

**United Nations
Environment
Programme**Distr.
GENERALUNEP/OzL.Pro/ExCom/86/97
19 October 2020

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-sixth Meeting
Montreal, 2-6 November 2020
Postponed to 8-12 March 2021¹

**REPORT OF THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL TO THE THIRTY-SECOND
MEETING OF THE PARTIES**

Note from the Secretariat

1. The present report covers the activities undertaken by the Executive Committee since the Thirty-first Meeting of the Parties (MOP).² During the reporting period, only the 84th meeting of the Executive Committee was held (Montreal, from 16 to 20 December 2019), while the 85th and 86th meetings originally scheduled for 25 to 29 May 2020³ and 2 to 6 November 2020, respectively were postponed to 8 to 12 March 2021 following a thorough and substantive consultation with members of the Executive Committee due to the exceptional circumstances related to the COVID-19 pandemic.
2. Under normal circumstances, the Secretariat would prepare a draft report of the Executive Committee to the MOP for consideration of the Committee at its meeting immediate prior to the relevant MOP. However, due to the extraordinary situation, both the 85th and 86th meetings would now take place after the Thirty-second MOP (from 23 to 27 November 2020), resulting in the 84th meeting being the only meeting to report on. In this regard, the Chair of the Executive Committee, after consultations with its members, requested the Fund Secretariat to forward to the Ozone Secretariat the Report of the 84th meeting of the Executive Committee,⁴ as the Report of the Executive Committee to the Thirty-second MOP, which is attached to the present note.
3. Despite the postponement of the 85th and 86th meetings, to ensure continuity of compliance-related activities in Article 5 countries,⁵ the Executive Committee agreed to implement, on an exceptional basis

¹ Due to coronavirus disease (COVID-19)

² The terms of reference of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol (UNEP/OzL.Pro.9/12, Annex V) require the Executive Committee to report annually to the Meeting of the Parties.

³ Subsequently postponed to 19 to 22 July 2020.

⁴ UNEP/OzL.Pro/ExCom/84/75

⁵ The delay in approving funding of tranches of HCFC phase-out management plans and activities included in the work programmes of bilateral and implementing agencies would not put countries at risk of non-compliance, but

and without setting a precedent, the intersessional approval process (IAP) including a password protected on-line forum⁶ to consider certain documents, reports and projects. In this regard, the Executive Committee also requested the Fund Secretariat to include in the present note a summary of the IAP established for the 85th meeting and the arrangement for the 85th and the 86th meetings, which is provided below.

Intersessional approval process

85th meeting

4. The IAP established for the 85th meeting commenced on 4 May 2020 and concluded on 8 June 2020, with the participation of members of the Executive Committee for 2020,⁷ as well as by bilateral and implementing agencies and the Ozone Secretariat as observers.

5. Through this process the Executive Committee considered 42 meeting documents, namely, the Reports on projects with specific reporting requirements,⁸ the Overview of issues identified during project review;⁹ project proposals submitted under bilateral cooperation¹⁰ and under the 2020 work programmes of UNDP, UNEP and UNIDO;¹¹ and project proposals¹² in 35 Article 5 countries¹³ and the 12 Pacific Island Countries.¹⁴ In addition, the documents on Secretariat activities¹⁵ describing activities undertaken by the Secretariat since the 84th meeting, and on Status of contributions and disbursements (as at 31 May 2020)¹⁶ ensuring the availability of sufficient funding to cover the total value of project proposals submitted for the IAP, were made available in the meeting portal for the 85th meeting. However, the Executive Committee did not take any decision on these two documents during the intersessional approval process.

6. Through the IAP, the Executive Committee approved:

- (a) Funding amounting to US \$35 million including agency support costs, for: tranches of stages I and II of HCFC phase-out management plans in 35 Article 5 countries and the 12 Pacific Island Countries; renewals of institutional strengthening projects for 14 countries; preparation for stages II and III of HPMPs for five countries; a verification report for stage I of the HPMP for one country; and enabling activities for HFC phase-down for four countries;

would disrupt project momentum and slow down implementation of activities, posing a potential threat to the sustainability of the phase-out already achieved. The delay in approving institutional strengthening renewals could affect the operation of national ozone units as this funding is required for engaging national ozone officers and their staff, and for covering basic office and communication costs.

⁶ Allowing members to post written comments and seek clarifications, and not for discussion and negotiation.

⁷ In accordance with decision XXXI/14 of the 31st MOP: Bahrain, Bangladesh, Chile, Djibouti, India, Rwanda (Chair) and Suriname, representing parties operating under paragraph 1 of Article 5 of the Protocol (Article 5 parties), and by Belgium (Vice-Chair), Canada, France, Japan, Norway, Slovakia and the United States of America, representing parties not operating under paragraph 1 of Article 5 of the Protocol (non-Article 5 parties).

⁸ UNEP/OzL.Pro/ExCom/85/9

⁹ UNEP/OzL.Pro/ExCom/85/13

¹⁰ UNEP/OzL.Pro/ExCom/85/14

¹¹ UNEP/OzL.Pro/ExCom/85/15, UNEP/OzL.Pro/ExCom/85/16 and UNEP/OzL.Pro/ExCom/85/17, respectively

¹² UNEP/OzL.Pro/ExCom/85/18 to UNEP/OzL.Pro/ExCom/85/53

¹³ Afghanistan, Albania, Brunei Darussalam, Chile, China, Cuba, Ecuador, Eritrea, Ethiopia, Georgia, Guatemala, Guinea, Guinea-Bissau, Jamaica, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mongolia, Montenegro, Panama, Peru, Rwanda, Sao Tome and Principe, Senegal, Serbia, Sierra Leone, Sri Lanka, Turkmenistan, Uganda, United Republic of Tanzania, Uruguay, and Zambia

¹⁴ Cook Island, Kiribati, Marshall Islands, Micronesia (Federated States of), Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu

¹⁵ UNEP/OzL.Pro/ExCom/85/2

¹⁶ UNEP/OzL.Pro/ExCom/85/3

- (b) All the reports contained in the document on the Reports of projects with specific reporting requirements, except for the financial audit reports for the CFC production, halon, polyurethane foam, process agent II, refrigeration servicing and solvent sectors in China, and the progress report on the implementation of stage I of the HPMP for the Democratic People's Republic of Korea; and
- (c) All the matters described in the document on the Overview of issues identified during project review, except for the issue relating to the servicing tail in the context of an HPMP for the total phase-out of HCFCs, and the requests for project preparation for HFC phase-down plans submitted as part of the 2020 work programmes of UNDP, UNEP and UNIDO.

7. Following the IAP, funding levels approved intersessionally were disbursed by the Treasurer of the Multilateral Fund to implementing agencies and recoded as their contributions to the Fund for bilateral agencies.

Agreed procedures for conducting the 85th and 86th meetings

8. The Executive Committee noted that the extraordinary procedures that were put in place for conducting the 85th and 86th meetings were due to the exceptional circumstances related to the COVID-19 pandemic, and applied as a one-off measure only, without setting a precedent for future operation of the Executive Committee.

9. The Executive Committee agreed that the 85th and 86th meetings would be held back-to-back in Montreal, Canada from 8 to 12 March 2021, noting that the 85th meeting would be a short meeting (up to two hours) to adopt a revised provisional agenda, to take note of Secretariat activities and Status of contributions and disbursements of the Multilateral Fund (as at 31 May 2020), and to adopt the draft report of the meeting, which would consist of those items approved under the IAP established for the 85th meeting; and that the 86th meeting would commence immediately after the closure of the 85th meeting, and would address the remaining agenda items from the 85th meeting (including those submitted to the IAP but were not approved), as well as all agenda items of the 86th meeting.

10. The Executive Committee further agreed to implement the IAP for the 86th meeting, from 16 to 27 November 2020 (with the participation of only members of the Executive Committee, as well as bilateral and implementing agencies and the Ozone Secretariat as observers), which would include the following items: Secretariat activities; Status of contributions and disbursements; Report on balances and availability of resources; Final 2019 accounts; Reconciliation of the 2019 accounts; Progress reports as at 31 December 2019; Reports on projects with specific requirements; 2020 consolidated project completion report; Tranche submission delays; Overview of issues identified during project review; project proposals included under bilateral cooperation, in the 2020 work programme amendments of the implementing agencies and in country project documents; and UNEP's Compliance Assistance Programme budget and Core unit costs of UNDP, UNIDO and the World Bank.

11. Finally the Executive Committee agreed that virtual meetings would be organized for members of the Sub-group of the Production Sector to have informal discussions on stage II of the HCFC production sector phase-out management plan (HPPMP) for China prior to the 86th meeting.

**UNITED
NATIONS**

EP



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/84/75*
20 December 2019

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-fourth Meeting
Montreal, 16–20 December 2019

REPORT OF THE EIGHTY-FOURTH MEETING OF THE EXECUTIVE COMMITTEE

Introduction

12. The 84th 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 16 to 20 December 2019.

13. The meeting was attended by representatives of the following countries, members of the Executive Committee in accordance with decision XXX/18 of the Thirtieth Meeting of the Parties to the Montreal Protocol:

- (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Belgium, Canada (Chair), France, Hungary, Japan, Norway and the United States of America; and
- (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Argentina, Benin, China, Grenada, Kuwait, Niger and Rwanda (Vice-Chair).

14. In accordance with the decisions taken by the Executive Committee at its second and eighth meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) as both implementing agency and Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the meeting as observers.

15. The Executive Secretary and the Deputy Executive Secretary of the Ozone Secretariat, the President of the Bureau, the Vice-President of the Implementation Committee, members of the task force on the replenishment of the Multilateral Fund for the 2021–2023 triennium of the Technology and Economic Assessment Panel (TEAP) and the Acting Director of the UNEP Law Division were also present.

16. Representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, the Institute for Governance and Sustainable Development, the Private Sector

Commission for Studies on Sustainable Development of Mexico and the Refrigerant Gas Manufacturers' Association of India also attended as observers.

*Re-issued for technical reasons on 9 March 2020.

AGENDA ITEM 1: OPENING OF THE MEETING

17. The meeting was opened by the Chair, Mr. Philippe Chemouny. He welcomed the participants, including members of the TEAP task force on the replenishment of the Multilateral Fund, encouraging Executive Committee members to talk with them and provide any insights that might facilitate their work.

18. He said that the Executive Committee would continue to address matters related to the Kigali Amendment, including the development of cost guidelines for HFC phase-down and energy efficiency. It would also discuss key aspects of HFC-23 by-product emissions control, including issues pertaining to policy guidance, and consider two related project proposals.

19. The Committee would consider its standard agenda items for the last meeting of the year, including the 2018 progress reports, business planning for the period 2020–2022, tranche submission delays and financial matters related to contributions, project balances, the accounts and the budget for the Fund Secretariat. It would also address country programme (CP) data and prospects for compliance, in particular the revised format for CP data reporting.

20. The Committee would have an opportunity to provide guidance on the continuing work on monitoring and evaluation for 2020. In addition, it would consider the final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction, the desk study for the evaluation of the sustainability of the Montreal Protocol achievements, the progress report on the desk study for the evaluation of energy efficiency in the servicing sector and the terms of reference for the desk study for the evaluation of regional networks of national ozone officers.

21. In addition to considering funding requests for projects and activities, amounting to approximately US \$123.4 million, the Committee would address related issues, such as deadlines for the submission of projects, the submission of additional HFC stand-alone investment projects after the 84th meeting, and requests for preparatory funding for HFC phase-down plans and pilot demonstration projects.

22. The Committee would consider the report submitted by the Government of China on progress in the implementation of activities listed in decision 83/41 and a number of other reports related to projects in China.

23. The Secretariat had prepared several new policy papers, including on: end-user incentive schemes funded under approved HCFC phase-out management plans (HPMPs); analysis of the implications of the parallel or integrated implementation of HCFC phase-out and HFC phase-down activities; and the draft operational policy on gender mainstreaming for Multilateral Fund-supported projects. In addition, the Committee would continue its deliberations on the overview of current monitoring, reporting, verification and enforceable licensing and quota systems developed with support from the Multilateral Fund.

24. In the margins of the meeting, the Sub-group on the Production Sector would address the draft guidelines and the standard format used for the verification of ODS production phase-out, matters relating to the HCFC production sector in China and the HCFC production sector guidelines.

25. In concluding, the Chair said that he wished to thank the participants in advance for their support for, and continued commitment to, the successful management of the Multilateral Fund. He was confident that, through joint efforts, substantive progress would be made.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

26. The Executive Committee adopted the following agenda for the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/84/1, as orally amended:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Financial matters:
 - (a) Status of contributions and disbursements;
 - (b) Report on balances and availability of resources;
 - (c) Status of additional contributions to the Multilateral Fund and availability of resources (decision 83/4(c));
 - (d) Accounts of the Multilateral Fund:
 - (i) Final 2018 accounts;
 - (ii) Reconciliation of the 2018 accounts;
 - (e) Approved 2020, 2021 and proposed 2022 budgets of the Fund Secretariat.
5. Country programme data and prospects for compliance.
6. Evaluation:
 - (a) Evaluation of the performance of implementing agencies against their 2018 business plans;
 - (b) Final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction;
 - (c) Desk study for the evaluation of the sustainability of the Montreal Protocol achievements;
 - (d) Terms of reference for the desk study for the evaluation of regional networks of national ozone officers;
 - (e) Progress report on the desk study for the evaluation of the energy efficiency in the servicing sector;
 - (f) Draft monitoring and evaluation work programme for the year 2020.

7. Programme implementation:
 - (a) Progress reports as at 31 December 2018:
 - (i) Consolidated progress report;
 - (ii) Bilateral agencies;
 - (iii) UNDP;
 - (iv) UNEP;
 - (v) UNIDO;
 - (vi) World Bank;
 - (b) Reports on projects with specific reporting requirements;
 - (c) 2019 consolidated project completion report.
8. Business planning:
 - (a) Update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund;
 - (b) Tranche submission delays;
 - (c) Consolidated business plan of the Multilateral Fund for 2020–2022;
 - (d) Business plans of the bilateral and implementing agencies for 2020–2022:
 - (i) Bilateral agencies;
 - (ii) UNDP;
 - (iii) UNEP;
 - (iv) UNIDO;
 - (v) World Bank.
9. Project proposals:
 - (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Amendments to work programmes:
 - (i) UNDP work programme amendments for 2019;
 - (ii) UNEP work programme amendments for 2019;
 - (iii) UNIDO work programme amendments for 2019;

- (d) UNEP Compliance Assistance Programme budget for 2020;
 - (e) 2020 core unit costs for UNDP, UNIDO and the World Bank;
 - (f) Investment projects.
- 10. Report on end-user incentive schemes funded under approved HCFC phase-out management plans (decision 82/54).
 - 11. Overview of current monitoring, reporting, verification and enforceable licensing and quota systems developed with support from the Multilateral Fund (decision 83/60(c)).
 - 12. Analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities (decision 81/69).
 - 13. Matters related to the Kigali Amendment to the Montreal Protocol:
 - (a) Development of the cost guidelines for the phase-down of HFCs in Article 5 countries: Draft criteria for funding (decision 83/65(c) and (d));
 - (b) Energy efficiency:
 - (i) Paper on ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Meeting of the Parties (decision 83/62);
 - (ii) Paper on information on relevant funds and financial institutions mobilizing resources for energy efficiency that may be utilized when phasing down HFCs (decision 83/63);
 - (iii) Summary of the report by the Technology and Economic Assessment Panel on matters related to energy efficiency with regard to the issues identified in decision 82/83(e) (decision 83/64);
 - (c) Key aspects related to HFC-23 by-product control technologies (decisions 83/66 and 83/67).
 - 14. Draft operational policy on gender mainstreaming for Multilateral Fund-supported projects (decision 83/68(c)).
 - 15. Report of the Sub-group on the Production Sector.
 - 16. Other matters.
 - 17. Adoption of the report.
 - 18. Closure of the meeting.

(b) Organization of work

- 27. The Executive Committee agreed to consider, under agenda item 16, Other matters, issues relating to the dates and venues of the 85th, 86th, 87th and 88th meetings of the Executive Committee.

28. The Executive Committee also agreed that the Secretariat could issue document UNEP/OzL.Pro/ExCom/84/22/Add.3, containing additional information related to the report on the production of carbon tetrachloride (CTC) and its feedstock uses in China, which had been received after the deadline for issuance of documents and that it would be considered under agenda item 7(b), Reports on projects with specific reporting requirements.

29. The Executive Committee further agreed to reconvene the Sub-group on the Production Sector, with the following composition: Argentina, Canada (facilitator), China, France, Grenada, Niger, Norway and the United States of America.

30. One member proposed that precedence should be given to the consideration of agenda item 13, Matters related to the Kigali Amendment to the Montreal Protocol, while another stressed the importance of adopting a decision in relation to sub-item (c) of that item, Key aspects related to HFC-23 by-product control technologies, at the current meeting and as soon as possible.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

31. The Chief Officer welcomed the members of the Executive Committee and other participants to the present meeting. He expressed the sadness of all colleagues at the death of Mr. Moses Ajibade, who had provided outstanding services to the Multilateral Fund as Treasurer from 2007 to 2013. He also welcomed Mr. Arnold Kreilhuber, Acting Director of the UNEP Law Division, who was attending a meeting of the Executive Committee for the first time.

32. He then introduced document UNEP/OzL.Pro/ExCom/84/2, which provided an overview of the work of the Secretariat since the 83rd meeting, including summaries of the meetings attended and missions undertaken by the staff of the Secretariat. With regard to staffing and recruitment, the Chief Officer informed the Executive Committee that, after a competitive process, Ms. Mirian Vega, the current OzonAction Network Coordinator for the Latin America and the Caribbean Region, had been appointed as the Programme Management Officer. Recruitment processes for other vacant posts were continuing and would be completed soon. Regarding decision 83/1(b), which requested the Secretariat to present an organization chart showing its structure and the roles and responsibilities assigned to each post, the matter would be presented under agenda item 4(e), Approved 2020, 2021 and proposed 2022 budgets of the Fund Secretariat.

33. The Secretariat had been in communication with the representative of the Government of Uzbekistan on administrative, legal and logistical matters related to the 86th meeting of the Executive Committee, following the Committee's decision to hold that meeting back to back with the Thirty-Second Meeting of the Parties in Tashkent, in November 2020.

34. Finally, the Chief Officer said that the Secretariat had finalized the process of reviewing the lease for the Secretariat's office. The Fund Secretariat extended its deepest appreciation for the hospitality and assistance that it had received from the Government of Canada since its establishment in 1991.

35. During the ensuing discussion, several members expressed appreciation for the work performed by the Secretariat over the intersessional period, including in the preparation of the documents for the present meeting. One member stressed the importance of the attendance of representatives of the Secretariat at regional network meetings, which added considerable value for both the Secretariat and the Parties present. A member from the Latin America and the Caribbean Region expressed appreciation for the work that Ms. Mirian Vega had undertaken as OzonAction Network Coordinator for the region and congratulated her on her appointment with the Fund Secretariat.

36. The Chief Officer responded to various other issues raised. He said that several meetings had taken place between the Secretariat and representatives of the Green Climate Fund, providing an opportunity for

an exchange of information on how both funds operated and possibilities for further collaboration, including on the matter of energy efficiency. In a bilateral meeting, the Secretariat had provided information to the representative of the Green Climate Fund on the overall operation of the Multilateral Fund and the status of Executive Committee discussions on energy efficiency. The representative of the Green Climate Fund had indicated that funding could be available under its replenishment to fund activities related to energy efficiency, specifically in the cooling sector.

37. Regarding a request from the secretariat of the Global Environment Facility (GEF) that the Fund Secretariat review a submission from the Government of India for the project on energy efficiency for air-conditioners in buildings for that country, the Fund Secretariat had found no overlap with the activities and outputs of the HPMP for India being implemented with assistance from the Multilateral Fund. The Fund Secretariat had also suggested that due consideration be given in the project to the adoption of technologies with low global-warming-potential (GWP) in the refrigeration and air-conditioning sector and to the cold chain.

38. Finally, in relation to a query about his visiting the UNEP Compliance Assistance Programme (CAP) team in Nairobi, Kenya, the Chief Officer highlighted the value of such visits for information exchange on relevant issues.

39. The Executive Committee took note, with appreciation, of the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/84/2.

AGENDA ITEM 4: FINANCIAL MATTERS

(a) Status of contributions and disbursements

40. The Treasurer introduced the report on the status of contributions and disbursements contained in document UNEP/OzL.Pro/ExCom/84/3 and provided updated information on countries' contributions to the Multilateral Fund. Since the issuance of the document, the Treasurer had received additional contributions totalling US \$3,022,812 from the Governments of Czechia, Denmark, Greece and Iceland. Reminder invoices had been sent, at the beginning of October 2019, to Parties with outstanding contributions.

41. As at 16 December 2019, the balance of the Fund stood at US \$222,565,321, all of it in cash. The percentage of payments against the total pledges for 2019 stood at 87 per cent and the loss stemming from the fixed exchange-rate mechanism (FERM) had decreased by US \$314,212 since the 83rd meeting. The cumulative loss owing to the FERM since its inception stood at US \$32.5 million.

42. The Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements, contained in Annex I to the present report;
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible; and
- (c) To request the Chief Officer and the Treasurer to continue following up with Parties that had outstanding contributions for one triennium or more, and to report back at the 85th meeting.

(Decision 84/1)

(b) Report on balances and availability of resources

43. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/4.

44. After issuance of the document, the World Bank had returned an additional US \$6,763,467 from the foam sector plan under stage I of the HPMP for China and the HCFC production phase-out management plan (HPPMP) for China and balances from project preparation for stage II for both sector plans. The total amount being returned by the World Bank to the 84th meeting was therefore US \$7,670,501 in project costs and US \$488,796 in agency support costs. In addition, the World Bank would be returning to the Fund the penalty payment of US \$133,146 received from China pursuant to decision 82/88(d). Balances held by UNEP for the survey of ODS alternatives in Algeria and by UNIDO for the foam sector plan under stage I of the HPMP for the Islamic Republic of Iran, which had been slated to be returned at the 84th meeting, would instead be returned at the 85th meeting.

45. The total funding requested at the present meeting as originally submitted stood at US \$156,062,592, including agency support costs. Taking into account the return of balances of US \$12,042,689 by the implementing agencies and US \$920,287 by the bilateral agencies, as well as the updated information provided by the Treasurer, the total funding available amounted to US \$235,661,443.

46. In response to a query about another amount held by UNEP, the representative of the Secretariat clarified that UNEP had an uncommitted balance of US \$58,363 associated with the project to promote alternative refrigerants in air-conditioning for high-ambient-temperature countries in West Asia, which would be returned at the 85th meeting, pursuant to decision 83/37(c).

47. The Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/84/4;
- (ii) That the net level of funds being returned at the 84th meeting by the implementing agencies was US \$12,014,622, consisting of: US \$438,499, plus agency support costs of US \$30,902 from UNDP; US \$2,088,984, plus agency support costs of US \$162,970 from UNEP; US \$1,050,133, plus agency support costs of US \$83,837 from UNIDO; and US \$7,670,501, plus agency support costs of US \$488,796 from the World Bank;
- (iii) That the net level of funds being returned at the 84th meeting by the implementing agencies from projects funded using the additional voluntary contributions was US \$28,064, consisting of: US \$25,934, plus agency support costs of US \$1,815 from UNDP, and US \$294 plus agency support costs of US \$21 from UNIDO;
- (iv) That UNEP held balances of US \$56,500, including agency support costs, for one ODS-alternative survey project, and US \$58,363, including agency support costs, in not-committed balance for one project;
- (v) That UNIDO held balances of US \$152,209, including agency support costs, for one project completed over two years previously, and US \$8,058, including agency support costs, for one project funded using the additional voluntary contributions;
- (vi) That the net level of funds and agency support costs returned by the bilateral agencies at the 84th meeting was US \$920,287, consisting of: US \$454,087, plus

agency support costs of US \$57,518 from the Government of France, and US \$405,953, plus agency support costs of US \$2,729 from the Government of Japan;

(b) To request:

- (i) Bilateral and implementing agencies to proceed with disbursement or to cancel committed and not-committed funds that were not needed for completed projects and for projects completed “by decision of the Executive Committee”, and to return the associated balances at the 85th meeting;
- (ii) UNIDO to return to the 85th meeting the balance of one completed project funded using the additional voluntary contributions;
- (iii) UNIDO to disburse or cancel commitments for one project completed over two years previously and to return balances at the 85th meeting;
- (iv) UNEP to return the outstanding balances for one ODS-alternative survey project before the 85th meeting, in line with decisions 80/75(c)(ii) and 83/3(b)(iii);
- (v) The Treasurer to follow up with the Governments of France and Japan, on the return, in cash, of the amount of US \$920,287 referred to in sub-paragraph (a)(vi) above; and
- (vi) The Treasurer to offset US \$133,146 from the funds approved for the World Bank at the 84th meeting, representing the amount of the penalty payment received from the Government of China pursuant to decision 82/88(d).

(Decision 84/2)

(c) Status of additional contributions to the Multilateral Fund and availability of resources (decision 83/4(c))

48. The Treasurer introduced document UNEP/OzL.Pro/ExCom/84/5 and said that, as at 16 December 2019, the available balance of the additional contributions by a group of 17 non-Article 5 countries for fast-start support for the implementation of HFC phase-down amounted to US \$13,698.

49. The Executive Committee decided:

- (a) To note the report of the Treasurer on the status of additional contributions to the Multilateral Fund and availability of resources contained in document UNEP/OzL.Pro/ExCom/84/5;
- (b) To note with appreciation the agreement of donor countries to amalgamate the balances from the additional contributions for fast-start support for HFC phase-down with the regular contributions to the Multilateral Fund;
- (c) To request the Treasurer:
 - (i) To add, as additional income, the balance of US \$13,698 remaining from the additional contributions to the regular contributions to the Multilateral Fund;
 - (ii) To add, as additional income, the balances from completed projects and projects completed “by decision of the Executive Committee” remaining from the

additional contributions that had been returned at the 84th meeting, or that would be returned at future meetings, to the regular contributions to the Multilateral Fund; and

- (d) To note that, as of the 85th meeting, the status of the additional contributions to the Multilateral Fund would no longer be reported to the Executive Committee separately from the regular contributions to the Fund.

(Decision 84/3)

(d) Accounts of the Multilateral Fund

(i) Final 2018 accounts

50. The Treasurer introduced documents UNEP/OzL.Pro/ExCom/84/6 and Corr.1 and said that the revenue difference of US \$32,420,968 between the provisional and final statements by UNDP stemmed from the timing of the recording of the transfer of the funds approved at the 82nd meeting. The differences in expenditure relating to UNDP and UNEP were caused by year-end adjustments made by the implementing agencies after submission of the provisional financial report. The adjustments would be reflected in the 2019 accounts. The Treasurer also informed the meeting that the United Nations Board of Auditors had made no audit observation pertaining to the Multilateral Fund.

51. The Executive Committee decided:

- a. To note the final audited financial statements of the Multilateral Fund as at 31 December 2018, prepared in accordance with the International Public Sector Accounting Standards, and the certified statement of income and disbursements of the additional contributions for fast-start support for the implementation of HFC phase-down pursuant to decision 83/4(b), all contained in documents UNEP/OzL.Pro/ExCom/84/6 and Corr.1; and
- b. To request the Treasurer to record in the 2019 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2018 financial statements and their final 2018 statements reflected in Table 1 of document UNEP/OzL.Pro/ExCom/84/6.

(Decision 84/4)

(ii) Reconciliation of the 2018 accounts

52. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/7, saying that all of the discrepancies found between the Inventory of Approved Projects database and the 2018 progress reports had been explained. With regard to income, there were items for which reconciliation between the 2018 progress reports and the 2018 accounts was required, amounting to US \$11,093 for UNIDO and US \$120,198 for the World Bank, which would need to be explained for the next reconciliation exercise. In relation to expenditures, there was one outstanding item in the amount of US \$65,856 for UNIDO that would require an explanation by the next reconciliation exercise.

53. The Executive Committee decided:

- (a) To note the reconciliation of the 2018 accounts contained in document UNEP/OzL.Pro/ExCom/84/7;

- (b) To request the Treasurer to deduct from future transfers:
 - (i) To UNDP, US \$827,039, on account of income from interest reported in its 2018 final accounts that had yet to be offset against new approvals;
 - (ii) To UNEP, US \$616,416, on account of income from interest earned in 2018, US \$449,123, on account of income from interest earned in prior years, and US \$28,906, on account of income from exchange-rate gain reported in its 2018 final accounts that had yet to be offset against new approvals;
 - (iii) To the World Bank, US \$441,943, on account of income from investment reported in its 2018 final accounts that had yet to be offset against new approvals;
- (c) To request UNDP:
 - (i) To make an adjustment of US \$33 in its 2019 progress report, representing rounding differences related to agency support costs;
 - (ii) To reflect in its 2019 accounts, US \$246,281, representing a bilateral expenditure misreported in its 2018 final accounts;
- (d) To request UNEP to make adjustments, in its 2019 progress report, of US \$317,438 and US \$83,383, representing the difference in projected and actual agency support costs in the 2017 and 2018 final accounts, respectively;
- (e) To request UNIDO:
 - (i) To make an adjustment of US \$109,825 in its 2019 progress report, representing income recorded in its 2018 accounts and balances returned only in 2019;
 - (ii) To reflect, in its 2019 accounts, US \$2,083,871 in income that had been recorded in 2018 and US \$88,547, representing interest from the HCFC phase-out management plan for China that had been offset in 2018 but not reflected in its 2018 accounts;
- (f) To request the World Bank, in its 2019 progress report, to make adjustments of US \$4,813, representing funds returned from income from an investment project (CPR/PHA/73/INV/551), and US \$1,102,100, representing funds approved at the 80th and 81st meetings;
- (g) To note that the following 2018 outstanding reconciling items would be updated prior to the 86th meeting by the relevant implementing agencies:
 - (i) Differences of US \$11,093 in income and US \$65,856 in expenditures, between the progress report and final accounts of UNIDO;
 - (ii) Differences of US \$120,198 in income, between the progress report and final accounts of the World Bank;
- (h) To note the standing reconciling items as follows:
 - (i) For UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054;

- (ii) For the World Bank, for the following projects implemented with other bilateral agencies where applicable:
 - a. Bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
 - b. Bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
 - c. Bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
 - d. Bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000; and
 - e. The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946.

(Decision 84/5)

(e) Approved 2019, 2020 and 2021, and proposed 2022 budgets of the Fund Secretariat

54. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/8. She noted that staff movements due to retirement and new arrivals over the next two years would result in one-off costs that had not been budgeted for, that vacant posts would be filled, and that a potential change in the staffing structure might be required. It therefore seemed opportune to undertake a review of the staff costs in 2020, taking into account the Secretariat's expenses presented in the final 2019 accounts.

55. In response to a request for further information on the proposed staffing changes, the Chair invited interested members to meet bilaterally with the representative of the Fund Secretariat and to report back to the Executive Committee on those discussions.

56. Subsequently, the Executive Committee decided:

- (a) To note:
 - (i) The document on the approved 2019, 2020 and 2021, and proposed 2022 budgets of the Fund Secretariat contained in UNEP/OzL.Pro/ExCom/84/8;
 - (ii) That US \$97,506 in expenditures not recorded in the final 2018 accounts had been reallocated to the 2019 budget;
 - (iii) The return of US \$1,646,463 (US \$1,624,548 from the approved 2018 budget of the Fund Secretariat and US \$21,915 from the approved 2018 budget for the monitoring and evaluation work programme) to the Multilateral Fund at the 84th meeting;
- (b) To approve, as contained in Annex II to the present report:
 - (i) The upgrade of the posts of the Associate Database Officer (BL 1116) from P-2 to P-3, the Team Assistant (BL 1309) from G-4 to G-5 and the Finance and Budget Assistant (BL 1312) from G-6 to G-7, with the corresponding change in titles starting in 2020;

- (ii) The proposed 2022 budget of the Fund Secretariat of US \$7,949,630, based on the 2021 budget, including two meetings of the Executive Committee in Montreal and a 3 per cent increase in staff costs; and
- (c) To request the Fund Secretariat to continue monitoring its staff costs to assess the appropriate rate of increase for future years and to report back at the 86th meeting, taking into account the Fund Secretariat's expenses as presented in the final 2019 accounts.

(Decision 84/6)

AGENDA ITEM 5: COUNTRY PROGRAMME DATA AND PROSPECTS FOR COMPLIANCE

57. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/9/Rev.1. She explained that, since the issuance of the document, the Secretariat had received 2018 CP data for Kuwait and Mauritania, bringing the number of Article 5 countries that had submitted CP data reports for 2018 to 142.

58. During the discussion, one member expressed concern over the increased reporting burden that the draft revised reporting format would entail and proposed that the format should be reviewed so as to ensure that it was implementable and did not overlap with HCFC phase-out plans. Another member said that, in the light of unexpected emissions of CFC-11, it would be helpful to reconsider the approach of removing substances from the reporting format once their phase-out year had been reached. It was noted that, as reporting on HFC was a new task, and some countries might not yet have systems in place to provide the necessary data, there should be a degree of flexibility with regard to the timing of the reporting and the breadth of data to be included.

59. The Executive Committee agreed to refer the matter to a group of interested Executive Committee members for further consideration.

60. Subsequently, the Executive Committee decided:

- (a) To note the information on country programme (CP) data and prospects for compliance contained in document UNEP/OzL.Pro/ExCom/84/9/Rev.1, including:
 - (i) That 140 countries had submitted 2018 CP data, 124 of them using the web-based system;
 - (ii) That, as at 20 December 2019, Yemen had not submitted CP data for the years 2014 to 2018, and Qatar had not submitted CP data for 2018;
 - (iii) That the Government of South Africa would resubmit 2018 CP data to the Secretariat;
- (b) To request the Secretariat to send letters to the Government of Yemen regarding the outstanding CP data reports for the years 2014, 2015, 2016, 2017 and 2018, and to the Government of Qatar regarding the outstanding CP data report for 2018, urging them to submit those reports as soon as possible;
- (c) To approve the updated revised format of CP data reports contained in Annex III, and the draft Practical manual for CP data reporting contained in Annex IV, to the present report, noting that the revised format would be used starting in 2020 for 2019 CP data reporting, and would be used for a trial period from 2020 to 2022;

- (d) To request the Secretariat to revise Section B1 for data reporting on manufacturing of blends containing Annex F substances contained in Annex III to document UNEP/OzL.Pro/ExCom/84/9/Rev.1, for consideration at the 85th meeting; and
- (e) To request the Secretariat to prepare a report on the outcome of the use of the revised format for CP data reports during the trial period for consideration at the first meeting of 2023.

(Decision 84/7)

AGENDA ITEM 6: EVALUATION

(a) Evaluation of the performance of implementing agencies against their 2018 business plans

61. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/10, containing an evaluation of the performance of the implementing agencies against their 2018 business plans.

62. Following that introduction, one member requested additional information on why some targets had not been met and asked whether any actions had been identified or implemented to improve performances where relevant, and whether there were any consequences in instances where performance was not satisfactory.

63. The representative of the Secretariat responded that the trend analysis was based on targets set during the previous year and, in some instances where a high forecast had been made, the implementing agency had not achieved that target. Generally, however, all implementing agencies had achieved at least a good rating, and had only fallen short of their targets in a few instances. There had been no consequences when implementing agencies had failed to achieve their targets.

64. The Executive Committee decided:

- (a) To note:
 - (i) The evaluation of the performance of implementing agencies against their 2018 business plans, as contained in document UNEP/OzL.Pro/ExCom/84/10;
 - (ii) That all implementing agencies had a quantitative assessment of their performance for 2018 of at least 77 on a scale of 100;
 - (iii) That the trend analysis indicated that performance of implementing agencies had not improved for some indicators in 2018 in relation to 2017;
 - (iv) With appreciation, the efforts undertaken by bilateral and implementing agencies to have open and constructive discussions with the respective national ozone units (NOUs) about the areas in which their services were perceived to be less than satisfactory, and the satisfactory outcome of their consultations with the NOUs concerned; and
- (b) To encourage NOUs to submit, on a yearly basis and in a timely manner, their assessments of the qualitative performance of the bilateral and implementing agencies in assisting their governments, noting, with appreciation, that 71 out of the 144 countries had submitted such assessments, as compared to 40 in 2018.

(Decision 84/8)

(b) Final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction

65. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/84/11.

66. In the ensuing discussion, there was general appreciation of the outcomes of the evaluation of the pilot demonstration projects on ODS disposal and destruction, which highlighted the various legal, logistical and policy challenges related to ODS disposal and destruction and provided replicable lessons that would assist countries in developing plans in that area.

67. One member said that the report indicated the complexity of ODS management. Accurate data were vital for the compilation of national inventories. The choices countries made in the management of ODS stockpiles and the selection of disposal strategies depended on the economies of scale available. Prevention of waste was a priority, and that had been shown in the evaluation to be the most cost-effective option for the management of wastes. The findings of the report could inform discussions on the cost guidelines for HFC phase-down in Article 5 countries.

68. One member said that, given the small sample of country projects, not all the lessons learned might be widely applicable to other ODS disposal projects. Another member said that further information on cost-effectiveness would be useful, particularly in the light of the discrepancy in the projects reviewed between the amounts of ODS targeted for destruction and the actual amounts destroyed. Another member said that greater attention should be given to quantifying the level of financing needed to develop inventories, with particular consideration given to the needs of low-volume-consuming (LVC) countries. Another member said that opportunities should be explored to deal with waste disposal and destruction at the regional level.

69. The Senior Monitoring and Evaluation Officer, responding to some of the matters raised, said that in selecting the sample of countries priority had been given to those projects that were well advanced or completed in order to obtain the most relevant information, while geographical and other kinds of diversity had been a lesser priority. She noted that a corrigendum to document UNEP/OzL.Pro/ExCom/84/11 would be issued to rectify some of the data.

70. The Executive Committee decided:

- (a) To note the final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction contained in documents UNEP/OzL.Pro/ExCom/84/11 and Corr.1; and
- (b) To invite the bilateral and implementing agencies to apply, when appropriate, the lessons learned on the basis on the key findings of the evaluation of the pilot demonstration projects on ODS disposal and destruction.

(Decision 84/9)

(c) Desk study for the evaluation of the sustainability of the Montreal Protocol achievements

71. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/84/12. She noted that the report recommended a second phase to the study, but sought advice from the Committee as to the necessity of such additional work.

72. During the ensuing discussion, several members welcomed the desk study, which enhanced the understanding of the factors contributing to the sustainability of activities undertaken under the Protocol

and the areas requiring further action and improvement. Several members stressed the importance of institutional strengthening to achieve the objectives of the Protocol, including through increasing the capacity of NOUs as focal points for mobilizing stakeholders. One member said that reclamation and recycling of refrigerants from ODS-based equipment should be accorded higher priority, given the greater sustainability of such activities compared to destruction.

73. Regarding the applicability of the desk study, some members said that it could contribute to discussions under agenda item 11, Overview of current monitoring, reporting, verification and enforceable licensing and quota systems developed with support from the Multilateral Fund.

74. On the matter of a second phase to the study, some members believed that that was not necessary, given the thorough scope of the present study and noted that matters of relevance to the monitoring and evaluation work programme for 2020 would be discussed under agenda item 6(f), Draft monitoring and evaluation work programme for the year 2020. Some other members said that a second phase could be useful in obtaining inputs from a wider range of stakeholders, including NOUs. Some members noted the difficulty of drawing meaningful lessons from the relatively small number of responses to a questionnaire sent to all NOUs and implementing agencies, on which the present study was based. A further phase to the study could employ a simpler methodology, such as a questionnaire, rather than a full field study.

75. The Executive Committee took note of the desk study of the evaluation of the sustainability of the Montreal Protocol achievements contained in document UNEP/OzL.Pro/ExCom/84/12.

(d) Terms of reference for the desk study for the evaluation of regional networks of national ozone officers

76. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/84/13.

77. In the ensuing discussion, several members welcomed the proposed terms of reference for the desk study. One member said that the study would provide useful information to the Executive Committee at a time when it was taking stock of the sustainability of its activities and adapting to the challenges of implementing the Kigali Amendment.

78. Several members drew attention to particular areas of the terms of reference that they considered of particular importance, including: the support of regional networks for training and exchange of expertise; information exchange between networks; the capacity of networks to influence decision-making processes at the national and regional levels; and coordination with bilateral and implementing agencies.

79. A number of additional areas where the terms of reference might be expanded were suggested, for example: the role of networks in addressing technical issues such as energy efficiency and the market pricing of alternatives; the potential for increasing North–South and South–South cooperation; involvement of a wider range of Montreal Protocol bodies; assessment of the capacity of bilateral and implementing agencies to provide support to regional networks; information on new technologies, including the transfer of knowledge; variability between the regional networks with regard to, for example, the number of meetings held, the amount of support received and the time devoted at meetings to Montreal Protocol matters; flexibility in the modalities of meetings, for example by holding joint network meetings involving all regions; and the impact of national reforms on the implementation of activities undertaken under the Montreal Protocol.

80. Regarding the methodology for the study, one member said that the proposed questionnaire could potentially constitute a significant piece of work for NOUs, and care should be taken to ensure that the design allowed a quick and easy response.

81. Responding to the issues raised, the Senior Monitoring and Evaluation Officer agreed that the questionnaire should be straightforward and easy to complete. She would approach members for further clarification on how the terms of reference could be refined, and a revision to document UNEP/OzL.Pro/ExCom/84/13 would be issued to include those comments.

82. Subsequently, the Executive Committee decided to approve the terms of reference for the desk study of the evaluation of the regional networks of national ozone officers contained in document UNEP/OzL.Pro/ExCom/84/13/Rev.1.

(Decision 84/10)

(e) Progress report on the desk study for the evaluation of the energy efficiency in the servicing sector

83. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/84/14 containing the progress report on the desk study for the evaluation of energy efficiency in the servicing sector. An external consultant with the necessary expertise had been identified and a list of relevant documents compiled for the consultant's analysis had been included in Annex II to the document. The consultant's findings would be presented in a desk study at the 86th meeting.

84. The Executive Committee took note of the progress report on the desk study for the evaluation of energy efficiency in the servicing sector contained in document UNEP/OzL.Pro/ExCom/84/14.

(f) Draft monitoring and evaluation work programme for the year 2020

85. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/84/15 containing the draft monitoring and evaluation work programme for 2020. The draft work programme proposed three evaluation activities, namely: the second phase of the evaluation of the sustainability of Montreal Protocol achievements; the desk study on the evaluation of regional networks of national ozone officers; and the desk study for the evaluation of energy efficiency in the servicing sector.

86. Following the presentation, in addition to the discussion under agenda item 6(c) on Desk study for the evaluation of the sustainability of the Montreal Protocol achievements, members further discussed whether the second phase of the evaluation of the sustainability of Montreal Protocol achievements was needed. Some members believed that it was not and that it should be removed from the draft work programme and budget. Other members stressed the value of undertaking a second phase of the evaluation using a different approach that might not involve field visits. Clarification was required as to whether the different approach involved obtaining information in different ways on the basis of the same terms of reference, or seeking different information, which would require modification of the terms of reference.

87. One of the members advocating for the removal of the second phase proposed that it be replaced by an evaluation of the HCFC demonstration projects, as the technology choices and lessons learned from those projects could assist Article 5 countries that were completing their HPMPs, while at the same time providing useful information to countries looking ahead to the phase-down of HFCs.

88. Some members expressed concern about the low level of response to the survey sent out to NOUs. On this point, the Senior Monitoring and Evaluation Officer clarified that surveys addressed to national ozone officers were very infrequent, as the Senior Monitoring and Evaluation Officer was mindful of their workload. On that matter, one member requested guidance regarding the person within a country's NOU network who should be tasked with filling out such surveys. The Senior Monitoring and Evaluation Officer replied that, while the first source of information during desk studies tended to be the national ozone

officers, other entities involved in Montreal Protocol activities were also consulted, usually at the stage of field work.

89. Following the discussion, the Chair suggested that interested members meet with the Senior Monitoring and Evaluation Officer to discuss pending concerns and the various proposals made, and to report back to plenary on what should be included in the monitoring and evaluation work programme for 2020.

90. Following the issuance of the revised work programme, as contained in document UNEP/OzL.Pro/ExCom/84/15/Rev.1, the Executive Committee decided:

- (a) To approve the proposed monitoring and evaluation work programme for 2020 contained in document UNEP/OzL.Pro/ExCom/84/15/Rev.1 and the related budget of US \$36,500 as shown in Table 2 of that document; and
- (b) To reallocate the amount of US \$15,000 for the desk study for the evaluation of energy efficiency in the servicing sector from the 2019 budget of the monitoring and evaluation work programme to that of 2020.

(Decision 84/11)

AGENDA ITEM 7: PROGRAMME IMPLEMENTATION

(a) Progress reports as at 31 December 2018

(i) Consolidated progress report

91. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/16.

92. Following the presentation, points were raised with regard to: reporting on the progress in implementation of HFC-related projects funded using the additional contributions to the Fund; the recording of HFC phase-out in metric tonnes and in CO₂-equivalent in future reports; reporting the overall cost-effectiveness of investment projects by sector and substance; and the need for analysis of the reasons for project implementation delays that might be outside countries' control. The Chair suggested that interested members meet with the representative of the Secretariat to develop a draft decision for consideration by the Executive Committee that would address the points raised.

93. The representative of the Secretariat presented the outcome of the discussions with interested members.

94. Subsequently, the Executive Committee decided:

- (a) To note:
 - (i) The consolidated progress report of the Multilateral Fund as at 31 December 2018 contained in document UNEP/OzL.Pro/ExCom/84/16;
 - (ii) With appreciation, the efforts undertaken by bilateral and implementing agencies in reporting their 2018 activities;
 - (iii) That the bilateral and implementing agencies would report, at the 85th meeting, on five projects with implementation delays and 58 ongoing projects or tranches of multi-year agreements recommended for additional status reports, as contained in Annexes V to VIII to the present report;

- (iv) That the Secretariat, in cooperation with the bilateral and implementing agencies, would revise the progress report database by incorporating a CO₂-equivalent metric tonne measurement for Annex F substances, calculated as the consumption or production in metric tonnes multiplied by the global-warming potential of the substance as specified in Annex F to the Montreal Protocol, and to report those values in the progress reports submitted at the 88th meeting and in all future progress reports;
- (b) To request the Secretariat to submit, at the 85th meeting, an additional report on the HFC-related investment projects and enabling activities funded using the additional contributions by a group of 17 non-Article 5 Parties, identifying the countries for which the projects had been approved and providing an overview of the objectives, status of implementation, key findings and lessons learned, the amounts of HFC phased out where applicable, the level of funds approved and disbursed and potential challenges in completing the projects and activities, on the understanding that that information would be provided on an individual basis for the HFC-related investment projects and on an aggregated basis for the HFC enabling activities; and
- (c) To request the Secretariat and the bilateral and implementing agencies to include the information set out in sub-paragraph (b) above in all future consolidated progress reports and individual progress reports, respectively, until all the HFC-related investment projects and enabling activities had been completed.

(Decision 84/12)

(ii) Bilateral agencies

- 95. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/17.
- 96. The Executive Committee decided:
 - To note, with appreciation, the progress reports submitted by the Governments of Australia, Canada, France, Germany, Italy, Japan, the Russian Federation and Spain contained in document UNEP/OzL.Pro/ExCom/84/17; and
 - (a) To approve the recommendation related to an ongoing project with specific issues contained in Annex V to the present report.

(Decision 84/13)

(iii) UNDP

- 97. The representative of UNDP introduced document UNEP/OzL.Pro/ExCom/84/18.
- 98. The Executive Committee decided:
 - (a) To note the progress report of UNDP as at 31 December 2018 contained in document UNEP/OzL.Pro/ExCom/84/18; and
 - (b) To approve the recommendations related to ongoing projects with specific issues contained in Annex VI to the present report.

(Decision 84/14)

(iv) UNEP

99. The representative of UNEP introduced document UNEP/OzL.Pro/ExCom/84/19.

100. Responding to a request for clarification regarding the low rate of disbursement for HFC enabling activities, he said that the amount shown in the report was that which had been recorded in Umoja, and the actual amounts advanced to the countries for implementation were recorded in Umoja only once the project partners had submitted the expenditure reports. Recalling that UNEP was the first agency that had submitted final reports for two completed projects, he assured the Committee that good progress was being made in all 89 HFC enabling activity projects.

101. One member provided an update on the situation in Central African Republic, a country covered by UNEP, where the complex political and security situation had hampered ozone-layer protection activities for some time. She reported that the situation had been resolved and project implementation was back on track.

102. The Executive Committee decided:

- (a) To note the progress report of UNEP as at 31 December 2018 contained in document UNEP/OzL.Pro/ExCom/84/19;
- (b) To approve the recommendations related to ongoing projects with specific issues contained in Annex VII to the present report; and
- (c) To approve the extension, to 30 June 2020, of the HCFC phase-out management plan for the Democratic Republic of the Congo (stage I, third tranche) (DRC/PHA/80/TAS/44), to allow UNEP to complete remaining servicing sector activities, noting the difficult situation in the country.

(Decision 84/15)

(v) UNIDO

103. The representative of UNIDO introduced documents UNEP/OzL.Pro/ExCom/84/20 and Corr.1.

104. Responding to requests for additional information, he said that non-availability of the national ozone officer for Qatar had slowed progress in both institutional strengthening and HPMP project implementation in that country. In Egypt, while all activities of the metered-dose inhaler project had been completed, the national authorities had yet to accept registration of the final product and an extension was needed to enable UNIDO to release uncommitted incremental operating costs upon registration of the product.

105. One member, noting that the projects under the HPMP for the Democratic People's Republic of Korea had long been stalled, asked for the rationale for extending them. The representative of UNIDO responded that the agency had considered extension the only way to ensure that any activities that might take place would comply with the relevant Executive Committee decision. The representative of the Secretariat noted the approach taken by UNIDO in requesting an extension before the date of completion. Furthermore, while there was currently no new information on the status of the sanctions imposed on the Democratic People's Republic of Korea by the United Nations Security Council, the future of those sanctions was uncertain. The Committee agreed to allow additional time for bilateral consultations on the matter in the margins of the meeting.

106. Subsequently, the Executive Committee decided:

- (a) To note the progress report of UNIDO as at 31 December 2018 contained in document UNEP/OzL.Pro/ExCom/84/20;
- (b) To approve the recommendations related to ongoing projects with specific issues contained in Annex VIII to the present report;
- (c) To cancel at the 84th meeting the Tunisia component of the demonstration project for the introduction of trans-critical CO₂ refrigeration technology for supermarkets (Argentina and Tunisia) (GLO/REF/76/DEM/335), noting that the balances would be returned at the 86th meeting;
- (d) To approve the extension, to 31 December 2019, of the HCFC phase-out management plan (HPMP) for Cameroon (stage I, fourth tranche) (CMR/PHA/80/INV/44), noting that final disbursement for procurement and related activities would be completed by December 2019;
- (e) To approve, on an exceptional basis, the extension, to 31 December 2021, of the HPMP for the Democratic People's Republic of Korea (stage I, first, second and third tranches) (DRK/PHA/73/INV/59, DRK/PHA/73/TAS/60, DRK/PHA/75/INV/62, DRK/PHA/75/TAS/63 and DRK/PHA/77/INV/64), noting that the projects are not moving forward on account of the provisions of numerous United Nations Security Council resolutions;
- (f) To approve the extension, to 30 June 2020, of the phase-out of CFC consumption in the manufacture of aerosol metered-dose inhalers for Egypt (EGY/ARS/50/INV/92) to enable the conclusion of regulatory approval by the health authorities in the country; and
- (g) To approve the extension, to 31 December 2019, of the HPMP for the Sudan (stage I, third tranche) (SUD/PHA/80/INV/42), noting that activities had been completed by November 2019.

(Decision 84/16)

(vi) World Bank

107. The representative of the World Bank introduced document UNEP/OzL.Pro/ExCom/84/21.

108. The Executive Committee took note of the progress report of the World Bank as at 31 December 2018 contained in document UNEP/OzL.Pro/ExCom/84/21.

(b) Reports on projects with specific reporting requirements

109. The Chair introduced document UNEP/OzL.Pro/ExCom/84/22. He said that the document was structured differently from the past as part of a proposed new approach, whereby the recommendations associated with the reports in relation to which there were no issues, or for which all issues had been satisfactorily addressed, would be adopted without the need to consider them individually, in a “blanket approval of the recommendations” approach. The aim of the approach was to give the Executive Committee more time to discuss other agenda items. Drawing attention to Table 1 of the document, which listed reports for which blanket approval was recommended, he said that the report of the 84th meeting would present each report individually, together with the decisions adopted by the Committee. He added that, if the Committee requested further clarification of any of those reports, they would be considered individually.

110. One member said that, while efforts to improve efficiency were welcome, a number of the projects were worthy of individual consideration. It was important to look at the reasons for delays in the introduction of approved low-GWP alternatives, which were often linked to three different types of challenges: the prohibitive cost or unavailability of alternatives; technical issues; and cases in which enterprises agreed to transition to a low-GWP alternative and had completed the conversion, but subsequently reversed their decision. He suggested that the new approach to the presentation of reports could be used at the current meeting, after which a decision could be made on whether to adopt it as a standard practice. Another member, noting an increasing number of project changes and cancellations, said that it would be helpful to have access to regularly updated information on the reasons for such changes and cancellations.

111. Following the discussion, the Executive Committee agreed to consider individually: the reports on the temporary use of a high-GWP technology in approved projects in Cuba and Lebanon; the reports related to HPMPs for the Bahamas, Brazil (stages I and II), India, Qatar and Uruguay; and the report on the project to demonstrate low-cost options for the conversion to non-ODS technologies in polyurethane (PU) foam at very small users in Egypt.

Section I: Reports on projects with specific reporting requirements recommended for blanket approval

ODS waste disposal projects

Brazil: Pilot demonstration project on ODS waste management and disposal (progress report) (UNDP)

112. Information relating to the project was set out in paragraphs 8 to 12 of document UNEP/OzL.Pro/ExCom/84/22.

113. The Executive Committee took note of the progress report on the pilot demonstration project on ODS waste management and disposal in Brazil, submitted by UNDP, contained in document UNEP/OzL.Pro/ExCom/84/22.

Reports related to HPMPs

Egypt: HCFC phase-out management plan (stage I – final progress report) (UNDP and UNIDO)

114. Information relating to the HPMP was contained in document UNEP/OzL.Pro/ExCom/84/49.

115. The Executive Committee decided:

- (a) To note the following reports, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/49:
 - (i) The progress report on implementation of the third tranche of the stage I of the HCFC phase-out management plan (HPMP) for Egypt;
 - (ii) The report on the project to promote low global-warming-potential refrigerants for the air-conditioning industry in Egypt (EGYPRA);
 - (iii) The report on the status of conversion of the systems houses, the 81 small- and medium-sized enterprises and the 350 micro users included in the foam-manufacturing sector project under stage I of the HPMP and the report on the status of use of the interim technology;

- (b) Also to note that all activities under stage I would be completed by 31 December 2019 and that any remaining balances would be returned by 31 December 2020, except for the UNIDO component in the servicing sector which would be completed by 30 June 2020;
- (c) To approve the extension of stage I of the HPMP to 30 June 2020 to allow completion of activities in sub-paragraph (b), above;
- (d) To request the Government of Egypt and UNIDO to submit the final report on EGYPRA at the 86th meeting; and
- (e) To request the Government of Egypt and UNIDO to submit progress reports on implementation of the work programme associated with the final tranche of stage I of the HPMP on a yearly basis until the completion of the project, and to submit the project completion report at the 87th meeting.

(Decision 84/17)

Equatorial Guinea: HCFC phase-out management plan (stage I – progress report on HCFC consumption trends and progress made on ensuring an operational licensing and quota system, and in addressing the recommendations of the verification report, and assistance provided by UNEP CAP) (UNEP)

116. Information relating to the HPMP was contained in paragraphs 69 to 74 of document UNEP/OzL.Pro/ExCom/84/22.

117. The Executive Committee took note of the detailed progress report, provided by the Government of Equatorial Guinea and UNEP and contained in document UNEP/OzL.Pro/ExCom/84/22, which assured: that operational licensing and quota systems were in place; that the recommendations of the verification report had been addressed, thus increasing the capacity of the NOU to undertake effective HCFC data reporting and monitoring; and that the assistance provided by the UNEP Compliance Assistance Programme continued to support implementation of stage I of the HCFC phase-out management plan for the country.

Honduras: HCFC phase-out management plan (stage I – progress report on implementation of all the activities under the UNEP components) (UNEP)

118. Information relating to the HPMP was set out in paragraphs 75 to 84 of document UNEP/OzL.Pro/ExCom/84/22.

119. The Executive Committee decided:

- (a) To note the progress report on implementation of activities within the UNEP components of stage I of the HCFC phase-out management plan (HPMP) for Honduras, submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/84/22;
- (b) To note that the fifth and final tranche of stage I of the HPMP could be submitted only once the following conditions had been met:
 - (i) Completion of training for customs and enforcement officers, covering 31 customs entry points, on the control of imports of HCFCs and HCFC-based equipment;
 - (ii) Completion of establishment of an electronic system for the registration of importers, suppliers and end-users;

- (iii) Substantive progress in the revision of technical standards, including safety measures for flammable refrigerants;
- (iv) Disbursement of 100 per cent of the total funds approved for the UNEP components of the first, second and third tranches of stage I of the HPMP and disbursement of 70 per cent for the UNEP component of the fourth tranche; and
- (c) To request UNEP to continue to submit, to each meeting of the Executive Committee until submission of the fifth and final tranche of stage I of the HPMP, a progress report on implementation of all the activities under the UNEP components of stage I of the HPMP, including the disbursements made.

(Decision 84/18)

Islamic Republic of Iran: HCFC phase-out management plan (stage I – annual progress report) (UNDP, UNEP, UNIDO and the Government of Germany)

120. Information relating to the HPMP was contained in document UNEP/OzL.Pro/ExCom/84/51.
121. The Executive Committee decided:
- (a) To note:
 - (i) The final progress report on implementation of the work programme associated with the fourth tranche of stage I of the HCFC phase-out management plan (HPMP) for the Islamic Republic of Iran, submitted by UNDP and contained in document UNEP/OzL.Pro/ExCom/84/51;
 - (ii) That the Government of the Islamic Republic of Iran, UNDP, UNEP, UNIDO and the Government of Germany had submitted a revised project completion report in line with decision 83/23;
 - (iii) That UNIDO would return at the 84th meeting a balance of US \$2,391, plus agency support costs of US \$180, from the third tranche of stage I of the HPMP; and
 - (b) To request UNIDO to return, no later than the 85th meeting, any remaining balances of funds approved for stage I of the HPMP.

(Decision 84/19)

Libya: HCFC phase-out management plan (stage I – progress report) (UNIDO)

122. Information relating to the HPMP was set out in paragraphs 98 to 111 of document UNEP/OzL.Pro/ExCom/84/22.
123. The Executive Committee decided:
- (a) To note the progress report on implementation of stage I of the HCFC phase-out management plan (HPMP) for Libya, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/22; and
 - (b) To extend stage I of the HPMP to 31 December 2021, noting the challenging security situation in the country, on the understanding that a revised draft Agreement between the Government of Libya and the Executive Committee would be submitted at the

86th meeting, along with the progress report on implementation of the work programme and a verification report.

(Decision 84/20)

Maldives: HCFC phase-out management plan (stage I and demonstration project for HCFC-free low-GWP alternatives in refrigeration in the fisheries sector – progress report) (UNDP and UNEP)

124. Information relating to the HPMP was set out in paragraphs 112 to 121 of document UNEP/OzL.Pro/ExCom/84/22.

125. The Executive Committee decided:

- (a) To note the progress reports on the demonstration project for HCFC-free low global-warming-potential (low-GWP) alternatives in refrigeration in the fisheries sector and on implementation of stage I of the HCFC phase-out management plan (HPMP) for the Maldives, submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/84/22;
- (b) To request UNDP to submit to the 85th meeting the project completion report for the demonstration project for HCFC-free low-GWP alternatives in refrigeration in the fisheries sector in the Maldives; and
- (c) To request UNEP to continue to submit progress reports on implementation of stage I of the HPMP on a yearly basis until completion of stage I on 31 December 2020, and to submit the project completion report no later than the 87th meeting.

(Decision 84/21)

Mexico: HCFC phase-out management plan (stage I – progress report) (UNIDO and UNDP)

126. Information relating to the HPMP was set out in paragraphs 122 to 136 of document UNEP/OzL.Pro/ExCom/84/22.

127. The Executive Committee decided to note:

- (a) The 2019 progress report on implementation of stage I of the HCFC phase-out management plan (HPMP) for Mexico, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/22;
- (b) That the enterprise Plasticos Espumados had not participated in stage I of the HPMP and that the approved funds of US \$683,300 would be returned to the Fund at the 87th meeting upon financial completion of stage I of the HPMP;
- (c) The balance of US \$24 that would be returned by UNIDO at the 85th meeting, and the estimated balance of US \$300,000 and any remaining balance from the servicing sector, that would be returned by UNDP and UNIDO, respectively, at the 87th meeting, upon financial completion of stage I of the HPMP; and
- (d) That UNDP and UNIDO would submit the final report on completion of the remaining activities under stage I of the HPMP as part of the subsequent progress report associated

with stage II of the HPMP, and the stage I project completion report no later than 30 June 2020, in line with decision 82/33(c).

(Decision 84/22)

Demonstration projects for low-GWP alternatives to HCFCs

Morocco: Demonstration of the use of low-cost pentane foaming technology for the conversion to non-ODS technologies in polyurethane foams at small- and medium-sized enterprises (final report) (UNIDO)

128. Information relating to the demonstration project was set out in paragraphs 161 to 179 of and in an annex to document UNEP/OzL.Pro/ExCom/84/22.

129. The Executive Committee decided:

- (a) To note the final report on the use of low-cost pentane foaming technology for the conversion to non-ODS technologies in the polyurethane (PU) foam manufacturing sector, at small- and medium-sized enterprises in Morocco, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/22; and
- (b) To invite bilateral and implementing agencies to take into account the report referred to in sub-paragraph (a), above, when assisting Article 5 countries in preparing projects in the PU foam manufacturing sector at small- and medium-sized enterprises.

(Decision 84/23)

Saudi Arabia: Demonstration project for the phase-out of HCFCs by using hydrofluoroolefins as foam-blowing agent in the spray foam applications in high ambient temperatures (UNIDO)

130. Information relating to the demonstration project was set out in paragraphs 180 to 183 of document UNEP/OzL.Pro/ExCom/84/22.

131. The Executive Committee took note of the submission by UNIDO of the final report on the demonstration project for the phase-out of HCFCs by using hydrofluoroolefins as foam-blowing agent in the spray foam applications in high ambient temperatures in Saudi Arabia, which would be reviewed by the Secretariat and presented at the 85th meeting.

West Asia region: Demonstration project on promoting alternative refrigerants in air-conditioning for high ambient temperature countries (final report) (UNEP and UNIDO)

132. Information relating to the demonstration project was set out in paragraphs 184 to 187 of document UNEP/OzL.Pro/ExCom/84/22.

133. The Executive Committee took note of the submission by UNEP and UNIDO of the final report on the demonstration project on promoting alternative refrigerants in air-conditioning for high ambient temperature countries in West Asia (PRAHA-II), which would be reviewed by the Secretariat and presented at the 85th meeting.

Global (Eastern Africa and Caribbean regions): Demonstration project on refrigerant quality, containment and introduction of low-GWP alternatives in the refrigeration and air-conditioning sector (progress report) (UNIDO)

134. Information relating to the demonstration project was set out in paragraphs 188 to 200 of document UNEP/OzL.Pro/ExCom/84/22.

135. The Executive Committee decided to note:

- (a) The progress report on the global (Eastern Africa and Caribbean regions) demonstration project on refrigerant quality, containment and introduction of low global-warming-potential alternatives in the refrigeration and air-conditioning sector, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/22; and
- (b) That UNIDO would submit to the 85th meeting both a final report on the project referred to in sub-paragraph (a), above, and the project completion report, and that remaining balances would be returned at the 86th meeting.

(Decision 84/24)

Methyl bromide

Argentina: Critical use exemptions (UNIDO)

136. Information relating to the methyl bromide critical use exemptions was set out in paragraphs 201 to 203 of document UNEP/OzL.Pro/ExCom/84/22.

137. The Executive Committee noted that the reported level of consumption of methyl bromide for Argentina in 2018 was zero, as per the Agreement between the Government and the Executive Committee, except for the critical-use exemptions approved by the Meeting of the Parties to the Montreal Protocol.

Change of lead implementing agency

Senegal: HCFC phase-out management plan (stage I – request for change in lead implementing agency (UNEP and UNIDO)

138. Information relating to the request was set out in paragraphs 204 to 208 of document UNEP/OzL.Pro/ExCom/84/22.

139. The Executive Committee decided:

- (a) To note the request from the Government of Senegal to change the lead implementing agency for stage I of the HCFC phase-out management plan (HPMP) from UNIDO to UNEP, and the cooperating implementing agency from UNEP to UNIDO; and
- (b) To request UNEP as lead implementing agency to submit the request for the third funding tranche of stage I of the HPMP, together with the revised Agreement between the Government of Senegal and the Executive Committee, no later than the 85th meeting.

(Decision 84/25)

Requests for extension of enabling activities (UNDP, UNEP, UNIDO, World Bank and the Government of Germany)

140. Information relating to the requests for extension of enabling activities was set out in paragraphs 209 to 211 of document UNEP/OzL.Pro/ExCom/84/22.

141. The Executive Committee decided:

- (a) To note the requests, submitted by the respective bilateral and implementing agencies, for extension of enabling activities for HFC phase-down for the 63 Article 5 countries listed in Table 11 of document UNEP/OzL.Pro/ExCom/84/22; and
- (b) To extend the completion date for the enabling activities for HFC phase-down to 30 June 2020, for Liberia, Papua New Guinea and Seychelles, and to 31 January 2021, for Afghanistan, Argentina, Bahrain, Bangladesh, Benin, Botswana, Chad, Comoros, Côte d'Ivoire, Cuba, the Democratic Republic of the Congo, Djibouti, Egypt, El Salvador, Equatorial Guinea, Eswatini, Ethiopia, Georgia, Guinea-Bissau, Guyana, Honduras, Indonesia, Iran (Islamic Republic of), Iraq, Kenya, Kiribati, Kuwait, Lao People's Democratic Republic, Libya, Madagascar, Malawi, Mali, Marshall Islands, Mauritania, Micronesia (Federated States of), Morocco, Mozambique, Myanmar, Nauru, Nepal, Nicaragua, Niger, Niue, Oman, Pakistan, Panama, Paraguay, Saint Kitts and Nevis, Samoa, Sao Tome and Principe, Saudi Arabia, Sierra Leone, Solomon Islands, South Sudan, Sri Lanka, Tuvalu, Uganda, United Republic of Tanzania, Vanuatu, and Venezuela (Bolivarian Republic of), on the understanding that no further extension would be requested and that bilateral and implementing agencies would submit, within six months of the project completion date, a final report on the enabling activities completed, in line with decision 81/32(b).

(Decision 84/26)

Future of the new approach, "blanket approval of the recommendations"

142. The Executive Committee agreed to continue using the "blanket approval of recommendations" approach, on the understanding that the Secretariat would continue to draw the Committee's attention to any project-related issues that might have policy implications.

Section II: Reports on projects with specific reporting requirements for individual consideration

Temporary use of a high-GWP technology in approved projects

143. Following informal discussions among interested members, the Executive Committee decided to request the Secretariat taking into consideration discussions at the 84th meeting, to prepare, for the 85th meeting, a list of enterprises that had been funded under HCFC phase-out management plans for conversion to low global-warming-potential technologies, and that had experienced implementation delays due to issues related to availability in the local market and/or higher costs.

(Decision 84/27)

Cuba: HCFC phase-out management plan (stage I – report on the status of conversion of enterprises FRIARC and IDA) (UNDP)

144. The representative of the Secretariat drew attention to paragraphs 13 to 20 of document UNEP/OzL.Pro/ExCom/84/22.

145. Responding to a query about the timeline for the conversion of two enterprises under the HPMP, the representative of UNDP said that both were expected to be completed by 2020.

146. The Executive Committee decided:

- (a) To note with appreciation the report provided by UNDP and the efforts made to facilitate the supply of technology with low global-warming-potential (GWP) to the enterprises FRIARC and IDA, funded under stage I of the HCFC phase-out management plan for Cuba, contained in document UNEP/OzL.Pro/ExCom/84/22; and
- (b) To request UNDP to continue assisting the Government of Cuba in securing the supply of low-GWP alternative technology and to provide, at the 85th meeting, a report on the status of the conversion of the two enterprises mentioned in sub-paragraph (a), above, including, in the event of use of a technology other than that selected when the project was approved, detailed analysis of the incremental capital and operating costs, along with an update from the suppliers on the progress made towards ensuring that the selected technologies, including associated components, were available in the country on a commercial basis.

(Decision 84/28)

Lebanon: HCFC phase-out management plan (stage II – report on the status of the conversion of the remaining beneficiary enterprises in both the foam and air-conditioning manufacturing sectors) (UNDP)

147. The representative of the Secretariat drew attention to paragraphs 21 to 29 of document UNEP/OzL.Pro/ExCom/84/22.

148. Responding to a request for updates on the conversion of the enterprises CGI Halawany and ICR, the representative of UNDP informed the Committee that the conversions were proceeding well, and issues related to the availability of HFC-32 and its related components had been resolved. Nevertheless, there was insufficient funding under the current tranche to cover the two conversion projects. Accordingly, UNDP was working with the Government of Lebanon to bring forward the submission of the next tranche, from 2021 to 2020. He also explained that postponing implementation of the ban on the import of HCFC-141b until the end of 2020 would allow enough time to convert the foam enterprises.

149. The Executive Committee decided:

- (a) To note:
 - (i) The report provided by UNDP and the Government of Lebanon, contained in document UNEP/OzL.Pro/ExCom/84/22, describing the continued challenges being faced by the Government in sourcing commercially available alternatives with low global-warming-potential (GWP), such as hydrofluoroolefins, and the efforts made by the Government and UNDP to facilitate the supply of low-GWP technology to the enterprises funded under stage II of the HCFC phase-out management plan for Lebanon;
 - (ii) That the Government of Lebanon was fully committed to introducing the ban on the imports of HCFC-141b as of 31 December 2020; and
- (b) To request UNDP to continue assisting the Government of Lebanon in securing the supply of low-GWP alternative technology, and to report, at the 85th meeting, on the results of the testing of two alternatives in the foam sector and, at the same meeting and each meeting

thereafter until the technology originally selected or another technology with low-GWP had been fully introduced, on the status of the conversion of the remaining beneficiary enterprises in the foam manufacturing sector (SPEC, Prometal and the small enterprises) and in the air-conditioning manufacturing sector (CGI Halawany and ICR).

(Decision 84/29)

Trinidad and Tobago: HCFC phase-out management plan (stage I – report on temporary use of a high-GWP technology) (UNDP)

150. The representative of the Secretariat drew attention to paragraphs 212 to 217 of document UNEP/OzL.Pro/ExCom/84/22.

151. In the ensuing discussion, several members drew attention to the similarity of the present case to that of stage I of the HPMP for Indonesia, in that an enterprise had bifurcated manufacturing, marketing low-GWP methyl formate-based formulations while continuing to meet a market demand for HFC-based formulations. The representative of UNDP said that the agency would review the situation with the manufacturer at the start of 2020.

152. The Executive Committee decided:

- (a) To note the report provided by UNDP on the status of use of different technologies and the challenges faced while adopting foam-blowing agents with low global-warming-potential (GWP) by enterprises that had been provided with assistance under stage I of the HCFC phase-out management plan (HPMP) for Trinidad and Tobago, contained in document UNEP/OzL.Pro/ExCom/84/22; and
- (b) To request UNDP to monitor the availability and use of low-GWP foam blowing agents in Trinidad and Tobago and to provide an update on the adoption of technology by the enterprises assisted in the foam sector, including Seal and Ice Fab, at the 86th meeting, along with the fifth tranche request of stage I of the HPMP for Trinidad and Tobago.

(Decision 84/30)

Reports related to HPMPs

Bahamas (the): HCFC phase-out management plan (stage I – updated final report on the findings of the study to explore best available options for the pilot project to assess, monitor, and retrofit two air-conditioning systems) (UNEP)

153. The representative of the Secretariat drew attention to paragraphs 30 to 35 of document UNEP/OzL.Pro/ExCom/84/22.

154. One member welcomed the preparation of the desk study on the technology options for retrofit of HCFC-22-based air-conditioning systems and the decision to reallocate funds that would have been used for retrofitting to the training of refrigeration technicians. The representative of the Secretariat clarified that funds earmarked for the retrofit component had indeed not been used and could thus be reallocated to capacity-building activities in the servicing sector.

155. The Executive Committee decided:

- (a) To note:

- (i) The report on the desk study, submitted by UNEP on behalf of the Government of the Bahamas, on the technology options for retrofit of HCFC-22-based air-conditioning systems under stage I of the HCFC phase-out management plan (HPMP) for the Bahamas, contained in document UNEP/OzL.Pro/ExCom/84/22;
 - (ii) That the Government of the Bahamas had decided not to retrofit two HCFC-22-based air-conditioning systems to hydrocarbon-based technology; and
- (b) To request UNEP to submit, together with the request for the fourth funding tranche of stage I of the HPMP, a revised plan of action for stage I, noting that the retrofit component that had originally been approved as part of that stage would not be implemented.

(Decision 84/31)

Brazil: HCFC phase-out management plan (stage I – report on the temporary use of high-GWP technologies at U-Tech systems house and 2018/2019 progress report) (UNDP and the Government of Germany)

156. The representative of the Secretariat drew attention to paragraphs 36 to 58 of document UNEP/OzL.Pro/ExCom/84/22.

157. Responding to questions, the representative of UNDP said that the systems house would test formulations with hydrofluoroolefins (HFOs) over a six-month period, with the hope that it could negotiate a suitable price for the HFOs with the supplier. For details of why HFC-134a had been chosen, he would however need to consult the UNDP technical expert.

158. Concern was expressed that, in developing countries in particular, the implementation of projects was often hampered by the limited availability and high cost of the required technology. One member stressed that, until the technology was proven and widely available, the choice of which specific technology to use should be made by individual countries. Another member said that the extremely high cost of the technology could not be borne by many enterprises, the impact of which was unsustainable for Article 5 countries. Rather than calling on enterprises to continue negotiating with suppliers and to use technologies that were far from proven, the Executive Committee perhaps needed to take a more holistic approach to the issue, which had a political dimension.

159. The Chair proposed that the discussion on how the Committee should approach the issue of the cost and availability of the technology should be resumed at a later stage.

160. The Executive Committee decided:

- (a) To note:
 - (i) The 2018/2019 progress report on the implementation of stage I of the HCFC phase-out management plan (HPMP) for Brazil, submitted by UNDP and contained in document UNEP/OzL.Pro/ExCom/84/22;
 - (ii) That the enterprise Panisol would not participate in stage I of the HPMP, and that the fund balance of US \$301,695, plus agency support costs of US \$22,627, would be returned to the Multilateral Fund at the end of stage I of the HPMP;
 - (iii) That the systems house Polisystem had decided to withdraw from stage I of the HPMP, and that the funds allocated to Polisystem would be returned to the Multilateral Fund at the end of stage I of the HPMP;

- (iv) That 12 downstream polyurethane foam enterprises had been found to be ineligible for funding during project implementation, and that the funds allocated to those enterprises would be returned to the Multilateral Fund at the end of stage I of the HPMP;
- (b) To request UNDP and the Government of Germany, together with the Government of Brazil:
 - (i) To submit, at the 85th meeting, the final report on the implementation of the work programme associated with stage I of the HPMP up to its completion and the project completion report;
 - (ii) To include in the final report referred to in sub-paragraph (b)(i), above, a list consisting of:
 - a. All downstream foam enterprises assisted by the Multilateral Fund under stage I, along with the HCFC-141b consumption phased out, the sub-sector, the baseline equipment and the technology adopted;
 - b. Foam enterprises that had phased out HCFC-141b without Multilateral Fund assistance or had withdrawn from stage I, along with their associated consumption;
 - c. Foam enterprises that were found to be ineligible for funding by the Multilateral Fund and their associated HCFC-141b consumption;
 - d. Additional foam enterprises identified as eligible for funding under the Multilateral Fund but that had not been addressed under stage I or stage II of the HPMP;
 - e. The balances associated with funding that had been approved for conversion of enterprises that had decided to withdraw from stage I of the HPMP, or had been found to be ineligible for assistance from the Multilateral Fund;
 - (iii) To return balances from stage I of the HPMP no later than the 86th meeting; and
- (c) To request UNDP to continue assisting the Government of Brazil in securing the supply of alternative technologies with low global-warming-potential (GWP) to the systems house U-Tech, on the understanding that any incremental operating costs would not be paid until the technology originally selected or another technology with low-GWP had been fully introduced and to provide, at each meeting until the technology originally selected or another low-GWP technology had been fully introduced, a report on the status of the conversion, along with an update from the suppliers on the progress made towards ensuring that the selected technologies, including associated components, were available on a commercial basis in the country.

(Decision 84/32)

Brazil: HCFC phase-out management plan (stage II – status of implementation of the projects in the room air-conditioning manufacturing sector and at the enterprise Freeart Seral Brasil Metalurgica Ltda in the commercial refrigeration manufacturing sector and change of three small- and medium-sized enterprises in technical assistance) (UNIDO, UNDP, the Government of Germany and the Government of Italy)

161. The representative of the Secretariat drew attention to paragraphs 59 to 68 of document UNEP/OzL.Pro/ExCom/84/22.

162. One member requested further information from the implementing agency on the status of the conversion to R-290 in the room air-conditioning manufacturing sector and the future prospects for that conversion. The representative of UNIDO said that the Government of Brazil had agreed to undertake a market study, including low-GWP alternatives, in 2020 to assist enterprises in selecting the technology for the conversion. Two workshops had also been held on the matter. The three enterprises included in stage II of the HPMP would then make a final decision on their willingness to convert to R-290. UNIDO would report further on the matter at the 85th meeting.

163. The Executive Committee decided:

(a) To note:

- (i) The report on the status of implementation of the projects in the room air-conditioning manufacturing sector and at the enterprise Freeart Seral Brasil Metalurgica Ltda. in the commercial refrigeration manufacturing sector (decision 82/62(c)), submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/22;
- (ii) That the enterprise Freeart Seral Brasil Metalurgica Ltda. was no longer manufacturing commercial refrigeration equipment and had withdrawn from stage II of the HCFC phase-out management plan (HPMP); that its associated consumption of 17.00 metric tonnes (0.93 ODP tonnes) of HCFC-22 had been phased out without assistance from the Multilateral Fund; and that the funds associated with the enterprise would be returned to the Fund unless UNIDO identified additional enterprises eligible for funding that had not been assisted under stage I or stage II of the HPMP to which those funds could be reallocated; and that any reallocation of funds would be reported to the Executive Committee at the 86th meeting;
- (iii) That the enterprises CMR Refrigeration, Fermara and Polifrio, consuming 2.06 metric tonnes (0.11 ODP tonnes) of HCFC-22, had withdrawn from stage II of the HPMP, and that the enterprises Refriac, Auden, and Ingecold, with a total consumption of 4.16 metric tonnes (0.23 ODP tonnes) of HCFC-22, had been included in stage II, at no additional cost to the Multilateral Fund;

- (b) To approve the reallocation of US \$198,000 from the enterprises CMR Refrigeration, Fermara, and Polifrio to the enterprises Refriac, Auden, and Ingecold, as indicated in sub-paragraph (a)(iii), above; and
- (c) To request UNIDO to report at the 85th meeting on the status of implementation of the projects in the room air-conditioning manufacturing sector.

(Decision 84/33)

India: HCFC phase-out management plan (stage II – update on assessment on continuous-foam-panel-manufacturing enterprises regarding adherence to the ban and list of enterprises in the polyurethane foam manufacturing sector) (UNDP, UNEP, and the Government of Germany)

164. The representative of the Secretariat drew attention to paragraphs 85 to 97 of document UNEP/OzL.Pro/ExCom/84/22.

165. One member requested further information from the implementing agency on the eligibility for funding of three PU foam enterprises in the continuous panel sub-sector under stage II of the HPMP, and on the current progress being made in assessing whether those enterprises complied with the ban on the use of HCFC-141b in the manufacturing of continuous panels as of 1 January 2015. The representative of UNDP said that the assessment needed to go through the due legal and governmental processes in India and that it was not possible to determine at the present time when that would be completed. Further information would be provided to the Executive Committee at its 85th meeting.

166. The Executive Committee decided:

- (a) To note the report submitted by UNDP containing the list of enterprises in the polyurethane (PU) foam manufacturing sector under stage II of the HCFC phase-out management plan (HPMP) for India, along with their consumption of HCFC-141b, including the enterprises that had been found eligible, those that had been found ineligible and those with which Memorandums of Agreement had been signed;
- (b) To request:
 - (i) UNDP to submit, with the request for the third tranche of stage II of the HPMP, an updated list of PU foam enterprises assisted, and to be assisted, along with information on the temporary use of high-GWP alternatives by any enterprise assisted, including the level of consumption; and
 - (ii) The Government of India, through UNDP, to provide by the 85th meeting its assessment of whether the continuous foam panel manufacturing enterprises had adhered to the ban on the use of HCFC-141b as of 1 January 2015, in line with decision 82/74(b) and (c).

(Decision 84/34)

Indonesia: HCFC phase-out management plan (stage I – progress report and status report on the conversion of the refrigeration and air-conditioning enterprises and PU foam conversion) (UNDP, UNIDO, World Bank and the Government of Australia)

167. The representative of the Secretariat drew attention to paragraphs 218 to 241 of document UNEP/OzL.Pro/ExCom/84/22.

168. During the ensuing discussion, there was general recognition of the complexity of the project under consideration and its wider implication for the challenges faced by enterprises attempting to manufacture equipment based on low-GWP refrigerants, given market pressures. In the present instance, enterprises were cautious about fully committing to manufacturing equipment based on low-GWP refrigerants. One member said that the Executive Committee should be more circumspect about possible consequences for enterprises before urging them to accept alternative technologies and should adopt a more flexible approach when difficulties were faced due to premature interventions.

169. Several members considered the impact of the manufacturing of both high- and low-GWP refrigerant-based equipment by some enterprises on the HFC starting point and the levels of funding they received from the Multilateral Fund. Some members considered that no adjustment of the starting point for sustained aggregate reductions in HFC consumption was necessary, with one member referring to decision XXVIII/2 for guidance. One member said that the progress towards introduction into the Indonesian market of HFC-32-based equipment was promising, although the decision by some enterprises to continue manufacturing high-GWP refrigerant-based equipment for certain market segments, after receiving funding to convert fully to HFC-32, presented a challenge for the Executive Committee with regard to how to adjust funding in similar circumstances. That matter also had implications for the calculation of the HFC starting point, which should be adjusted accordingly.

170. Following informal discussions among interested members, the Executive Committee decided:

- (a) To note the update on enterprise conversion of technology and the progress report on implementation of stage I of the HCFC phase-out management plan (HPMP) for Indonesia, submitted by UNDP, UNIDO, the World Bank and the Government of Australia, and contained in document UNEP/OzL.Pro/ExCom/84/22;
- (b) Also to note:
 - (i) That the following enterprises had decided to withdraw from stage I of the HPMP for Indonesia and that the funding associated with the enterprises would be returned at the 85th meeting:
 - a. In the commercial refrigeration sector, Mentari Metal Pratama, Polysari Citratama, and Inti Tunggal, with a return of US \$375,930, plus agency support costs of US \$28,195 for UNDP;
 - b. In the commercial refrigeration assembly sub-sector, Sabindo Refrigeration, Global Technic, AVIS Alpin Servis Tr, Aneka Froze Triutama, Graha Cool Technic, United Refrigeration, Gaya Technic Supply and Ilthabi Mandiri Tech, with a return of US \$388,912, plus agency support costs of US \$29,168 for UNDP;
 - (ii) That the enterprise Aneka Cool had decided to outsource its polyurethane (PU) foam manufacturing and that US \$60,500 associated with the enterprise would therefore be returned at the 85th meeting;
 - (iii) That Gita Mandrin Teknik, Fata Sarana Makmur and Sumo Elco Mandiri had decided to convert their production lines to HFC-32 technology, would manufacture HFC-32-based equipment under their enterprises' brands and would temporarily manufacture high global-warming-potential refrigerant-based equipment upon orders from original equipment manufacturers;
- (c) To approve the change of technology at Rotaryana Prima, a manufacturer of refrigerators and freezers, from HFC-32 to hydrocarbons, at no additional cost to the Multilateral Fund;
- (d) To extend the completion date of stage I of the HPMP for Indonesia until 30 June 2020, on the understanding:

- (i) That any remaining balances from the PU foam sector would be returned at the 85th meeting;
- (ii) That UNDP would submit, at the 85th meeting, a revised plan of action for the conversion of the enterprises identified in sub-paragraph (b)(iii), above, and a possible further request to extend the completion date of stage I of the HPMP;
- (iii) That the Committee would consider at the 85th meeting the potential impact on the starting point for sustained aggregate reductions for HFC consumption, in line with decision 82/30(g)(ii); and
- (iv) That UNDP would not disburse the incremental operating costs to the enterprises in sub-paragraph (b)(iii), above, until the Executive Committee had taken a decision on the matter.

(Decision 84/35)

Qatar: HCFC phase-out management plan (stage I – final progress report) (UNIDO and UNEP)

171. The representative of the Secretariat drew attention to paragraphs 137 to 140 of document UNEP/OzL.Pro/ExCom/84/22.

172. One member, expressing concern at the length of the time the project was taking and the number of extensions to the project, requested further clarification from the implementing agency. The representative of UNIDO said that changes at the NOU had delayed progress and that challenges had been faced in the disbursement of incremental operating costs. The issues had been resolved, however, and it was expected that the project would be completed within the requested extension.

173. Following informal discussions on the matter, the Executive Committee decided:

- (a) To note the request for the extension of stage I of the HCFC phase-out management plan (HPMP) for Qatar contained in document UNEP/OzL.Pro/ExCom/84/22;
- (b) To approve, on an exceptional basis, and noting that no further extension of project implementation would be requested, the extension of the date of completion of stage I of the HPMP for Qatar to 30 June 2020; and
- (c) To request the Government of Qatar, UNIDO and UNEP to submit, at the 86th meeting, the final progress report and the project completion report, and to ensure financial completion and the return of the remaining balances by the 87th meeting.

(Decision 84/36)

Uruguay: HCFC phase-out management plan (stage II – report on progress in implementation of the conversion of the foam enterprises) (UNDP)

174. The representative of the Secretariat drew attention to paragraphs 141 to 147 of document UNEP/OzL.Pro/ExCom/84/22.

175. One member requested further information from the implementing agency on the current status of the project. The representative of UNDP said that several challenges had been faced, including access to HFO-based systems in the region. The larger small- and medium-sized enterprises had, however, committed to making additional investment to convert their production to cyclopentane, and discussions were

continuing with a systems house offering HFO-based systems, which would be supplied on a trial basis in 2020.

176. The Executive Committee decided:

- (a) To note the report provided by UNDP on the progress made in the implementation of the conversion of the foam enterprises and the availability of hydrofluoroolefins (HFOs)/HFO-based polyurethane (PU) systems and their associated components funded under stage II of the HCFC phase-out management plan for Uruguay, contained in document UNEP/OzL.Pro/ExCom/84/22; and
- (b) To request UNDP to continue assisting the Government of Uruguay in securing the supply of HFOs/HFO-based PU systems and their associated components, or other alternatives with low global-warming-potential (GWP), and to report at the 85th meeting, and at each meeting thereafter, on the status of the conversion of the 21 small- and medium-sized enterprises in the foam sector until the technology originally selected or another technology with low-GWP had been fully introduced.

(Decision 84/37)

Demonstration projects for low-GWP alternatives to HCFCs

Egypt: Demonstration of low-cost options for the conversion to non-ODS technologies in the polyurethane (PU) foam sector at very small users (final report) (UNDP)

177. The representative of the Secretariat drew attention to paragraphs 148 to 160 of document UNEP/OzL.Pro/ExCom/84/22.

178. One member said that the projects to demonstrate on low-GWP alternatives, and the fact sheets summarizing the outcomes produced by the Secretariat, were very helpful and informative. Clarification was sought regarding the uptake of the small low-cost foaming units and their testing during the implementation of stage II of the HPMP, and UNDP was requested to provide regular updates to the Executive Committee on the matter.

179. The Executive Committee decided:

- (a) To note, with appreciation, the final report on the demonstration of low-cost options for the conversion to non-ODS technologies in the polyurethane (PU) foam sector at very small users in Egypt, submitted by UNDP and contained in document UNEP/OzL.Pro/ExCom/84/22;
- (b) To invite bilateral and implementing agencies to take into account the report referred to in sub-paragraph (a) above when assisting Article 5 countries in preparing PU foam projects for very small users entailing low global-warming-potential alternatives; and
- (c) To request UNDP to include information on the status of the demonstration project referred to in sub-paragraph (a) above, focusing in particular on the uptake of small low-cost foaming units by small- and medium-sized enterprises, in each tranche implementation report of stage II of the HCFC phase-out management plan for Egypt.

(Decision 84/38)

180. The Executive Committee then turned to document UNEP/OzL.Pro/ExCom/84/22/Add.1, which consisted of three parts, document UNEP/OzL.Pro/ExCom/84/22/Add.2, and

document UNEP/OzL.Pro/ExCom/84/22/Add.3, all three of which included reports on projects with specific reporting requirements pertaining to China.

Part I: Report on progress in the implementation of activities listed in decision 83/41 (UNDP, UNEP, UNIDO, and World Bank)

181. The Chair introduced the item, reminding the Executive Committee that, pursuant to decision 83/41(e), the Government of China was submitting a preliminary report and would be providing a final report at the 86th meeting.

182. The representative of the Government of China highlighted a number of the regulatory and enforcement activities the Government had undertaken since the 83rd meeting. For example, the ODS management regulations were being revised to broaden the scope of ODS control to include HFCs, strengthen quota requirements, enforce legal responsibilities and increase legal deterrents. On the enforcement side, the Government of China had cracked down on three illegal production sites, destroying the illegal production lines and all of the CFC-11 found. Special enforcement action had taken place throughout the country, carried out by joint inspection teams made up of inspectors from the Ministry of Ecology and Environment and local law enforcement, to verify and inspect facilities in 11 key provinces and municipalities. In future, the Ministry intended to carry out at least one joint enforcement operation with local law enforcement a year to crack down on illegal activities relating to ODS. At the local level, the Ministry had required the ecology and environment bureaux (EEBs) to include inspections in their work plans, had provided the EEBs with 50 portable instant detectors to ensure that each province or municipality had at least one such detector and had trained EEB personnel to use said detectors. The Ministry had furthermore started developing a Technical Guide for ODS Law Enforcement to guide local enforcement personnel and standardize their work. With regard to capacity-building to implement the Montreal Protocol, it had set up eight ODS testing laboratories and was expanding the scope of the China Inspection Body and Laboratory Mandatory Approval certification process to give legal effect to the laboratories' ODS testing and verification results. In order to carry out on-site supervision of the by-production of CTC, the Ministry had begun dispatching supervisory working groups to all 16 chloromethane enterprises with CTC as a by-product in the country and had required those enterprises to install a verifiable and quantitative CTC online production monitoring system. The Government of China had also launched the planning of an ODS atmospheric monitoring network to improve its effective early-warning and evaluation capacity and a team of experts was being formed to establish the technology and approach. Finally, the bidding process had been completed to have a non-governmental organization undertake a study to determine the regulatory, enforcement, policy or market circumstances of CFC-11 and CFC-12 phase-out in China.

183. Following the presentation by the representative of the Government of China, a number of members noted with appreciation the many monitoring and enforcement actions, while reiterating the very serious nature of the situation that had triggered decision 83/41, namely unexpected emissions of CFC-11. One member expressed appreciation for the way the preliminary progress report set out both current actions and next steps to be taken by the Government of China. This was particularly important because action was needed not only to elucidate and solve the existing problem, but also to prevent it from ever occurring again. Members went on to ask a number of specific questions.

184. In response to questions about fast-track atmospheric monitoring, the representative of the Government of China said that, since the issuance of the progress report, the Government had been studying how to proceed, noting the data limitations associated with flask sampling. The Government of China considered fast-track monitoring to be a useful way of finding clues to illegal activities by indicating abnormalities and would use it as a supplement to its enforcement actions as of 2020.

185. In response to a query about whether the establishment of the China Inspection Body and Laboratory Mandatory Approval certification of testing laboratories was proceeding as planned, the

representative of the Government of China stated that two additional laboratories had been established compared with the original six laboratories proposed in decision 83/41. The certification of all eight laboratories was the next step in order to make them operational by 2020.

186. With regard to the mass balance analysis of foam blowing components to determine the market size of the foam sector, one member pointed out that the data provided covered the period from 2011 to 2017, and asked when the analysis had been carried out and whether it would take the form of a study, as the information would be useful to the Executive Committee. Another member asked whether the challenges involved in the mass balance analysis of the refrigeration and air-conditioning sector referred to in the report submitted by the Government of China were preventing that analysis from being carried out. The representative of the Government of China said that the analysis of the foam sector would be updated with data from 2018 and based on work to be carried out in 2020. The mass balance analysis for the refrigeration and air-conditioning sector to determine market size and verify reported HCFC consumption was not yet under way, as the Government was coordinating with industry associations and experts to find a methodology and way forward for the analysis.

187. On the matter of the funds used by the Government of China to implement the activities set out in decision 83/41, the point was raised that, while some fund balances from completed ODS projects could be used to finance monitoring, reporting, verification and enforcement activities, it was expected that the Government of China would use its own resources to fund future and sustained efforts to ensure a lasting solution to the problem of unexpected emissions of CFC-11. The representative of the Government of China explained that the funds from the Multilateral Fund accounted for a small fraction of the total funds that had been used, and that those funds would be reported to the Executive Committee according to established procedures. Meanwhile, the Government of China had already allocated US \$10,000,000 of its own funds to the activities undertaken pursuant to decision 83/41.

188. In response to questions about atmospheric monitoring, the representative of the Government of China said that atmospheric monitoring was scheduled to begin in 2022 and that the data would be shared with the international community. One member stressed the fact that atmospheric monitoring had initially detected the unexpected emissions of CFC-11, and that it was of the utmost importance to obtain results from future atmospheric monitoring that showed no unexpected emissions.

189. One member requested clarification regarding the publication date of the Technical Guide for ODS Law Enforcement to be issued by the end of 2019. The representative of the Government of China confirmed that the EEBs and experts had been consulted, and that the outcome of those consultations was being included in the guide, which would be issued by the end of December 2019.

190. Another member requested clarification on the time frame for the independent study to determine the regulatory, enforcement, policy or market circumstances that might have led to the illegal production and use of CFC-11 and CFC-12, and asked how the results of the study would be used. The representative of the Government of China replied that the study would be completed by a non-governmental consultant by August 2020 and would be provided to the Executive Committee at its 86th meeting.

191. While recognizing that the progress report provided by the representative of the Government of China was an interim report and that some of the measures listed in decision 83/41 would take time to develop, members requested additional information on the regulatory review, the online monitoring system at chloromethane production facilities, random product testing, the development of performance indicators for enforcement activities, efforts to stop any potential diversion of CTC to CFC-11 production, and efforts to discourage the demand for, and illegal production of, CFC-11.

192. The representative of the Government of China expressed readiness to answer those questions and any further questions by members bilaterally and reiterated that the Government of China had a

zero-tolerance attitude toward the illegal production and consumption of ODS, as it undermined the Government's phase-out efforts over the previous 20 years, not to mention the country's economy.

193. Recognizing that only five months had elapsed since the adoption of decision 83/41, the Chair clarified that the questions asked by members were aimed at determining which activities China considered to be more of a priority and to be the most effective in addressing the unexpected increase of CFC-11 in the atmosphere in China. The questions were also aimed at obtaining further details.

194. Following the discussion, the Executive Committee took note of the information provided by the representative of the Government of China regarding implementation of the activities listed in decision 83/41.

Part II: Financial audit reports for the CFC production, halon, polyurethane foam, process agent II, refrigeration servicing and solvent sectors (decision 83/42) (UNDP, UNEP, UNIDO, and World Bank) (paragraphs 6-105)

195. The representative of the Secretariat drew attention to the information contained in paragraphs 6 to 105 of document UNEP/OzL.Pro/ExCom/84/22/Add.1.

196. Subsequently, in response to questions, he provided additional information on the amounts still to be disbursed in the CFC production, PU foam, refrigeration servicing and solvent sectors, noting that the amounts referred to in the document were audited figures as at 30 June 2019 as opposed to the unaudited amounts reported by the implementing agencies in the progress reports as of August 2019. Any remaining disbursements for those sectors were expected to be completed in the near future.

197. With respect to the halon sector, the representative of the Secretariat recalled that, as reported previously, a major delay in the implementation of the halon bank had been caused by the classification of halon as a hazardous waste, which was an impediment to halon transportation across provinces in the country. The regulation had been changed only in 2018. The other pending halon bank activity involved improving halon-1211 storage by purchasing new cylinders to replace those initially used, which were deteriorating. The representative of the World Bank added that, in line with the initial objective of the planned activities, the halon sector funding would be used to run the national halon management centre, including the establishment of additional halon recycling stations to collect halon-1301 and halon-1211 and transport them to the appropriate recycling centres.

198. Regarding the monitoring and evaluation component of the process agent II sector plan, the representative of the Secretariat reported that US \$250,000 had been allocated to the design of an ODS online data reporting information system, complementing the HCFC online management information system established under the stage I of the HPMP. An additional US \$750,000 had been allocated for an ODS management training and capacity-building for the customs authority, and the remaining US \$1,240,000 was for other activities as described in paragraph 31 of the document.

199. One member still had reservations regarding the ongoing funding of the process agent II and halon sectors and asked for bilateral discussions in the margins of the meeting.

200. Following the bilateral discussions, the Executive Committee decided:

(a) To note:

(i) The financial audit reports for the CFC production, halon, polyurethane (PU) foam, process agent II, solvent and refrigeration servicing sectors in China, contained in document UNEP/OzL.Pro/ExCom/84/22/Add.1;

- (ii) That the funding balances associated with each of the sector plans had not been fully disbursed by 30 June 2019;
 - (iii) That the Government of China had confirmed that the CFC production, PU foam, solvent and refrigeration servicing sector plans would be completed and the associated balances would be disbursed by 31 December 2019;
- (b) To extend:
 - (i) The process agent II plan to 31 December 2020, with any remaining balances to be returned at the 87th meeting;
 - (ii) The halon sector plan to 31 December 2020, in order to complete already planned activities, with any remaining balances as at 31 December 2020 to be returned to the 87th meeting;
- (c) To request the Government of China, through the relevant implementing agency:
 - (i) To submit, at the 85th meeting, the financial audit report as at 31 December 2019 for the CFC production, halon, process agent II, PU foam, solvent and refrigeration servicing sector plans, and the project completion reports for the CFC production, PU foam, solvent and refrigeration servicing sector plans;
 - (ii) To return to the Multilateral Fund at the 85th meeting the funding balances available at 31 December 2019 associated with the CFC production, PU foam, solvent and refrigeration servicing sector plans;
 - (iii) To report on the results of the monitoring efforts of local Ecology and Environment Bureaux, including cases where CFC-11 had been detected, in future financial audit reports and, once all the remaining balances under the projects included in the financial audit had been disbursed and those projects had been completed, to continue such reporting under the annual progress reports of stage II of the PU foam sector plan of the HCFC phase-out management plan;
 - (iv) To submit the remaining completed research and technical assistance reports undertaken in all sectors, for possible dissemination to other Article 5 countries; and
- (d) To request the Government of China, through the World Bank, to provide additional information on the proposed activities to be undertaken under the process agent II sector plan, their budget and a progress report on their implementation at the 85th meeting.

(Decision 84/39)

Part III: Sector plan for the phase-out of methyl bromide production (UNIDO)

201. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/22/Add.1, which set out in paragraphs 106 to 118 the sector plan for the phase-out of methyl bromide production in China. He also gave an update on the pending memorandum of understanding between the Ministry of Ecology and the Environment and the Customs Authority in China based on information that had just been provided to the Secretariat by UNIDO. Representatives of the Ministry and the Customs Authority had met on 29 November 2019 to discuss the scope and modalities of the monitoring and supervision programme to be implemented by the latter. Owing to changes in administrative requirements, it had been agreed that the minutes of that meeting would serve as the cooperation modality. In response to a request for

clarification on that point, the representative of the Secretariat, seconded by the representative of UNIDO, confirmed that the minutes of the meeting between the Ministry and the Customs Authority were sufficient to move forward with the methyl bromide monitoring and supervision programme. Proceeding in such a manner was considered an efficient way of eliminating delays.

202. In response to a request for clarification about the status of the labelling and traceability system, the representative of the Secretariat explained that, even though the system remained at the conceptual stage, insofar as the consultations with the methyl bromide producers and other stakeholders had not been completed, the project was moving forward.

203. The Executive Committee decided:

- (a) To note the report on the status of implementation of the sector plan for the phase-out of methyl bromide production in China, the update on the contract for the monitoring and supervision programme to be implemented by the Customs Authority, and the update regarding the methyl bromide labelling and traceability system, submitted by UNIDO and contained in document UNEP/OzL.Pro/ExCom/84/22/Add.1;
- (b) To request the Government of China, through UNIDO, to include an update on the methyl bromide labelling and traceability system in the annual report on the status of implementation of the sector plan for the phase-out of methyl bromide production in China to be submitted at the 86th meeting; and
- (c) To invite the Government of China, through UNIDO, to provide information on the 2014 case of illegal production of methyl bromide referred to in document UNEP/OzL.Pro/ExCom/84/22/Add.1 once that information was publicly available.

(Decision 84/40)

Study on the production of CTC and its feedstock uses in China

204. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/22/Add.2, which presented the study on the production of CTC and its feedstock uses in China, and document UNEP/OzL.Pro/ExCom/84/22/Add.3, which contained information provided through the World Bank subsequent to the issuance of the document.

205. During the ensuing discussion, members expressed appreciation for the technical report prepared by the Government of China and the additional information provided subsequently through the World Bank. It was noted that, although it had originally been called for at the 75th meeting in the context of utilizing balances from old projects to further investigate CTC production and feedstock uses in China, the report was timely in light of the discussion on illicit production of CFC-11. It provided useful technical information and proposals on how the Government of China might proceed with further monitoring activities and indications of how other countries could handle excess CTC feedstock. Members highlighted in particular a proposal to require the registration of perchloroethylene producers producing CTC as an intermediate product, which would help complete the picture of CTC production and use.

206. Concerns were nevertheless raised regarding the completeness of the information on production for feedstock use of CTC in China, particularly given the significantly higher CTC emissions reported in the two scientific papers referenced in the documents. It was suggested that an additional investigation be undertaken to explain that difference, with the results to be included in the updated report to be provided by the Government of China. It was also suggested that the updated report include more information on perchloroethylene plants, and that it be submitted sooner than the proposed date in 2021, if possible. One

member, noting the large number of papers being prepared for the Committee, cautioned that the updated report should avoid overlaps with the report by the Government of China on its ODS regulatory and enforcement activities to be submitted at the 86th meeting pursuant to decision 83/41.

207. The Committee agreed to hold informal discussions to refine the wording of the final decision, particularly with regard to the contents of the updated report to be provided by the Government of China.

208. Subsequently, the Executive Committee decided:

- (a) To note the report on the production of carbon tetrachloride (CTC) and its feedstock uses in China (decision 75/18(b)(iii)) contained in documents UNEP/OzL.Pro/ExCom/84/22/Add.2 and Add.3;
- (b) To invite the Government of China, through the World Bank, to submit, at the 88th meeting, an updated report on the production of CTC and its feedstock uses in the country, taking into consideration the information contained in documents UNEP/OzL.Pro/ExCom/84/22/Add.2, and Add.3, and including:
 - (i) An update on the progress in monitoring perchloroethylene plants that used the alkane chlorination process;
 - (ii) Any additional information relevant to the difference in emissions described in the report identified in sub-paragraph (a), above, and the estimated CTC emissions from China included in section 1.2.3 of the Scientific Assessment of Ozone Depletion: 2018; and
- (c) To note that the Government of China was considering monitoring the perchloroethylene plants referred in sub-paragraph (b)(i), above, and to invite the Government to include in the updated report indicated in sub-paragraph (b), above, a report on any actions taken on that matter.

(Decision 84/41)

209. Having considered all the reports on projects with specific reporting requirements, and bearing in mind the comment from one member that it would be helpful to have access to regularly updated information on the reasons for project changes and cancellations, the Executive Committee considered a proposal for a decision that would request the Secretariat collate information, on a yearly basis, on the situations of enterprises funded under HPMPs that were experiencing delays and/or subject to changes in the implementation plan.

210. Concerns were expressed over the pertinence of some of the items of information included in the list, the burden that the reporting of such information would place on implementing agencies and the potential for overlap with the information presented in annual progress reports.

211. The Executive Committee therefore decided to request the Secretariat to prepare, for the 85th meeting, a simple table, using information extracted from the related progress reports, on the situations of enterprises funded under HPMPs that were experiencing delays and/or subject to changes in the implementation plan.

(Decision 84/42)

(c) 2019 consolidated project completion report

212. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/84/23.

213. The Executive Committee decided:

- (a) To note the 2019 consolidated project completion report (PCR) contained in document UNEP/OzL.Pro/ExCom/84/23;
- (b) To urge bilateral and implementing agencies to submit, at the 85th meeting, PCRs for multi-year agreements (MYAs) and individual projects that were due, and, if they were not going to submit them, to provide the reasons;
- (c) To urge lead and cooperating agencies to coordinate their work closely in finalizing their portion of PCRs to allow the lead implementing agency to submit the completed PCRs according to the schedule;
- (d) To urge bilateral and implementing agencies to enter clear, well-written and thorough lessons when submitting their PCRs; and
- (e) To invite all those involved in the preparation and implementation of MYAs and individual projects to take into consideration the lessons learned from PCRs, if relevant, when preparing and implementing future projects.

(Decision 84/43)

AGENDA ITEM 8: BUSINESS PLANNING

(a) Update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund

214. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/24.

215. The Executive Committee decided to note:

- (a) The update on the status of implementation of the 2019–2021 consolidated business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/84/24; and
- (b) That US \$2,539,511 in HFC phase-down activities had been submitted to the 84th meeting, including US \$1,101,777 that had not been included in the 2019–2021 business plans.

(Decision 84/44)

(b) Tranche submission delays

216. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/25.

217. The proposal to establish a policy for the cancellation of multi-year agreement (MYA) components that mirrored the procedure already in place for stand-alone projects pursuant to decision 26/2 was welcomed by members, with one pointing out that the procedure should be familiar to all relevant stakeholders. It was noted that the cancellation of MYA components might have an impact on compliance with the Montreal Protocol, and that it was unclear what the repercussions would be for any additional measures and processes adopted.

218. The Executive Committee decided:

- (a) To note:
 - (i) The report on tranche submission delays contained in document UNEP/OzL.Pro/ExCom/84/25;
 - (ii) The information on tranche submission delays under HCFC phase-out management plans (HPMPs) submitted by UNDP, UNEP and UNIDO;
 - (iii) That 43 out of 57 activities (21 out of 30 countries) related to tranches of HPMPs due for submission at the 84th meeting had been submitted on time;
 - (iv) That relevant bilateral and implementing agencies had indicated that the late submission of the tranches of HPMPs due for submission at the second meeting of 2019 would have no impact, or was unlikely to have an impact, on compliance with the Montreal Protocol, and that there was no indication that any of the countries concerned were in non-compliance with the Montreal Protocol control measures;
- (b) To request the Secretariat to send letters to the relevant Governments regarding the decisions on tranche submission delays contained in Annex IX to the present report;
- (c) To establish the following policy for the cancellation of multi-year agreement (MYA) components:
 - (i) To cancel MYA components upon mutual agreement of the Government concerned and the lead implementing agency of the MYA, where applicable, noting that the lead implementing agency would submit the proposed cancellation to the Executive Committee through its annual progress report and/or reports on projects with specific reporting requirements; or
 - (ii) To cancel MYA components identified in progress reports with implementation delays, according to the following procedures:
 - a. If no progress in meeting the milestones was reported for two consecutive meetings of the Executive Committee after an MYA component had been classified as having an implementation delay, the Secretariat, on behalf of the Executive Committee, could, at the second meeting following such classification, issue to the lead implementing agency concerned and the recipient country Government a notice of possible cancellation of the MYA component, including the funding approved in principle for the component, and, where needed and on a case-by-case basis, the whole MYA; and
 - b. If, for three consecutive meetings of the Executive Committee, no progress was reported in relation to an MYA component classified as having an implementation delay, the Executive Committee could, taking into account the response to the notice of possible cancellation, decide to cancel the MYA component, and, where needed and on a case-by-case basis, the whole MYA.

(Decision 84/45)

(c) Consolidated business plan of the Multilateral Fund for 2020–2022

219. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/26, drawing attention to the issue of over-programming. The value of activities in the business plan exceeded the overall indicative budget by US \$43.74 million for the 2020–2022 triennium. Even after adjustments in line with past decisions of the Executive Committee, the value of activities in the business plan exceeded the indicative budget by US \$14.15 million. The representative of the Secretariat also corrected the figures for Secretariat costs, removing US \$500,000 in Treasurer costs for 2021 and 2022 as those costs had already been included, to give values of US \$6,508,606 for 2021 and US \$6,659,169 for 2022. The changes would be reflected in the consolidated business plan as adjusted pursuant to the decisions by the Executive Committee at the present meeting. Some of the Secretariat's recommendations for adjusting the consolidated business plan required guidance from the Executive Committee, in particular with regard to: the removal of activities related to stage I of the HPPMP for India; the removal of activities related to stage III of HPMPs for countries with approved stage II reduction targets beyond 2020; the reinstatement of activities linked to HFC phase-down preparation activities; and the timing of inclusion of HFC phase-down management plan activities in future business plans.

220. In response to a request for clarification regarding the reason for removing HPPMP activities for India, a representative of the Secretariat explained that the original issue had been related to the request made at the 70th meeting of the Executive Committee to have a technical audit of the production sector in India. There had been no consensus on the technical audit, including the enterprise, which was not a swing plant, as certification that the enterprise concerned had produced HCFC-22 for controlled uses before the cut-off date had not been provided. In the absence of certification, the Secretariat had recommended removing the activities involving the said enterprise from the business plan. The representative of the World Bank provided new information indicating that the Government of India had stated that the enterprise concerned had produced HCFC-22 before the cut-off date, but certification had not been obtained. The World Bank committed to obtaining the required figures. Some members wished to discuss the issue further, as their support for removing the activities from the business plan had been based on the assumption that the enterprise was a swing plant. The Chair asked interested members to meet with the Secretariat and the World Bank in the margins of the meeting to find and propose a way forward.

221. On the issue of activities related to stage III of HPMPs for countries with an approved stage II that included a reduction target beyond 2020, one member pointed out that it was important to allow countries to submit, for inclusion in the business plan, stage III activities aimed at reaching the 67.5 per cent reduction target in 2025 when activities under stage II of that country's HPMP were insufficient to reach the target. Another member agreed, stating that it was necessary to make sure that only activities related to stage III of HPMPs that were required to meet the 2025 target were included.

222. Discussion of whether to reinstate in the business plan HFC phase-down activities for countries that had not ratified the Kigali Amendment but had submitted a letter indicating the Government's best efforts to ratify the Kigali Amendment, and consideration of when to include in the business plan activities related to HFC phase-down management plans, was postponed until after the Executive Committee had had a chance to discuss those matters under item 9(a) of the agenda, Overview of issues identified during project review.

223. There was general agreement to adjust the consolidated business plan as proposed by the Secretariat. One of the projects that had been removed as part of the adjustment, the HCFC technical assistance regional project for promoting low-GWP refrigerants for the air-conditioning sector in high-ambient-temperature countries (PRAHA-III), was of particular interest to two members. It was suggested that those members and any other interested members speak to the implementing agencies concerned to have the project resubmitted for inclusion in a future business plan.

224. Subsequently, on the issue of the HPPMP preparation activities for India, the representative of the Secretariat informed the Executive Committee that an email had been received from the Government of India through the World Bank confirming that the enterprise had produced HCFC-22 in 2007, along with an annual report indicating that part of the HCFC-22 production at that time had been for controlled uses.

225. The Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2020–2022 contained in document UNEP/OzL.Pro/ExCom/84/26;
- (b) To adjust the business plan as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/84/26;
- (c) To further adjust the business plan as proposed at the 84th meeting during the discussions and/or during the presentation of the business plans by bilateral and implementing agencies:
 - (i) By adding to the 2020 business plan HCFC phase-out management plans (HPMPs) from the 2019 business plan that had been deferred at the 84th meeting; and
 - (ii) By taking into account the values approved in principle for new HPMPs at the 84th meeting;
- (d) To reinstate stage I of the HCFC production phase-out management plan and project preparation for India;
- (e) To allow the submission of activities related to stage III of HPMPs for countries with an approved stage II of HPMPs with reduction targets below the 2025 compliance targets;
- (f) To reinstate HFC phase-down preparation activities for countries that had not ratified the Kigali Amendment but had submitted a letter indicating their Government's intent to make best efforts to ratify the Kigali Amendment;
- (g) To reinstate activities in the 2022 business plan related to HFC phase-down management plans submitted by countries that had ratified the Kigali Amendment; and
- (h) To endorse the consolidated business plan of the Multilateral Fund for 2020–2022, as adjusted by the Secretariat and the Executive Committee, taking into consideration relevant decisions taken at the 84th meeting, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels.

(Decision 84/46)

(d) Business plans of the bilateral and implementing agencies for 2020–2022

(i) Bilateral agencies

226. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/27, highlighting that the value of activities in the business plan of the Government of Germany was likely to exceed 20 per cent of the country's pledged contributions for the 2018–2020 triennium. The Government of Germany had proposed to reallocate tranches of approved MYAs in order to stay within the 20 per cent limit, but it was possible that delays in projects approvals could put at risk its ability to obligate fully its 20 per cent allocation for 2020, causing later tranches to be brought forward.

227. Some members expressed the desire to discuss a definite plan to ensure that the Government of Germany stayed within its allocation, of 20 per cent of pledged contributions, to bilateral projects. The Chair encouraged those members to hold discussions with the Government of Germany and the Secretariat and to report back to the Executive Committee.

228. Subsequently, the Executive Committee decided to note:

- (a) The business plans of the bilateral agencies for 2020–2022 submitted by the Governments of Australia and Germany, contained in document UNEP/OzL.Pro/ExCom/84/27; and
- (b) That the 2020–2022 business plan of the Government of Germany should be reconsidered at the 85th meeting in the light of the bilateral activity allocation for the 2018–2020 triennium, on the understanding that funding and activities for low-volume-consuming countries supported by the Government of Germany would not be affected.

(Decision 84/47)

(ii) UNDP

229. The representative of UNDP introduced document UNEP/OzL.Pro/ExCom/84/28.

230. The Executive Committee decided:

- (a) To note the UNDP business plan for 2020–2022 contained in document UNEP/OzL.Pro/ExCom/84/28; and
- (b) To approve the performance indicators for UNDP as set out in Annex X to the present report.

(Decision 84/48)

(iii) UNEP

231. The representative of UNEP introduced document UNEP/OzL.Pro/ExCom/84/29.

232. The Executive Committee decided:

- (a) To note the UNEP business plan for 2020–2022 contained in document UNEP/OzL.Pro/ExCom/84/29; and
- (b) To approve the performance indicators for UNEP as set out in Annex XI to the present report.

(Decision 84/49)

(iv) UNIDO

233. The representative of UNIDO introduced document UNEP/OzL.Pro/ExCom/84/30.

234. The Executive Committee decided:

- (a) To note the UNIDO business plan for 2020–2022 contained in document UNEP/OzL.Pro/ExCom/84/30; and

- (b) To approve the performance indicators for UNIDO as set out in Annex XII to the present report.

(Decision 84/50)

(v) World Bank

235. The representative of the World Bank introduced document UNEP/OzL.Pro/ExCom/84/31.

236. The Executive Committee decided:

- (a) To note the World Bank business plan for 2020–2022 contained in document UNEP/OzL.Pro/ExCom/84/31; and
- (b) To approve the performance indicators for the World Bank as set out in Annex XIII to the present report.

(Decision 84/51)

AGENDA ITEM 9: PROJECT PROPOSALS

(a) Overview of issues identified during project review

237. The Chair drew attention to document UNEP/OzL.Pro/ExCom/84/32.

Deadline for submission of projects (decision 81/30(c)(ii))

238. The representative of the Secretariat presented the issue, as set out in paragraphs 9 to 11 of the document.

239. The Executive Committee decided to review the submission deadlines agreed in decision 81/30 at its 86th meeting instead of its 84th meeting, on the basis of analysis, to be prepared by the Secretariat in consultation with the bilateral and implementing agencies, of how the revised submission deadlines had been applied and whether they had affected project submissions.

(Decision 84/52)

Submission of additional HFC stand-alone investment projects after the 84th meeting

240. The representative of the Secretariat presented the issue, as set out in paragraphs 12 to 14 of the document.

241. Members were generally open to extending the project submission deadline for the HFC investment projects beyond the 84th meeting, citing the small number of projects submitted to date and the valuable information to be gained from such projects for use in the preparation of the cost guidelines for the phase-down of HFCs, and noting that those projects would reduce the HFC consumption in the beneficiary enterprises. One member nevertheless recommended limiting the duration of the extension and another proposed limiting the number of projects. It was also suggested and generally agreed that projects for under-represented regions and sectors should be prioritized, although one member stressed the need to also consider whether the sector was present in multiple countries. Finally, members stressed the importance of investment projects resulting in sustained HFC reductions, which would contribute to the country's HFC phase-down and reduce future funding needs.

242. The Executive Committee decided to consider proposals for HFC-related stand-alone investment projects up to the 87th meeting, in accordance with the criteria set out in decisions 78/3(g), 79/45 and 81/53, and prioritizing projects in the stationary air-conditioning, commercial refrigeration and mobile air-conditioning sectors.

(Decision 84/53)

Requests for preparatory funding for HFC phase-down plans and demonstration pilot projects, included in the work programme amendments of one implementing agency

243. The representative of the Secretariat presented the issue, as set out in paragraphs 16 to 20 of the document.

244. During the ensuing discussion, members were generally in favour of finding a way to fund the preparation of HFC phase-down plans pending the finalization of the cost guidelines for the HFC phase-down, and supported the preparation by the Secretariat of draft guidelines for funding of the preparation of the plans. It was noted that several project preparation requests had already been submitted to the present meeting and over 50 were provided for in the 2020–2022 business plan of the Fund. The general consensus was therefore that draft guidelines should be submitted to the Committee for consideration at its 85th meeting, particularly as delays in moving forward with the requests could cause countries that had ratified the Kigali Amendment early to lose momentum in the implementation of their HFC activities.

245. One member proposed possible elements of a draft decision allowing work to begin preparing guidelines for funding of the preparation of HFC phase-down plans. He suggested that those guidelines initially apply to Article 5 group 1 countries to address both the 2024 freeze and the 10 per cent reduction in 2029. It was also very important that they clearly articulate the expectation that those phase-down plans would result in sustained reduction of, and limit growth in, HFC consumption and provide guidance on the type of government commitment needed to give the Executive Committee the confidence that HFC consumption phased out would be sustained. Consequently, in addition to the draft guidelines, he proposed that the Secretariat be requested to prepare a document providing analysis and options for potential strategies, project activities and policy measures for inclusion in phase-down plans to ensure that they led to sustained reductions or limits on consumption. It was subsequently suggested that the document also reflect the Secretariat's analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities, to be discussed under agenda item 12.

246. Other members welcomed the proposed path forward, with several underscoring the importance of ensuring sustained reductions in HFC consumption. One, while supportive, felt that the guidelines should apply to both Article 5 group 1 and group 2 countries.

247. Subsequently, the Executive Committee considered a draft decision on the matter and, following a brief discussion, referred the matter to a contact group.

248. The Executive Committee decided to request the Secretariat to prepare, for the 85th meeting:

- (a) Draft guidelines for the preparation of HFC phase-down plans for Article 5 countries that would include an overarching strategy and a stage I to meet the freeze in consumption and the 10 per cent reduction, taking into account lessons learned during the preparation of guidelines for project preparation for HCFC phase-out management plans, including the sectors as defined in decision 56/16, on the understanding that:
 - (i) The draft guidelines would address the need for policies and commitments on the part of Article 5 Parties to ensure limits on growth or reductions in HFC consumption that were sustained over time;

- (ii) The draft guidelines would include the proposed levels of funding for the preparation of stage I of HFC phase-down plans;
- (iii) Requests for funding for the preparation of stage I of HFC phase-down plans would be considered once the draft guidelines referred to in sub-paragraph (a), above, had been agreed by the Executive Committee; and
- (b) A document discussing potential strategies, policy measures and commitments, as well as projects and activities that could be integrated within stage I of HFC phase-down plans for Article 5 countries to ensure limits on growth and reductions in HFC consumption that were sustained over time, taking into account the parallel or integrated implementation of HCFC phase-out and HFC phase-down activities, where appropriate.

(Decision 84/54)

Projects and activities submitted for blanket approval

249. The Executive Committee agreed to remove from the list of projects submitted for blanket approval: the requests for the third tranche of stage II of the HPMP for Colombia, the sixth tranche of stage I of the HPMP for Ghana, the second tranche of stage II of the HPMP for Jordan, the second tranche of stage II of the HPMP for Malaysia, the third tranche of stage I of the HPMP for Tunisia and the second tranche of stage II of the HPMP for Viet Nam, and to consider them under agenda item 9(f), Investment projects.

250. The Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex XIV 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, and noting that the following agreements had been updated:
 - (i) The Agreement between the Government of Dominica and the Executive Committee, based on the established HCFC baseline for compliance, as contained in Annex XV to the present report;
 - (ii) The Agreement between the Government of the Niger and the Executive Committee, based on the established HCFC baseline for compliance and revised agency support costs, as contained in Annex XVI; and
- (b) That, for projects related to renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments as contained in Annex XVII to the present report.

(Decision 84/55)

(b) Bilateral cooperation

251. The Chair introduced documents UNEP/OzL.Pro/ExCom/84/33 and Corr.1, which contained requests from four bilateral agencies for HCFC-related projects for five countries.

252. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 84th meeting, namely:

- (a) US \$21,470 (including agency support costs) against the balance of the bilateral contribution of the Government of France for 2019;
- (b) US \$1,400,376 (including agency support costs) against the balance of the bilateral contribution of the Government of Germany for 2018–2020;
- (c) US \$565,000 (including agency support costs) against the balance of the bilateral contribution of the Government of Italy for 2019; and
- (d) US \$185,297 (including agency support costs) against the balance of the bilateral contribution of the Government of Japan for 2019.

(Decision 84/56)

(c) Amendments to work programmes for 2019

(i) UNDP

253. The Chair introduced document UNEP/OzL.Pro/ExCom/84/34, which contained the work programme amendments of UNDP for 2019. The document set out 15 activities, comprising six requests for renewal of institutional strengthening projects; three requests for technical assistance for the preparation of verification reports; three requests for project preparation for stage II of HPMPs, and one request for stage III; one request for technical assistance for enabling activities pursuant to decision 79/46; and one request for project preparation for an HFC-related investment project. All the requests, with the exception of the one for project preparation for an HFC-related project, had been included in, and approved as part of, the list of projects submitted for blanket approval under agenda item 9(a), Overview of issues identified during project review.

254. The Secretariat presented that request for project preparation for the HFC-related investment project related to the firefighting equipment assembly sector in Egypt.

255. Questions were raised, and doubts expressed, about the scalability and replicability of the project. In response to a query, the representative of the Secretariat confirmed that Egypt had not yet received funding for any HFC-related projects. Responding to further queries, the representative of UNDP said that the consumption of HFC-227ea in Egypt appeared to be increasing. Globally, UNEP TEAP estimated that consumption would reach around 10,500 metric tonnes per annum in 2019. According to the ODS alternatives survey, in non-LVC countries, the firefighting sector accounted for 1.5 per cent of the total consumption of HFCs.

256. Following the discussion, the Executive Committee decided to defer, to a future meeting, further consideration of the request for project preparation for an HFC-related investment project in the firefighting equipment assembly sector in Egypt, on the understanding that the request should be resubmitted in a manner consistent with decision 84/54 and that it should contain information requested by the Executive Committee on the scalability and replicability of the project and on the consumption of HFC in that sector relative to other applications in the country.

(Decision 84/57)

(ii) UNEP

257. The Chair introduced document UNEP/OzL.Pro/ExCom/84/35, which contained the work programme amendments of UNEP for 2019. The document set out 51 activities, comprising 22 requests for renewal of institutional strengthening projects; 11 requests for technical assistance for the preparation of verification reports; 16 requests for project preparation for stage II of the HPMP, and two requests for

stage III. The request for project preparation for stage II of the HPMP for Bahrain would be considered in the light of the discussion on the tranche request for Bahrain under agenda item 9(f), Investment projects.

258. Subsequently, the Executive Committee decided to approve the request by UNEP for project preparation for stage II of the HCFC phase-out management plan for Bahrain in the amount of US \$42,000, plus agency support costs of US \$5,460.

(Decision 84/58)

(iii) UNIDO

259. The Chair introduced document UNEP/OzL.Pro/ExCom/84/36, which contained the work programme amendments of UNIDO for 2019. The document set out 23 activities, comprising four requests for renewal of institutional strengthening projects; three requests for technical assistance for the preparation of verification reports; 14 requests for project preparation for stage II of the HPMP, which included requests for project preparation funding for investment activities in the refrigeration and air-conditioning and foam sectors and one request for stage III of the HPMP; and one request for technical assistance for enabling activities pursuant to decision 79/46. The request for project preparation for stage II of the HPMP for Bahrain would be considered in the light of the discussion on the tranche request for Bahrain under agenda item 9(f), Investment projects.

260. Subsequently, the Executive Committee decided to approve the request by UNIDO for project preparation for stage II of the HCFC phase-out management plan for Bahrain in the amount of US \$18,000, plus agency support costs of US \$1,260, and project preparation for HCFC investment projects in the foam sector in the amount of US \$80,000, plus agency support costs of US \$5,600.

(Decision 84/59)

(d) UNEP Compliance Assistance Programme budget for 2020

261. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/37.

262. Appreciation was expressed for the services provided to Article 5 countries under the CAP, with several members emphasizing that the CAP budget should be sufficient to ensure the continued provision of those services. One member, however, noting that UNEP regularly returned significant balances to the Multilateral Fund, primarily owing to staff vacancies, and that it currently had a number of vacancies that could not be filled until 2020 at the earliest, proposed that the CAP budget should be approved at the 2019 level, on the understanding that the situation would be reviewed in 2020 in the light of UNEP recruitment efforts. Another member suggested that an evaluation should be conducted to ascertain whether the resources available for CAP activities were sufficient to cover the operation of the regional networks, which was useful in ensuring that projects were followed up, thereby preventing delays in their implementation. Regarding the 2020 CAP work programme, one member said that it was important to ensure the distinction between CAP activities and the implementation of HPMPs and institutional strengthening projects, which were funded independently under the Multilateral Fund, and, more generally, to be more precise when describing those activities in future work programmes.

263. The Executive Committee decided:

- (a) To note the proposed work plan and budget for UNEP Compliance Assistance Programme (CAP) in 2020 contained in document UNEP/OzL.Pro/ExCom/84/37;

- (b) To approve the CAP activities and budget for 2020 in the amount of US \$9,974,000, plus agency support costs of 8 per cent, amounting to US \$797,920, as contained in Annex XVIII to the present report;
- (c) To further request UNEP, in future submissions of the CAP budget, to continue:
 - (i) Providing detailed information on the activities for which the global funds would be used;
 - (ii) Extending the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and to provide details, pursuant to decisions 47/24 and 50/26, on the reallocations made;
 - (iii) Reporting on the current post levels of staff and informing the Executive Committee of any changes thereto, particularly with respect to any increased budget allocations; and
 - (iv) Providing a budget for the year in question, and a report on the costs incurred in the year prior to the previous year, noting sub-paragraphs (c)(ii) and (c)(iii), above.

(Decision 84/60)

(e) 2020 core unit costs for UNDP, UNIDO and the World Bank

264. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/38.

265. The Executive Committee decided:

- (a) To note:
 - (i) The report on the 2020 core unit costs for UNDP, UNIDO and the World Bank contained in document UNEP/OzL.Pro/ExCom/84/38;
 - (ii) With appreciation, that the core unit operations of UNIDO and the World Bank were below their budgeted levels and that the agencies would be returning unused balances of US \$7,931 and US \$6,940, respectively, to the Multilateral Fund at the 84th meeting;
- (b) To approve the requested 2020 core unit budgets for:
 - (i) UNDP in the amount of US \$2,098,458;
 - (ii) UNIDO in the amount of US \$2,098,458;
 - (iii) The World Bank in the amount of US \$1,735,000; and
- (c) To request the Secretariat to present, at the 86th meeting, the outcomes of the analysis on the administrative cost regime and core unit funding, taking into consideration relevant decisions by the Executive Committee, including those at its 84th and 85th meetings, on the basis of which the Committee would decide whether the administrative cost regime of the Multilateral Fund for the 2018–2020 triennium could be maintained for the 2021–2023 triennium.

(Decision 84/61)

(f) Investment projects

Stage II of HPMPs

Costa Rica: HCFC phase-out management plan (stage II – first tranche) (UNDP)

266. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/45.

267. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Costa Rica for the period 2019 to 2030 to reduce HCFC consumption by 97.5 per cent of the country's baseline, in the amount of US \$1,099,177, plus agency support costs of US \$76,942 for UNDP, on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of HCFCs;
- (b) To note the commitment of the Government of Costa Rica:
 - (i) To reduce HCFC consumption by 97.5 per cent of the country's baseline by 2030, according to the Montreal Protocol phase-out schedule;
 - (ii) To issue a ban on imports of HCFC-141b contained in pre-blended polyols once the conversion at Refrigeracion Omega to phase out 0.69 ODP tonnes of HCFC-141b contained in pre-blended polyols had been completed;
- (c) To deduct 9.46 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Costa Rica and the Executive Committee for the reduction in consumption of HCFCs in accordance with stage II of the HPMP contained in Annex XIX to the present report; and
- (e) To approve the first tranche of stage II of the HPMP for Costa Rica, and the corresponding tranche implementation plan, in the amount of US \$187,777, plus agency support costs of US \$13,144 for UNDP.

(Decision 84/62)

Tunisia: HCFC phase-out management plan (stage II – first tranche) (UNIDO and UNEP)

268. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/60.

269. In response to a query about the status of policy and regulatory development under the present project, which included a reference to HFCs, the representative of the Secretariat clarified that the regulatory component of stage II of the HPMP included development of HFC-related policies and regulations in combination with current HCFC-related regulations, in order to achieve complementarity between activities being implemented for HCFCs and HFCs.

270. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Tunisia for the period 2020 to 2025 to reduce HCFC consumption by 67.5 per cent of the baseline, in the total amount of US \$1,686,492, consisting of US \$1,364,946, plus agency

support costs of US \$95,546 for UNIDO, and US \$200,000, plus agency support costs of US \$26,000 for UNEP;

- (b) To note the commitment by the Government of Tunisia to ban imports of HCFC-141b, pure and contained in imported pre-blended polyols, after completion of the conversion of enterprises, and no later than 1 January 2023;
- (c) To deduct 22.22 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Tunisia and the Executive Committee for the reduction in consumption of HCFCs in accordance with stage II of the HPMP, contained in Annex XX to the present report; and
- (e) To approve the first tranche of stage II of the HPMP for Tunisia, and the corresponding tranche implementation plans, in the amount of US \$1,004,267, consisting of US \$858,306, plus agency support costs of US \$60,081 for UNIDO, and US \$76,000, plus agency support costs of US \$9,880 for UNEP.

(Decision 84/63)

Tranche requests of stage I/stage II of HPMPs

Argentina: HCFC phase-out management plan (stage II – second tranche) (UNIDO and the Government of Italy)

- 271. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/39.
- 272. The Executive Committee decided:
 - (a) To note the progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) in Argentina and the request for extension of stage I of the HPMP to 31 December 2020;
 - (b) To approve the extension of stage I of the HPMP to 31 December 2020 on the understanding that no further extensions would be approved;
 - (c) To request UNIDO and the Government of Argentina to submit progress reports on the implementation of the work programme associated with stage I of the HPMP, on a yearly basis until the completion of the project, and the project completion report to the 87th meeting;
 - (d) To request UNIDO:
 - (i) To submit, with the third tranche request, the updated list of downstream foam enterprises being assisted by the Multilateral Fund under stage II, including the HCFC-141b consumption phased out, the sub-sector, the baseline equipment and the technology adopted;
 - (ii) To submit at the 85th meeting an update on the financial viability of the enterprise Celpack and a decision on whether the enterprise would be assisted by the Multilateral Fund, on the understanding that the funds from the conversion of Celpack would be returned to the Multilateral Fund in the event that the enterprise were removed from the project;

- (iii) To inform the Secretariat in advance of cases where enterprises decided to convert to a technology that was different from the one approved by the Executive Committee, so that the new technology, and its environmental and cost implications, could be presented to the Executive Committee for its consideration; and
- (e) To approve the second tranche of stage II of the HPMP for Argentina, and the corresponding 2020–2022 tranche implementation plan, in the amount of US \$3,280,793, plus agency support costs of US \$229,656 for UNIDO.

(Decision 84/64)

Bahrain: HCFC phase-out management plan (stage I – third and fourth tranches) (UNEP and UNIDO)

273. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/40.

274. Some members expressed regret at the cancellation of the conversion project by Awal Gulf Manufacturing Company and the probable adoption of a high-GWP alternative. One member enquired about the status of the plan for conversion at the enterprise. The representative of UNIDO said that the enterprise would continue to produce with HCFC-22 as long as there was a market demand, but would eventually switch to a high-GWP alternative if the market so demanded. The significant change to the HPMP required some adjustment of the phase-out commitment, the date of completion of the HPMP, and the level of funding.

275. The Executive Committee decided:

- (a) To note:
 - (i) The progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Bahrain;
 - (ii) The cancellation of the component, within stage I of the HPMP, to convert an air-conditioning manufacturing line in the Awal Gulf Manufacturing Company, and the associated funding of US \$1,789,530, plus agency support costs of US \$125,267 for UNIDO, and that the enterprise had committed to phasing out the 254.90 metric tonnes (14.02 ODP tonnes) of HCFC-22 consumption associated with the conversion using its own funding;
 - (iii) That, owing to the cancellation of the component mentioned in sub-paragraph (a)(ii), above, the commitment by the Government of Bahrain under stage I of the HPMP in terms of the reduction in its HCFC consumption by 2020 had been adjusted from 39 per cent to 35 per cent; that the implementation period of stage I has been shortened from 2012–2023 to 2012–2020; and that the total funding approved in principle for the period 2012 to 2020 had been adjusted from US \$3,033,814 to US \$1,119,017, consisting of US \$470,000, plus agency support costs of US \$61,100 for UNEP, and US \$549,455, plus agency support costs of US \$38,462 for UNIDO;
 - (iv) That the Fund Secretariat had revised the Agreement between the Government of Bahrain and the Executive Committee, as contained in Annex XXI to the present report, specifically: paragraph 1 and Appendix 2-A, on the basis of the revised HCFC phase-out target for 2020, the revised funding level approved in principle

and the revised funding tranche distribution and schedule, following cancellation of the component mentioned in sub-paragraph (a)(ii) above; and paragraph 16, to indicate that the revised updated Agreement superseded that reached at the 80th meeting; and

- (b) To approve the combined third and fourth tranches of stage I of the HPMP for Bahrain, and the corresponding 2019–2020 tranche implementation plan, in the amount of US \$180,000, plus agency support costs of US \$23,400 for UNEP.

(Decision 84/65)

China: HCFC phase-out management plan (stage I – annual progress reports) (UNDP, UNIDO and the World Bank)

276. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/42.

277. The Executive Committee decided to request the Treasurer to offset future transfers on the basis of interest accrued by the Government of China, up to 31 December 2018, from funds previously transferred for the implementation of sector plans under the HCFC phase-out management plan for China, as per decisions 69/24 and 77/49(b)(iii), as follows:

- (a) US \$5,293 to UNIDO for the extruded polystyrene foam sector plan under stages I and II;
- (b) US \$8,004 to the World Bank for the polyurethane rigid foam sector plan under stage I;
- (c) US \$99,480 to UNDP for the industrial and commercial refrigeration and air-conditioning sector plan under stages I and II;
- (d) US \$53,142 to UNIDO for the room air-conditioning sector plan under stages I and II;
- (e) US \$5,674 to UNEP for the refrigeration servicing sector plan and the national enabling programme under stages I and II; and
- (f) US \$2,373 to UNDP for the solvent sector plan under stage II.

(Decision 84/66)

China: HCFC phase-out management plan (PU rigid foam sector) (stage I – annual progress reports) (World Bank)

278. The Executive Committee decided to note:

- (a) The 2019 progress report on the implementation of the fifth tranche of the polyurethane (PU) rigid foam sector plan under stage I of the HCFC phase-out management plan (HPMP) for China, submitted by the World Bank and contained in document UNEP/OzL.Pro/ExCom/84/42; and
- (b) The return to the 84th meeting of US \$2,560,576, plus agency support costs of US \$179,240 from the World Bank related to balances from the PU rigid foam sector plan under stage I of the HPMP for China.

(Decision 84/67)

China: HCFC phase-out management plan (ICR sector) (stage I – annual progress reports) (UNDP)

279. The Executive Committee took note of the 2019 progress report on the implementation of the industrial and commercial refrigeration and air-conditioning sector plan of stage I of the HCFC phase-out management plan in China submitted by UNDP, contained in document UNEP/OzL.Pro/ExCom/84/42.

China: HCFC phase-out management plan (room air-conditioning sector) (stage I, annual progress reports) (UNIDO)

280. It was recognized that the room air-conditioning sector faced significant challenges in the market uptake of R-290 split air-conditioners and that the Government of China had made significant efforts to encourage that market uptake.

281. Some members requested clarification regarding incremental operating costs and proposed changes to the incremental-operating-cost incentive scheme. The representative of the Secretariat confirmed that the amount of incremental operating costs provided would not change; the costs would simply be distributed differently.

282. In response to a question about the annual production capacity of the lines converted to R-290 and the incremental operating costs distributed per unit, the representative of the Secretariat said that, if the sale of split R-290 air-conditioners continued at the same pace with the same mix of products, all of the incremental operating costs would be used after manufacturing about 1 million units, which was approximately 14 per cent of the capacity converted to R-290. The limited manufacturing of R-290 units was a matter of concern, as it could have consequences for the sustainability of conversion. It was pointed out that the rate of distribution of the incremental operating costs would depend on the rate of manufacturing of the converted units.

283. Another member suggested that the incremental-operating-cost incentive scheme seemed to be an effective one, but said that he wished to understand the relationship between the balances remaining in the project and the incremental operating costs. The representative of the Secretariat explained that, according to the incentive scheme, the incremental operating costs would be provided as a function of the energy efficiency of the units sold. The level of incremental operating costs would decrease slowly over time in order to foster sustainable uptake of the technology. The remaining funding balances were partly linked to the payment of incremental capital costs for one production line that had not yet been converted, and partly linked to incremental operating costs. There was also a question about whether converted units exported to Article 5 countries received the incentive or not.

284. There was a desire to understand better the incremental-operating-cost incentive scheme, which, to one member's knowledge, was the first to link increases in incentives to the production of higher-energy-efficiency grades of the equipment. While potentially positive, such an approach might have policy implications that should be considered. The Chair suggested that interested members meet with the representative of the Secretariat and then report back to the Executive Committee.

285. Following the discussions with the Secretariat, one member wished to highlight the incremental-operating-cost incentive scheme that promoted the uptake of energy-efficient equipment in the proposed recommendation, as it could be a useful reference both for the Executive Committee and the Meeting of the Parties. Another member said that he was curious to see how the incentive scheme would increase sales of higher-energy-efficiency equipment units and therefore asked to have the project included specifically in future progress reports.

286. The Executive Committee decided:

- (a) To note the revised progress report on the implementation of the room air-conditioning (RAC) sector plan under stage I of the HCFC phase-out management plan (HPMP) for China submitted by UNIDO;
- (b) To note the incremental-operating-cost incentive scheme for the RAC sector plan as a possible reference for future incentive schemes;
- (c) To approve the extension of implementation of the RAC sector plan under the stage I of the HPMP to 31 December 2020, on the understanding that no further extension would be requested; and
- (d) To request the Government of China and UNIDO:
 - (i) To submit a progress report on the implementation of the work programme associated with the final tranche of the RAC sector plan on a yearly basis until completion of the project and the project completion report by the 87th meeting, and to return balances by the 88th meeting; and
 - (ii) To report on the effect of the incremental-operating-cost incentive scheme on the market uptake of R-290 split air-conditioners as part of their progress reports.

(Decision 84/68)

China: HCFC phase-out management plan (Overarching) (stage II) (UNDP, UNEP, UNIDO, the World Bank, the Government of Germany and the Government of Japan)

China: HCFC phase-out management plan (extruded polystyrene foam sector plan) (stage II – third tranche) (UNIDO and the Government of Germany)

China: HCFC phase-out management plan (polyurethane foam sector plan) (stage II – second tranche) (World Bank)

China: HCFC phase-out management plan (industrial and commercial refrigeration and air-conditioning sector plan) (stage II – third tranche) (UNDP)

China: HCFC phase-out management plan (refrigeration servicing sector plan and enabling programme) (stage II – third tranche) (UNEP, the Government of Germany and the Government of Japan)

China: HCFC phase-out management plan (solvent sector plan) (stage II – third tranche) (UNDP)

287. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/42.

288. With regard to the proposed technology change in the industrial and commercial refrigeration and air-conditioning sector plan, one member commented that, in addition to the enterprises becoming ineligible for future funding, the associated ODP tonnes would be deducted from the starting point for sustained aggregate reductions.

289. Subsequently, the Executive Committee decided:

- (a) With regard to stage II of the HCFC phase-out management plan (HPMP) for China approved at the 77th meeting:
 - (i) To request the relevant bilateral and implementing agencies, on behalf of the Government of China, to submit, at the 85th meeting, the 2020 funding tranche requests for the polyurethane (PU) foam, extruded polystyrene (XPS) foam, industrial and commercial refrigeration (ICR) and the solvent sector plans of stage II of the HPMP;
 - (ii) To approve the revised Appendix 2-A, “The Targets and Funding”, of the Agreement between the Government of China and the Executive Committee for stage II of the HPMP approved at the 79th meeting, as contained in Annex XXII to the present report, to reflect the revised maximum allowable total consumption of HCFCs in row 1.2 and the revised total funding in rows 3.1, 3.2 and 3.3 and the sector funding and support costs;
 - (iii) To request the Government of China, through the relevant bilateral and implementing agencies, to submit, no later than eight weeks prior to the 86th meeting, a revised plan of action that included related activities and information on the technology selected, and associated funding tranches to extend through 2026 stage II of the room air-conditioning manufacturing and heat pump water heaters (RAC), ICR, and refrigeration and air-conditioning servicing sectors and enabling programme, and, for the RAC and ICR sector plans, the maximum allowable sectoral consumption levels of HCFC as described in rows 1.3.1 and 1.3.4;
 - (iv) Also to request the Government of China, through the relevant bilateral and implementing agencies, to submit, at the 86th meeting, figures for potential revisions to Appendix 2-A for:
 - a. Row 1.2 specifying the maximum allowable total consumption of HCFCs in 2021–2026 to reflect the information under sub-paragraph (a)(iii), above;
 - b. The XPS foam, PU foam and solvent sector funding tranches for 2021-2026 in rows 2.2.1 to 2.2.4, 2.3.1 to 2.3.2 and 2.6.1 to 2.6.2, respectively; and
 - c. Tonnages associated with lines 4.1.1 to 4.6.3 to reflect the information in sub-paragraphs (a)(iii), above;
 - (v) Further to request the Government of China to update the information on necessary revisions to reflect the present decision for the approved XPS foam, PU foam and solvent sector plans;
 - (vi) To approve US \$1,000,000, plus agency support costs of US \$120,000 for UNEP, for the refrigeration and air-conditioning servicing sector and enabling programme, consistent with the revised Appendix 2-A referred to in sub-paragraph (a)(ii), above;

- (vii) To request UNDP as the lead implementing agency of the overall stage II of the HPMP, on behalf of the Government of China, to submit, at the 86th meeting, a draft revised Agreement between the Government of China and the Executive Committee reflecting only the relevant outcomes approved at the 84th meeting or those relevant to sub-paragraphs (a)(iii) and (a)(iv), above, and the revised plan of action for the RAC, ICR and refrigeration and air-conditioning servicing sectors and enabling programme also due for submission at the 86th meeting; and
- (b) To request the World Bank, on behalf of the Government of China, to submit at the 86th meeting a revised proposal for stage II of the HCFC production phase-out management plan (HPPMP) for the country.

(Decision 84/69)

Colombia: HCFC phase-out management plan (stage II – third tranche) (UNDP, UNEP and the Government of Germany)

290. The Chair introduced document UNEP/OzL.Pro/ExCom/84/43, recalling that the request for the third tranche of stage II of the HPMP for Colombia was being given individual consideration following its removal from the list of projects submitted for blanket approval under agenda item 9(a), Overview of issues identified during project review.

291. The representative of UNDP and the representative of the Secretariat provided additional information in response to questions regarding the proposed activities. With respect to the rationale for the proposed feasibility study to develop a low-cost recovery machine, the representative of UNDP explained that, in Colombia, recovery units were currently relatively expensive and only available to a small number of technicians in the formal sector. The goal of the study was thus to partner with a local manufacturer to develop a prototype for a low-cost machine that could be produced within the country. Asked for additional information on a pilot project yet to be selected, he explained that the goal of the project was not to develop an end-user incentive scheme, but rather to provide technical assistance, consisting of information on low-GWP and zero-GWP technologies, to end-users in the refrigeration and air-conditioning sector, most likely supermarket chains, to facilitate a move toward such technologies in the future.

292. The representative of the Secretariat addressed the question of why there was insufficient information to estimate incremental operating costs for the foam sector. Noting that the issue applied to conversions to HFOs, he said that while HFOs had been available in the country for testing at the systems houses, they had limited commercial availability and no conversion had yet taken place. As incremental operating costs would be dependent on the local prices, the Secretariat had suggested that information on actual costs be provided with the next tranche request, in line with decision 75/44(b)(vi).

293. One member noted that she intended to raise questions during the discussion under agenda item 10, Report on end-user incentive schemes funded under approved HPMPs, that could have implications for the tranche request for Colombia, and the Committee agreed to resume its consideration of the request once the discussion under agenda item 10 had taken place.

294. Subsequently, the Executive Committee decided:

- (a) To note the progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan of (HPMP) for Colombia; and
- (b) To approve the third tranche of stage II of the HPMP for Colombia, and the corresponding 2019-2021 tranche implementation plan, in the amount of US \$736,751, consisting of US \$635,749, plus agency support costs of US \$44,502 for UNDP, and US \$50,000, plus

agency support costs of US \$6,500 for UNEP, on the understanding that UNDP would report the actual incremental operating costs incurred during the conversion to reduced hydrofluoroolefin formulations in the foam sector when requesting the fourth and final tranche of stage II of the HPMP, and that if the incremental operating costs were below US \$2.13/kg, the Government of Colombia would return the associated funds to the Multilateral Fund, in line with decisions 75/44(b)(vi) and 81/34(a).

(Decision 84/70)

Côte d'Ivoire: HCFC phase-out management plan (stage I – third tranche) (UNEP and UNIDO)

295. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/46.

296. The Executive Committee decided:

- (a) To note the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Côte d'Ivoire;
- (b) To approve the extension of stage I of the HPMP from 31 December 2020 to 31 December 2021;
- (c) To note that the Fund Secretariat had revised the updated Agreement between the Government of Côte d'Ivoire and the Executive Committee contained in Annex XXIII to the present report, specifically: Appendix 2-A to reflect the extension of the duration of stage I and the revised funding schedule, which combined the third (2016) and fourth (2018) tranches and changed the funding schedule of the fifth tranche to 2021; and paragraph 16 to indicate that the revised updated Agreement superseded that reached at the 75th meeting;
- (d) To approve the combined third and fourth tranches of stage I of the HPMP for Côte d'Ivoire, and the corresponding 2020 tranche implementation plan, in the amount of US \$806,091, consisting of US \$280,000, plus agency support costs of US \$33,891 for UNEP, and US \$460,000, plus agency support costs of US \$32,200 for UNIDO; and
- (e) To request the Government of Côte d'Ivoire and UNEP to implement the measures recommended in the verification report and to report, through UNEP, at the 86th meeting, on the adoption of the interministerial decree for regulating import, export, transit, re-export and trade of ODS, and other measures on strengthening monitoring and reporting systems relating to HCFC import and export.

(Decision 84/71)

Egypt: HCFC phase-out management plan (stage II – second tranche) Investment project in the room air-conditioning sector (UNIDO, UNDP, UNEP and the Government of Germany)

297. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/49.

298. One member pointed to the need to reflect in the recommendation that the five enterprises involved in the manufacturing conversion project would not be eligible for further funding from the Multilateral Fund. The same member wished to specify a specific timeframe for the phase-out of manufacturing of R-410A-based equipment for the local market, in order to ensure the market uptake of equipment based on low-GWP technology.

299. Following informal discussions among interested members, the Executive Committee decided:

- (a) To note the progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Egypt;
- (b) To approve the project for the conversion of El-Araby, Fresh, Miraco, Power and Unionaire from HCFC-22 to HFC-32 and, should the enterprises so decide once the technology became available, R-454B, used in the manufacture of residential air-conditioning units, in the amount of US \$10,926,623, plus agency support costs of US \$764,864 for UNIDO;
- (c) To deduct 65.44 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding;
- (d) To note the commitment of the Government of Egypt to a reduction of 70 per cent of its HCFC baseline by 1 January 2025, representing a sustained level of 115.54 ODP tonnes;
- (e) To note:
 - (i) The commitment of the Government of Egypt:
 - a. To ban the import and manufacture of HCFC-22-based residential air-conditioning equipment by 1 January 2023;
 - b. To ensure full control of R-410A- and R-407C-based residential air-conditioning equipment, imported or placed in the local market;
 - c. To secure the uptake of the HFC-32 and, should the enterprises so decide once the technology became available, R-454B, by the local market;
 - d. To present an update on regulatory measures planned or introduced and a planned timeline for the enterprises to manufacture exclusively for the local market using HFC-32 or an alternative with lower global-warming-potential (GWP), as part of the submission of the third tranche in 2021;
 - (ii) The commitment of El-Araby, Fresh, Miraco, Power and Unionaire actively to participate in efforts to promote the market acceptance of the residential air-conditioning equipment based on the agreed technology, and to ensure that their manufacture of R-410A-based equipment for the local market progressively decreased until the enterprises manufactured only equipment for the local market with the agreed technology, or a lower-GWP technology, with the understanding that the enterprises could continue to export R-410A-based equipment;
 - (iii) That El-Araby, Fresh, Miraco, Power, and Unionaire would not be eligible for further funding from the Multilateral Fund to phase-down HFCs in residential air-conditioning under the Kigali Amendment;
 - (iv) That the Secretariat had: updated Appendix 2-A of the Agreement between the Government of Egypt and the Executive Committee, as contained in Annex XXIV to the present report, on the basis of the approval of the project proposal referred to in sub-paragraph (b), above, and the deduction of HCFC tonnage referred to in sub-paragraph (c), above; updated the target for controlled use in paragraph 1 to 115.54 ODP tonnes; and added a new paragraph 17 to indicate that the updated Agreement superseded that reached at the 79th meeting; and

- (f) To approve the second tranche of stage II of the HPMP for Egypt, and the corresponding 2019-2022 tranche implementation plan, in the amount of US \$7,507,455, consisting of US \$4,668,214, plus agency support costs of US \$326,775 for UNIDO; US \$1,836,750, plus agency support costs of US \$128,573 for UNDP; US \$279,500, plus agency support costs of US \$33,394 for UNEP; and US \$207,300, plus agency support costs of US \$26,949 for the Government of Germany.

(Decision 84/72)

Ghana: HCFC phase-out management plan (stage I – sixth and final tranche) (UNDP and the Government of Italy)

300. The Chair introduced document UNEP/OzL.Pro/ExCom/84/40, recalling that the request for the sixth tranche of stage I of the HPMP for Ghana was being given individual consideration following its removal from the list of projects submitted for blanket approval under agenda item 9(a), Overview of issues identified during project review.

301. One member noted that she intended to raise questions during the discussion under agenda item 10, Report on end-user incentive schemes funded under approved HPMPs, that could have implications for the tranche request for Ghana, and the Committee agreed to resume its consideration of the request once the discussion under agenda item 10 had taken place.

302. The member then discussed with the Government of Ghana and UNDP in the margins of the meeting. They decided that the planned end-user incentive component would be reprogrammed to technical assistance to support the introduction of R-290 low-GWP technology.

303. The Executive Committee decided:

- (a) To note:
- (i) The progress report on the implementation of the fifth tranche of stage I of the HCFC phase-out management plan (HPMP) for Ghana;
 - (ii) That the funding planned for the end-user incentive programme would be used for: the training of technicians in the installation and servicing of R-290-based air-conditioning units; the provision of servicing tools for handling flammable refrigerants; the monitoring of the use of R-290 air-conditioners to ensure safety; and dissemination of information on the use of low-GWP technology;
- (b) To request the Government of Ghana, UNDP and the Government of Italy to submit progress reports on the implementation of the work programme associated with the final tranche on a yearly basis until the completion of the project, verification reports until approval of stage II, and the project completion report to the 87th meeting; and
- (c) To approve the sixth and final tranche of stage I of the HPMP for Ghana, and the corresponding 2019–2021 tranche implementation plan, in the amount of US \$121,311, plus agency support costs of US \$9,098 for UNDP, on the understanding that the Government of Ghana was implementing the retrofitting of HCFC-22-based air-conditioning units to hydrocarbon, that it would do so in accordance with relevant standards and protocols, and that it would assume all associated responsibilities and risks.

(Decision 84/73)

Islamic Republic of Iran: HCFC phase-out management plan (stage II – second tranche) (UNDP, UNEP, UNIDO, the Government of Germany and the Government of Italy)

304. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/51.

305. One member asked why funds associated with enterprises that were no longer part of the HPMP because they had converted on their own were being returned to the Multilateral Fund, but funds associated with enterprises that were no longer part of the HPMP because they had closed down were not being returned. The representative of the Secretariat explained that the enterprises that had converted on their own no longer needed the funds, and no longer represented eligible consumption because they had already converted to cyclopentane. In the case of the enterprises that had gone bankrupt, their activities and consumption had been redistributed among surviving enterprises. This, combined with difficulty in accessing raw materials because of the uncertain situation in the country, had triggered variations in the various enterprises' market share. The consumption of some previously smaller enterprises had grown, while the consumption of some previously bigger enterprises had dropped. The proposed changes to the HPMP meant that the funds could be reallocated to provide needed assistance to 15 enterprises converting from water-blown technology to pre-blended cyclopentane. The representative of the Secretariat pointed out that the reallocated amount of US \$348,006 would not cover the entire cost of conversion, as the cyclopentane technology required additional safety measures that would be co-financed by the enterprises.

306. In relation to the issue of the proposed technology change, one member expressed appreciation for the advance warning to the Executive Committee, which was of the utmost importance. The member went on to point out that the reason for the change was that water-blown technology was not a suitable alternative for one of the PU foam applications in the Islamic Republic of Iran. This begged the question of why water-blown technology had been chosen in the first place. The representative of UNIDO explained that the choice had been made mainly for budgetary reasons, as water-blown technology was the least expensive option. There were also issues linked to the availability of raw materials and to the initial list of enterprises to be converted. The change of technology to pre-blended cyclopentane had been decided after further analysis of available technologies and a workshop on alternatives for PU foam stakeholders organized by UNIDO in 2018.

307. The member further sought confirmation that, with all of the proposed changes to the project, the overall cost-effectiveness would remain the same. The representative of the Secretariat explained that the removal of three enterprises and the return of US \$375,701 would have an impact on cost-effectiveness; this overall value could change, however, and the Secretariat would continue monitoring throughout the project to ensure that any deviation in cost-effectiveness above the level approved would be recovered from the funds allocated for stage II of the HPMP.

308. There was a follow-up question regarding the possibility that overall consumption might decrease because of economic circumstances in the country, in which case the funds associated with enterprises that had gone bankrupt might have to be used differently within the HPMP if enterprises currently operating did not take up the eligible consumption. The representative of UNIDO remarked that, so far, the consumption of enterprises that had ceased their activities had been absorbed by other enterprises and that the situation would be monitored closely.

309. Recognizing that the proposal was complex given the circumstances in the country, and that the Secretariat had attempted to find the best way possible to ensure that activities in the PU foam sector plan could be continued, it was decided that further discussion would be held between the interested member, the representative of the Secretariat and the representative of UNIDO a way forward.

310. The Executive Committee decided:

(a) To note:

- (i) The progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for the Islamic Republic of Iran;
 - (ii) That two individual enterprises, Hanzad and Tara Sanat Barfin, with a consumption of 39.00 metric tonnes (4.29 ODP tonnes) of HCFC-141b and associated funding of US \$348,006, had been closed and removed from stage II;
 - (iii) That UNIDO would move two enterprises for individual conversion with consumption of 51.00 metric tonnes (5.61 ODP tonnes) of HCFC-141b to the group conversion project, and three enterprises in the group conversion project with consumption of 97.70 metric tonnes (10.75 ODP tonnes) of HCFC-141b to individual conversion;
 - (iv) That the enterprises Aysan Sanat, Forouzan and Yoosh Electric, with a consumption of 66.00 metric tonnes (7.27 ODP tonnes) of HCFC-141b, had converted with their own resources before the initiation of the project, and had been removed from stage II, and their associated funding of US \$375,701, plus agency support costs of US \$26,299, would be deducted from the third tranche approval for UNIDO;
 - (v) That US \$126,545, plus agency support costs of US \$14,393, would be deducted from the approval for the Government of Germany, in line with decision 80/21(c);
- (b) To approve:
- (i) The change in technology from water-based to pre-blended cyclopentane for the 15 small- and medium-sized foam enterprises being assisted in the group project, without any additional cost to the Multilateral Fund;
 - (ii) On an exceptional basis and taking into account the existing economic situation in the country, the reallocation of the balance of US \$348,006 from the two enterprises referred to in sub-paragraph (a)(ii), above, to cover additional costs incurred by the changes in sub-paragraphs (a)(iii) and (b)(i), above;
- (c) To request UNDP, UNIDO, the Government of Germany and the Government of Italy:
- (i) To submit, with each funding tranche request, a detailed report on the status of the conversion of each of the foam projects covered under stage II, including the financial viability, the current level of HCFC-141b consumption, the alternative technology selected, the total cost to the Multilateral Fund and the level of co-financing, as applicable;
 - (ii) To continue providing information as soon as it was known about foam enterprises found to be ineligible for funding, that had phased out HCFC-141b without Multilateral Fund assistance, or that had withdrawn from stage II of the HPMP, along with their associated consumption and approved funding;
 - (iii) To report in advance any change of technology for consideration by the Executive Committee in line with paragraph 7 (a)(v) of the Agreement between the Islamic Republic of Iran and the Executive Committee;
 - (iv) To ensure that, for enterprises that had received funding for conversion during stage II and that had closed down before the conversion was completed, the

corresponding equipment would be transferred for the use of other enterprises eligible to receive assistance and that any unspent balances would be returned to the Multilateral Fund without prejudice to other eligible enterprises;

- (v) To ensure that once all enterprises had been verified and funds allocated, any deviation from the approved cost-effectiveness of the polyurethane foam sector for stage II (US \$6.79/kg) would be reported to the Executive Committee and would be recovered from the funds remaining for stage II of the HPMP; and
- (d) To approve the second tranche of stage II of the HPMP for the Islamic Republic of Iran, and the corresponding 2020–2022 tranche implementation plan, in the amount of US \$4,275,180, consisting of US \$1,593,980, plus agency support costs of US \$111,579 for UNDP; US \$190,000, plus agency support costs of US \$23,614 for UNEP; US \$584,000, plus agency support costs of US \$40,880 for UNIDO; US \$1,047,035, plus agency support costs of US \$119,092 for the Government of Germany; and US \$504,004, plus agency support costs of US \$60,996 for the Government of Italy.

(Decision 84/74)

Iraq: HCFC phase-out management plan (stage I – third tranche) (UNEP and UNIDO)

311. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/52.

312. The Executive Committee decided:

- (a) To note the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Iraq;
- (b) To approve the extension of stage I of the HPMP to 31 December 2020;
- (c) To note that the Secretariat had updated the Agreement between the Government of Iraq and the Executive Committee, as contained in Annex XXV to the present report, specifically: Appendix 2-A, to reflect the revised funding schedule and the extension of stage I; and paragraph 16, to indicate that the revised updated Agreement superseded that reached at the 74th meeting;
- (d) To request the Government of Iraq, UNEP and UNIDO to submit:
 - (i) The project completion report at the 87th meeting;
 - (ii) An independent verification report for the year 2019 at the time of submission of stage II of the HPMP; and
- (e) To approve the third and final tranche of stage I of the HPMP for Iraq, and the corresponding 2020 tranche implementation plan, in the amount of US \$473,384, consisting of US \$220,000, plus agency support costs of US \$27,634 for UNEP, and US \$210,000, plus agency support costs of US \$15,750 for UNIDO.

(Decision 84/75)

Jordan: HCFC phase-out management plan (stage II – second tranche) (World Bank and UNIDO)

313. The representative of the Secretariat, introducing document UNEP/OzL.Pro/ExCom/84/53, explained that the consumption data in the verification report for 2016 and 2017 was different from the data

reported under Article 7 of the Montreal Protocol for those years. In early December 2019, the Government of Jordan had submitted revised Article 7 data for 2016 and 2017 consistent with the findings of the 2016 and 2017 verification report.

314. The Executive Committee decided:

- (a) To note the progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Jordan; and
- (b) To approve the second tranche of stage II of the HPMP, and the corresponding 2020–2021 tranche implementation plan, in the amount of US \$1,663,211, consisting of US \$1,013,554, plus agency support costs of US \$70,949 for the World Bank, and US \$540,849, plus agency support costs of US \$37,859 for UNIDO, on the understanding that the World Bank would provide an update at the 86th meeting on the status of implementation of the activities in stage II of the HPMP.

(Decision 84/76)

Malaysia: HCFC phase-out management plan (stage II – second tranche) (UNDP)

315. The Chair introduced document UNEP/OzL.Pro/ExCom/84/54, recalling that the request for the second tranche of stage II of the HPMP for Malaysia was being given individual consideration following its removal from the list of projects submitted for blanket approval under agenda item 9(a), Overview of issues identified during project review.

316. The Executive Committee decided:

- (a) To note:
 - (i) The progress report on implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Malaysia;
 - (ii) That Asia Roofing, on an exceptional basis, had changed its technology to cyclopentane, a low global-warming-potential technology, at no additional cost to the Multilateral Fund;
- (b) To approve the second tranche of stage II of the HPMP for Malaysia, and the corresponding 2019–2021 tranche implementation plan, in the amount of US \$2,475,225, plus agency support costs of US \$173,266 for UNDP, on the understanding that:
 - (i) If, during implementation, Allied Foam, Astino, Century, Gai Hin, Hewgant, Insulated Box or Roto Speed decided to change technology from hydrofluoroolefins to pre-blended cyclopentane, they would have the flexibility to do so, on the understanding that the conversions would not be delayed and any additional costs would be covered by the enterprises; and
 - (ii) UNDP would report on the implementation of the technologies chosen at the enterprises in sub-paragraph (b)(i), above, on the status of the bans on the import of refrigeration and air-conditioning equipment operated with HCFCs, and on the manufacturing and new installation of refrigeration and air-conditioning equipment operating with HCFCs, when submitting the request for the third tranche of the HPMP.

(Decision 84/77)

Pakistan: HCFC phase-out in extruded polystyrene (XPS) foam sector (HPMP stage II) (UNIDO)

317. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/57.
318. The Executive Committee decided:
- (a) To approve the project for the conversion of Symbol Industries from the use of HCFC-142b/HCFC-22 to HFO/CO₂/DME in the manufacture of extruded polystyrene (XPS) foam boards in the amount of US \$619,938, plus agency support costs of US \$43,396 for UNIDO;
 - (b) To deduct 4.68 ODP tonnes (1.69 ODP tonnes of HCFC-22 and 2.99 ODP tonnes of HCFC-142b) from the remaining HCFC consumption eligible for funding;
 - (c) To note:
 - (i) That there would be no remaining consumption of HCFC-142b eligible for funding;
 - (ii) The commitment of the Government of Pakistan to ban the import of HCFC-142b starting 1 January 2023 and the manufacturing of HCFC-based XPS foam once the conversion project had been completed; and
 - (iii) That the Agreement between the Government of Pakistan and the Executive Committee for stage II of the HCFC phase-out management plan would be revised to include the approval of the project referred to in sub-paragraph (a), above, and the deduction of the HCFC tonnage referred to in sub-paragraph (b), above, and that it would be submitted, together with the request for the third funding tranche, at the 85th meeting.

(Decision 84/78)

Serbia: HCFC phase-out management plan (stage I – fourth tranche) (UNIDO and UNEP)

319. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/59.
320. The Executive Committee decided:
- (a) To note:
 - (i) The progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan (HPMP) for Serbia;
 - (ii) That the Secretariat had updated the Agreement between the Government of Serbia and the Executive Committee, as contained in Annex XXVI to the present report, specifically: paragraph 14 and Appendix 2-A, to reflect that stage I would be completed by 31 December 2020 and the fourth tranche requested in 2019; and paragraph 16, to indicate that the revised updated Agreement superseded that reached at the 71st meeting;
 - (b) To request the Government of Serbia, UNIDO and UNEP to submit a progress report on the implementation of the work programme associated with the final tranche and the project completion report to the 87th meeting; and

- (c) To approve the fourth and final tranche of stage I of the HPMP for Serbia, and the corresponding 2019-2020 tranche implementation plan, in the amount of US \$36,159, consisting of US \$25,700, plus agency support costs of US \$1,928 for UNIDO, and US \$7,550, plus agency support costs of US \$981 for UNEP.

(Decision 84/79)

Tunisia: HCFC phase-out management plan (stage I – third and final tranche) (UNIDO, UNEP and the Government of France)

321. The Chair introduced document UNEP/OzL.Pro/ExCom/84/60, recalling that the request for the third and final tranche of stage I of the HPMP for Tunisia was being given individual consideration following its removal from the list of projects submitted for blanket approval under agenda item 9(a), Overview of issues identified during project review.

322. One member pointed out that, during discussions with the Secretariat and the lead implementing agency, it had been clarified that the incentive programme for equipment replacement mentioned in paragraph 20(d) of the document was a technical assistance project through which no end-users would receive funds.

323. The Executive Committee decided:

- (a) To note:
 - (i) The progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Tunisia;
 - (ii) The Government's commitment to place strict controls on the import of HCFC-141b for solvent applications;
- (b) To request the Government of Tunisia, UNIDO, UNEP and the Government of France to submit progress reports on the implementation of the work programme associated with the final tranche on a yearly basis until the completion of the project, verification reports until approval of stage II of the HPMP and the project completion report to the 88th meeting; and
- (c) To approve the third and final tranche of stage I of the HPMP for Tunisia, and the corresponding 2020 tranche implementation plan, in the amount of US \$99,945, consisting of US \$57,500, plus agency support costs of US \$4,025 for UNIDO, US \$15,000, plus agency support costs of US \$1,950 for UNEP, and US \$19,000, plus agency support costs of US \$2,470 for the Government of France, on the understanding that no funds would be provided to end-users to replace equipment under the technical assistance.

(Decision 84/80)

Turkey: HCFC phase-out management plan (stage I – third tranche) (UNIDO and UNEP)

324. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/61.

325. The Executive Committee decided:

- (a) To note the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Turkey;

- (b) To approve the extension of stage I of the HPMP to achieve the complete phase-out of HCFCs by 1 January 2025, on the understanding that no further extensions would be approved;
- (c) To deduct 137.06 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To note that the Secretariat had updated the Agreement between the Government of Turkey and the Executive Committee, as contained in Annex XXVII to the present report, specifically: paragraph 1 and Appendix 2-A, to reflect the extension of stage I and the complete phase-out of HCFCs; and paragraph 16, which had been added to indicate that the updated Agreement superseded that reached at the 68th meeting; and
- (e) To approve the third tranche of stage I of the HPMP for Turkey, and the corresponding 2019–2020 tranche implementation plan, in the amount of US \$1,598,850, plus agency support costs of US \$111,920 for UNIDO, on the understanding that if Turkey were to decide to proceed with retrofits and associated servicing to use flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols.

(Decision 84/81)

Viet Nam: HCFC phase-out management plan (stage II – second tranche) (World Bank and the Government of Japan)

326. The Chair introduced document UNEP/OzL.Pro/ExCom/84/62, recalling that the request for the second tranche of stage II of the HPMP for Viet Nam was being given individual consideration following its removal from the list of projects submitted for blanket approval under agenda item 9(a), Overview of issues identified during project review.

327. Concern was expressed about the recommendation by the Secretariat to make the transfer of funding and offsetting of costs contingent on the receipt of confirmation, by 15 January 2020, that the 2016, 2017 and 2018 consumption as reported under the CP implementation report and under Article 7 of the Montreal Protocol had been amended to reflect the verified consumption for those years. One member, noting that it was not a case of non-compliance, said that there appeared to be no precedent or justification for such a recommendation, which, if approved, might hinder implementation of the HPMP. In response, the representative of the Secretariat said that the World Bank had indicated that it would cooperate with the country to ensure that future data reported would reflect actual imports, rather than the amounts shown in import permits. The Secretariat had not yet received confirmation that the data for 2016, 2017 and 2018 had been adjusted. The Chief Officer added that the Secretariat immediately notified lead implementing agencies of any discrepancies between data sets, and, in many cases, provided an explanation of why it considered there to be a discrepancy. Given the high importance of having consistent data, it had considered that action should be taken in respect of the request at hand. When asked if there had been similar cases in the past, the representative of the Secretariat replied that several countries had previously had to submit revised data. Responding to a further question, the representative of the World Bank said that the Government of Viet Nam had acknowledged the discrepancy, which was of less than 1 per cent, and would have to go through an internal process to have the data changed.

328. Following the discussion, the Executive Committee agreed not to set a deadline for the receipt of confirmation of amendment of the data.

329. The Executive Committee decided:

- (a) To note the progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Viet Nam;
- (b) Also to note that the Secretariat had updated Appendix 2-A of the Agreement between the Government of Viet Nam and the Executive Committee, as contained in Annex XXVIII to the present report, on the basis of the return of funds approved at the 82nd meeting and that a new paragraph 17 had been added to indicate that the updated Agreement superseded that reached at the 76th meeting; and
- (c) To approve the second tranche of stage II of the HPMP for Viet Nam, and the corresponding 2019–2020 tranche implementation plan, in the amount of US \$2,517,034, consisting of US \$2,179,193, plus agency support costs of US \$152,544 for the World Bank, and US \$163,980, plus agency support costs of US \$21,317 for the Government of Japan, on the understanding that the Treasurer would transfer the funding to the World Bank and offset the costs associated with the bilateral component by the Government of Japan only upon confirmation by the Secretariat that the 2016, 2017 and 2018 consumption as reported under the country programme implementation report and under Article 7 of the Montreal Protocol had been amended to reflect the verified consumption for those years.

(Decision 84/82)

HFC investment projects

Cuba: Conversion from the use of HFC-134a to propane (R-290) in the manufacture of chillers at Frioclima (UNDP)

330. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/47.

331. Many members expressed support for the project, noting in particular the energy savings that would result from the conversion. Several stressed that a commitment to submit a report with a comparison analysis of electricity consumption of the new R-290 chiller and the HFC-134a chiller, which the Secretariat had requested but had been unable to obtain, would be a valuable input into project consideration. Other positive aspects highlighted included the co-funding provided by the enterprise, the commitment not to revert to HFC-134a in the future, the technical support to be provided by the European Union and the fact that the technology was widely used in non-Article 5 countries and known for its high level of efficiency and good performance.

332. One member expressed concern regarding the replicability of the project and its poor cost-effectiveness, but several others felt there was valuable information to be gained, as, to date, there was little experience with such projects in the region. One added that the low cost-effectiveness resulted from the small size of the enterprise, and hence its low economies of scale, and said that the project was of great interest to surrounding countries.

333. The Committee agreed to hold informal discussions on the matter.

334. Subsequently, the representative of the Secretariat reported that despite extensive discussions, no consensus had been reached.

335. The Executive Committee decided not to approve the project proposal for the conversion from the use of HFC-134a to propane (R-290) in the manufacture of chillers at Frioclima in Cuba.

(Decision 84/83)

AGENDA ITEM 10: REPORT ON END-USER INCENTIVE SCHEMES FUNDED UNDER APPROVED HCFC PHASE-OUT MANAGEMENT PLANS (DECISION 82/54)

336. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/63, highlighting some of the findings made during the preparation of the report, including: the difficulty involved in assessing the scalability of the adoption of the low-GWP alternatives promoted in end-user incentive schemes; the availability of equipment or alternatives in the market; the potential for regulatory and other measures to increase the impact of end-user incentive schemes; the limited impact of co-financing by the beneficiaries of incentive schemes on the broader uptake of alternative technologies; the implementation of training for technicians and capacity-building activities to support the adoption of low-GWP alternatives; and the substantial reduction in HCFC-22 leakage achieved through one particular end-user scheme focusing on leakage reduction in supermarkets.

337. Following the presentation, a number of members commented on the report and the findings, saying that though the issue was complex, the right approach to end-user incentive schemes could yield beneficial results across the board for the implementation of HPMPs and the adoption of low-GWP technologies. Members also highlighted the importance of having end-user incentive schemes embedded in the right policy and regulatory framework.

338. Members raised a number of other points to be considered in the shaping of future end-user incentive schemes. One member highlighted the limited scalability and cost-effectiveness of incentive schemes and stressed the need to define parameters in those areas to improve results. Assessing the value and long-term cost-effectiveness of incentive schemes would involve the monitoring of delays and determining the reasons for those delays. A methodology should therefore be designed to evaluate incentive schemes, and progress reports should be required. Further discussion was also required on how each element of a given incentive scheme fit into the overall HPMP, with regard to working with technicians, capacity building and safety aspects in the case of flammable alternatives. The member addressed the issue of how the incentive schemes were framed, saying that they were more like one-off, time-limited projects, such as demonstration or pilot projects aimed at getting a new technology or practice off the ground. He therefore suggested calling the incentive schemes “demonstration” or “pilot” projects directed to end-users, thus also highlighting their limited duration. It was important to understand and set out how these projects should work, and the conditions or countries in which they would be most useful, such as LVC countries where there might not be a manufacturing base. The member concluded by saying that highly successful projects directed to end-users like the leak-reduction programme mentioned by the representative of the Secretariat could be studied to extract elements that would make it an example for other countries to follow.

339. Another member recognized that there were challenges involved in ensuring successful outcomes for incentive schemes, but that experience and changing markets would bring positive results. She welcomed the idea of having prerequisites for incentive schemes, such as regulations and policies, awareness-raising, capacity-building, and the implementation of good practices. It was also necessary to ensure that such enabling conditions were put in place early so as to leverage the benefits of end-user schemes. Furthermore, it was important to ensure that only zero-to-low-GWP alternative technologies were the object of incentive schemes.

340. Another member pointed out that the end-user incentive schemes enjoyed mixed success because their purpose could vary greatly from country to country. Some countries used incentive schemes to encourage the uptake of new technologies, while others used them to discourage leaks or meet compliance measures. It was therefore important to avoid creating single-purpose incentive schemes that would limit

countries. The member proposed drawing on decisions 26/38 and 28/44, as proposed by the Secretariat, to review and update the guidelines and prerequisites contained therein, as they already covered issues such as the need for proper controls, and the need to focus on consumption in the servicing sector, for example.

341. Seeing as a number of members had expressed the desire to add specific wording to the recommendation, it was suggested that the interested members meet with the representative of the Secretariat in the margins of the meeting. Concern was expressed that there might not be enough time at the present meeting to complete the consultation and drafting process, in which case a process could be set up to gather and compile submissions from members so that the report on end-user incentive schemes could be updated for presentation at the 85th meeting.

342. The Executive Committee decided:

- (a) To note the report on end-user incentive schemes funded under approved HCFC phase-out management plans (HPMPs) (decision 82/54) contained in document UNEP/OzL.Pro/ExCom/84/63;
- (b) To consider time-limited and one-off demonstration and pilot projects directed to end-users to transition to zero- or low global-warming-potential alternatives and/or reduce use of controlled substances under existing or future stages of HPMPs, prioritizing those activities in low-volume-consuming countries, on a case-by-case basis, taking into consideration that the following circumstances had to prevail before demonstration and pilot projects could be directed to end-users, in line with the guidelines for end-user conversion in the commercial refrigeration sector adopted in decision 28/44:
 - (i) Production and import control on HCFC and HCFC-based equipment had to be in place and effectively enforced, and the deployment of new HCFC components restricted;
 - (ii) The country's major remaining consumption had to be for the servicing of refrigeration and air-conditioning equipment;
 - (iii) Comprehensive data on the profile of all remaining consumption had to have been determined and made available to the Executive Committee;
 - (iv) There had to be no other possible activities that would allow the country to meet its HCFC control obligations, or the comparative consumer price of HCFCs, relative to substitute refrigerants had to have been high for at least nine months and predicted to continue to increase;
- (c) To request bilateral and implementing agencies, when designing and submitting demonstration and pilot projects directed to end-users as indicated in sub-paragraph (b), above:
 - (i) To provide information on how the country would implement the domestic policy framework to support and sustain introduction and the scaling up of the new technology and/or practice;
 - (ii) To provide information on the number of enterprises in that country or region that could be interested in transition as a result of the programme being undertaken, and on the phase-out of controlled substances and the phase-in of alternative refrigerants;

- (iii) To illustrate and provide the methodology for estimating the expected scalability of the alternative technology or practice being proposed in light of local market conditions;
- (iv) To include a plan for communicating the results of the project to relevant stakeholders to assist in their uptake without using Multilateral Fund resources;
- (v) To prioritize refrigeration and air-conditioning applications where the project could contribute to acceleration of the phase-out of the controlled substance;
- (vi) To follow a stepwise approach to ensure early implementation of enabling conditions that would leverage the benefits of such projects;
- (vii) To explain how the projects would be implemented and linked with other HPMP activities such as training, capacity-building and technical assistance for adoption of the proposed alternative technology in a cost-effective manner;
- (viii) To provide information on the estimated level of co-financing by all the beneficiary end-users participating in the incentive scheme and to describe the actions they would undertake to promote the adoption of the proposed technology;
- (ix) To ensure that, if the country engaged in the retrofitting of HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing, it did so on the understanding that they would assume all associated responsibilities and risks, and that the retrofit of equipment would be done only in accordance with the relevant standards and protocols, in line with decisions 72/17 and 73/34;
- (d) To request bilateral and implementing agencies to submit detailed reports on the results of existing and future end-user projects once they have been completed, to allow the Secretariat to develop fact sheets to inform future projects; and
- (e) To request the Secretariat to provide an update to the report contained in document UNEP/OzL.Pro/ExCom/84/63 at the first meeting of 2023 to reassess the effectiveness of demonstration and pilot projects directed to end-users, including updated results from the projects, analysis of cost-effectiveness, discussion of how the present decision had affected such projects, and other observations.

(Decision 84/84)

AGENDA ITEM 11: OVERVIEW OF CURRENT MONITORING, REPORTING, VERIFICATION AND ENFORCEABLE LICENSING AND QUOTA SYSTEMS DEVELOPED WITH SUPPORT FROM THE MULTILATERAL FUND (DECISION 83/60(C))

343. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/64, containing a summary of the discussions on the issue of monitoring, reporting, verification and enforceable licensing and quota systems by the Executive Committee, at the 83rd meeting, and the Parties, at the forty-first meeting of the Open Ended-Working Group and at the Thirty-first Meeting of the Parties.

344. Members recalled that at the 83rd meeting, it had been observed that some of the recommendations in the relevant document would best be addressed by the Meeting of the Parties, but others, notably those relating to the Fund, could be considered by the Executive Committee. It was suggested that, given the

absence of guidance from the Thirty-first Meeting of the Parties, the Committee decide which recommendations fell within its remit and consider how to act on them.

345. One member recalled that his delegation had suggested at the 83rd meeting that requests for institutional strengthening be accompanied by a letter from the country undertaking to sustain the phase-out of controlled substances beyond the end of approved Fund projects and agreements, and he asked that the suggestion be added to the recommendations to be considered. He also proposed the development of a set of questions to consider when reviewing projects.

346. Members agreed to discuss the issues further in an informal group at the present meeting if time allowed.

347. Owing to a lack of time, the Committee subsequently decided to defer consideration of document UNEP/OzL.Pro/ExCom/84/64 to its 85th meeting.

(Decision 84/85)

AGENDA ITEM 12: ANALYSIS OF THE IMPLICATIONS OF PARALLEL OR INTEGRATED IMPLEMENTATION OF HCFC PHASE-OUT AND HFC PHASE-DOWN ACTIVITIES (DECISION 81/69)

348. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/65.

349. Members expressed appreciation for the analysis, which would support cost-effectiveness in the Committee's future work and prove particularly useful in the development of plans for the phase-down of HFCs. They highlighted in particular the potential for synergies in the HCFC phase-out and HFC phase-down in the refrigeration servicing sector, while noting opportunities in the foam, room air-conditioner, commercial refrigeration and chiller manufacturing sectors. Administrative needs were also acknowledged, particularly in light of discussions to be held at future meetings on institutional strengthening, the CAP, project management units and NOUs. In the light of the uncertainty surrounding the impact on institutions, members supported the preparation of an update of the analysis for submission at the 87th meeting to provide more information on production and consumption. They also expressed an interest in further discussion of ways to support a cost-effective approach to HCFC phase-out and HFC phase-down activities.

350. The Executive Committee decided:

- (a) To note the analysis of the implications of parallel or integrated implementation of HCFC phase-out and HFC phase-down activities contained in document UNEP/OzL.Pro/ExCom/84/65; and
- (b) To request the Secretariat:
 - (i) To prepare an update of the analysis referred to in sub-paragraph (a), above, for the 87th meeting; and
 - (ii) In light of document UNEP/OzL.Pro/ExCom/84/65, to take into account the opportunities for integrated implementation of the phase-out of HCFC and phase-down of HFCs in the refrigeration servicing sector when developing the document on an analysis of the level and modalities of funding for the HFC phase-down in the refrigeration servicing sector requested by decision 83/65.

(Decision 84/86)

AGENDA ITEM 13: MATTERS RELATED TO THE KIGALI AMENDMENT TO THE MONTREAL PROTOCOL

(a) Development of the cost guidelines for the phase-down of HFCs in Article 5 countries: Draft criteria for funding (decision 83/65(c) and (d))

351. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/66.

352. Following the approach taken at previous meetings, the Executive Committee agreed to reconstitute the contact group on the development of the cost guidelines for the phase-down of HFCs in Article 5 countries, with the same facilitator (Belgium), to discuss the matter further.

353. Subsequently, the Executive Committee decided:

- (a) With regard to eligible incremental costs for the consumption manufacturing sector, to request the Secretariat to prepare, for the 86th meeting, a document providing analysis of and information, including aggregated information, in tabular form, on the incremental capital costs and incremental operating costs and their duration, and the cost-effectiveness of all approved investment projects in the relevant manufacturing sectors and sub-sectors, including the controlled substances that had been phased out and the alternative substances that had been phased in;
- (b) With regard to disposal, to request the Secretariat to prepare for the 85th meeting a synthesis report describing best practices and ways for the Executive Committee to consider operationalizing paragraph 24 of decision XXVIII/2, taking into account:
 - (i) The final report on the evaluation of the pilot demonstration projects on ODS disposal and destruction contained in document UNEP/OzL.Pro/ExCom/84/11, and the synthesis report on pilot ODS disposal projects contained in document UNEP/OzL.Pro/ExCom/82/21;
 - (ii) Other relevant projects implemented in HCFC phase-out management plans;
 - (iii) Lessons learned from existing infrastructure and policies that could be used to establish the cost-effective management of stockpiles of used or unwanted controlled substances; and
 - (iv) External funding opportunities and existing disposal programmes and partnerships.

(Decision 84/87)

(b) Energy efficiency

354. The Executive Committee agreed to reconstitute the contact group on energy efficiency that had been formed at the 83rd meeting.

(i) Paper on ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 83/62)

355. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/67.

356. The Executive Committee agreed to refer the matter to the contact group on energy efficiency, to continue the discussion initiated at the 83rd meeting.

357. The convener of the contact group subsequently reported that the group had been unable to arrive at a conclusion regarding the table on additional financing, and proposed that the matter be taken up at the next meeting.

358. The Executive Committee decided to defer and continue discussing ways to operationalize paragraph 16 of decision XXVIII/2 and paragraph 2 of decision XXX/5 of the Parties (decision 83/62) at its 85th meeting and to use the text contained in Annex XXIX to the present report as the basis for that discussion.

(Decision 84/88)

(ii) Paper on information on relevant funds and financial institutions mobilizing resources for energy efficiency that may be utilized when phasing down HFCs (decision 83/63)

359. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/68.

360. The Executive Committee agreed to refer the matter to the contact group on energy efficiency.

361. Following a discussion in the contact group, the Executive Committee decided:

- (a) To note the information on relevant funds and financial institutions mobilizing resources for energy efficiency that might be utilized when phasing down HFCs, contained in document UNEP/OzL.Pro/ExCom/84/68;
- (b) To request the Secretariat:
 - (i) To prepare, in consultation with implementing agencies, a document for the 85th meeting that could provide a framework for consultations with relevant funds and financial institutions to explore, at both the governing and operational levels, the mobilization of financial resources, additional to those provided by the Multilateral Fund, for maintaining or enhancing energy efficiency when replacing HFCs with low global-warming-potential refrigerants in the refrigeration and air-conditioning sector; and
 - (ii) To continue the informal exchange of information with relevant funds and financial institutions, including for the preparation of the document referred to in sub-paragraph (b)(i) above.

(Decision 84/89)

(iii) Summary of the report by the Technology and Economic Assessment Panel on matters related to energy efficiency with regard to the issues identified in decision 82/83(e) (decision 83/64)

362. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/69.

363. The Executive Committee agreed to refer the matter to the contact group on energy efficiency.

364. Following the report of the convener of the contact group, the Executive Committee took note of the updated summary of the report by the Technology and Economic Assessment Panel on matters related to energy efficiency with regard to the issues identified in decision 82/83(e) (decision 83/64) contained in

document UNEP/OzL.Pro/ExCom/84/69, with the understanding that the Secretariat would not be required to update the summary further.

(c) Key aspects related to HFC-23 by-product control technologies (decisions 83/66 and 83/67)

365. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/70, which comprised three parts on policy issues arising in projects in Argentina and Mexico; policy issues arising in the project in Argentina; and policy issues arising in the project in Mexico.

366. Members stressed the importance of addressing the policy issues at the current meeting, particularly given that the Governments of Argentina and Mexico had both ratified the Kigali Amendment and had compliance obligations to meet as of 1 January 2020. A number of considerations were highlighted, including the importance of: basing the level of financial support on the most cost-effective option in situations where HFC-23 by-product emissions were not already being controlled; basing incremental operating costs on HCFC-22 production from prior rather than future years; taking into account production process improvements that would reduce generation rates over time; ensuring the sustainability of the HFC-23 emissions phase-out; considering the role played by domestic policies and regulations in ensuring sustained HFC-23 destruction; and considering the eligibility of back-up systems, if they were needed at all. It was also noted that controlling HFC-23 emissions generated by the production of HCFC-22 that was exported to non-Article 5 countries was a new concern that needed careful consideration.

367. Several members also had concerns regarding the understanding of paragraph 6 of Article 2J of the Montreal Protocol. It was felt that the understanding in the document could be taken to mean that Parties simply had to report their HFC-23 by-product emissions rather than making their best efforts to reduce them using approved technologies, as called for in paragraph 7 of Article 2J. At the same time, members recognized that the Executive Committee did not have the authority to decide what constituted compliance with the paragraph in question.

368. The Committee agreed to establish a contact group to discuss the issues related to HFC-23 by-product emission control raised in the document. The group was, however, unable to reach consensus. One member, supported by two others, expressed concern that the Committee was not making the progress required to enable parties to the Kigali Amendment to comply with the 1 January 2020 control measure. The Committee agreed to hold additional discussions in the contact group. Subsequently, the convener of the contact group reported that despite substantial discussions, the group had again been unable to resolve the issues.

Argentina project (decision 83/66)

369. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/71, which presented a proposal for a project to control and phase out HFC-23 by-product emissions at Frio Industrias Argentinas. The project proposal had been discussed previously, at the 83rd meeting, and had then been resubmitted by UNIDO in accordance with decision 83/66(b). He also noted that a request for the second tranche of stage II of the HPMP for Argentina would be considered under agenda item 9(f), Investment projects; if the Committee were to decide on the option of closure of the enterprise, the balance of funds already approved to monitor the production at the facility under stage II would be returned to the Fund and the Agreement with the Executive Committee would be amended.

370. The Committee agreed to refer the matter to the contact group on HFC-23 by-product emissions control.

371. Following discussion in the contact group, the Executive Committee decided:

- (a) To defer its consideration of the project to control HFC-23 by-product emissions in Argentina to the 85th meeting; and
- (b) To request the Secretariat to provide further analysis of the project referred to in sub-paragraph (a) above, to the 85th meeting, based on any additional information provided by the Government of Argentina through UNIDO.

(Decision 84/90)

Mexico project (decision 83/66)

372. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/72, which presented project proposal options for controlling and phasing out HFC-23 by-product emissions at Quimobásicos, Mexico.

373. The representative of UNIDO subsequently provided additional information in response to questions from members. He explained that, while there had initially been no back-up system, the enterprise had invested in a second plasma-arc destruction unit precisely for that reason. The second unit has been used for fluorinated-gas destruction as part of a demonstration project in 2015, but not since; there was currently no market for hazardous waste or ODS destruction, and none was anticipated. Turning to a question regarding income earned by the enterprise through the Clean Development Mechanism, he informed the Committee that such earnings had been invested in industrial projects and green projects. Responding to a question on the preference of the enterprise and the Government for on-site destruction, he said that refurbishing the two on-site plasma-arc destruction units was considered the best approach given the local regulations and the transportation risks associated with off-site destruction, as well as the provisions of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Finally, when asked why the option of improving the HCFC-22 production process had not been looked at more seriously, he said that the enterprise had optimized the process over the years, managing to bring down the HFC-23 by-product generation rate to under 2 per cent, and that the document explained the measures that could be taken to further reduce emission rates.

374. One member subsequently expressed concern regarding the question relating to the Clean Development Mechanism, saying that it was a legal mechanism and income from the sale of credits should be considered an investment made to generated profit for the enterprise, the same as any commercial exchange. Another member, however, asserted that it was important to know about the revenue generated, as it could have been used to further reduce HFC-23 by-product emissions.

375. The Committee agreed to discuss the Mexico project further in the contact group on HFC-23 by-product emissions control.

376. Following discussion in the contact group, the Executive Committee decided to defer its consideration of the project to control HFC-23 by-product emissions in Mexico to the 85th meeting.

(Decision 84/91)

377. Subsequently, one member then made a statement, saying, that despite the Montreal Protocol's proud history of achievements, the present meeting would likely be remembered for the failure of the mechanism to find a solution that would enable Article 5 countries producing HCFC-22 to comply with the HFC-23 control measures. Article 10 of the Protocol contained the obligation to provide financial assistance to Article 5 countries, but the Executive Committee had failed in that regard. That was a problem not only

for Article 5 countries that produced HCFC-22, but also for all Article 5 countries. The country would therefore raise that matter with the Implementation Committee and the Open-ended Working Group.

AGENDA ITEM 14: DRAFT OPERATIONAL POLICY ON GENDER MAINSTREAMING FOR MULTILATERAL FUND-SUPPORTED PROJECTS (DECISION 83/68(C))

378. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/73.

379. Several members expressed appreciation for the work of the Secretariat in preparing the document and stressed that it was important to have an operational policy on gender mainstreaming for Multilateral Fund-supported projects. It was noted by some members that the objective of the policy should be not only to promote gender mainstreaming, but also to contribute to women's empowerment and the achievement of gender equality. It was also stated that the implementation of the policy should be monitored and reviewed on a regular basis, so that lessons could be learned and adjustments made if necessary.

380. One member said that it would be useful for the Executive Committee to adopt a stand-alone policy document that incorporated policy elements from document UNEP/OzL.Pro/ExCom/84/73, and which could be added as an annex to that document. Her delegation had produced a draft, which, after consultation with other members, would be presented as a conference room paper. She emphasized the need to include a definition of gender mainstreaming and noted that which was set out in United Nations Economic and Social Council resolution 1997/2. She also suggested that the resulting document should preferably refer to a "gender-responsive approach", rather than a "gender-sensitive approach". The importance of assessing the implementation of the gender-mainstreaming policy was also raised. It was vital to collect and report sex-disaggregated data whenever possible. Moreover, entry points should be identified on the basis not only of the policies of the agencies, but also on their experience in implementing their policies.

381. Several other members expressed support for the adoption of a stand-alone policy document.

382. Subsequently, the Executive Committee decided:

- (a) To note the Draft operational policy on gender mainstreaming for Multilateral Fund-supported projects, contained in document UNEP/OzL.Pro/ExCom/84/73;
- (b) To approve the operational policy on gender mainstreaming for Multilateral Fund-supported projects contained in Annex XXX to the present report;
- (c) To affirm the importance of gender mainstreaming in Multilateral Fund-supported projects;
- (d) To request bilateral and implementing agencies:
 - (i) To apply the operational policy on gender mainstreaming mentioned in sub-paragraph (b), above, throughout the project cycle, beginning with projects proposed for consideration at the 85th meeting;
 - (ii) To provide, when available, gender-relevant information in reports on ongoing projects approved prior to the 85th meeting; and
- (e) To request the Secretariat to review the implementation of the operational policy on gender mainstreaming mentioned in sub-paragraph (b), above, and to prepare a report for consideration of the Executive Committee at its 89th meeting.

(Decision 84/92)

AGENDA ITEM 15: REPORT OF THE SUB-GROUP ON THE PRODUCTION SECTOR

383. The facilitator of the Sub-group on the Production Sector introduced document UNEP/OzL.Pro/ExCom/84/74, which contained the report of the Sub-group on the Production Sector, which had met three times in the margins of the present meeting. The report included recommendations for consideration by the Executive Committee on the China HCFC production sector, specifically on the 2018 verification report of the HCFC production sector and stage II of the HPPMP. Owing to a lack of time, the Sub-group had not been able to discuss the draft guidelines and the standard format used for the verification of ODS production phase-out, the preliminary document on the investigation of HCFC feedstock application in China, and the draft HCFC production sector guidelines, and recommended deferral of consideration of those issues to a future meeting.

2018 verification report of the HCFC production sector

384. The Executive Committee decided:

- (a) To note the 2018 verification report of the HCFC production sector in China; and
- (b) To request the World Bank to submit to the 85th meeting an updated 2018 verification report by including a one-time verification confirming that the production line for HCFC-22 at Suqian Kaier was vertically integrated with the production of the downstream facility.

(Decision 84/93)

Stage II of the HPPMP for China (decisions 81/71, 82/89 and 83/72)

385. The Executive Committee decided:

- (a) To note the progress report on implementation of activities under the US \$23 million approved by decision 81/71(b) and the submission of stage II of the HCFC production phase-out management plan (HPPMP) for China; and
- (b) To request the World Bank to submit, at the 86th meeting, a progress report on the activities implemented using the sum of US \$23 million approved by decision 81/71(b).

(Decision 84/94)

Draft guidelines and the standard format used for the verification of ODS production phase-out (decision 83/70(b))

386. The Executive Committee decided to defer consideration of the draft guidelines and the standard format used for the verification of ODS production phase-out to a future meeting of the Executive Committee.

(Decision 84/95)

Preliminary document on the investigation of HCFC feedstock application in China (decision 83/71(c))

387. The Executive Committee decided to defer consideration of the preliminary document on the investigation of HCFC feedstock application in China to a future meeting of the Executive Committee.

(Decision 84/96)

HCFC production sector guidelines

388. The Executive Committee decided to defer consideration of the HCFC production sector guidelines to a future meeting of the Executive Committee.

(Decision 84/97)

AGENDA ITEM 16: OTHER MATTERS

Dates and venues of the 85th, 86th, 87th and 88th meetings of the Executive Committee

389. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/84/Inf.2.

390. In response to a question, she said that, in accordance with decision 83/74, as the proposed venue for the 86th meeting was not a United Nations duty station, there would be a cost differential, which had been estimated at US \$70,000. That estimate would be updated in 2020 once the travel ticket costs and daily subsistence allowance rate had been calculated. Discussions on the matter between the Government of Uzbekistan and the Secretariat were ongoing in line with United Nations procedures.

391. One member noted that the dates of the 86th meeting clashed with those of the 26th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, which was scheduled to take place from 9 to 19 November 2020. The Chair recalled that the alternative option had been to hold the meeting from 2 to 6 November 2020 in Montreal.

392. Regarding the dates proposed for the 87th meeting, it was pointed out that the 15th meeting of the Conference of the Parties to the Basel Convention, the 10th meeting of the Conference of the Parties to the Rotterdam Convention and the 10th meeting of the Conference of the Parties to the Stockholm Convention were scheduled to convene back to back from 17 to 28 May 2021.

393. The Executive Committee decided:

- (a) To confirm its decision to hold its 85th meeting from 25 to 29 May 2020 in Montreal, Canada, at a venue to be determined;
- (b) To hold its 86th meeting from 2 to 6 November 2020 in Montreal, Canada, at the International Civil Aviation Organization (ICAO), in a change to the dates and venue agreed upon in decision 83/74;
- (c) To hold its 87th meeting from 28 June to 2 July 2021, in Montreal, Canada, at the ICAO; and
- (d) To hold its 88th meeting from 15 to 19 November 2021, in Montreal, Canada, at a venue to be determined.

(Decision 84/98)

AGENDA ITEM 17: ADOPTION OF THE REPORT

394. The Executive Committee adopted the present report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/84/L.1.

AGENDA ITEM 18: CLOSURE OF THE MEETING

395. Following the customary exchange of courtesies, the meeting was closed at 5.30 p.m. on Friday, 20 December 2019.