintenance expenditures of individual plants;
- (c) Assess de-bottlenecking (most recent); and
- (d) Assess the residual life and residue value of each plant.

*Other relevant data*

- (a) Collect and assess data on cost of capital, inflation rate and other relevant national economic data;
- (b) Collect data on supply and demand for HCFCs and their substitutes;



- (c) Collect data on national production of HF and other raw materials necessary for the production of HCFC substitutes; and
- (d) Assess the status and availability of national technology for HCFC substitutes, together with their estimated production costs and possible scale of production over the next five years.

#### Data analysis

12. Data collected from the desk review and the field visits will be sorted, interpreted and analyzed for likely sector strategies of phasing out the HCFC production in the country, including plant closures, ODS substitutes production, and other possibilities. Under plant closures, the data should be organized in order to facilitate the identification of parameters such as, the baseline production level and the actual capacity of the plant, maximum and residual life of the plant, unit prices of HCFCs, profit margin of sales, and relevant national economic parameters. Under ODS substitute production, data should be presented to clearly indicate the supply and demand for the substitutes, technological readiness and estimate of conversion costs for applicable sites, and the economic feasibility and achievable capacities.

13. Data should be made available in a spreadsheet format suitable to allow manipulations to test the sensitivities of certain parameters.

#### **Responsibilities of the audit team**

14. The audit team should be responsible to the Chief Officer of the Multilateral Fund Secretariat and accomplish the following tasks:

- (a) Prepare a detailed work plan covering the entire audit exercise, including the methodology for assessing the impact of the CDM on HCFC production;
- (b) Screen the preliminary data from the production sector and other relevant data submitted by the country concerned, identify the gaps in those data, and design a questionnaire for collecting supplementary data, to be dispatched to plants in the country concerned before a field visit;
- (c) Based on the preliminary data from the country and the location of the plants, propose a field visit schedule, which should include a representative sampling of the plants in the country in terms of size, technology sophistication, capacity covered, and sound economics;
- (d) Implement the field visit schedule with local support from the national focal point designated by the host country;
- (e) Prepare the draft audit report, with analysis and interpretation of the data collected from the field visit; and
- (f) Based on comments on the draft report, prepare the final draft report to the Executive Committee.

### **Qualifications**

15. Qualifications include:
- (a) Prior relevant experience working in developing countries (preferably in the country concerned);
  - (b) Expertise in fluorocarbon technology, process and plant operations and financial accounting; and
  - (c) A sound knowledge of the CDM programme and its global activities.

### **Local Expertise**

16. There should be participation of local expertise in the audit. However, the exact field of expertise (whether technical or financial) should be determined by the contracting firm on the basis of needs of the audit.

### **Deliverables**

17. The deliverables include:
- (a) A detailed work plan, covering:
    - Methodology for assessing impact of the CDM on HCFC production;
    - Assessment of adequacy of existing data and identification of missing “links”;
    - A questionnaire designed for collecting additional data;
    - A schedule of field visit to a representative sample of the HCFC producing industries in the country concerned in terms of size, location, technology level and other relevant factors;
  - (b) Mid-term progress report on field visit;
  - (c) Report of field visit;
  - (d) Draft technical audit report; and
  - (e) Final draft technical audit report.

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