



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/77/76  
13 December 2016

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-seventh Meeting  
Montreal, 28 November – 2 December 2016

**REPORT OF THE SEVENTY-SEVENTH MEETING OF THE EXECUTIVE COMMITTEE**

Introduction

1. The 77<sup>th</sup> meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the headquarters of the International Civil Aviation Organization, Montreal, Canada, from 28 November to 2 December 2016.
2. The meeting was attended by representatives of the following countries, members of the Executive Committee in accordance with decision XXVII/13 of the Twenty-Seventh Meeting of the Parties to the Montreal Protocol:
  - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Austria (Vice-chair), Belgium, Canada, Germany, Japan, and the United States of America; and
  - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Argentina, Cameroon, China, Egypt, India, Jordan, and Mexico (Chair).
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the meeting as observers.
4. The Executive Secretary and staff of the Ozone Secretariat, the President of the Implementation Committee under the Non-Compliance Procedure of the Montreal Protocol and members of the Replenishment Task Force of the Technology and Economic Assessment Panel (TEAP) were also present.
5. Representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, the Institute for Governance and Sustainable Development, and the Steering Committee of the Kigali Cooling Efficiency Fund (including, the ClimateWorks Foundation, the Hewlett

Foundation and the MacArthur Foundation) attended as observers. The Executive Committee agreed, at the start of the meeting, also to allow a representative of the Natural Resource Defence Council to attend as an observer.

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

6. The meeting was opened by the Chair, Mr. Agustín Sánchez, who welcomed the members to the final meeting of 2016. The year had been an eventful one, with the landmark Kigali Amendment to the Montreal Protocol adopted by the Twenty-Eighth Meeting of the Parties to the Montreal Protocol. The adoption of the Kigali Amendment would have an impact on the work and operation of the Executive Committee, on which would also be discussed at the current meeting.

7. The Executive Committee would also consider project proposals and activities for approval amounting to almost US \$158 million. These included stage II of the HCFC phase-out management plan (HPMP) for China, six other non-low-volume-consuming (non-LVC) countries and two LVC countries; stage I of the HPMP for one LVC country; tranches of approved HPMPs for 25 countries; requests for funding for the preparation of stage II of the HPMPs for three countries, and requests for the renewal of institutional strengthening projects for 34 countries. The agenda of the meeting further included the accounts of the Multilateral Fund, and the budget of the Secretariat. The Executive Committee would also be examining a report on the calculation of the level of incremental costs for the conversion of heat-exchanger manufacturing lines in enterprises converting to HC-290 technology.

8. Finally, the Chair drew the members' attention to the work of the Sub-group on the Production Sector, expressing the hope that the group would be able to conclude its work on the draft HCFC production sector guidelines at the present meeting. He further expressed the wish that all the items on the agenda of the present meeting could be completed, so as to enable the Executive Committee to devote the necessary attention, at its meetings in 2017, to the development of guidelines and operational policies for HFC management.

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

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

9. The Executive Committee adopted the following agenda for the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/77/1:

1. Opening of the meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.
5. Status of resources and planning:
  - (a) Report on balances and availability of resources;
  - (b) Update on the status of implementation of the 2016–2018 consolidated business plan of the Multilateral Fund;

- (c) Tranche submission delays.
- 6. Programme implementation:
  - (a) Monitoring and evaluation:
    - (i) 2016 consolidated project completion report;
    - (ii) Multi-year-agreement database report (decision 76/6(b));
    - (iii) Final report on the evaluation of HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector;
    - (iv) Draft monitoring and evaluation work programme for the year 2017;
  - (b) Progress report as at 31 December 2015:
    - (i) Consolidated progress report;
    - (ii) Bilateral agencies;
    - (iii) UNDP;
    - (iv) UNEP;
    - (v) UNIDO;
    - (vi) World Bank;
  - (c) Evaluation of the implementation of the 2015 business plans;
  - (d) Country programme data and prospects for compliance;
  - (e) Reports on projects with specific reporting requirements.
- 7. 2017–2019 business plans:
  - (a) Consolidated business plan of the Multilateral Fund;
  - (b) Business plans of the bilateral and implementing agencies:
    - (i) Bilateral agencies;
    - (ii) UNDP;
    - (iii) UNEP;
    - (iv) UNIDO;
    - (v) World Bank.

8. Project proposals:
  - (a) Overview of issues identified during project review;
  - (b) Bilateral cooperation;
  - (c) Amendments to work programmes for 2016:
    - (i) UNDP;
    - (ii) UNEP;
    - (iii) UNIDO;
    - (iv) World Bank;
  - (d) UNEP's Compliance Assistance Programme budget for 2017;
  - (e) 2017 core unit costs for UNDP, UNIDO and the World Bank;
  - (f) Investment projects.
9. Calculation of the level of incremental costs for the conversion of heat-exchanger manufacturing lines in enterprises converting to HC-290 technology (decision 76/51(b)).
10. Issues relevant to the Executive Committee arising from the Twenty-Eighth Meeting of the Parties to the Montreal Protocol.
11. Review of the operation of the Executive Committee (decision 76/55(b)).
12. Accounts of the Multilateral Fund:
  - (a) Final 2015 accounts;
  - (b) Reconciliation of the 2015 accounts.
13. Approved 2015, 2016, 2017, 2018 and proposed 2019 budgets of the Fund Secretariat.
14. Report of the Sub-group on the Production Sector.
15. Other matters.
16. Adoption of the report.
17. Closure of the meeting.

**(b) Organization of work**

10. The Executive Committee agreed to consider, under agenda item 15, Other matters, the publication of meeting documents on the website of the Multilateral Fund Secretariat, issues relating to the rules and procedures regarding observers at Executive Committee meetings, and the dates and venues of meetings of the Executive Committee in 2017.

11. The meeting agreed to reconvene the Sub-group on the Production Sector with the following composition: Argentina, Austria, Canada (facilitator), China, Germany, India, Japan, Jordan, Mexico and the United States of America.

12. At the 76<sup>th</sup> meeting (decision 76/43(f)), the Executive Committee had invited the Government of China and interested members of the Executive Committee to hold intersessional consultations one day before the start of the 77<sup>th</sup> meeting, with a view to facilitating discussions on the remaining sector plans of stage II of the HPMP for China. The facilitator (Belgium) of the intersessional consultations reported to the Executive Committee on the matters discussed and requested that the consultations continue in the margins of the current meeting in order to resolve outstanding issues. The Executive Committee also agreed to reconvene the contact group on stage II of the HPMP for China at the current meeting.

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

13. The Chief Officer welcomed the members of the Executive Committee to the present meeting. He then introduced document UNEP/OzL.Pro/ExCom/77/2.

14. Updating the Executive Committee on staffing matters, the Chief Officer announced the appointment to the Secretariat of Ms. Nanette Guerin, Programme Assistant, and Mr. Balaji Natarajan, Senior Programme Management Officer. In addition, Ms. Katherine Theotocatos and Ms. Christine Wellington had taken up positions at the Ozone Secretariat and at the UNDP Montreal Protocol Unit in Bangkok, respectively. He also welcomed to the meeting members of the TEAP's Replenishment Task Force, and representatives of non-governmental organizations and of a number of philanthropic organizations.

15. He announced that several colleagues were attending their final Executive Committee meeting, and thanked them for their contributions. Ms. Aminah Binti Ali, of the national ozone unit (NOU) of Malaysia, had supported Article 5 countries through her active involvement in the South-East Asia and Pacific regional network. Mr. Jacques Van Engel, the outgoing Director of the UNDP Montreal Protocol Unit in New York, had solidified the foundations of the unit so that UNDP was ready to successfully address the new challenges of the Kigali Amendment. Finally, Mr. Andrew Ray Reed had given almost 25 years of outstanding service to the Multilateral Fund, first as Programme Officer and more recently as Deputy Chief Officer. He had been the designer, architect and engineer of business planning and progress reporting for the Fund, and his mentoring of staff had enabled the Secretariat to continue its culture of delivering its work with professionalism and integrity.

16. The Chief Officer drew the Executive Committee's attention to the summaries of meetings attended and missions undertaken by Secretariat staff contained in document UNEP/OzL.Pro/ExCom/77/2. The Secretariat continued to interact with United Nations organizations and other related organizations, and had held informal discussions with philanthropic foundations to answer questions on the operation of the Multilateral Fund and possible modalities for payments of additional funds. The inter-agency coordination meeting held in Montreal in early September 2016 had allowed the Secretariat, the bilateral and implementing agencies, and the Treasurer to discuss relevant issues, which had facilitated preparations for the present meeting.

17. Finally, the Chief Officer informed the Executive Committee that the process for selection of the Deputy Chief Officer would soon be completed.

18. The Executive Committee took note, with appreciation, of the report on Secretariat activities contained in document UNEP/OzL.Pro/ExCom/77/2.

#### AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

19. The Treasurer introduced the report on the status of contributions and disbursements contained in documents UNEP/OzL.Pro/ExCom/77/3 and Corr.1.

20. Further to information provided on countries' contributions to the Fund on 2 December 2016, the Fund's balance stood at US \$104,689,976, which comprised US \$97,098,884 in cash (including contributions of US \$1,216,623 made by the Government of Norway) and US \$7,591,092 in promissory notes, 38 per cent of which were due for encashment in 2018. The Treasurer said that the loss on the fixed-exchange-rate mechanism (FERM) now stood at approximately US \$16.3 million. Pursuant to decision 76/1(c), the Treasurer and the Secretariat had continued to follow up on the arrears.

21. Several members expressed their appreciation to the countries that had made their contributions and encouraged those that had not yet done so to make them as soon as possible. Satisfaction was also expressed with the way that the Treasurer and the Secretariat had continued to follow up with Parties that had contributions in arrears, one result of which was that the Government of Belarus had agreed to start paying its contributions in 2016. It was also observed that, while the current practice of allocating payments on a "first in, first out" basis should continue, it might be useful to allow Parties with arrears that had begun to contribute to the Fund to first make their payments toward the year under way, rather than having them allocated to the years for which there were arrears.

22. The Treasurer said that the proposal was in line with the suggestion of the Board of Auditors that "full provision" be made for contributions outstanding for more than four years. It would still be open to the Executive Committee to pursue those with contributions in arrears. Although the invoices sent to the Parties regarding the year under way would no longer contain a reminder of the arrears, a separate notice would be sent to them on the matter.

23. One member indicated his understanding that an agreement to allow countries with long-outstanding contributions to request to have new contributions allocated to a specific year would not apply to other countries for whom the established rules would continue to apply.

24. The Executive Committee decided:

- (a) To note the report by the Treasurer on the status of contributions and disbursements and the information on promissory notes, and the countries that had opted to use the fixed-exchange rate mechanism during the 2015–2017 triennium, 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;
- (c) To note with appreciation the intention of the Government of Belarus to start paying its contributions in 2016, with the understanding that the 2016 payment would not be associated with the contributions outstanding for Belarus for prior years;
- (d) To request the Treasurer, in cases where the country had a long-outstanding contribution, to allocate any new contribution to a specific year, if so requested by the country; and
- (e) To request the Chief Officer and the Treasurer to continue to follow up with countries that had contributions outstanding for one triennium or more and to report back to the 79<sup>th</sup> meeting.

**(Decision 77/1)**

## AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING

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

25. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/4 and provided updated information on the return of balances from completed projects and projects completed “by decision of the Executive Committee”. Implementing agencies were returning US \$863,471, including agency support costs, which included a return from the World Bank of US \$411,441 in core unit costs for 2015. Bilateral agencies were returning US \$115,282, which included returns by the Government of Italy of US \$76,711, plus agency support costs of US \$8,783, for five completed projects, and accrued interest of US \$29,552, and by the Government of Japan of US \$209, plus agency support costs of US \$27. Taking into account the report of the Treasurer under agenda item 4, Status of contributions and disbursements, the total funding available at the present meeting amounted to US \$105,668,729, which was sufficient to cover the total amount of funding associated with the projects approved at the 77<sup>th</sup> meeting.

26. The Executive Committee decided:

#### (a) To note:

- (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/77/4;
- (ii) That the net level of funds being returned to the 77<sup>th</sup> meeting by the implementing agencies was US \$863,471, consisting of: US \$244,115, plus agency support costs of US \$18,478 from UNDP; US \$126,301, plus agency support costs of US \$17,643 from UNEP; US \$42,829, plus agency support costs of US \$2,664 from UNIDO; and US \$411,441 in agency support costs from the World Bank;
- (iii) That the net level of funds being returned to the 77<sup>th</sup> meeting by the bilateral agencies was US \$115,282, consisting of: US \$76,711, plus agency support costs of US \$8,783, and US \$29,552 in accrued interest, from the Government of Italy; and US \$209, plus agency support costs of US \$27, from the Government of Japan;
- (iv) That UNEP had balances of US \$138,818, excluding support costs, for nine projects completed over two years previously;
- (v) That UNIDO had balances of US \$137,311, excluding support costs, for one project completed over two years previously;
- (vi) That the Government of Germany had non-committed balances for one completed and two ongoing projects, totalling US \$1,989 and US \$149,090, respectively, including agency support costs, which would be offset against bilateral projects submitted to the 77<sup>th</sup> meeting, if they were approved by the Executive Committee;
- (vii) That the Government of Spain had balances for two completed projects that had been completed over two years previously, totalling US \$15,600 in agency support costs, which would be offset against bilateral projects submitted to a future meeting, subject to their approval;

(b) To request:

- (i) Bilateral and implementing agencies with projects completed over two years previously to return the balances to the 79<sup>th</sup> meeting;
- (ii) Bilateral and implementing agencies to disburse or cancel commitments not needed for completed projects and those completed “by decision of the Executive Committee” in order to return the balances to the 79<sup>th</sup> meeting;
- (iii) UNEP to return non-committed balances to the 79<sup>th</sup> meeting; and
- (iv) The Treasurer to follow up with the Governments of Italy and Japan on the return in cash as indicated in sub-paragraph (a)(iii) above.

**(Decision 77/2)**

**(b) Update on the status of implementation of the 2016–2018 consolidated business plan of the Multilateral Fund**

27. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/77/5 and Add.1.

28. The Executive Committee took note of the update on the status of implementation of the 2016-2018 consolidated business plan of the Multilateral Fund contained in documents UNEP/OzL.Pro/ExCom/77/5 and Add.1.

**(c) Tranche submission delays**

29. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/6.

30. The Executive Committee decided:

(a) To note:

- (i) The report on tranche submission delays contained in document UNEP/OzL.Pro/ExCom/77/6;
- (ii) The information on tranche submission delays under HCFC phase-out management plans (HPMPs) submitted by UNDP, UNEP and UNIDO;
- (iii) That 42 out of 91 activities relating to tranches of HPMPs due for submission to the 77<sup>th</sup> meeting had been submitted on time and that two of those tranches had been withdrawn following discussion with the Secretariat;
- (iv) That relevant implementing agencies had indicated that the late submission of the tranches of HPMPs due for submission at the last meeting of 2016 would have no impact or was unlikely to have an impact on compliance, except in the case of one country; and

- (b) To request the Secretariat to send letters on the decisions on tranche submission delays to relevant governments, as indicated in Annex II to the present report.

**(Decision 77/3)**

## AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

### (a) Monitoring and evaluation

#### (i) 2016 consolidated project completion report

31. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/77/7.

32. Following her presentation, members noted the progress that had been made in reducing the backlog of project completion reports (PCRs) and encouraged the bilateral and implementing agencies to pursue their efforts in that regard, including through stronger inter-agency coordination.

33. The Executive Committee decided:

- (a) To take note of the 2016 consolidated project completion report (PCR) contained in document UNEP/OzL.Pro/ExCom/77/7;
- (b) To urge bilateral and implementing agencies to submit to the 79<sup>th</sup> meeting PCRs for multi-year agreements (MYAs) and individual projects that were due, and if they did not, to provide the reasons for not doing so and the schedule for submission;
- (c) To urge cooperating implementing agencies to complete their portions of PCRs to allow the lead implementing agency to submit them according to the schedule;
- (d) To urge bilateral and implementing agencies to enter clear, well written and thorough lessons learned 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 when preparing and implementing future projects.

**(Decision 77/4)**

#### (ii) Multi-year-agreement database report (decision 76/6(b))

34. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/77/8, containing the multi-year-agreement database (inventory of enterprises database) report.

35. Noting that countries were to approve any requests for information to be sent to enterprises, members asked for additional information on the data that was being requested and the implementing agencies' perspective on the administrative burden being placed on them with regard to the database. Representatives of two implementing agencies confirmed that the amount of information being requested was indeed of concern, but said that discussions on the matter with the Secretariat had been fruitful to date. Responding to the concerns expressed, the Chief Officer said that the Secretariat recognized that there were challenges for the implementing agencies, but it believed that the information in the database was extremely useful. He proposed that bilateral discussion with the implementing agencies continue with a view to streamlining the information-gathering process and completing the database.

36. The Executive Committee decided:

- (a) To note the multi-year-agreement database report (decision 76/6(b)) contained in document UNEP/OzL.Pro/ExCom/77/8;
- (b) To further note that the Secretariat would pursue discussions with the bilateral and implementing agencies on the inclusion, in the inventory of enterprises database, of relevant information relating to all the HCFC-based enterprises that had received funding from the Multilateral Fund; and
- (c) To request the Senior Monitoring and Evaluation Officer to report back to the Executive Committee at the 79<sup>th</sup> meeting.

**(Decision 77/5)**

**(iii) Final report on the evaluation of HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector**

37. The Senior Monitoring and Evaluation Officer introduced documents UNEP/OzL.Pro/ExCom/77/9, Corr.1 and Corr.2.

38. Members expressed appreciation for the key lessons in the report from the projects assessed to date. Several members underscored that the use of technologies other than those that had been agreed was of particular concern. It would have an impact, *inter alia*, on HFC levels and raised issues relating to the payment of incremental operating costs. It was also noted that the issue had been flagged for discussion under agenda item 8(a), Overview of issues identified during project review, and it was generally agreed that the matter could be addressed more fully under that sub-item.

39. It was suggested that future monitoring and evaluation reports should clearly distinguish between findings, facts, opinions, conclusions and recommendations, and that key project facts should be presented at the beginning of the report.

40. The Executive Committee decided:

- (a) To take note of the final report on the evaluation of the HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector contained in documents UNEP/OzL.Pro/ExCom/77/9, Corr.1 and Corr.2; and
- (b) To invite the bilateral and implementing agencies to apply, when appropriate, the findings and recommendations of the evaluation of the HCFC phase-out projects in the refrigeration and air-conditioning manufacturing sector in the design and implementation of projects under stage II of the HCFC phase-out management plans.

**(Decision 77/6)**

**(iv) Draft monitoring and evaluation work programme for the year 2017**

41. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/77/10.

42. The ensuing discussion centred primarily on the proposed evaluation activities. While there was general support for the proposed second phase of the evaluation of chiller projects, a number of questions were raised regarding the choice of projects for the evaluation. It was noted that four of the six proposed projects were from the same region, and that one of the other projects had been approved nearly fifteen

years earlier. One member stressed the need for clear project-selection criteria. Responding to the concerns raised, the Senior Monitoring and Evaluation Officer highlighted the difficulties inherent in project selection, and the Chief Officer drew the Committee's attention to the selection criteria set out in Annex II of document UNEP/OzL.Pro/ExCom/77/10, underscoring that potential projects had been limited to the relatively small number of countries that had received assistance for chiller projects. Following informal consultations with the implementing agencies, the Senior Monitoring and Evaluation Officer also proposed the addition of projects in Jordan and the Philippines to improve regional representation. While agreeing with the selected projects, one member still stressed the need to improve the project-selection process in future.

43. With respect to the proposed evaluation of institutional strengthening projects, members noted that it was at least in part a response to a decision taken by the Twenty-Eighth Meeting of the Parties to increase support for institutional strengthening. It was generally felt, however, that a final decision on the evaluation should be made only once the more comprehensive discussion scheduled under agenda item 10, Issues relevant to the Executive Committee arising from the Twenty-Eighth Meeting of the Parties to the Montreal Protocol, had taken place. It was also recalled that, the previous year, the Secretariat had prepared a detailed review of institutional strengthening projects, including the cost; if, however, the intention was to look at what additional support should be provided in light of the commitment on HFCs, the Secretariat and implementing agencies should perhaps use the existing review to assess the additional workload and time frame, rather than conducting an additional evaluation. One member suggested that the evaluation of institutional strengthening projects be deferred until the support required for institutional strengthening under the Kigali Amendment had been properly assessed.

44. It was proposed that, instead of there being a new evaluation of institutional strengthening projects, the Executive Committee should mandate an evaluation of HCFC phase-out in the refrigeration servicing sector. Such an evaluation would be timely, as many of the approved projects had been under implementation for a number of years; it could also address many of the issues raised in the evaluation report on the refrigeration and air-conditioning manufacturing sector, relating to new challenges posed by the use of flammable refrigerants.

45. Accordingly, a revised draft monitoring and evaluation work programme for 2017 was issued as document UNEP/OzL.Pro/ExCom/77/10/Rev.1.

46. The Executive Committee decided:

- (a) To approve the monitoring and evaluation work programme for 2017 and the associated budget of US \$143,484 contained in document UNEP/OzL.Pro/ExCom/77/10/Rev.1; and
- (b) To request the Senior Monitoring and Evaluation Officer to present an amendment to the monitoring and evaluation work programme for 2017 to the 79<sup>th</sup> meeting, to include the evaluation of the refrigeration servicing sector and the associated budget and terms of reference.

**(Decision 77/7)**

**(b) Progress report as at 31 December 2015**

**(i) Consolidated progress report**

47. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/11.

48. One member questioned why balances from project preparation activities had to be returned within 12 months of the approval of an HPMP. The representative of the Secretariat recalled

decision 32/5(a), which required project preparation activities to be completed within the 12 months of their approval. Several members, however, said that circumstances had changed since that decision had been taken and it did not reflect the complex situation in which some large countries found themselves, for example with respect to having agency assistance to complete agreements with countries.

49. Several members said that, while bilateral and implementing agencies could be encouraged to complete and submit the reports on the surveys of ODS alternatives as soon as possible, it would also be important to ensure that those surveys were comprehensive and of high quality and that they took into account the outcome of the Twenty-Eighth Meeting of the Parties. The representative of the Secretariat, however, said that the surveys needed to be submitted by January 2017 in order for the Secretariat to provide an analysis of the results for consideration of the Executive Committee at its 79<sup>th</sup> meeting.

50. With respect to requests for the extension of project completion dates, it was pointed out that it would be useful to reiterate that the latest planned completion dates in annual progress reports should represent the agency's best estimation of the completion date, and that PCRs should continue to be provided on agreements and projects separately.

51. With respect to the national phase-out plan (NPP) in Yemen, it was pointed out that the implementing agencies had been unable to conduct activities in the country for several years because of situation there. It was suggested that it would be best to cancel the tranches and to request them again once activities could be implemented in the country. Several members, however, said that such an approach could lead to unnecessary delays in the implementation of phase-out activities, and it was suggested that it would be better to freeze the funds until they could be used.

52. It was also pointed out that the NPP in Iraq, under joint UNEP and UNIDO implementation, would need to be extended to June 2017, owing to implementation issues relating to the situation faced by the country.

53. One member pointed out that, as the activities in the methyl bromide consumption sector in China had been completed, there appeared to be no reason to extend the PCR submission deadline to December 2018; the representative of UNIDO, however, indicated that a certain number of commitments still needed to be completed. One of the projects in the CTC phase-out plan in India also appeared to have been completed; the representative of UNDP agreed that, while one project had been completed, the other two projects still needed additional time.

54. The representative of the Secretariat also clarified that the final report and the plan for future action relating to the renewal of institutional strengthening projects could be submitted six months before the end of the previously approved period, to avoid any delay in the approval of such projects. Consequently, no more than two institutional strengthening projects should be in progress at the same time.

55. Following informal discussions, the representative of the Secretariat submitted a draft decision for the consideration of the Executive Committee.

56. The Executive Committee decided:

(a) To note:

- (i) The consolidated progress report of the Multilateral Fund as at 31 December 2015 contained in document UNEP/OzL.Pro/ExCom/77/11;
- (ii) With appreciation, the efforts undertaken by bilateral and implementing agencies in reporting 2015 activities;

- (iii) That the bilateral and implementing agencies would report to the 79<sup>th</sup> meeting on 16 projects with implementation delays and 116 projects recommended for additional status reports, as contained in Annexes III and IV, respectively, to the present report;
- (b) Further to note:
  - (i) That one component of the CTC phase-out plan in India (IND/PRO/75/INV/447) would be completed in December 2016 and any remaining balances would be returned by December 2017;
  - (ii) That project completion reports should be provided separately for the phase-out of methyl bromide in consumption and production sector plans in China;
- (c) To extend the approved completion dates for the following projects:
  - (i) The two technical assistance components of the CTC phase-out plan in India (IND/PHA/45/INV/389 and IND/PHA/75/INV/463), to November 2017;
  - (ii) The methyl bromide national phase-out plan in China (CPR/FUM/72/INV/542), to December 2018 (or as soon as possible), with any remaining balances being returned;
  - (iii) The national phase-out plan (NPP) in Iraq implemented by UNEP (IRQ/PHA/58/TAS/10 and IRQ/PHA/63/TAS/14) and UNIDO (IRQ/PHA/58/INV/09), to June 2017, owing to issues relating to implementation under the current political and institutional difficulties in the country;
- (d) To freeze the tranche funding for the NPP (YEM/PHA/55/INV/28, YEM/PHA/55/INV/31 and YEM/PHA/60/INV/36) and stage I of the HCFC phase-out management plan (HPMP) (YEM/PHA/68/TAS/39 and YEM/PHA/68/TAS/40) for Yemen, on the condition that the funding could be reinstated and the agreements reactivated once conditions in the country had improved and once the Government and relevant implementing agencies had submitted a revised plan of action taking into account the reallocation of the funding tranches of the agreements;
- (e) To request bilateral and implementing agencies, starting from the 79<sup>th</sup> meeting and continuing until projects had been completed:
  - (i) To submit reports for all pilot demonstration projects for ODS disposal as projects with specific reporting requirements;
  - (ii) To submit reports for all ongoing chiller projects as projects with specific reporting requirements;
- (f) Further to request bilateral and implementing agencies to report project preparation activities as completed no later than six months after approval of the HPMP by the Executive Committee and to return fund balances from those activities no later than 18 months after approval of the HPMP;
- (g) To request implementing agencies to revise their progress report disbursement data for the following tranches of HPMPs, as appropriate, in order to be in line with decision 76/14(b): BAH/PHA/68/TAS/28 (UNEP); BRA/PHA/73/INV/306 and BRA/PHA/74/INV/307 (UNDP); CHI/PHA/71/INV/179 (UNDP);

CHI/PHA/71/TAS/180 (UNEP); IDS/PHA/71/INV/202 (World Bank); and  
MEX/PHA/71/INV/168 (UNDP);

- (h) To urge bilateral and implementing agencies to take appropriate actions to complete and submit, by January 2017, as many reports as possible on surveys of ODS alternatives to enable the Secretariat to provide an analysis of the results of such surveys for consideration by the Executive Committee at its 78<sup>th</sup> meeting, in line with decision 74/53(h);
- (i) That no more than two institutional strengthening projects should be ongoing at the same time;
- (j) That projects where 100 per cent of the funds had been reported to have been disbursed should be completed within one year of the moment when the full disbursement had been reported;
- (k) To reiterate that the latest planned project completion dates in annual progress reports should represent the agency's best estimation of the expected completion date;
- (l) That any change in project completion dates should be accompanied by a clear rationale for the extension and, in cases where the Executive Committee had established a completion date, any request for an extension would have to be submitted for approval by the Executive Committee; and
- (m) That project completion reports should continue to be provided on each agreement and each project, without being combined into a single report.

**(Decision 77/8)**

**(ii) Bilateral agencies**

57. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/12.

58. The Executive Committee decided:

- (a) To note:
  - (i) With appreciation the progress reports submitted by the Governments of Australia, Germany, Italy, Japan and Spain contained in document UNEP/OzL.Pro/ExCom/77/12;
  - (ii) That the bilateral agencies would report to the 79<sup>th</sup> meeting on one project with implementation delays and on four projects recommended for additional status reports, as indicated in Annexes III and IV, respectively, to the present report; and
- (b) To request the Government of France to submit its progress report to the 79<sup>th</sup> meeting.

**(Decision 77/9)**

**(iii) UNDP**

59. The representative of UNDP introduced document UNEP/OzL.Pro/ExCom/77/13.

60. In response to a request for information regarding the district cooling feasibility study in the Maldives funded by the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants (CCAC), the representative of UNDP announced that the project had been completed, and that the report of the project was available online on the CCAC's website. Activities to implement the results of the study had not been funded and were a matter for future discussion. In response to a question about the status of cooperation with other United Nations conventions for the disposal and destruction of hazardous and chemical waste in the context of ODS destruction demonstration projects, the representative of UNDP said that the project in Ghana had benefited from cooperation with the Stockholm Convention on Persistent Organic Pollutants further to a proposal by the Global Environment Facility, making it possible to transport the ODS waste along with polychlorinated biphenyl oils.

61. The Executive Committee decided:

(a) To note:

(i) The progress report of UNDP as at 31 December 2015 contained in document UNEP/OzL.Pro/ExCom/77/13;

(ii) That UNDP would report to the 79<sup>th</sup> meeting on one project with implementation delays and on 11 projects recommended for additional status reports, as indicated in Annexes III and IV, respectively, to the present report; and

(b) To assign a completion date of January 2016 to the refrigerant management plan in Maldives (MDV/REF/38/TAS/05) and to request the return of any remaining balances to the 79<sup>th</sup> meeting.

**(Decision 77/10)**

**(iv) UNEP**

62. The representative of UNEP introduced document UNEP/OzL.Pro/ExCom/77/14.

63. In response to questions about the status of a number of projects, the representative of UNEP explained that the ODS disposal project in Nepal had been completed and that the final report was being prepared for submission to the 79<sup>th</sup> meeting; the ODS disposal demonstration project for Europe and Central Asia was a regional project being implemented with UNIDO, and was progressing well, with the third batch of ODS ready to be destroyed; the final report on the project would be prepared once certification of destruction had been obtained.

64. The Executive Committee decided:

(a) To note:

(i) The progress report of UNEP as at 31 December 2015 contained in document UNEP/OzL.Pro/ExCom/77/14;

(ii) That UNEP would report to the 79<sup>th</sup> meeting on four projects with implementation delays and on 59 projects recommended for additional status reports, as indicated in Annexes III and IV, respectively, to the present report;

- (b) To assign a completion date of December 2015 to the following projects and to request the return of any remaining balances to the 79<sup>th</sup> meeting:
  - (i) Refrigerant management plan in Maldives (MDV/REF/38/TAS/06);
  - (ii) Technical assistance to phase out the use of methyl bromide in Trinidad and Tobago (TRI/FUM/65/TAS/28); and
- (c) To request UNEP to submit to the 79<sup>th</sup> meeting the final report for the ODS disposal project in Nepal (NEP/DES/59/TAS/27).

**(Decision 77/11)**

**(v) UNIDO**

- 65. The representative of UNIDO introduced document UNEP/OzL.Pro/ExCom/77/15.
- 66. The Executive Committee decided:
  - (a) To note:
    - (i) The progress report of UNIDO as at 31 December 2015 contained in document UNEP/OzL.Pro/ExCom/77/15;
    - (ii) That UNIDO would report to the 79<sup>th</sup> meeting on nine projects with implementation delays and on 35 projects recommended for additional status reports, as indicated in Annexes III and IV, respectively, to the present report;
    - (iii) The delays in implementing the national phase-out plan activities in Iraq and Yemen due to the special circumstances prevailing in those countries;
    - (iv) That the technical assistance for the total phase-out of methyl bromide in tobacco, cut flowers, horticulture and post-harvest uses in Zambia (ZAM/FUM/56/INV/21) had been completed;
  - (b) To cancel the project preparation in the fumigants sector (high-moisture dates) in Algeria (ALG/FUM/72/PRP/80) and to request the return of the remaining balance no later than the 79<sup>th</sup> meeting; and
  - (c) To request UNIDO to submit to the 79<sup>th</sup> meeting the final report for the ODS disposal project in the Europe and Central Asia region (EUR/DES/69/DEM/13).

**(Decision 77/12)**

**(vi) World Bank**

- 67. The representative of the World Bank introduced document UNEP/OzL.Pro/ExCom/77/16.
- 68. The Executive Committee decided to note:
  - (a) The progress report of the World Bank as at 31 December 2015 contained in document UNEP/OzL.Pro/ExCom/77/16; and

- (b) That the World Bank would report to the 79<sup>th</sup> meeting on one project with implementation delays and on seven projects recommended for additional status reports, as indicated in Annexes III and IV, respectively, to the present report.

**(Decision 77/13)**

**(c) Evaluation of the implementation of the 2015 business plans**

69. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/17.

70. The Executive Committee decided to note:

- (a) The evaluation of the implementing agencies' performance against their 2015 business plans, contained in document UNEP/OzL.Pro/ExCom/77/17;
- (b) That all implementing agencies had a quantitative assessment of their performance for 2015 of at least 72 on a scale of 100; and
- (c) That trend analysis indicated that performance of all implementing agencies had improved in 2015 in relation to 2014.

**(Decision 77/14)**

**(d) Country programme data and prospects for compliance**

71. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/18. In response to a query, the representative of the Secretariat said that, in the case of Viet Nam, the information in the document, that HCFC-225 was used as process agent for manufacturing mascara and medical devices, was incorrect; it was in fact used as a solvent.

72. The Executive Committee decided:

- (a) To note:
  - (i) The document on country programme (CP) data and prospects for compliance contained in UNEP/OzL.Pro/ExCom/77/18;
  - (ii) That 109 of the 131 countries that had submitted 2015 CP data had done so using the web-based system;
  - (iii) The explanations provided by UNDP and UNEP on the uses of HCFCs as process agents pursuant to decision 76/7(e);
- (b) To request:
  - (i) UNEP to continue assisting the Government of Mauritania in finalizing the amendment of its licensing system to include the accelerated control measures for HCFCs, and the Government of Burundi in finalizing the formal HCFC quota system, and to report to the 79<sup>th</sup> meeting on its efforts in that respect;
  - (ii) Relevant bilateral and implementing agencies to assist Article 5 countries in addressing data discrepancies between the 2015 CP and Article 7 reports; and

- (iii) The Secretariat to send letters to the governments of countries with outstanding 2014 and 2015 CP data reports, urging them to submit the reports as soon as possible, noting that, without them, the relevant analyses of ODS consumption and production levels could not be undertaken by the Secretariat.

**(Decision 77/15)**

**(e) Reports on projects with specific reporting requirements**

73. The Chair introduced documents UNEP/OzL.Pro/ExCom/77/19 and Add.1, which contained three parts.

Part I: Progress reports related to HPMPs

Transfer of stage I of the HPMP for Afghanistan

74. The representative of the Secretariat reported that the Government of Afghanistan had agreed to transfer implementation of stage I of the HPMP for Afghanistan from the Government of Germany to UNIDO, as outlined in document UNEP/OzL.Pro/ExCom/77/19/Add.1. UNIDO would continue implementation of the activities as had been planned.

75. The Executive Committee decided:

- (a) To note:
  - (i) The progress report on the implementation of the first and the second tranches of stage I of the HCFC phase-out management plan (HPMP) for Afghanistan, submitted by the Government of Germany;
  - (ii) The return of the remaining funding of US \$131,938, plus agency support costs of US \$17,152, from the Government of Germany for the first and the second tranches;
  - (iii) The request by the Government of Afghanistan to transfer to UNIDO all the phase-out activities included in stage I of the HPMP that had originally been intended for implementation by the Government of Germany;
- (b) To approve the transfer from the Government of Germany to UNIDO of the balance of US \$131,938, plus agency support costs of US \$11,874, remaining from the first and second tranches;
- (c) Further to approve the transfer from the Government of Germany to UNIDO of funding in the amount of US \$111,276, plus agency support costs of US \$10,015, approved in principle for the third and fourth tranches of the HPMP; and
- (d) To request the Secretariat to revise the updated Agreement between the Government of Afghanistan and the Executive Committee when the request for the third tranche of the HPMP was submitted.

**(Decision 77/16)**

Stage I of the HPMP for Argentina

76. Two members requested clarification as to whether the reallocation of some of the funding for the conversion of two enterprises under stage I of the HPMP for Argentina to other purposes, such as technical assistance activities, fell within the flexibility provisions of the Agreement, or whether the changes were of sufficient scale that they should have been referred to the Executive Committee for further discussion. The representative of the Secretariat said that the funding reallocation was well within the thresholds of the flexibility clause, and the transferred funds were for use within the same sector, so the matter had not been referred to the Committee in advance.

77. The Executive Committee decided:

- (a) To note:
  - (i) The progress report on the status of implementation of the conversion of Audivic and Foxman in Argentina, submitted by UNIDO;
  - (ii) That the room air-conditioning manufacturing project included in stage I of the HCFC phase-out management plan had been completed, resulting in the phase-out of 53.5 ODP tonnes of HCFC-22;
  - (iii) That the enterprises Audivic and Foxman had ceased manufacturing HCFC-22-based air-conditioning equipment, resulting in an overall balance of US \$500,636; and
- (b) To request UNIDO and the Government of Italy to return to the Multilateral Fund at the 79<sup>th</sup> meeting the balance of US \$547,973, consisting of US \$322,644, plus agency support costs of US \$24,198 for UNIDO (ARG/REF/61/INV/164), and US \$177,992, plus agency supports costs of US \$23,139 for the Government of Italy (ARG/REF/61/INV/163).

**(Decision 77/17)**

Stage I of the HPMP for Brazil

78. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of stage I of the HCFC phase-out management plan (HPMP) for Brazil, submitted by UNDP;
- (b) To request UNDP to include in the next progress report to be submitted in the context of projects with specific reporting requirements to the 80<sup>th</sup> meeting:
  - (i) The complete list of downstream foam enterprises assisted by the Multilateral Fund under stage I, including the HCFC-141b consumption phased out, the sub-sector, the baseline equipment and the technology adopted; and
  - (ii) The status of implementation of the conversion of the enterprises Ecopur and Panisol, on the understanding that the remaining funds from the conversion of Ecopur would be returned to the Multilateral Fund in the event that the enterprise withdrew from the project.

**(Decision 77/18)**

Stage I of the HPMP for China

79. The representative of the Secretariat introduced the six sector plans under stage I of the HPMP for China, as outlined in document UNEP/OzL.Pro/ExCom/77/37, stating that China was in compliance with its overall national consumption target as well as the compliance targets for all its manufacturing sectors. He noted that the matter of temporary use of manufacturing lines that were converted to HFC-32 for the production of HFC-410A-based equipment would be dealt with under agenda item 8(a), Overview of issues identified during project review.

*Extruded polystyrene (XPS) foam sector plan (2016 progress report)*

80. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of the fifth tranche of the extruded polystyrene (XPS) foam sector plan of stage I of the HCFC phase-out management plan (HPMP) for China, submitted by UNIDO; and
- (b) To request the Treasurer to offset future transfers to UNIDO, under stage II of the HPMP, by US \$24,945, representing additional interest accrued by the Government of China up to 31 December 2015 from funds previously transferred for the implementation of the XPS foam sector plan for China, as per decision 69/24.

**(Decision 77/19)**

*Polyurethane (PU) rigid foam sector plan (2016 progress report)*

81. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of the fifth tranche of the polyurethane (PU) rigid foam sector plan of stage I of the HCFC phase-out management plan (HPMP) for China, submitted by the World Bank; and
- (b) To request the Treasurer to offset future transfers to the World Bank, under stage II of the HPMP, by US \$3,443, representing interest accrued by the Government of China up to 31 December 2015 from funds previously transferred for the implementation of the PU rigid foam sector plan for China, as per decision 69/24.

**(Decision 77/20)**

*Industrial and commercial refrigeration and air-conditioning (ICR) sector plan (2016 progress report)*

82. The representative of UNDP informed the Executive Committee that the enterprise Dunan Environment had ceased the manufacture of R-410A-based equipment on the lines converted to manufacture HFC-32-based equipment.

83. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of the fifth tranche of the industrial and commercial refrigeration and air-conditioning (ICR) sector plan of stage I of the HCFC phase-out management plan (HPMP) for China, submitted by UNDP;

- (b) To request the Treasurer to offset future transfers to UNDP, under stage II of the HPMP, by US \$103,708, representing additional interest accrued by the Government of China up to 31 December 2015 from funds previously transferred for the implementation of the ICR sector plan for China, as per decision 69/24; and
- (c) To request UNDP to provide in the context of projects with specific reporting requirements a letter from the enterprise Dunan Environment stating its commitment to ensuring that the manufacturing lines funded by the Multilateral Fund would continue to manufacture equipment using only the technology for which funding had been approved.

**(Decision 77/21)**

*Room air-conditioning manufacturing sector plan (2015 verification, 2016 progress report)*

84. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of the fifth tranche of the room air-conditioning manufacturing sector plan of stage I of the HCFC phase-out management plan (HPMP) for China, submitted by UNIDO; and
- (b) To request the Treasurer to offset future transfers to UNIDO, under stage II of the HPMP, by US \$62,305, representing additional interest accrued by the Government of China up to 31 December 2015 from funds previously transferred for the implementation of the room-air conditioning manufacturing sector plan for China, as per decision 69/24.

**(Decision 77/22)**

*Solvent sector plan (2016 progress report)*

85. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of the third tranche of stage I of the solvent sector plan of stage I of the HCFC phase-out management plan (HPMP) for China, submitted by UNDP; and
- (b) To request the Treasurer to offset future transfers to UNDP, under stage II of the HPMP, by US \$2,656, representing additional interest accrued by the Government of China up to 31 December 2015 from funds previously transferred for the implementation of the solvent sector plan for China, as per decision 69/24.

**(Decision 77/23)**

*Refrigeration and air-conditioning servicing sector plan and enabling programme (2016 progress report)*

86. The Executive Committee decided:

- (a) To note the 2016 progress report on the implementation of the fifth tranche of stage I of the refrigeration and air-conditioning servicing sector plan and enabling programme of stage I of the HCFC phase-out management plan (HPMP) for China, submitted by UNEP; and

- (b) To request the Treasurer to offset future transfers to UNEP, under stage II of the HPMP, by US \$663, representing additional interest accrued by the Government of China up to 31 December 2015 from funds previously transferred for the implementation of the refrigeration and air-conditioning servicing sector plan and enabling programme for China, as per decision 69/24.

**(Decision 77/24)**

Stage I of the HPMP for India (2015–2016 progress report and 2015 verification report)

- 87. The Chair introduced document UNEP/OzL.Pro/ExCom/77/49.
- 88. The Executive Committee took note of the 2015–2016 progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan for India and the verification report on the 2015 HCFC consumption, submitted by UNDP.

Stage I of the HPMP for Jordan (2016 progress report and 2015 verification report)

- 89. The Chair introduced document UNEP/OzL.Pro/ExCom/77/51.
- 90. The Executive Committee took note of the 2016 progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan for Jordan and the verification report on the 2015 HCFC consumption, submitted by UNIDO.

Stage I of the HPMP for Mexico (2016 progress report)

- 91. The Chair introduced document UNEP/OzL.Pro/ExCom/77/55.
- 92. Some representatives requested clarification regarding whether the proposed reallocation of savings from the PU foam sector to an investment project to phase out the use of HCFC-142b in the XPS foam manufacturing sector was within the flexibility provisions for the plan, or constituted a major change. The representative of the Secretariat indicated that the reallocation was a major change, given the expected savings of over US \$1.2 million, and thus required the approval of the Executive Committee. Submission of the proposal by the Government of Mexico would require a request to revise the 2008 data for consumption of HCFC-142b to be sent in advance to the Ozone Secretariat. He also clarified that stage II of the HPMP had already been approved, and the reallocation of savings from the PU foam sector plan to the XPS foam manufacturing sector would allow the country to assist an additional sector and achieve further HCFC reductions in the near future rather than waiting until the end of stage II to submit a new proposal.
- 93. The Executive Committee decided:
  - (a) To note:
    - (i) The 2016 progress report on the implementation of stage I of the HCFC phase-out management plan (HPMP) for Mexico, submitted by UNIDO;
    - (ii) With appreciation that the polyurethane (PU) foam sector plan was being completed at a lower cost than originally approved, resulting in savings to be assessed once the sector plan had been completed;
    - (iii) That UNDP, on behalf of the Government of Mexico, could submit a proposal to reallocate savings from the PU foam sector to an investment project to phase out the use of HCFC-142b in the extruded polystyrene foam manufacturing sector

once the 2008 consumption of HCFC-142b had been revised under Article 7 of the Montreal Protocol; and

- (b) To request the Government of Mexico, UNIDO and UNDP to include in the progress report on stage I of the HPMP, in the context of projects with specific reporting requirements document to be submitted to the 80<sup>th</sup> meeting, the complete list of downstream foam enterprises assisted by the Multilateral Fund under stage I, including the HCFC-141b consumption phased out, the sub-sector, the baseline equipment and the technology adopted.

**(Decision 77/25)**

Part II: Financial audit reports for the CFC production, halon, PU foam, process agent II, refrigeration servicing and solvent sectors in China

94. The Chair introduced the sub-item, contained within Part II of document UNEP/OzL.Pro/ExCom/77/19.

95. The Executive Committee decided:

- (a) To note, with appreciation, the financial audit reports on the CFC production, halon, polyurethane foam, process agent II, refrigeration servicing and solvent sectors in China, contained in document UNEP/OzL.Pro/ExCom/77/19; and
- (b) To request the Government of China to provide final study reports on all research and development projects undertaken with funds from the Multilateral Fund under the CFC production sector to the 79<sup>th</sup> meeting.

**(Decision 77/26)**

Part III: Methyl bromide phase-out projects

96. The Chair introduced the sub-item, contained within Part III of document UNEP/OzL.Pro/ExCom/77/19.

*Methyl bromide phase-out plan in Argentina*

97. The Executive Committee took note that the maximum level of consumption of methyl bromide for Argentina in 2015 was zero, as in the Agreement between the Government of Argentina and the Executive Committee, except for any critical-use exemptions authorized by the Parties to the Montreal Protocol.

*Methyl bromide phase-out plan in Mexico*

98. The Executive Committee took note that the maximum level of consumption of methyl bromide for Mexico in 2015 was zero, as in the Agreement between the Government of Mexico and the Executive Committee, except for any critical-use exemptions authorized by the Parties to the Montreal Protocol.

**AGENDA ITEM 7: 2017–2019 BUSINESS PLANS**

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

99. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/20. In response to a question, she indicated that the business plan would be adjusted to reflect decisions taken at

the present meeting and the relevant information would be posted on the Secretariat's website after the meeting.

100. The Executive Committee decided:

- (a) To note the consolidated business plan of the Multilateral Fund for 2017–2019 contained in document UNEP/OzL.Pro/ExCom/77/20;
- (b) To adjust the business plan:
  - (i) As proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/77/20;
  - (ii) By adding to the 2017 business plan the HCFC phase-out management plans (HPMPs) and institutional strengthening projects from the 2016 business plan that had been deferred at the 77<sup>th</sup> meeting;
  - (iii) Based on decisions taken and the values for HPMPs approved or revised in principle at the 77<sup>th</sup> meeting;
- (c) To request bilateral and implementing agencies to include in the business plans activities under stage II of the HPMPs for Kenya and Syrian Arab Republic;
- (d) To endorse the consolidated business plan of the Multilateral Fund for 2017–2019, adjusted as per sub-paragraphs (b)(i) to (iii) above, while noting that endorsement did not denote approval of the projects identified therein or their funding or tonnage levels; and
- (e) To request the implementing agencies each to provide a detailed report to the 79<sup>th</sup> meeting on the feasibility studies of using not-in-kind technologies.

**(Decision 77/27)**

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

**(i) Bilateral agencies**

101. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/21. She informed the Committee that, in addition to the information presented in the document, the Secretariat had received a communication from the Government of Germany indicating that the maximum allocation for its component for stage II of the HPMP for India would be US \$425,230, including agency support costs. If, therefore, the maximum amount of US \$718,920 were approved for the component of the Government of Germany in stage II of the HPMP for the Islamic Republic of Iran, a total of US \$1,283,514 would be available for the Government of Germany for its component of stage II of the HPMP for China for the years 2016 and 2017.

102. The Executive Committee decided:

- (a) To note the bilateral agencies' business plans for 2017–2019, submitted by the Governments of Germany, Italy and Japan, contained in document UNEP/OzL.Pro/ExCom/77/21, as well as the additional information provided by the Government of Germany;

- (b) Further to note that approvals in principle for the Government of Germany for the 2018-2020 triennium should not exceed US \$2,604,720, based on the assumption that there would be the same level of replenishment as for the 2015–2017 triennium.

**(Decision 77/28)**

**(ii) UNDP**

103. The representative of UNDP introduced document UNEP/OzL.Pro/ExCom/77/22. In addition, she drew the Committee's attention to some recent and upcoming changes in the staff members of UNDP's Montreal Protocol team.

104. One member asked UNDP, as well as the other implementing agencies, to provide additional information, orally at the present meeting if possible, and more substantially, in writing, at the 79<sup>th</sup> meeting, on how they were tackling the issue of the guidelines for stage II of HPMPs with respect to not-in-kind technologies in their work plan.

105. The Executive Committee decided:

- (a) To note the UNDP business plan for 2017–2019 contained in document UNEP/OzL.Pro/ExCom/77/22; and
- (b) To approve the performance indicators for UNDP as set out in Annex V to the present report.

**(Decision 77/29)**

**(iii) UNEP**

106. The representative of UNEP introduced document UNEP/OzL.Pro/ExCom/77/23. Noting that the business plan had been submitted prior to the adoption of the Kigali Amendment, he indicated UNEP's commitment to supporting Article 5 countries in initiating the phase-down of HFC consumption and production. He added that UNEP was implementing 84 projects on surveys of ODS alternatives in Article 5 countries, and planned to use the survey results to raise the awareness in those countries of the Kigali Amendment, the availability of alternatives with low and zero global-warming potential (GWP) and the associated environmental and economic benefits as a means of supporting ratification of the Amendment.

107. The Executive Committee decided:

- (a) To note the UNEP business plan for 2017–2019 contained in document UNEP/OzL.Pro/ExCom/77/23; and
- (b) To approve the performance indicators for UNEP as set out in Annex VI to the present report.

**(Decision 77/30)**

**(iv) UNIDO**

108. The representative of UNIDO introduced document UNEP/OzL.Pro/ExCom/77/24, noting that the proposal for stage I of the HPMP for the Syrian Arab Republic, the agency's only outstanding stage I proposal, would be submitted as soon as local circumstances permitted. He added that the agency was fully committed to providing its full support to the Committee and to Article 5 countries for the implementation of the Kigali Amendment. Responding to the earlier question from a member relating to

not-in-kind technologies, he informed the Committee that UNIDO and UNEP were currently undertaking a feasibility study on not-in-kind technologies applicable to district cooling, which they felt would provide guidance for future action. A more detailed report on the matter would be provided to the 79<sup>th</sup> meeting.

109. The Executive Committee decided:

- (a) To note the UNIDO business plan for 2017–2019 contained in document UNEP/OzL.Pro/ExCom/77/24; and
- (b) To approve the performance indicators for UNIDO as set out in Annex VII to the present report.

**(Decision 77/31)**

**(v) World Bank**

110. The representative of the World Bank introduced document UNEP/OzL.Pro/ExCom/77/25. The Bank's business plan, he said, was based on a strategic approach that recognized China's role as the world's largest HCFC producer, exporter and consumer, and the importance of balancing supply and demand in order to minimize economic disruption in both the domestic and export markets in each sector. In addition, with respect to projects using flammable alternative refrigerants, the World Bank recognized that regulations and safety concerns were significant barriers to overcome before the market could widely adopt such refrigerants. It was, therefore, necessary to support the establishment of national regulations and building codes in accordance with international standards and a self-sustaining certification system for service technicians in dealing with flammable refrigerants.

111. Responding to the earlier question relating to not-in-kind technologies, he informed the Executive Committee that the Bank had previously carried out a study on district cooling in the Philippines, with the support of the Government of Canada. While the current business plan did not include any such activities, the Bank was considering opportunities for investment projects in not-in-kind technologies and would provide more details on such activities at the 79<sup>th</sup> meeting, as requested.

112. Following the discussion, the Executive Committee decided:

- (a) To note the World Bank business plan for 2017–2019 contained in document UNEP/OzL.Pro/ExCom/77/25; and
- (b) To approve the performance indicators for the World Bank as set out in Annex VIII to the present report.

**(Decision 77/32)**

## **AGENDA ITEM 8: PROJECT PROPOSALS**

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

113. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/77/26 and Add.1.

Changes or addition of implementing agencies in the implementation of approved HPMPs

114. The Executive Committee decided to request the Secretariat to include requests to change, add or remove a bilateral or implementing agency contained in HCFC phase-out management plan tranche requests in the list of projects submitted for blanket approval, as long as there were no other outstanding issues that required the Executive Committee's consideration.

**(Decision 77/33)**

Funding withheld pending verification reports or the meeting of specific conditions

115. The representative of the Secretariat informed the Committee that subsequent to the issuance of the document, UNDP, on behalf of the Government of Ghana, had confirmed that a regulatory environment for the safe use of hydrocarbon was in place in the country. As a result, Ghana had met the pending conditions stipulated in decision 72/32(b).

116. Noting that an earlier discussion had indicated that pending verification reports was one of the reasons for project delays, one member requested that lessons learned from previous projects be taken into account by the Secretariat and bilateral and implementing agencies during the planning of tranche distribution. The representative of the Secretariat indicated that this already took place for new proposals, pursuant to a decision taken by the Executive Committee in relation to the 20 per cent disbursement threshold.

117. The Executive Committee decided to urge UNEP, UNIDO and the Governments of Haiti, Sao Tome and Principe, and South Africa to submit their HCFC consumption verification reports as soon as possible, and UNEP and the Governments of Chile and Honduras to sign agreements for the implementation of their HCFC phase-out management plans as soon as possible, so that activities could be implemented without further delay.

**(Decision 77/34)**

Temporary manufacturing of high GWP-based refrigeration and air-conditioning equipment at enterprises that received funding to convert to low-GWP alternatives

118. The representative of the Secretariat introduced the issue as outlined in paragraphs 14 to 19 of document UNEP/OzL.Pro/ExCom/77/26. It was of particular concern, he said, as it had become apparent from the evaluation of the refrigeration and air-conditioning manufacturing sector conducted by the Senior Monitoring and Evaluation Officer, rather than through regular project reporting. He added that, subsequent to the issuance of the document, the Secretariat had issued an addendum that contained a more detailed recommendation (UNEP/OzL.Pro/ExCom/77/26/Add.1).

119. Members expressed a range of concerns with regard to challenges faced by enterprises during conversion to the selected low-GWP technologies, the fact that the cases were interim in nature, and how incremental operating costs were paid. One member also addressed the proposal that governments should be responsible for monitoring the cases, albeit voluntarily. Other members noted that factors underlying the issue, such as a lack of components, were outside their control, and it was therefore difficult to impose obligations on them. It was also emphasized that, as such cases were temporary and exceptional, the actions taken with regard to the enterprises should reflect those circumstances.

120. Several members indicated that more time and discussion were needed before a decision could be taken on the matter, as the scope of the problem needed to be better understood in order to identify the root causes and determine how similar situations could be prevented in future. A contact group, facilitated by Jordan, was set up to further discuss the issue.

121. Following report of the contact group, the Executive Committee decided:

- (a) To request the relevant bilateral and implementing agencies:
  - (i) To continue making best efforts to ensure that conversions were consistent with agreed alternatives as approved by the Executive Committee;
  - (ii) To report to the Executive Committee, as soon as they became known, exceptional cases where enterprises that had received funding from the Multilateral Fund to manufacture products and equipment using substances with low-global-warming potential (GWP) were temporarily manufacturing products and/or equipment using high-GWP substances, and to identify the reasons for the use, the steps to be taken to enable the enterprises to start manufacturing using the technology for which the funding had been approved, and a timeline for when such manufacturing was expected to commence;
  - (iii) To continue reporting the status of manufacturing at the enterprises identified in sub-paragraph (ii) above to each meeting of the Executive Committee until those converted manufacturing lines used only the low-GWP technology for which funding had been approved, or another alternative technology with a lower GWP;
  - (iv) To request the enterprises identified in sub-paragraph (ii) above to provide a letter stating their commitment that the manufacturing lines funded by the Multilateral Fund would manufacture products and/or equipment using only the technology for which funding had been approved;
  - (v) To assess, during project preparation, the availability of the chosen technology in the country, including the necessary components, refrigerants, oils, blowing agents, etc.;
  - (vi) Not to pay any incremental operating costs that had been approved for the manufacturing enterprises until it had been verified that the enterprises were manufacturing products and/or equipment using the approved technology;
  - (vii) To ensure that verification reports submitted in line with sub-paragraph 5(b) of the Agreements between the Governments of the Article 5 countries concerned and the Executive Committee included verification of conversion of the manufacturing enterprises covered under the Agreement and confirmation of the technology adopted, in a representative sample of enterprises; and
- (b) To encourage Governments of the Article 5 countries concerned, with the assistance of relevant bilateral and implementing agencies, to consider taking measures, if possible, to aid the introduction of low-GWP technology in applications covered under the respective sector and/or sub-sector.

**(Decision 77/35)**

Projects and activities submitted for blanket approval

122. The representative of the Secretariat informed the Executive Committee that a small change in the wording of the recommendation regarding the submission of the request for the third tranche of stage I of the HPMP for the Democratic People's Republic of Korea necessitated the issuance of a corrigendum to document UNEP/OzL.Pro/ExCom/77/40.

123. One member expressed concern regarding the use of hydrocarbons in retrofitting refrigeration and air-conditioning equipment not originally designed for use with flammable refrigerants, in five tranches submitted for blanket approval. He reiterated that hydrocarbons should be used only in refrigeration or air-conditioning equipment explicitly designed for flammable refrigerants. He further noted that actions had been taken by his Government's Environmental Protection Agency to prohibit the use of hydrocarbon refrigerants for retrofitting air-conditioning equipment on account of safety concerns and the risk of accidents. He also mentioned that accidents related to improper retrofits using hydrocarbons could negatively affect the market acceptance of hydrocarbons as refrigerants into the future. While the five tranches that were under consideration could be approved at the present meeting, in future it might be necessary for the Secretariat and bilateral and implementing agencies to bring tranche requests that included retrofitting with hydrocarbons to the attention of the Executive Committee for individual consideration. He also encouraged Parties to take domestic action to discourage or prohibit the use of hydrocarbons in the retrofitting of equipment that was not designed for use with flammable substances.

124. The Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex IX 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 the Democratic People's Republic of Korea and the Executive Committee, as contained in Annex X to the present report, to take into account the level of funding approved for the second tranche of the HCFC phase-out management plan, the savings in incremental costs and the transfer of UNEP's component to UNIDO;
  - (ii) The Agreement between the Government of Eritrea and the Executive Committee, as contained in Annex XI to the present report, to take into account the established HCFC baseline for compliance;
  - (iii) The Agreement between the Government of Mongolia and the Executive Committee, as contained in Annex XII to the present report, to correctly reflect the maximum allowable consumption values for the years 2015–2019;
  - (iv) The Agreement between the Government of Swaziland and the Executive Committee, as contained in Annex XIII to the present report, based on the revised HCFC baseline for compliance; and
- (b) To decide 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 XIV to the present report.

**(Decision 77/36)**

**(b) Bilateral cooperation**

125. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/77/27 and Corr.1, and announced that the Government of Italy had made a request, after the issuance of the documents, to support the activities in stage II of the HPMP for China in the amount of US \$1,000,000 including agency support costs, and to support activities in stage II of the HPMP for the Islamic Republic of Iran in the amount of US \$452,000 including agency support costs.

126. Given that the Government of Germany's adjusted business plan had exceeded the 20 per cent allocation threshold, requiring adjustments under agenda item 7(b)(i), Bilateral agencies' business plans for 2017-2019, one member encouraged bilateral agencies always to ensure that their bilateral contributions fell within the 20 per cent limit stipulated in Executive Committee decisions.

127. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 77<sup>th</sup> meeting as follows:

- (a) US \$197,596 (including agency fees) against the balance of France's bilateral contribution for 2016;
- (b) US \$2,140,814 (including agency fees) against the balance of Germany's bilateral contribution for 2015–2017;
- (c) US \$1,452,000 (including agency fees) against the balance of Italy's bilateral contribution for 2016;
- (d) US \$90,400 (including agency fees) against the balance of Japan's bilateral contribution for 2016; and
- (e) US \$1,178,229 (including agency fees) against the balance of Spain's bilateral contribution for 2016.

**(Decision 77/37)**

**(c) Amendments to work programmes for 2016**

128. One member observed that, pursuant to the modification of section 10 of the format for institutional strengthening renewals, as per decision 74/51, institutional strengthening reports should include an evaluation against the indicators therein.

**(i) UNDP**

129. The Chair reminded the meeting that the funding requests in the 2016 work programme amendments of UNDP contained in document UNEP/OzL.Pro/ExCom/77/28, which consisted of seven activities (six institutional strengthening renewal projects, and one for preparation for a verification report), had already been approved as part of the list of projects for blanket approval (see agenda item 8(a), Overview of issues identified during project review, above, and the corresponding decision 77/36).

**(ii) UNEP**

130. The Chair reminded the meeting that the funding requests in the 2016 work programme amendments of UNEP contained in document UNEP/OzL.Pro/ExCom/77/29, which consisted of 32 activities (25 institutional strengthening renewal projects, and seven for preparation for verification reports), had already been approved as part of the list of projects for blanket approval (see agenda item 8(a), Overview of issues identified during project review, above, and the corresponding decision 77/36).

**(iii) UNIDO**

131. The Chair reminded the meeting that the funding requests in the 2016 work programme amendments of UNIDO contained in document UNEP/OzL.Pro/ExCom/77/30, which consisted of five activities (one institutional strengthening renewal project, three for project preparation for activities in

stage II of two HPMPs, and one for preparation of a verification report), had already been approved as part of the list of projects for blanket approval (see agenda item 8(a), Overview of issues identified during project review, above, and the corresponding decision 77/36).

**(iv) World Bank**

132. The Chair reminded the meeting that the funding requests in the 2016 work programme amendments of the World Bank contained in document UNEP/OzL.Pro/ExCom/77/31, which consisted of six activities (two institutional strengthening renewal projects, and four for project preparation for activities in stage II of an HPMP), had already been approved as part of the list of projects for blanket approval (see agenda item 8(a), Overview of issues identified during project review, above, and the corresponding decision 77/36).

**(d) UNEP's Compliance Assistance Programme (CAP) budget for 2017**

133. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/77/32 and Corr.1.

134. Members recognized the CAP's role in supporting compliance with the Montreal Protocol since the creation of the programme in 2002, and noted that its planned internal review was useful and timely, especially given the new challenges involved in supporting HFC phase-down under the Kigali Amendment.

135. It was noted that the proposed increase in the CAP budget, which was below the 3 per cent threshold, was linked to new staffing positions. The representative of UNEP clarified that only one new post was being created; the others were the result of a reshuffling of resources. One member reiterated that the addition of new staff should contribute to alleviating the workload of current staff and ensure the efficient initiation of enabling activities related to the Kigali Amendment.

136. Several issues were discussed in relation to the workload and responsibilities of the CAP staff. One member drew attention to the information provided in the document relating to the duties of the new regional network coordinator for the West Asia region. He reiterated the importance of having full-time coordination for CAP teams, particularly for that region, which faced complex challenges and security situations. The representative of UNEP explained that the changes in the role of network coordinators within the CAP over the years had made it necessary to adjust workloads to ensure both efficiency and the equitable and transparent distribution of CAP services. A request to delete paragraph 9(d) of document UNEP/OzL.Pro/ExCom/77/32 was the reason for the issuance of the corrigendum (UNEP/OzL.Pro/ExCom/77/32/Corr.1).

137. Another member raised the issue of the time spent on tasks not related to the Montreal Protocol by CAP staff funded by the Multilateral Fund, which might have an impact on the delivery of CAP services. The representative of UNEP clarified that CAP staff time was dedicated solely to assisting Article 5 countries in their ODS phase-out, and that the activities carried out in conjunction with other environmental conventions and associations were in response to requests by Parties to seek climate co-benefits in the phase-out of HCFCs.

138. The suggestion was also made for UNEP to conduct a survey to assess the level of satisfaction with the CAP's clearinghouse mechanism and e-learning modules, and other global activities. Members also expressed the view that the final report of UNEP's internal assessment should be provided to the Executive Committee.

139. The Executive Committee decided:

- (a) To approve the UNEP's Compliance Assistance Programme (CAP) activities and budget for 2017 in the amount of US \$9,776,000, plus agency support costs of 8 per cent, amounting to US \$782,080, contained in Annex XV to the present report;
- (b) To request UNEP to continue to submit an annual work programme and budget for the CAP that included:
  - (i) Detailed information on the progress of the four new activities identified in the 2016 work programme for which global funds would be used until their completion;
  - (ii) Extension of the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and details on the reallocations made in its budget pursuant to decisions 47/24 and 50/26;
  - (iii) Reporting on the current levels of staff posts and information for the Executive Committee on any changes thereto, particularly with respect to any increased budget allocations; and
- (c) To further request UNEP to review the overall structure of the CAP and to consider its operations and regional structure in addressing emerging needs and new challenges, and to submit a final report of that review to the Executive Committee for consideration at its 79<sup>th</sup> meeting.

**(Decision 77/38)**

**(e) 2017 core unit costs for UNDP, UNIDO and the World Bank**

140. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/33.

141. Several representatives thanked the agencies for their hard work in implementing such a wide variety of projects. One representative asked for clarification as to why agencies were requesting additional core unit funding while there was a substantial running balance, specifically in the cases of UNDP and the World Bank. For UNIDO, further understanding of executing agency costs was required. Another representative asked for further elucidation of the request from the World Bank for activities relating to the Kigali Amendment.

142. The representative of the Secretariat explained that under the United Nations system, implementing agencies did not have access to agency fees until disbursement occurred against a project, while the World Bank had access to all agency fees with immediate effect. The agency fees were intended to support implementation activities, whereas the core unit fees were intended more for administrative activities.

143. The representative of UNDP explained that additional funds were needed to cover the agency's core unit budgetary requirements for 2017. The representative of the World Bank said that care must be taken to distinguish between the total amount of funding, the funding for core unit costs, and the fees needed for implementation of particular activities. Regarding core unit costs, the World Bank returned those that were not spent in a particular budgetary year. The representative of the World Bank explained that contractual services funding for the Kigali Amendment was to support policy and technical work related to HFCs as part of recent annual work programmes. The representative of UNIDO explained the main components of the agency support costs reported to the Executive Committee, which followed the

agreed methodology for calculating the costs, and of which the costs relating to the Foreign Economic Cooperation Office (FECO) of the Ministry of Environmental Protection of the Government of China were a minor component.

144. The representative of the Secretariat said that further discussion of funding related to the Kigali Amendment under agenda item 10 would help to inform deliberations under the present agenda item.

145. In light of the discussions under that item (see paragraphs 205 to 213, and the corresponding decision 77/59, below), the Executive Committee decided:

- (a) To note:
  - (i) The report on 2017 core unit costs for UNDP, UNIDO and the World Bank presented in document UNEP/OzL.Pro/ExCom/77/33;
  - (ii) The status of the review of the administrative cost regime and its core unit funding budget as per decision 75/69(b);
  - (iii) With appreciation, that the World Bank's core unit operation was again below its budgeted level and that it would be returning unused balances to the Multilateral Fund at the 79<sup>th</sup> meeting;
- (b) To approve the requested core unit budgets:
  - (i) For UNDP in the amount of US \$2,055,000;
  - (ii) For UNIDO in the amount of US \$2,055,000; and
  - (iii) For the World Bank in the amount of US \$1,725,000.

**(Decision 77/39)**

**(f) Investment projects**

**Stage I of HPMPs**

South Sudan: HCFC phase-out management plan stage I – first tranche (UNEP/UNDP)

146. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/63.

147. The Executive Committee decided:

- (a) To approve, in principle, stage I of the HCFC phase-out management plan (HPMP) for South Sudan for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, in the amount of US \$233,700, consisting of US \$120,000, plus agency support costs of US \$15,600 for UNEP, and US \$90,000, plus agency support costs of US \$8,100 for UNDP;
- (b) To note that the Government of South Sudan had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption at 1.64 ODP tonnes, on the basis of the data collected from the survey during preparation for stage I of the HPMP;
- (c) To deduct 0.57 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;

- (d) To approve the Agreement between the Government of South Sudan and the Executive Committee for the reduction in consumption of HCFCs contained in Annex XVI to the present document; and
- (e) To approve the first tranche of stage I of the HPMP for South Sudan and the corresponding tranche implementation plan, in the amount of US \$20,000, plus agency support costs of US \$2,600 for UNEP.

**(Decision 77/40)**

## **Stage II of HPMPs**

### Armenia: HCFC phase-out management plan stage II – first tranche (UNDP/UNEP)

148. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/35. She noted that, while consumption in 2015 had already reached 2.34 ODP tonnes, the Government was proposing to increase its consumption targets in the period up to 2020.

149. One representative said that the low consumption in 2015 had been due to various factors, including an economic recession, and that the Government's plan to phase out HCFCs during stage II of the HPMP should be supported. Another representative said that the reduction in HCFC consumption proposed by the Secretariat represented a realistic plan based on consumption levels over the previous three years and was in line with the guidelines for funding levels for LVC countries set out in decision 74/50. In that regard, there was still a need, as stipulated by decision 74/50, for the project proposal to demonstrate that the funding level was necessary to achieve the 2020 phase-out target. Another representative expressed concern that the Government of Armenia's revised proposal envisaged a substantial increase in HCFC consumption for the duration of the project, and requested clarification as to whether the current level of consumption contained sustainable aggregate reductions arising from the activities in stage I. Another representative expressed support for the extended commitment proposed by the Secretariat, and suggested that it was an appropriate approach to adopt in other similar cases.

150. The representative of the Secretariat responded that, in stage I, the phase-out of consumption of 1.4 ODP tonnes of HCFC-22 had largely been associated with phase-out activities at the SAGA enterprise. The Chief Officer recalled that a number of activities implemented in Armenia had enabled the country to achieve an accelerated phase-out of HCFCs in stage I, but the Secretariat had not been able to recommend the current project proposal for blanket approval as the country had requested funding for the phase-out of HCFCs in stage II, while suggesting an increase in HCFC consumption from the 2015 level.

151. Following further discussion and consultation with the Government of Armenia, it was agreed that the phase-out target for stage II would be similar to the 2015 consumption level, as proposed by the Secretariat in document UNEP/OzL.Pro/ExCom/77/35/Add.1.

152. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Armenia for the period 2016 to 2020 to reduce HCFC consumption by 66.6 per cent of the baseline, in the amount of US \$238,896, consisting of US \$129,600, plus agency support costs of US \$11,664 for UNDP, and US \$86,400, plus agency support costs of US \$11,232 for UNEP;
- (b) To deduct 3.26 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

- (c) To approve the Agreement between the Government of Armenia and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex XVII to the present report;
- (d) To approve the first tranche of stage II of the HPMP for Armenia, and the corresponding tranche implementation plans, in the amount of US \$157,270, consisting of US \$108,000, plus agency support costs of US \$9,720 for UNDP, and US \$35,000, plus agency support costs of US \$4,550 for UNEP, on the understanding that if Armenia were to decide to proceed with retrofits, and associated servicing, to 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; and
- (e) To request UNDP to report on the status of sale of equipment purchased for the enterprise SAGA at each Executive Committee meeting until the sale of equipment had been completed and funds obtained from the sale of the equipment have been returned to the Multilateral Fund.

**(Decision 77/41)**

Dominican Republic (the): HCFC phase-out management plan stage II – first tranche (UNDP/UNEP)

153. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/41.

154. One representative, while expressing concern about the safety of retrofit projects, requested further information on the two pilot projects providing technical assistance to end-users for the adoption of low-GWP alternatives. The representative of the Secretariat responded that the project aimed to provide technical assistance to end-users, with one component related to the provision of an incentive to introduce small air-conditioning units based on non-ODS, low-GWP refrigerants in order to gain experience in installation, servicing and maintenance; it would not involve retrofitting with flammable refrigerants. The pilot projects would install low-GWP equipment in the dairy industry and in hotel buildings to provide lessons for servicing in the refrigeration and air-conditioning sector. The representative of UNDP also confirmed that the project would not involve retrofit of equipment to hydrocarbon technology and that the pilot projects were designed to test low-GWP alternatives using different technologies in the commercial refrigeration sector, enabling technicians to gain experience in dealing with those technologies. A corrigendum (UNEP/OzL.Pro/ExCom/77/41/Corr.1) was issued to ensure clarity on those matters.

155. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for the Dominican Republic for the period 2016 to 2020 to reduce HCFC consumption by 40 per cent of the baseline, in the amount of US \$1,589,477, consisting of US \$1,279,558, plus agency support costs of US \$89,569 for UNDP, and US \$195,000, plus agency support costs of US \$25,350 for UNEP;
- (b) To note the commitment of the Government of the Dominican Republic to reduce HCFC consumption by 40 per cent of its baseline by 2020;
- (c) To deduct 15.36 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

- (d) To approve the Agreement between the Government of the Dominican Republic and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex XVIII to the present report; and
- (e) To approve the first tranche of stage II of the HPMP for the Dominican Republic, and the corresponding tranche implementation plans, in the amount of US \$705,266, consisting of US \$558,800, plus agency support costs of US \$39,116 for UNDP, and US \$95,000, plus agency support costs of US \$12,350 for UNEP.

**(Decision 77/42)**

India: HCFC phase-out management plan stage II - first tranche (UNDP/UNEP/Germany)

156. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/49. He said that, after the document had been issued, a revised cost proposal had been submitted by UNDP on behalf of the Government of India, and that the Secretariat had been unable to assess its implications. The Secretariat and UNDP had, however, continued their discussions on the revised proposal and a new proposal had been produced for consideration by the Executive Committee.

157. The Chair asked interested members to consult informally with the representatives of the Secretariat and UNDP to discuss the new proposal and the concerns raised by the Secretariat.

158. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for India for the period 2016 to 2023 to reduce HCFC consumption by 60 per cent of the baseline, in the amount of US \$48,315,261, consisting of US \$38,911,459, plus agency support costs of US \$2,723,802 for UNDP; US \$900,000, plus agency support costs of US \$109,000 for UNEP; and US \$5,100,000, plus agency support costs of US \$571,000 for the Government of Germany;
- (b) To note the commitment of the Government of India:
  - (i) To reduce HCFC consumption from the baseline by 48 per cent by 2020, 50 per cent by 2021, 56 per cent by 2022 and 60 per cent by 2023;
  - (ii) To issue a ban on the import and use in all sectors of HCFC-141b, pure or contained in pre-blended polyols, upon completion of the conversion of all the eligible enterprises and no later than 1 January 2020;
- (c) To deduct 769.49 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) With regard to the polyurethane (PU) foam sector plan:
  - (i) To request UNDP to include in request for the second tranche and future tranches an updated list of PU foam enterprises assisted, and to be assisted by the Multilateral Fund under stage II of the HPMP, including the HCFC-141b consumption to be phased out, the estimated incremental cost of conversion, the sub-sector, the baseline equipment where applicable, and the technology to be adopted;

- (ii) To note that if, during the implementation of the PU foam sector plan, the total tonnage to be phased out in enterprises eligible for funding was found to be less than the 3,166 metric tonnes of HCFC-141b approved for phase-out under stage II of the HPMP, funding for stage II of the HPMP would be reduced to account for that reduced tonnage, at a rate of US \$7.58/kg;
- (e) With regard to the air-conditioning manufacturing sector:
  - (i) To note that no further funding for heat exchangers at the enterprises to be assisted in stage II of the HPMP would be provided in future stages of the HPMP;
  - (ii) That, for air-conditioning manufacturing enterprises that would receive funding under stage II of the HPMP to convert some but not all HCFC-22-based manufacturing lines, any increase in HCFC-22 consumption on the non-converted line, in relation to the level of HCFC-22 consumption at the time of signature of the memorandum of agreement between the enterprise and the Government, would not be funded by the Multilateral Fund, and the Government would request the enterprise to avoid any growth in HCFC-22 consumption after the time of signature;
- (f) To approve the Agreement between the Government of India 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
- (g) To approve the first tranche of stage II of the HPMP for India, and the corresponding tranche implementation plans, in the amount of US \$10,623,880, consisting of US \$9,256,000, plus agency support costs of US \$647,920 for UNDP, US \$300,000, plus agency support costs of US \$36,333 for UNEP, and US \$345,000, plus agency support costs of US \$38,626 for the Government of Germany.

**(Decision 77/43)**

Islamic Republic of Iran: HCFC phase-out management plan stage II – first tranche (UNDP/UNEP/UNIDO/Germany/Italy)

159. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/50.

160. One representative said that, while her country appreciated the efforts of the Government of the Islamic Republic of Iran to switch to low-GWP alternatives, the Secretariat had noted in document UNEP/OzL.Pro/ExCom/77/50 that the proposed activities in the refrigeration and air-conditioning manufacturing sector followed a different approach from those used in other countries. Nevertheless, the cost-effectiveness of the proposal was satisfactory and, given the specific circumstances of the country, the approach for the refrigeration and air-conditioning manufacturing sector could be approved on an exceptional basis.

161. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for the Islamic Republic of Iran, noting:
  - (i) That stage II covered the period 2016 to 2023 to reduce HCFC consumption by 75 per cent of the baseline;

- (ii) The related funding for the HPMP amounted to US \$12,279,534, consisting of US \$4,905,361, plus agency support costs of US \$343,375 for UNDP, US \$700,000, plus agency support costs of US \$87,000 for UNEP, US \$2,103,205, plus agency support costs of US \$147,224 for UNIDO, US \$2,672,404, plus agency support costs of US \$303,964 for the Government of Germany, and US \$907,207, plus agency support costs of US \$109,793 for the Government of Italy;
  - (iii) That the approach taken for the refrigeration and air-conditioning manufacturing sector was agreed on an exceptional basis owing to the special circumstances in the country;
- (b) To note the commitment of the Government of the Islamic Republic of Iran:
  - (i) To reduce HCFC consumption by 75 per cent of the baseline by 2023;
  - (ii) To issue a ban on the import and use of HCFC-141b pure or contained in pre-blended polyols upon the completion of the conversion of all the eligible enterprises and no later than 1 July 2023;
  - (iii) To issue a ban on new manufacturing capacity using HCFC-22 by 1 January 2020;
  - (iv) Further to issue a ban on the use of HCFC-22 in the manufacturing of refrigeration and air-conditioning equipment upon completion of the conversion of all the eligible enterprises and no later than 1 January 2023;
- (c) To deduct 162.37 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To request UNDP to include in the submission of the request for the second funding tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-global-warming-potential alternatives, highlighting the lessons learned and challenges faced;
- (e) To approve the Agreement between the Government of the Islamic Republic of Iran 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
- (f) To approve the first tranche of stage II of the HPMP for the Islamic Republic of Iran, and the corresponding tranche implementation plans, in the amount of US \$3,291,536, consisting of US \$1,298,170, plus agency support costs of US \$90,872 for UNDP, US \$200,000, plus agency support costs of US \$24,857 for UNEP, US \$473,567, plus agency support costs of US \$33,150 for UNIDO, US \$645,500, plus agency support costs of US \$73,420 for the Government of Germany, and US \$403,203, plus agency support costs of US \$48,797 for the Government of Italy.

**(Decision 77/44)**

Jordan: HCFC phase-out management plan stage II - first tranche (World Bank/UNIDO)

162. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/51.

163. Several members supported the approval of stage II of the HPMP at the present meeting. They recalled that the country had recently experienced a doubling of its population as a result of an influx of refugees and immigrants. That had resulted in a significant increase in the need for air-conditioning, refrigeration and foam products, which had led to an increase in the use of HCFCs. Most of the enterprises involved were small and medium-sized enterprises (SMEs) and the approval of the project would allow the phase-out of HCFCs and the reduction of HFC consumption. Other members pointed out that a number of policy issues still needed to be resolved before stage II could be approved.

164. The Chair asked representatives of the Secretariat and the World Bank to consult with the interested members to address the issues that had been raised during the discussion of the project.

165. Following the consultations, the representative of the Secretariat said that there had been a resolution of the issues raised by the Secretariat and an addendum (UNEP/OzL.Pro/ExCom/77/51/Add.1) had been issued accordingly.

166. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Jordan for the period 2017 to 2022, to reduce HCFC consumption by 50 per cent of the baseline, in the amount of US \$3,289,919, consisting of US \$2,075,236, plus agency support costs of US \$145,267 for the World Bank, and US \$999,455, plus agency supports costs of US \$69,961 for UNIDO;
- (b) To note:
  - (i) The commitment of the Government of Jordan to reduce its HCFC consumption by 50 per cent of the baseline by 2022;
  - (ii) That the Government of Jordan would completely phase out HCFC-141b in bulk and contained in imported pre-blended polyols by 1 January 2022;
  - (iii) That the Government of Jordan would have flexibility in using the funds approved for the polyurethane foam sector to achieve a smooth and efficient HCFC-141b phase-out in line with its Agreement with the Executive Committee;
- (c) To deduct 44.79 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Jordan and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex XXI to the present report; and
- (e) To approve the first tranche of stage II of the HPMP for Jordan, and the corresponding tranche implementation plans, in the amount of US \$983,466, consisting of US \$526,956, plus agency support costs of US \$36,887 for the World Bank, and US \$392,171, plus agency support costs of US \$27,452 for UNIDO.

**(Decision 77/45)**

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

167. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/54.

168. One member expressed concern at the participation of representatives of enterprises ineligible for funding in the proposed workshops to facilitate the transition to low-GWP alternatives in the refrigeration and air-conditioning manufacturing sector. He asked whether that violated the rule against funding enterprises from non-Article 5 countries. The representative of the Secretariat explained that, as the workshops were being organized in any case, there was no additional cost associated with the attendance of representatives of foreign-owned enterprises. He also explained that one benefit of their participation was that it enabled conversion to low-GWP alternatives to take place in enterprises throughout the sector. Another member felt that the cost of the workshops was satisfactory and that there was added value in having representatives of enterprises both eligible and non-eligible for funding in attendance. The workshops would be particularly useful given the adoption of the Kigali Amendment.

169. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Malaysia for the period 2016 to 2022 to reduce HCFC consumption by 42.9 per cent of the baseline, in the amount of US \$6,138,063, plus agency support costs of US\$ \$429,664 for UNDP;
- (b) To note the commitment of the Government of Malaysia:
  - (i) To reduce HCFC consumption from the baseline by 22.4 per cent in 2019, 35.0 per cent in 2020, 40.0 per cent in 2021, and 42.9 per cent in 2022;
  - (ii) To issue a ban on the export of HCFC-141b contained in pre-blended polyols by 31 December 2018 and a ban on the import and use of HCFC-141b contained in pre-blended polyols by 1 January 2022;
  - (iii) To phase out all uses of HCFC-141b, except in the solvent sector, by 1 January 2022;
  - (iv) To limit consumption of HCFC-141b to 1 ODP tonne or less, for use in the solvent sector, by 1 January 2022;
  - (v) To issue bans on the import of refrigeration and air-conditioning equipment operated with HCFCs and on the manufacturing and the new installation of refrigeration and air-conditioning equipment operating with HCFCs, by 1 January 2020;
  - (vi) To no longer issue licences for the import of HCFC-141, HCFC-142b, and HCFC-21;
- (c) To deduct 146.24 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) To approve the Agreement between the Government of Malaysia and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex XXII to the present report; and

- (e) To approve the first tranche of stage II of the HPMP for Malaysia, and the corresponding tranche implementation plan, in the amount of US \$3,507,938, plus agency support costs of US \$245,556 for UNDP.

**(Decision 77/46)**

Republic of Moldova: HCFC phase-out management plan stage II – first tranche (UNDP/UNEP)

170. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/58.

171. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for the Republic of Moldova for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, in the amount of US \$192,293, consisting of US \$122,300, plus agency support costs of US \$11,007 for UNDP, and US \$52,200, plus agency support costs of US \$6,786 for UNEP, noting that the amount for approval in principle was in line with decision 74/47(a)(iv);
- (b) To deduct 0.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (c) To approve the Agreement between the Government of the Republic of Moldova and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex XXIII to the present report; and
- (d) To approve the first tranche of stage II of the HPMP for the Republic of Moldova, and the corresponding tranche implementation plans, in the amount of US \$143,780, consisting of US \$104,850, plus agency support costs of US \$9,437 for UNDP, and US \$26,100, plus agency support costs of US \$3,393 for UNEP.

**(Decision 77/47)**

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

172. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/67.

173. One member sought clarification regarding the overall cost-effectiveness of the foam project and noted that, while the guidelines allowed for the payment of incremental operating costs up to US \$5.00/kg, that needed to be justified in the proposal; he found no such a justification for the higher incremental operating costs being proposed.

174. The representative of the Secretariat clarified that, pursuant to decision 74/50(c)(vii), the Executive Committee could fund higher incremental operating costs for the introduction of low-GWP alternatives by SMEs. All the enterprises included in the foam project were SMEs for which the only feasible alternative was HFO and it would be commercially available in the country from 2017. Other alternatives were not feasible owing to safety and cost considerations, which made it difficult for SMEs to use them. The representative of UNDP also explained that based on its consultations with local suppliers of alternatives, HFOs would be readily available. In response, the member agreed that, in light of the special circumstances, he could on that occasion accept the recommendation.

175. Another member was concerned by the trend of funding activities to reduce the maximum eligible consumption in a country when actual consumption was much lower. In the case of Uruguay, the consumption funded was based on the average consumption over three years, which evened out the amounts. Nevertheless, countries needed to be reminded that they had to provide strong justification for requesting funding for a higher phase-out when their actual consumption was lower than the maximum eligible for funding.

176. The Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for Uruguay for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, in the amount of US \$1,105,157, plus agency support costs of US \$77,361 for UNDP;
- (b) To note the commitment by the Government of Uruguay to ban imports of HCFC-141b, both pure and contained in imported pre-blended polyols, after the conversion of the enterprises had been completed, and no later than 1 January 2021;
- (c) To deduct 11.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding, noting that no further funding would be available for consumption of HCFC-141b contained in imported pre-blended polyols;
- (d) To approve the Agreement between the Government of Uruguay and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex XXIV to the present report; and
- (e) To approve the first tranche of stage II of the HPMP for Uruguay, and the corresponding tranche implementation plans, in the amount of US \$314,000, plus agency support costs of US \$21,980 for UNDP.

**(Decision 77/48)**

## **Stage II of the HPMP for China**

China: HCFC phase-out management plan stage II – first tranche (UNDP, UNEP, UNIDO, World Bank, Germany, Italy, Japan)

*Extruded polystyrene (XPS) foam sector plan (UNIDO/Germany)*

*Polyurethane (PU) rigid foam sector plan (World Bank)*

*Industrial and commercial refrigeration and air-conditioning (ICR) sector plan ( UNDP)*

*Room air-conditioning manufacturing and heat pump water heaters (HPWH) (RAC) sector plan (UNIDO/Italy)*

*Solvent sector plan (UNDP)*

*Refrigeration and air-conditioning servicing sector plan and enabling programme (UNEP/Germany/Japan)*

177. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/37. Given the complex nature of the issue, the Executive Committee agreed to set up a contact group, facilitated by Belgium, to consider stage II of the HPMP, including the six sector plans, in more detail.

178. Following the report of the contact group, the Executive Committee decided:

- (a) To approve, in principle, stage II of the HCFC phase-out management plan (HPMP) for China for the period 2016 to 2026 to reduce HCFC consumption by 37.6 per cent of the baseline by 2020 and to achieve the total phase-out of HCFCs in the polyurethane (PU) foam, extruded polystyrene (XPS) foam and the solvent sectors by 2026, in the amount of US \$500,100,000, plus agency support costs to be determined at a future meeting, for UNDP, UNEP, UNIDO, the World Bank, the Government of Germany, the Government of Italy and the Government of Japan; and noting that the national HCFC consumption target, as well as the targets for the industrial and commercial refrigeration and air-conditioning (ICR) sector and the room air-conditioning manufacturing and heat pump water heaters (HPWH) (RAC) sector for the period 2021 to 2026 would be determined when stage III of the HPMP was submitted;
- (b) To note:
  - (i) That the Agreement between the Government of China and the Executive Committee would be considered at the 79<sup>th</sup> meeting and should include in Appendix 4-A (Format of Tranche Implementation Reports and Plans) the amount of co-funding provided by China for the HCFC reductions;
  - (ii) That the tonnage of HCFCs eligible and non-eligible for funding to be deducted from the remaining consumption eligible for funding would be as stipulated in document UNEP/OzL.Pro/ExCom/76/25;
  - (iii) That any interest accrued by the Government of China in the implementation of each of the sector plans of stage II of the HPMP would be reported annually and that the Treasurer would be requested to offset such interest against future transfers to the relevant implementing agency, in line with decision 69/24;
  - (iv) That any remaining funds would be returned in line with paragraph 7(f) of the template Agreement for stage II of HPMPs (Annex XIX to document UNEP/OzL.Pro/ExCom/76/66);
  - (v) The maximum allowable consumption and tranche funding values would be as reflected in the following table:

Particulars	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	17,342.1	17,342.1	17,342.1	17,342.1	12,524.9	12,524.9	12,524.9	12,524.9	12,524.9	6,262.4	6,262.4
Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	16,978.9	16,978.9	15,048.1	15,048.1	11,772.0	*	*	*	*	*	*
Maximum allowable consumption of Annex C, Group I substances in the XPS foam sector (ODP tonnes)	2,286.0	2,286.0	2,032.0	2,032.0	1,397.0	1,397.0	1,397.0	762.0	762.0	165.0	0.0
Maximum allowable consumption of Annex C, Group I substances in the PU foam sector (ODP tonnes)	4,449.6	4,449.6	3,774.5	3,774.5	2,965.7	2,965.7	2,965.7	1,078.4	1,078.4	330.0	0.0
Maximum allowable consumption of Annex C, Group I substances in the ICR sector (ODP tonnes)	2,162.5	2,162.5	2,042.4	2,042.4	1,609.9	1,609.9	**	**	**	**	**
Maximum allowable consumption of Annex C, Group I substances in the (RAC) sector (ODP tonnes)	3,697.7	3,697.7	2,876.0	2,876.0	2,259.7	2,259.7	***	***	***	***	***
Maximum allowable consumption of Annex C, Group I substances in the solvent sector	455.2	455.2	395.4	395.4	321.2	321.2	321.2	148.3	148.3	55.0	0.0
Funding (US \$)	49,992,700	62,027,190	54,109,930	59,179,030	59,551,083	69,257,646	34,228,589	30,564,360	25,781,592	25,407,880	30,000,000

\* Maximum allowable total consumption of Annex C, Group I substances for the period 2021 to 2026 would be determined at a later date, but would in no case be greater than 11,772 ODP tonnes prior to 2025, and no greater than 6,131 ODP tonnes thereafter.

\*\* Maximum allowable total consumption of Annex C, Group I substances for the period 2021 to 2026 would be determined later, but would in no case be greater than 1,609.9 ODP tonnes prior to 2025, and no greater than 781 ODP tonnes thereafter.

\*\*\*Maximum allowable total consumption of Annex C, Group I substances for the period 2021 to 2026 would be determined later, but would in no case be greater than 2,259.7 ODP tonnes prior to 2025, and no greater than 1,335 ODP tonnes thereafter.

*XPS foam sector*

- (c) To approve, in principle, the XPS foam sector plan of stage II of the HPMP for China for the period 2016 to 2026 for the complete phase-out of all HCFCs in that sector, in the amount of US \$112,786,630 of the total amount approved in principle for stage II of the HPMP, plus agency support costs for UNIDO and the Government of Germany, to be determined at a future meeting;
- (d) To deduct 646 ODP tonnes of HCFC-142b and 1,640 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding associated with the XPS foam sector;
- (e) To approve the first tranche of stage II of the HPMP for the XPS foam sector, and the corresponding tranche implementation plans, in the amount of US \$7,514,867, plus agency support cost of US \$526,041 for UNIDO;

*PU rigid foam sector*

- (f) To approve, in principle, the PU rigid foam sector plan of stage II of the HPMP for China for the period 2016 to 2026 for the complete phase-out of all HCFCs in that sector, in the amount of US \$141,471,210 of the total amount approved in principle for stage II of the HPMP, plus agency support costs for the World Bank, to be determined at a future meeting;
- (g) To deduct 3,733.08 ODP tonnes of HCFC-141b from the remaining HCFC consumption eligible for funding associated with the PU foam sector;
- (h) To approve the first tranche of stage II of the HPMP for PU rigid foam sector, and the corresponding tranche implementation plan, in the amount of US \$7,045,027, plus agency support costs of US \$493,152 for the World Bank;

*ICR sector*

- (i) To approve, in principle, the ICR sector plan of stage II of the HPMP for China for the period 2016 to 2021 to achieve, by 2020, a 33 per cent reduction in relation to the 2013 maximum allowable consumption in the sector, in the amount of US \$89,144,797 of the total amount approved in principle for stage II of the HPMP, plus agency support costs for UNDP, to be determined at a future meeting, on the understanding:
  - (i) That a maximum quantity of 3,150 metric tonnes in the unitary air-conditioning (UAC) sub-sector could be converted to HFC-32;
  - (ii) That the Government of China would have flexibility in the UAC sub-sector to convert to alternatives with a lower global-warming potential (GWP) than HFC-32 as long as the cost and tonnage to be phased out remained the same;
  - (iii) That the Government of China would have flexibility to convert heat-pump water-heater (HPWH) lines to HFC-32 on the understanding that UAC and HPWH conversions to HFC-32 combined would not exceed 3,150 metric tonnes;
  - (iv) That at least 20 per cent of the total phase-out of HCFC-22 in the ICR sector would be from the conversion of small and medium-sized enterprises (i.e. those consuming 50 metric tonnes or less);

- (v) That, in sectors other than the UAC sector, the Government of China would have flexibility to select from among the six low-GWP technologies identified in Table 8 of document UNEP/OzL.Pro/ExCom/76/25, excluding HFC-32, and would make best efforts to ensure that the tonnage remained within 30 per cent of the amount specified for each technology in that table, at no additional cost to the Multilateral Fund, and that any deviation from that range would be reported to the Executive Committee for its consideration;
- (j) To deduct 477.79 ODP tonnes of HCFC-22 and 2.70 ODP tonnes of HCFC-123 from the remaining HCFC consumption eligible for funding associated with the ICR sector;
- (k) To approve the first tranche of stage II of the HPMP for ICR sector, and the corresponding tranche implementation plan, in the amount of US \$13,368,756, plus agency support cost of US \$935,813 for UNDP;

*RAC sector*

- (l) To approve, in principle, the RAC sector plan of stage II of the HPMP for China for the period 2016 to 2021 to achieve, by 2020, a 45 per cent reduction in relation to the 2013 maximum allowable consumption in the sector, in the amount of US \$89,144,797 of the total amount approved in principle for stage II of the HPMP, plus agency support costs for UNIDO and the Government of Italy, to be determined at a future meeting, on the understanding that the Government of China agreed to convert at least:
  - (i) Twenty manufacturing lines for the production of RAC equipment to HC-290;
  - (ii) Three compressor manufacturing lines to HC-290;
  - (iii) Three HPWH manufacturing lines to HC-290;
  - (iv) Two HPWH manufacturing lines to R-744;
- (m) To deduct 1,027.13 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding associated with the RAC sector;
- (n) To approve the first tranche of stage II of the HPMP for the RAC sector, and the corresponding tranche implementation plans, in the amount of US \$16,698,065, consisting of US \$14,671,089, plus agency support costs of US \$1,026,976 for UNIDO, and US \$891,892, plus agency support costs of US \$108,108 for the Government of Italy;

*Solvent sector*

- (o) To note that the sector plan for the solvent sector had been approved in principle by the Executive Committee at its 76<sup>th</sup> meeting, in the amount of US \$44,800,000, plus agency support costs for UNDP, to be determined at a future meeting;
- (p) To approve an additional US \$2,462,566 of the total amount approved in principle for stage II of the HPMP for the project management unit for the solvent sector for stage II of the HPMP;
- (q) To approve the first tranche of stage II of the HPMP for solvent sector, and the corresponding tranche implementation plan, in the amount of US \$2,821,937, plus agency support cost of US \$197,536 for UNDP;

*Refrigeration and air-conditioning servicing sector and enabling programme*

- (r) To note that the sector plan for the refrigeration and air-conditioning servicing sector and enabling programme had been approved in principle by the Executive Committee at its 76<sup>th</sup> meeting in the amount of US \$20,290,000, plus agency support costs for UNEP, the Government of Germany and the Government of Japan, to be determined at a future meeting;
- (s) To approve the first tranche of stage II of the HPMP for the refrigeration and air-conditioning servicing sector and enabling programme, and the corresponding tranche implementation plan, in the amount of US \$4,090,183, consisting of US \$3,299,132, plus agency support costs of US \$364,651 for UNEP, US \$300,000, plus agency support costs of US \$36,000 for the Government of Germany, and US \$80,000, plus agency support costs of US \$10,400 for the Government of Japan.

**(Decision 77/49)**

**Tranche requests of stage I and stage II of HPMPs**

Cuba: HCFC phase-out management plan stage I – third tranche (UNDP)

- 179. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/39.
- 180. One member said that delaying the submission of the refrigeration project until a suitable technology was available was a wise decision. He also asked that the change of technology by one PU foam enterprise be explicitly approved in the decision to make it easier for members to recall.
- 181. 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 Cuba;
    - (ii) That three enterprises in the polyurethane foam sector for which conversion had been approved on the basis of a low-global warming potential (GWP) alternative were temporarily using a blend of HFC-365mfc and HFC-227ea owing to the poor performance of the selected technology;
    - (iii) That the enterprise INPUD had decided to convert to cyclopentane instead of water-blown technology and would provide the co-financing required;
  - (b) To request UNDP:
    - (i) To continue assisting the Government of Cuba, during the implementation of its HPMP, in securing the supply of low-GWP alternative technologies for the two foam enterprises (FRIARC and IDA) included in stage I of the HPMP that had not found a low-GWP alternative technology;
    - (ii) To report to the Executive Committee on the status of the use of the interim technology selected by the two enterprises at each meeting until a low-GWP technology had been introduced and the foam enterprises had been fully converted; and

- (c) To approve the third tranche of stage I of the HPMP for Cuba and the corresponding 2017–2018 tranche implementation plan, including the proposed change in technology for the enterprise INPUD, in the amount of US \$141,527, plus agency support costs of US \$10,615 for UNDP.

**(Decision 77/50)**

Grenada: HCFC phase-out management plan stage I – second tranche (UNEP/UNIDO)

182. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/77/47 and Add.1. She pointed out that the addendum had been issued following further discussions with UNEP and the Government of Grenada, which had led to a decrease in the starting point for sustained aggregate reductions in HCFC consumption and thus in the funding eligibility. Given the advanced state of implementation of stage I of the HPMP, the Secretariat was proposing to adjust the funding eligibility when the request for stage II was submitted.

183. The Executive Committee decided:

- (a) To note:
  - (i) The progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Grenada;
  - (ii) That UNIDO had been added as a cooperating agency for the implementation of the second tranche of stage I of the HPMP;
  - (iii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 0.58 ODP tonnes, estimated on the basis of the historical consumption;
  - (iv) That the Fund Secretariat had revised the Agreement between the Government of Grenada and the Executive Committee, as contained in Annex XXV to the present report, in relation to the established HCFC baseline for compliance, the revised starting point for sustained aggregate reduction in HCFC consumption, and the inclusion of UNIDO as cooperating agency;
  - (v) That the revised funding level for stage I of the HPMP for Grenada was US \$164,500, plus agency support costs, in accordance with decision 60/44(f)(xii) and that the deduction of US \$45,500 would be applied when stage II of the HPMP was approved; and
- (b) To approve the second tranche of stage I of the HPMP for Grenada and the corresponding 2017–2020 tranche implementation plans, in the amount of US \$91,920, consisting of US \$9,000, plus agency support costs of US \$1,170 for UNEP, and US \$75,000, plus agency support costs of US \$6,750 for UNIDO, on the understanding that if Grenada were to decide to proceed with retrofits, and associated servicing, using 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 77/51)**

Mexico: HCFC phase-out management plan stage II – second tranche (UNIDO/UNEP/Germany/Italy/Spain)

184. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/55.
185. 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 Mexico;
    - (ii) The inclusion of the Government of Spain as a cooperating bilateral agency for the second (2016) and third (2018) tranches, for activities in the aerosol and refrigeration servicing sectors;
    - (iii) That the Fund Secretariat had updated the Agreement between the Government of Mexico and the Executive Committee, as contained in Annex XXVI to the present report, specifically paragraphs 9 and 10 and Appendix 2-A, with regard to the transfer of funding in the amount of US \$1,056,991, for the second tranche, and US \$1,070,000, for the third tranche, from UNIDO to the Government of Spain for the implementation of activities mentioned in sub-paragraph (a)(ii) above, and paragraph 16, which had been added to indicate that the updated Agreement superseded that reached at the 73<sup>rd</sup> meeting; and
  - (b) To approve the second tranche of stage II of the HPMP for Mexico, and the corresponding 2017–2018 tranche implementation plans, in the amount of US \$2,836,274, consisting of US \$1,165,509, plus agency support costs of US \$81,586 for UNIDO, US \$40,000, plus agency support costs of US \$5,200 for UNEP, US \$325,000, plus agency support costs of US \$40,750 for the Government of Germany, and US \$1,056,991, plus agency support costs of US \$121,238 for the Government of Spain.

**(Decision 77/52)**

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

186. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/77/59 and Add.1.
187. 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 of (HPMP) for Rwanda;
  - (b) To approve the third tranche of stage I of the HPMP for Rwanda, and the corresponding 2017–2018 tranche implementation plans, in the amount of US \$93,850, consisting of US \$30,000, plus agency support costs of US \$3,900 for UNEP, and US \$55,000, plus agency support costs of US \$4,950 for UNIDO, on the understanding that:
    - (i) If the Government of Rwanda were to decide to proceed with retrofits, and associated servicing, using 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; and

- (ii) UNEP would report on the progress made in implementing the recommendations in the verification report at the time of the next tranche submission.

**(Decision 77/53)**

Saudi Arabia: HCFC phase-out management plan stage I – fourth tranche (UNIDO/UNEP)

188. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/60.

189. Some members expressed the view that the conditions attached to the release of the fourth tranche might delay progress by Saudi Arabia in implementing the various activities in its HPMP and imperil the country's compliance with its obligations under the Montreal Protocol. One of them called the conditions specified in the Agreement unprecedented and noted that, even in the presence of delays, the country was fulfilling its obligations under the Montreal Protocol. Some members stated that Saudi Arabia had demonstrated its commitment to phase out its use of HCFCs, and the implementing agencies had confirmed that all activities in the HPMP had been initiated. Some members recalled that the Executive Committee had in the past imposed conditions on projects experiencing delays. It was further pointed out that Saudi Arabia had agreed to the conditions contained in Appendix 8-A to the Agreement between the Government and the Executive Committee, which had been established on the basis of the rate of implementation of previous projects relating to other ODS.

190. With regard to the request for funds to replace damaged equipment, the representative of the Secretariat explained that the equipment had been damaged during an extended stay in customs. By the time the equipment had been transferred to the enterprise, and the damage had been assessed, the insurance had lapsed. The enterprise for which the equipment had been destined still wanted to carry out its conversion, so the proposal was to reallocate savings from another component of the HPMP.

191. One member enquired as to why it was deemed necessary to approve the fourth tranche at the present meeting, seeing as the amount of US \$4.4 million from previously approved tranches had not yet been disbursed and could be used to make further progress. Other areas of the HPMP, such as foam manufacturing and the servicing sector, were also experiencing delays, and required further discussion. The outstanding issues were referred to an informal group facilitated by the Secretariat.

192. Following informal discussions, the Secretariat reported that the outstanding issues had been resolved.

193. 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 Saudi Arabia;
  - (ii) With concern, the delay in the implementation of activities in the foam manufacturing and refrigeration servicing sectors;
  - (iii) That the conditions of Appendix 8-A of the Agreement between the Government of Saudi Arabia and the Executive Committee had not been met, and portions of the funding (US \$777,000, plus agency support costs of US \$54,390 for UNIDO, and US \$120,000 plus agency support costs of US \$14,864 for UNEP) related to activities in the servicing sector could not be released as they were subject to the conditions;

- (b) To approve, on an exceptional basis, the proposal to provide funding for the damaged equipment in accordance with sub-paragraph 7(a) of the Agreement between the Government of Saudi Arabia and the Executive Committee, as reflected in the 2016-2017 tranche implementation plan;
- (c) To request UNIDO to prepare a report outlining the resolution of issues related to customs clearance, such as duties, taxes, demurrage fees and any damages to equipment purchased by the Multilateral Fund, to be submitted together with the fifth tranche request;
- (d) To allow the fifth tranche request to be submitted once the following conditions had been met:
  - (i) Completion of the conversion, to the agreed technology, of all polyurethane foam enterprises included in stage I of the HPMP, establishment of the ban on HCFC-141b and completion of the conversion to a blend of isobutane, CO<sub>2</sub> and HFO-1234ze at the extruded polystyrene foam enterprise, Al-Watania;
  - (ii) Completion of the conversion of all systems houses included in stage I of the HPMP to formulations with a low global-warming potential and at least ten workshops held by systems houses for downstream foam users;
  - (iii) Adoption of a code of practice and e-licensing scheme, establishment of mandatory recovery and recycling of HCFCs and other ODS refrigerants, and establishment of a ban on disposable refrigerant cylinders;
- (e) To request the return, to the same meeting at which the fifth tranche request was submitted, of funds associated with any foam enterprise or systems house in stage I of the HPMP that decided not to convert to the agreed technology or not to participate in the HPMP, after taking into account the funds needed for conversion at the two newly identified enterprises (Bayt Al Awazil and Sahari);
- (f) To approve, on an exceptional basis, the fourth tranche of stage I of the HPMP for Saudi Arabia and the corresponding 2016–2017 tranche implementation plan, in the amount of US \$2,171,680, consisting of US \$1,766,600, plus agency support costs of US \$123,662 for UNIDO, and US \$250,400, plus agency support costs of US \$31,018 for UNEP, on the understanding that the Treasurer would withhold the amount of US \$966,254, consisting of US \$777,000, plus agency support costs of US \$54,390 for UNIDO, and US \$120,000, plus agency support costs of US \$14,864 for UNEP, until receipt of a comprehensive report demonstrating that the conditions specified in Appendix 8-A had been met, and on the understanding that, if the report were not provided by the first regular meeting of 2018, the amount of US \$966,254 would be returned to the Multilateral Fund, and that a request for those funds could be made by the Government of Saudi Arabia only once the conditions in Appendix 8-A had been fully met.

**(Decision 77/54)**

Senegal: HCFC phase-out management plan stage I – second tranche (UNIDO/UNEP)

194. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/61.

195. The Executive Committee decided:

(a) To note:

- (i) The progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Senegal contained in document UNEP/OzL.Pro/ExCom/77/61;
- (ii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 20.96 ODP tonnes, based on the verification report submitted to the 77<sup>th</sup> meeting, and that the revised funding level for stage I of the HPMP for Senegal was US \$630,000, plus agency support costs, in accordance with decision 60/44(f)(xii);
- (iii) That the Fund Secretariat had updated the Agreement between the Government of Senegal and the Executive Committee, as contained in Annex XXVII to the present report, specifically paragraph 1, Appendices 1-A and 2-A, with regard to the revised starting point and funding level, and paragraph 16, which had been added to indicate that the updated Agreement superseded that reached at the 65<sup>th</sup> meeting; and

- (b) To approve the second tranche of stage I of the HPMP for Senegal, and the corresponding 2017–2018 tranche implementation plans, in the amount of US \$176,400, consisting of US \$80,000, plus agency support costs of US \$6,000 for UNIDO, and US \$80,000, plus agency support costs of US \$10,400 for UNEP.

**(Decision 77/55)**

Somalia: HCFC phase-out management plan stage I – second tranche (UNIDO)

196. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/62, and stated that, in Annex I, the table from Appendix 2-A should be corrected so that the amount in row 1.2 (the maximum allowable total consumption of Annex C, Group I substances) for 2015 read 16.42 ODP tonnes rather than 14.78 ODP tonnes.

197. The Executive Committee decided:

(a) To note:

- (i) The progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Somalia;
- (ii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 18.10 ODP tonnes, consisting of 16.42 ODP tonnes of HCFC-22 and 1.68 ODP tonnes of HCFC-141b contained in imported pre-blended polyols;
- (iii) That the Fund Secretariat had updated the Agreement between the Government of Somalia and the Executive Committee, as contained in Annex XXVIII to the present report, specifically paragraph 1 and Appendices 1-A, 2-A and 5-A, with regard to the revised starting point and the change in monitoring institutions, and paragraph 16, which had been added to indicate that the updated Agreement superseded that reached at the 67<sup>th</sup> meeting;

- (b) To approve the second tranche of stage I of the HPMP for Somalia, and the corresponding 2017–2019 tranche implementation plan, in the amount of US \$141,500, plus agency support costs of US \$9,905 UNIDO; and
- (c) To approve, on an exceptional basis, the additional funding of US \$45,000, plus agency support costs of US \$3,150 for UNIDO, for security-related costs to enable the implementation of the programme, in line with decision 67/28(h).

**(Decision 77/56)**

Thailand: HCFC phase-out management plan stage I – third tranche (World Bank)

198. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/65.
199. One member said that, although there had been good progress in some areas, it seemed that, for the PU foam sector, agreements had yet to be signed for many of the enterprises, despite the expectation that all relevant agreements would have been signed by the end of 2016.
200. The representative of the World Bank explained that, while only 20 of the foam enterprises had signed agreements, others were expected to do so soon. The World Bank would then take stock of the situation at the end of 2016 and discuss the issue with the Government of Thailand. If there was no need for all of the requested funding, the request for the fourth tranche of funding would be adjusted to take into account the unallocated amounts.
201. One member recalled that the completion date for projects in the foam sector had been pushed back from the end of 2017 to the end of 2018. She had agreed to the extension on the understanding that no more extensions would be granted, yet noted that Thailand had yet to submit its proposal for stage II of its HPMP and still had much to accomplish under stage I.
202. The Executive Committee decided:
- (a) To note:
    - (i) The progress report on implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Thailand;
    - (ii) That the Fund Secretariat had updated the Agreement between the Government of Thailand and the Executive Committee, contained in Annex XXIX to the present report, specifically Appendix 2-A to correct the consumption targets for 2018 and to reflect a reduction in funding amounting to US \$381,197, plus agency support costs, in the third tranche, and paragraph 16, which had been added to indicate that the updated Agreement, superseded that reached at the 68<sup>th</sup> meeting;
  - (b) To request the Government of Thailand and the World Bank, upon submission of the request for the fourth tranche of stage I of the HPMP, to confirm:
    - (i) Completion of HCFC-22 phase-out in the manufacturing of air-conditioners with a capacity of less than 50,000 British thermal units (BTUs) per hour and in the production of HFC-32-based air-conditioners by all manufacturing enterprises;
    - (ii) Enforcement of regulations prohibiting, from 1 January 2017, the manufacture of HCFC-22-based air-conditioners with a capacity of less than 50,000 BTUs per hour intended for sale in domestic markets, as well as the use of HCFC-141b in

bulk and in pre-blended polyols in manufacturing in the foam sector, except for in spray foam;

- (iii) Development of a final plan of action addressing the foam sector and all remaining activities in the refrigeration servicing sector for the implementation of stage I of the HPMP, as well as fund balances that might be returned and/or funding associated with the future tranches that might not be requested on the basis of the plan of action, with the understanding that the total phase-out of HCFC specified in Appendix 2-A of the Agreement would be achieved; and
- (c) To approve the third tranche of stage I of the HPMP for Thailand, and the corresponding 2017 tranche implementation plan, in the amount of US \$618,803, plus agency support costs of US \$43,316 for the World Bank.

**(Decision 77/57)**

**AGENDA ITEM 9: CALCULATION OF THE LEVEL OF INCREMENTAL COSTS FOR THE CONVERSION OF HEAT-EXCHANGER MANUFACTURING LINES IN ENTERPRISES CONVERTING TO HC-290 TECHNOLOGY (decision 76/51(b))**

203. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/69. In response to a query about the GWP of R-452B, the representative of the Secretariat confirmed that it was 676.

204. The Executive Committee decided:

- (a) To take note of the document UNEP/OzL.Pro/ExCom/77/69 on the calculation of the level of incremental costs for the conversion of heat-exchanger manufacturing lines in enterprises converting to HC-290 technology (decision 76/51);
- (b) To request the Secretariat to adjust the cost of stage II of the HCFC phase-out management plan for Brazil, as appropriate, upon receipt of the request for the second tranche, in accordance with decision 75/43(f), on the basis of the technical information contained in document UNEP/OzL.Pro/ExCom/77/69; and
- (c) To request the Secretariat and the bilateral and implementing agencies to use the technical information contained in the annex to document UNEP/OzL.Pro/ExCom/77/69 as a reference when assessing the incremental costs of converting heat-exchanger lines during the conversion of HCFC-22-based air-conditioners to the use of HC-290, HFC-32 and R-452B refrigerants.

**(Decision 77/58)**

**AGENDA ITEM 10: ISSUES RELEVANT TO THE EXECUTIVE COMMITTEE ARISING FROM THE TWENTY-EIGHTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL**

205. The representative of the Secretariat introduced a note by the Secretariat (UNEP/OzL.Pro/ExCom/77/70/Rev.1), which aimed to seek guidance from the Executive Committee on a way forward to address decision XXVIII/2 of the Twenty-Eighth Meeting of the Parties on the amendment on phasing down HFCs that had requested the Executive Committee, *inter alia*, to develop, within two years of the adoption of the Kigali Amendment, guidelines for financing the phase-down of HFC consumption and production in Article 5 Parties.

206. All members of the Committee spoke on various aspects of the matter. There was general acknowledgement of the historic importance of the adoption of the Kigali Amendment and of the challenges facing the Executive Committee in formulating a timely and appropriate response to decision XXVIII/2. Regarding the overall approach to be taken, several members said that it was necessary to strike a balance between the need for prompt and decisive action, and the need to move forward in a thoughtful, judicious and well-informed manner. The process should be iterative, and the Executive Committee should be consulted at each step. One member said that the process should be just, transparent and efficient. There was consensus that the Committee needed to adopt a structured, strategic approach, applying appropriate guidelines and parameters, before defining specific actions and activities.

207. Several members said that the note by the Secretariat provided helpful background information on issues relevant to the Kigali Amendment and useful suggestions on potential actions that the Executive Committee might wish to consider. Some members said that the note should have been developed in consultation with the Executive Committee, and in any case was premature, as the Committee had not requested its preparation. One member said that decision XXVIII/2 should form the basis of any work programme on the Kigali Amendment developed by the Committee, and identification of the main themes and priorities to be included in that programme.

208. On the way forward, there was consensus that a special meeting of the Executive Committee should be held early in 2017, with several members favouring the first week in April, to discuss matters related to the Kigali Amendment, and how to deal with potential additional contributions from donors. Some members said that it would be useful for the Executive Committee to request the Secretariat to prepare relevant strategic documents to guide discussions at that meeting.

209. Several members said that an immediate priority for the Executive Committee was to decide whether to accept and how to deal with the additional voluntary contributions from a group of donor countries intended to finance activities for implementation of the HFC phase-down. The modalities related to the contributions could be decided through bilateral discussions between the donor countries and the Treasurer, given variations in the financing mechanisms applied by different countries, which would necessitate a customized approach. One member said that the Executive Committee should first broadly define the purpose of those contributions before considering more specific requests and proposals from the implementing agencies. Several members said that, initially, the focus should be on fast-start support for implementation, including enabling activities in Article 5 countries, in order to gather early momentum. Priority areas identified included energy efficiency and the refrigeration and air-conditioning sector. One member highlighted some issues that should be given particular attention, including safety and data collection. Another member said that the focus should be on countries that were engaged and ready to move forward in taking early action on HFC reduction.

210. With regard to the new challenges presented by dealing with HFCs, one member said that it would be fruitful to take the modalities developed for dealing with HCFCs as the starting point and to adapt them to the particular needs of HFC activities, given that more flexibility will be required in line with the Kigali Amendment. Another member highlighted the uncertainties with regard to the sources and mode of implementation of the funding, including the fact that funds from the foundations would not be channelled through the Multilateral Fund. He also said that issues of equity should be given high priority when making decisions on the allocation of funding.

211. Following the discussion, the Chief Officer clarified the procedure by which the note had been produced. In line with normal practice in such cases, the Chief Officer had consulted with the Chair and Vice-Chair as to whether an item on the Kigali Amendment should be included in the agenda for the present meeting. Once that had been confirmed, the Secretariat had prepared the information note to inform the Executive Committee, taking into account the complex and wide-ranging discussions leading up to the Twenty-Eighth Meeting of the Parties, the various decisions taken on the matter, the strong commitment by donor countries and the need to develop financing modalities, and the overall need for

urgent action to implement the Kigali Amendment. He also stated that, unless instructed by the policy body, the Secretariat did not consult with members in the preparation of documents; nor in the present instance had there been time to do so. Two main areas were highlighted in the document as requiring particularly urgent action: the refrigeration servicing sector and energy efficiency. The document contained no recommendations, but was intended to provide information to assist the Committee in its decision-making processes.

212. The Executive Committee agreed to establish a contact group, convened by the representative of Canada, to discuss how the Committee should move forward in dealing with matters related to the Kigali Amendment and decision XXVIII/2 of the Twenty-Eighth Meeting of the Parties, as well as with the potential additional contributions from donor countries.

213. Following the report of the convenor of the contact group, the Executive Committee decided:

- (a) To hold a four-day special meeting early in 2017 to address matters related to the Kigali Amendment to the Montreal Protocol arising from decision XXVIII/2 of the Meeting of the Parties, and potential additional contributions to the Multilateral Fund;
- (b) To request the Secretariat to prepare a document containing preliminary information in response to the elements in decision XXVIII/2 of the Twenty-Eighth Meeting of the Parties that requested the Executive Committee to take action, and addressing the following issues:
  - (i) Available information on HFC consumption and production, as well as on HFC-23 by-product, including from surveys of ODS alternatives funded by the Multilateral Fund and other sources;
  - (ii) The enabling activities required to assist Article 5 countries in commencing their reporting and regulatory activities in relation to the HFC-control measures;
  - (iii) Key aspects related to HFC-23 by-product-control technologies;
  - (iv) Identification of the issues that the Executive Committee might want to consider in relation to existing HCFC phase-out activities;
  - (v) Information relevant to the development of the cost guidelines requested from the Executive Committee;
- (c) To invite Executive Committee members of the 77<sup>th</sup> meeting to share relevant information with the Secretariat on, but not limited to, the elements listed in sub-paragraphs (b)(i) to (v) above, no later than 31 January 2017 on an exceptional basis owing to the limited time until the end of 2016;
- (d) With respect to the intended US \$27 million fast-start contributions in 2017 from some of the non-Article 5 Parties:
  - (i) To accept, with appreciation, the additional contributions announced by a number of non-Article 5 Parties to provide fast-start support for implementation of the Kigali Amendment, noting that such funding was one-time in nature and would not displace donor contributions;
  - (ii) That the additional contributions mentioned in sub-paragraph (d)(i) above should be made available for Article 5 countries that had an HFC consumption baseline year between 2020 and 2022 and that had formally indicated their intent to ratify

the Kigali Amendment and take on early HFC phase-down obligations in order to support their enabling activities, such as capacity building and training in handling HFC alternatives, Article 4B licensing, reporting, and project preparation activities, taking into account, but not restricted to, relevant guidelines and decisions of the Executive Committee;

- (iii) To request the Secretariat to develop a document describing possible procedures for countries identified in sub-paragraph (d)(ii) above in accessing the additional fast-start contributions for enabling activities;
- (iv) That the Treasurer would communicate with contributing non-Article 5 countries on procedures for making the additional contributions available to the Multilateral Fund for the purpose of early action in respect of the Kigali Amendment;
- (v) That the Secretariat would report to the Executive Committee on the additional fast-start contributions received separately from the pledged contributions to the Multilateral Fund; and
- (e) To request the Secretariat to prepare an agenda for the special meeting referred to in sub-paragraph (a) above based on the issues identified in sub-paragraphs (b) to (d) above.

**(Decision 77/59)**

#### **AGENDA ITEM 11: REVIEW OF THE OPERATION OF THE EXECUTIVE COMMITTEE (decision 76/55(b))**

214. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/71.

215. There was general support for maintaining the practice of holding two meetings per year, with the flexibility to hold a third meeting on an exceptional basis when required by the workload, although some members stressed that a third meeting should be held only on a very exceptional basis. Concerns were also expressed regarding proposed changes to submission deadlines: one member asked whether implementing agencies would be able to comply with the new deadline for the annual progress reports, and another noted that bringing forward the deadline for project proposal submissions would reduce the amount of time available for discussions with the enterprises.

216. Following informal discussions among the representatives of the Secretariat and the implementing agencies, the Executive Committee decided:

- (a) To note the document UNEP/OzL.Pro/ExCom/77/71 on the operation of the Executive Committee, prepared pursuant to decisions 73/70(h) and 76/55(b);
- (b) To continue convening two meetings of the Executive Committee from 2017 onwards, preferably in the second or third week of June for the first meeting, and in late November or the first week of December for the second meeting, with the possibility of holding an additional brief meeting if required to consider project proposals or specific requests from the Parties to the Montreal Protocol;
- (c) To request the Secretariat to reorganize agenda items for Executive Committee meetings according to the classification scheme described in document UNEP/OzL.Pro/ExCom/77/71 and as formulated in the illustrative agendas for the first and second meetings contained in the document;

- (d) To note:
  - (i) With regard to progress and financial reports:
    - a. That bilateral and implementing agencies would be requested to submit their annual progress and financial reports for the previous year to the Secretariat by 1 May if the first meeting were convened on or after 1 July, otherwise 12 weeks prior to the second meeting of the year;
    - b. That the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies would be considered at the first meeting of the year if that meeting were convened on or after 1 July, and at the second meeting of the year if it were convened earlier;
  - (ii) That the sub-agenda item on the evaluation of the performance of implementing agencies would be considered at the first meeting of the year if that meeting were convened on or after 1 July, and at the second meeting of the year if it were convened earlier; and
- (e) To continue to invite bilateral and implementing agencies to submit projects proposals and reports in advance of the prescribed deadlines wherever possible, in order to facilitate their timely review by the Secretariat.

**(Decision 77/60)**

## **AGENDA ITEM 12: ACCOUNTS OF THE MULTILATERAL FUND**

### **(a) Final 2015 accounts**

217. The Treasurer introduced document UNEP/OzL.Pro/ExCom/77/72.

218. Noting that the issue of long-outstanding contributions had once again been brought to the Committee's attention, one member expressed support for the proposed way forward, as, in his view, the writing-off of contributions was outside the Committee's purview.

219. The Executive Committee decided:

- (a) To note:
  - (i) The final financial statements of the Multilateral Fund as at 31 December 2015, prepared in accordance with the International Public Sector Accounting Standards, contained in document UNEP/OzL.Pro/ExCom/77/72;
  - (ii) The report of the United Nations Board of Auditors (UNBoA) for the year ending 31 December 2015 submitted to UNEP;
  - (iii) The UNBoA observation and recommendation indicating that UNEP should bring the issue of long-outstanding contributions receivable to the attention of the Executive Committee for its consideration or write-off, and the subsequent response by UNEP, taking into account the Secretariat's comments on the issue;

- (b) To request the Treasurer to record in the 2016 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2015 financial statements and their final 2015 statements, as reflected in Table 1 of document UNEP/OzL.Pro/ExCom/77/72; and
- (c) To request the Chair of the Executive Committee to report, to the Twenty-Ninth Meeting of the Parties to the Montreal Protocol, the UNBoA observation and recommendation that UNEP should "bring again the matter to the attention of the Multilateral Fund Executive Committee for its consideration or write-off".

**(Decision 77/61)**

**(b) Reconciliation of the 2015 accounts**

220. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/73.

221. The Executive Committee decided:

- (a) To note the reconciliation of the 2015 accounts contained in document UNEP/OzL.Pro/ExCom/77/73;
- (b) To request the Treasurer:
  - (i) To deduct from future transfers to UNDP the amount of US \$105,346, on account of an interest income reported in its 2015 final accounts that was higher than in its provisional accounts;
  - (ii) To transfer US \$21,467 to UNIDO, which represented interest earned for China in 2012, which had been offset twice, against approvals at the 71<sup>st</sup> and 74<sup>th</sup> meetings;
- (c) To request UNEP to make the following adjustments in its 2016 accounts:
  - (i) US \$329,000 in expenditure adjustments required for 2015;
  - (ii) US \$221,570 in expenditure representing an unreconciled amount carried forward from 2014;
  - (iii) US \$907,514 representing 2014 reconciliation items not adjusted/actioned in 2015;
  - (iv) US \$219,231 in agency support costs recorded incorrectly in the final 2015 accounts;
- (d) To request UNEP to make the following adjustments in its 2016 progress report:
  - (i) US \$217,633 in income recorded in UNEP's 2015 accounts but not in the progress report; and
  - (ii) US \$123,412 in expenditure, and US \$190,385 in savings reflected in UNEP's 2015 accounts but not in its progress report;
- (e) To request UNIDO to reflect in its 2016 accounts US \$2,040,715 in 2015 income not recorded in 2015;

- (f) To note that the following 2015 outstanding reconciling items would be updated prior to the 80<sup>th</sup> meeting by relevant implementing agencies:
- (i) Differences of US \$41,106 in income and US \$18,992 in expenditure between UNEP's progress report and final accounts;
  - (ii) Differences of:
    - a. US \$26 between UNIDO's progress report and the Secretariat's inventory of approved projects, to be adjusted by UNIDO in its progress report;
    - b. US \$43 in income between UNIDO's progress report and final accounts;
    - c. US \$37,725 in agency support costs expenditure between UNIDO's progress report and the final accounts; and
  - (iii) A difference of US \$143,940 in income between the World Bank's progress report and final accounts;
- (g) To note the standing reconciling items as follows:
- (i) UNDP, for unspecified projects, in the amounts of US \$68,300 and US \$29,054; and
  - (ii) The World Bank, for the following projects, being implemented with other bilateral agencies where applicable:
    - The bilateral cooperation of the Government of Japan (THA/PHA/68/TAS/158), in the amount of US \$342,350;
    - The bilateral cooperation of the Government of Sweden (THA/HAL/29/TAS/120), in the amount of US \$225,985;
    - The bilateral cooperation of the Government of the United States of America (CPR/PRO/44/INV/425), in the amount of US \$5,375,000;
    - The bilateral cooperation of the Government of the United States of America (CPR/PRO/47/INV/439), in the amount of US \$5,375,000;
    - The Thailand chiller project (THA/REF/26/INV/104), in the amount of US \$1,198,946;
    - Stage I of the HCFC phase-out management plan for Thailand (THA/PHA/74/INV/164 and 165), in the amount of US \$10,385,585; and
    - Stage I of the HCFC production phase-out management plan for China (CPR/PRO/75/INV/568), in the amount of US \$17,740,800.

**(Decision 77/62)**

# **AGENDA ITEM 13: APPROVED 2015, 2016, 2017, 2018, AND PROPOSED 2019 BUDGETS OF THE FUND SECRETARIAT**

222. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/74.

223. Noting that the budgets for 2017, 2018 and 2019 set aside funding for a provisional third meeting, one member recalled that the holding of a third meeting in 2018 and 2019 had not yet been discussed. It was as yet unclear what expertise the Secretariat might need in the future to support the Executive Committee in moving towards implementation of the Kigali Amendment, and it was suggested that the matter be taken up at the special meeting of the Committee in 2017.

224. The Executive Committee decided:

(a) To note:

- (i) The document on approved 2015, 2016, 2017 and 2018, and proposed 2019 budgets of the Fund Secretariat contained in UNEP/OzL.Pro/ExCom/77/74;
- (ii) That US \$402,099 in expenditure not recorded in the 2015 accounts (composed of US \$378,099 relating to the budget of the Fund Secretariat and US \$24,000 relating to the budget of Senior Monitoring and Evaluation Officer) had been reallocated to the 2016 approved budget;
- (iii) The return of US \$1,477,253 (composed of US \$1,449,117 from the approved 2015 budget for the Fund Secretariat and US \$28,136 from the approved 2015 budget of the Senior Monitoring and Evaluation Officer) to the Multilateral Fund at the 77<sup>th</sup> meeting;

(b) To approve as contained in Annex XXX to the present report:

- (i) The revised 2016 budget of US \$7,561,218 reflecting a reallocation of unrecorded expenditures of US \$378,099 in addition to a credit of US \$25,934 under budget line 1309 in 2015, and an increase of US \$30,800 associated with higher document translation costs for the 77<sup>th</sup> meeting of the Executive Committee;
- (ii) The upgrade of four P3 posts to P4, the downgrade of one G7 post to G6, and the upgrade of one G5 post to G6, at an additional cost of US \$39,500, effective as of 1 January 2017;
- (iii) The revised 2017 budget totalling US \$7,748,982, including one additional meeting of the Executive Committee at a cost US \$355,800 and US \$92,791 for other Executive Committee meeting-related costs;
- (iv) The revised 2018 budget totalling US \$7,829,038 based on three meetings of the Executive Committee and on the 2017 revised budget; and
- (v) The proposed 2019 budget with US \$7,961,748 based on three meetings of the Executive Committee, the revised 2018 budget and a 3 per cent increase in staff costs.

**(Decision 77/63)**

## AGENDA ITEM 14: REPORT OF THE SUB-GROUP ON THE PRODUCTION SECTOR

225. The facilitator of the Sub-group on the Production Sector introduced the report of the Sub-group (UNEP/OzL.Pro/ExCom/77/75/Rev.1) containing recommendations for consideration by the Executive Committee. He said that the Sub-group had met twice in the margins of the meeting and had addressed all of the items on its agenda. Significant progress had been made in addressing the HCFC production sector guidelines and agreement had been reached on removing the square brackets surrounding paragraphs (h) and (j). While discussing paragraph (k), which related to swing plants, it had been suggested that the issue should also be considered during the Executive Committee's discussion of the HFC cost guidelines being established pursuant to the Kigali Amendment.

226. With regard to stage I of the HCFC production phase-out management plan for China, the Sub-group had considered the 2015 verification report of HCFC production and the 2016 progress report, during which the members had discussed the issue of disposal of waste residues containing HCFCs and compensation for idle capacity. In closing, he thanked the members of the Sub-group, the representatives of the implementing agencies and the Secretariat for all their hard work during the course of the meeting.

### HCFC production sector guidelines

227. The Executive Committee decided to continue discussion of the eligibility of swing plants producing HCFC-22 at the next meeting of the Sub-group on the Production Sector and consider that issue in the context of its discussions of by-product controls of HFC-23 arising from the Kigali Amendment.

**(Decision 77/64)**

### HCFC production phase-out management plan (HPPMP) (stage I) for China: 2015 verification report of the HCFC production

228. The Executive Committee decided:

- (a) To note the verification report of the HCFC production sector for China, considered by the Sub-group on the Production Sector, which indicated that China remained within the maximum allowable production and consumption targets for 2015;
- (b) To request the World Bank:
  - (i) To continue verifying producer's export data through cross-checking with customs export data for individual plant verification;
  - (ii) To verify, in the 2016 verification exercise to be conducted in 2017, the closure and dismantling of the HCFC production lines that had signed the contracts for idle capacity closure;
- (c) To encourage the Government of China to ensure that producing enterprises avoided the practice identified in the verification report of selling waste residues containing HCFCs to the market; and
- (d) To request the World Bank to report to the Executive Committee on the management of waste residues in the context of future verification reports.

**(Decision 77/65)**

HPPMP (stage I) for China: 2016 progress report

229. The Executive Committee decided:

- (a) To note the 2016 progress report for the implementation of the HCFC production phase-out management plan (HPPMP) (stage I) for China considered by the Sub-group on the Production Sector;
- (b) To request the Treasurer to offset future transfers to the World Bank by US \$4,481, representing additional interest accrued by the Government of China up to 31 December 2015 from funds previously transferred to China, and to associate the offset of the funds against the first tranche of stage II of the HPPMP for China;
- (c) To request the Government of China, through the World Bank, to submit to the 79<sup>th</sup> meeting:
  - (i) The detailed report on the operation of the project management unit in 2015 required by decision 74/56(c); and
  - (ii) A report on the progress made and the outcomes achieved in the two technical assistance projects: Research and a study on HFC-23 conversion/pyrolysis technologies, and Investigation on reducing HFC-23 by-product ratio using best practices.

**(Decision 77/66)**

**AGENDA ITEM 15: OTHER MATTERS**

Publication of meeting documents on the website of the Multilateral Fund Secretariat

230. One member raised the issue of posting Executive Committee documents on the Fund Secretariat website at least a month ahead of each meeting, to give members sufficient time to analyse the said documents. She explained that NOUs needed the documents to formulate instructions for members attending the meetings, and that those instructions required the signature of senior authorities in the country. While the member understood that project proposals linked to HPMPs required a great deal of, sometimes sensitive, negotiation, and might take more time, she requested that documents related to policy and procedures be posted no later than the established deadline. The member also made a request regarding the graphic interface on the website, asking that newly posted documents be identified as such, as they had been in the past.

231. The Chief Officer expressed understanding regarding the difficulty involved in trying to review a large number of documents in a short time. He said that implementing agencies were always encouraged to submit project documents as soon as they were ready, rather than waiting for the submission deadline. While it was true that some project proposals took more time, particularly when issues arose at the last minute, it was important to keep in mind that many of the policy and procedure documents produced by the Secretariat could be issued only once the project proposals had been completed. Nevertheless, the Secretariat would continue to do its utmost to ensure that documents were posted on the website as quickly as possible, and that the newly posted documents were identified as such.

Issues relating to the rules and procedures regarding observers at Executive Committee meetings

232. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/Inf.2, and stated that, in view of the adoption of the Kigali Amendment, the Secretariat foresaw an increase in the

number of requests by observers to attend future meetings of the Executive Committee. Guidance was being requested from the Executive Committee regarding the way to proceed. The Secretariat's existing practice was to follow Rule 7 of the Rules of Procedure for meetings of the Executive Committee and to obtain clearance from members of the Executive Committee, based on correspondence.

233. Members who took the floor expressed the view that the Secretariat should continue its current practice. One member stated that that non-governmental organizations (NGOs) requesting observer status at Executive Committee meetings should notify the Secretariat at least a week in advance, while noting that the chance of having such requests denied was slim. One of the members pointed out that observers who attended the meetings would attend plenary, but not be privy to the more sensitive discussions, which took place in smaller groups, thereby lessening the need for strict rules about observers.

234. The Executive Committee decided to request the Secretariat:

- (a) To continue informing members, by correspondence, of requests for observer status made by non-governmental organizations (NGOs) as long as the requests had been received at least one week ahead of the meeting of the Executive Committee in question; and
- (b) That if no objections were received from members within three working days of receipt of the correspondence, the Secretariat should notify the NGOs that they had been permitted by the Executive Committee to attend the meeting as observers.

**(Decision 77/67)**

#### Dates and venues of meetings of the Executive Committee in 2017

235. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/77/Inf.3, and provided options for the dates of the 78<sup>th</sup>, 79<sup>th</sup> and 80<sup>th</sup> meetings. The 78<sup>th</sup> meeting would be a four-day special meeting devoted to issues linked to HFC phase-down pursuant to the Kigali Amendment, to be held in the first week of April 2017, in Montreal, as per decision 77/60 under agenda item 11, Review of the operation of the Executive Committee (decision 76/55(b)), above. The representative of the Secretariat asked the members to consider holding the 79<sup>th</sup> meeting back to back with the 39<sup>th</sup> meeting of the Open-ended Working Group and other meetings related to the Parties to the Montreal Protocol, which would take place at the Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok, Thailand, from 9 to 14 July 2017. She also suggested that the 80<sup>th</sup> meeting of the Executive Committee be held back to back with the Twenty-Ninth Meeting of the Parties to the Montreal Protocol, to be hosted by the Government of Canada in Montreal. The date and venue of the 80<sup>th</sup> meeting would remain pending until confirmation had been received from the Government of Canada.

236. The Executive Committee decided:

- (a) To hold the four-day special 78<sup>th</sup> meeting in Montreal, Canada, from 4 to 7 April 2017;
- (b) To hold the 79<sup>th</sup> meeting in Bangkok, Thailand, from 3 to 7 July 2017, back to back with the 39<sup>th</sup> meeting of the Open-ended Working Group and other meetings related to the Parties to the Montreal Protocol; and

- (c) Tentatively to hold the 80<sup>th</sup> meeting in Montreal from 13 to 17 November 2017, back to back with, and the week preceding the Twenty-Ninth Meeting of the Parties to the Montreal Protocol, tentatively scheduled to take place from 20 to 24 November 2017, pending confirmation from the Government of Canada of the exact timing of that meeting.

**(Decision 77/68)**

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

237. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/77/L.1.

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

238. At the end of the meeting, tribute was paid to other members of the Montreal Protocol family who would be retiring, including those who had been mentioned in paragraph 15, or moving to other positions, such as Ms. Mayuka Ishida of the Global Environment Division of the International Cooperation Bureau of the Ministry of Foreign Affairs of Japan, and Ms. Elisa Rim of the Stratospheric Protection Division of the US Environmental Protection Agency.

239. Following the customary exchange of courtesies, the Chair declared the meeting closed at 10.45 p.m. on Friday, 2 December 2016.

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

**TABLE 1 : STATUS OF THE FUND FROM 1991-2016 (IN US DOLLARS)**

As at 2 December 2016

<b>INCOME</b>		
Contributions received:		
- Cash payments including note encashments		3,199,324,188
- Promissory notes held		7,591,091
- Bilateral cooperation		157,786,653
- Interest earned *		214,842,411
- Additional income from loans and other sources		0
- Miscellaneous income		20,986,608
<b>Total Income</b>		<b>3,600,530,951</b>
<b>ALLOCATIONS** AND PROVISIONS</b>		
- UNDP	815,838,890	
- UNEP	289,124,271	
- UNIDO	849,079,255	
- World Bank	1,235,871,440	
Unspecified projects	-	
Less Adjustments	-	
<b>Total allocations to implementing agencies</b>		<b>3,189,913,856</b>
Secretariat and Executive Committee costs (1991-2018)		
- includes provision for staff contracts into 2018		118,587,485
Treasury fees (2003-2018)		8,056,982
Monitoring and Evaluation costs (1999-2016)		3,414,113
Technical Audit costs (1998-2010)		1,699,806
Information Strategy costs (2003-2004)		
- includes provision for Network maintenance costs for 2004		104,750
Bilateral cooperation		157,786,653
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		16,277,330
<b>Total allocations and provisions</b>		<b>3,495,840,975</b>
<b>Cash</b>		<b>97,098,884</b>
<b>Promissory Notes:</b>		
	<b>2017</b>	4,704,750
	<b>2018</b>	2,886,342
	<b>Unscheduled</b>	0
		<b>7,591,092</b>
<b>BALANCE AVAILABLE FOR NEW ALLOCATIONS</b>		<b>104,689,976</b>

\* Includes interest amount earned of US \$526,421 by FECO/MEP/(China).

\*\* Amounts reflect net approvals for which resources are transferred including promissory notes that are not yet encashed by the implementing agencies. The Secretariat budget reflects actual costs as per the final 2015 accounts of the Fund and approved amounts for 2015 - 2018.

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

TABLE 2 : 1991 - 2016 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME (US\$)

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As of 2 December 2016

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2011	2012-2014	2015-2016	1991-2016
Pledged contributions	235,029,241	424,841,347	472,567,009	440,263,109	474,167,042	368,153,731	399,781,507	397,073,537	291,214,603	3,503,091,126
Cash payments/received	206,611,034	381,555,255	418,689,316	408,354,030	418,432,337	340,191,592	375,358,289	370,583,545	279,548,790	3,199,324,188
Bilateral assistance	4,366,255	11,909,814	21,358,066	21,302,696	47,349,203	18,871,084	13,906,972	12,481,633	6,240,930	157,786,653
Promissory notes	0	-	-	-	0	(0)	(1)	1,818,408	5,772,684	7,591,091
<b>Total payments</b>	<b>210,977,289</b>	<b>393,465,069</b>	<b>440,047,383</b>	<b>429,656,726</b>	<b>465,781,540</b>	<b>359,062,675</b>	<b>389,265,260</b>	<b>384,883,586</b>	<b>291,562,403</b>	<b>3,364,701,932</b>
Disputed contributions	0	8,098,267	0	0	0	32,471,642	405,792	3,477,910	452,064	44,905,675
Outstanding pledges	24,051,952	31,376,278	32,519,626	10,606,383	8,385,502	9,091,056	10,516,247	12,189,951	(347,801)	138,389,194
Payments %age to pledges	89.77%	92.61%	93.12%	97.59%	98.23%	97.53%	97.37%	96.93%	100.12%	96.05%
<b>Interest earned</b>	<b>5,323,644</b>	<b>28,525,733</b>	<b>44,685,516</b>	<b>53,946,601</b>	<b>19,374,449</b>	<b>43,537,814</b>	<b>10,544,631</b>	<b>6,615,053</b>	<b>2,288,970</b>	<b>214,842,411</b>
<b>Miscellaneous income</b>	<b>1,442,103</b>	<b>1,297,366</b>	<b>1,223,598</b>	<b>1,125,282</b>	<b>1,386,177</b>	<b>3,377,184</b>	<b>3,547,653</b>	<b>5,804,410</b>	<b>1,782,834</b>	<b>20,986,608</b>
<b>TOTAL INCOME</b>	<b>217,743,036</b>	<b>423,288,168</b>	<b>485,956,496</b>	<b>484,728,610</b>	<b>486,542,166</b>	<b>405,977,673</b>	<b>403,357,545</b>	<b>397,303,049</b>	<b>295,634,207</b>	<b>3,600,530,951</b>
<b>Accumulated figures</b>	<b>1991-1993</b>	<b>1994-1996</b>	<b>1997-1999</b>	<b>2000-2002</b>	<b>2003-2005</b>	<b>2006-2008</b>	<b>2009-2011</b>	<b>2012-2014</b>	<b>2015-2016</b>	<b>1991-2016</b>
Total pledges	235,029,241	424,841,347	472,567,009	440,263,109	474,167,042	368,153,731	399,781,507	397,073,537	291,214,603	3,503,091,126
Total payments	210,977,289	393,465,069	440,047,383	429,656,726	465,781,540	359,062,675	389,265,260	384,883,586	291,562,403	3,364,701,932
Payments %age to pledges	89.77%	92.61%	93.12%	97.59%	98.23%	97.53%	97.37%	96.93%	100.12%	96.05%
Total income	217,743,036	423,288,168	485,956,496	484,728,610	486,542,166	405,977,673	403,357,545	397,303,049	295,634,207	3,600,530,951
Total outstanding contributions	24,051,952	31,376,278	32,519,626	10,606,383	8,385,502	9,091,056	10,516,247	12,189,951	(347,801)	138,389,194
As % to total pledges	10.23%	7.39%	6.88%	2.41%	1.77%	2.47%	2.63%	3.07%	-0.12%	3.95%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,051,952	31,376,278	32,519,626	9,701,251	7,414,001	5,900,104	6,211,156	5,198,642	1,263,102	123,636,112
CEITs' outstandings %age to pledges	10.23%	7.39%	6.88%	2.20%	1.56%	1.60%	1.55%	1.31%	0.43%	3.53%

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

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

TABLE 3 : 1991-2016 Summary Status of Contributions (US\$)

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Andorra	102,819	70,483	0	0	32,336	0
Australia*	72,132,616	70,521,708	1,610,907	0	0	2,154,889
Austria	37,388,821	37,257,031	131,790	0	0	(65,840)
Azerbaijan	1,132,055	311,683	0	0	820,372	0
Belarus	3,298,313	100,000	0	0	3,198,313	0
Belgium	46,473,126	46,473,127	0	0	(0)	1,866,948
Bulgaria	1,633,826	1,633,826	0	0	0	0
Canada*	127,737,146	117,981,410	9,755,736	0	(0)	(1,412,994)
Croatia	674,013	674,013	0	0	(0)	105,089
Cyprus	982,544	982,544	0	0	0	45,377
Czech Republic	11,404,383	11,896,905	287,570	0	(780,092)	726,085
Denmark	30,850,411	29,325,207	161,053	0	1,364,151	(419,681)
Estonia	636,652	636,652	0	0	0	52,509
Finland	24,130,394	22,682,355	399,158	0	1,048,881	(372,534)
France	269,014,758	241,663,656	16,313,242	0	11,037,860	(8,281,748)
Germany	383,138,983	312,047,890	60,672,782	1,818,407	8,599,903	7,145,482
Greece	21,582,351	15,557,570	0	0	6,024,781	(1,340,447)
Holy See	9,145	9,145	0	0	0	0
Hungary	7,869,653	7,823,159	46,494	0	0	(76,259)
Iceland	1,431,001	1,250,430	0	0	180,571	51,218
Ireland	13,639,868	12,795,105	0	0	844,763	772,655
Israel	15,127,918	3,824,671	70,453	0	11,232,794	0
Italy	212,045,775	196,018,084	16,310,192	0	(282,500)	6,907,900
Japan	664,823,579	645,353,404	19,470,178	0	(3)	0
Kazakhstan	1,571,993	617,980	0	0	954,013	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	863,846	863,845	0	0	0	(2,483)
Liechtenstein	356,143	356,143	0	0	0	0
Lithuania	1,365,433	872,466	0	0	492,967	0
Luxembourg	3,273,620	3,109,922	0	0	163,698	(47,714)
Malta	332,205	267,535	0	0	64,670	0
Monaco	251,486	251,486	0	0	0	(572)
Netherlands	73,183,777	73,183,776	0	0	0	(0)
New Zealand	10,529,278	10,627,107	0	0	(97,830)	284,511
Norway	29,432,500	29,432,499	0	0	0	1,468,387
Panama	16,915	16,915	0	0	0	0
Poland	17,905,736	17,792,736	113,000	0	0	790,078
Portugal	17,444,088	11,191,959	47,935	0	6,204,195	198,162
Romania	2,256,731	1,799,993	0	0	456,738	0
Russian Federation	123,102,624	14,665,523	0	0	108,437,102	4,388,041
San Marino	39,168	39,168	0	0	0	2,503
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	3,832,317	3,815,795	16,523	0	(0)	160,096
Slovenia	2,335,180	2,335,180	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	112,472,622	108,394,859	4,077,763	0	0	3,470,827
Sweden	46,963,672	45,389,319	1,574,353	0	(0)	491,341
Switzerland	51,137,783	49,224,553	1,913,230	0	0	(1,843,969)
Tajikistan	128,836	49,086	0	0	79,750	0
Turkmenistan**	293,245	5,764	0	0	287,481	0
Ukraine	10,061,783	1,303,750	0	0	8,758,033	0
United Arab Emirates	559,639	559,639	0	0	0	0
United Kingdom	244,727,805	244,162,805	565,000	0	(0)	(940,529)
United States of America	795,978,828	797,406,237	21,567,191	0	(22,994,600)	0
Uzbekistan	802,260	188,606	0	0	613,654	0
<b>SUB-TOTAL</b>	<b>3,503,091,126</b>	<b>3,199,324,188</b>	<b>155,206,526</b>	<b>1,818,407</b>	<b>146,742,004</b>	<b>16,277,330</b>
Disputed Contributions***	44,905,675	0	0	0	44,905,675	
<b>TOTAL</b>	<b>3,547,996,801</b>	<b>3,199,324,188</b>	<b>155,206,526</b>	<b>1,818,407</b>	<b>191,647,680</b>	

NB: (\*) The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39<sup>th</sup> meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40<sup>th</sup> meeting to read US \$1,208,219 and US \$6,449,438 instead of US \$1,300,088 and US \$6,414,880 respectively.

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

(\*\*\*) Amount netted off from outstanding contributions and are shown here for records only.

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

**TABLE 4 : Status of Contributions for 2015-2016 (US\$)**

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	32,336	0	0	0	32,336
Australia	8,382,962	8,382,962	0	0	0
Austria	3,225,460	3,225,460	0	0	0
Azerbaijan	161,678	0	0	0	161,678
Belarus	226,348	0	0	0	226,348
Belgium	4,033,846	4,033,846	0	0	0
Bulgaria	189,970	189,970	0	0	0
Canada	12,061,118	12,061,118	0	0	0
Croatia	509,284	509,284	0	0	(0)
Cyprus	189,970	189,970	0	0	0
Czech Republic	1,560,184	2,340,276	0	0	(780,092)
Denmark	2,728,302	1,364,151	0	0	1,364,151
Estonia	161,678	161,678	0	0	0
Finland	2,097,762	1,048,881	0	0	1,048,881
France	22,606,512	11,257,491	330,222	0	11,018,799
Germany	28,863,418	17,318,051	4,658,409	5,772,684	1,114,275
Greece	2,578,752	0	0	0	2,578,752
Holy See	4,042	4,042	0	0	0
Hungary	1,075,154	1,075,154	0	0	0
Iceland	109,132	0	0	0	109,132
Ireland	1,689,526	844,763	0	0	844,763
Israel	1,600,604	0	0	0	1,600,604
Italy	17,978,502	17,978,502	355,950	0	(355,950)
Japan	43,786,222	43,605,422	229,673	0	(48,873)
Kazakhstan	489,074	0	0	0	489,074
Latvia	189,970	189,970	0	0	0
Liechtenstein	36,378	36,378	0	0	0
Lithuania	295,060	0	0	0	295,060
Luxembourg	327,396	163,698	0	0	163,698
Malta	64,670	0	0	0	64,670
Monaco	48,504	48,504	0	0	0
Netherlands	6,685,352	6,685,352	0	0	0
New Zealand	1,022,608	1,120,438	0	0	(97,830)
Norway	3,439,682	3,439,682	0	0	0
Poland	3,722,618	3,722,618	0	0	(0)
Portugal	1,915,874	0	0	0	1,915,874
Romania	913,476	456,738	0	0	456,738
Russian Federation	9,854,224	9,215,741	666,676	0	(28,193)
San Marino	12,126	12,126	0	0	0
Slovak Republic	691,170	691,170	0	0	(0)
Slovenia	404,192	404,192	0	0	0
Spain	12,016,656	12,016,656	0	0	0
Sweden	3,880,252	3,880,252	0	0	0
Switzerland	4,231,900	4,231,900	0	0	0
Tajikistan	12,126	0	0	0	12,126
Ukraine	400,151	0	0	0	400,151
United Kingdom	20,933,152	20,933,152	0	0	0
United States of America	63,714,602	86,709,201	0	0	(22,994,599)
Uzbekistan	60,628	0	0	0	60,628
<b>TOTAL</b>	<b>291,214,603</b>	<b>279,548,790</b>	<b>6,240,930</b>	<b>5,772,684</b>	<b>(347,801)</b>
Disputed Contributions(*)	452,064	0	0	0	452,064
<b>TOTAL</b>	<b>291,666,667</b>	<b>279,548,790</b>	<b>6,240,930</b>	<b>5,772,684</b>	<b>104,263</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

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

**TABLE 5 : Status of Contributions for 2016 (US\$)**

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	16,168				16,168
Australia	4,191,481	4,191,481.00			0
Austria	1,612,730	1,612,730			0
Azerbaijan	80,839				80,839
Belarus	113,174				113,174
Belgium	2,016,923	2,016,923.00			0
Bulgaria	94,985	94,985.00			0
Canada	6,030,559	6,030,558.90			0
Croatia	254,642	254,642.00			0
Cyprus	94,985	94,985.00			0
Czech Republic	780,092	1,560,184			(780,092)
Denmark	1,364,151				1,364,151
Estonia	80,839	80,839			0
Finland	1,048,881				1,048,881
France	11,303,256		19,061		11,284,195
Germany	14,431,709	5,772,684	1,772,067	5,772,684	1,114,275
Greece	1,289,376				1,289,376
Holy See	2,021	2,021			0
Hungary	537,577	537,577			0
Iceland	54,566				54,566
Ireland	844,763				844,763
Israel	800,302				800,302
Italy	8,989,251	8,989,251	73,450		(73,450)
Japan	21,893,111	21,893,111	48,873		(48,873)
Kazakhstan	244,537				244,537
Latvia	94,985	94,985			0
Liechtenstein	18,189	18,189			0
Lithuania	147,530				147,530
Luxembourg	163,698				163,698
Malta	32,335				32,335
Monaco	24,252	24,252			0
Netherlands	3,342,676	3,342,676			0
New Zealand	511,304	609,134			(97,830)
Norway	1,719,841	1,719,841			0
Poland	1,861,309	1,861,309			0
Portugal	957,937				957,937
Romania	456,738				456,738
Russian Federation	4,927,112	4,288,629	666,676		(28,193)
San Marino	6,063	6,063			0
Slovak Republic	345,585	345,585			0
Slovenia	202,096	202,096			0
Spain	6,008,328	6,008,328			0
Sweden	1,940,126	1,940,126			0
Switzerland	2,115,950	2,115,950			0
Tajikistan	6,063				6,063
Ukraine	200,076				200,076
United Kingdom	10,466,576	10,466,576			0
United States of America	32,083,333	55,077,932			(22,994,599)
Uzbekistan	30,314				30,314
<b>TOTAL</b>	<b>145,833,333</b>	<b>141,253,642</b>	<b>2,580,127</b>	<b>5,772,684</b>	<b>(3,773,119)</b>

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

**TABLE 6 : Status of Contributions for 2015 (US\$)**

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	16,168				16,168
Australia	4,191,481	4,191,481.00			0
Austria	1,612,730	1,612,730.00			0
Azerbaijan	80,839				80,839
Belarus	113,174				113,174
Belgium	2,016,923	2,016,923.00			0
Bulgaria	94,985	94,985.00			0
Canada	6,030,559	6,030,558.90			0
Croatia	254,642	254,642.44			(0)
Cyprus	94,985	94,985.00			0
Czech Republic	780,092	780,092.00			0
Denmark	1,364,151	1,364,151.00			0
Estonia	80,839	80,839.00			0
Finland	1,048,881	1,048,881.00			0
France	11,303,256	11,257,491.00	311,161		(265,396)
Germany	14,431,709	11,545,367.09	2,886,342		(0)
Greece	1,289,376				1,289,376
Holy See	2,021	2,021.00			0
Hungary	537,577	537,577.00			0
Iceland	54,566				54,566
Ireland	844,763	844,763.00			0
Israel	800,302				800,302
Italy	8,989,251	8,989,250.99	282,500		(282,500)
Japan	21,893,111	21,712,311.00	180,800		0
Kazakhstan	244,537				244,537
Latvia	94,985	94,985.00			0
Liechtenstein	18,189	18,189.00			0
Lithuania	147,530				147,530
Luxembourg	163,698	163,698.00			0
Malta	32,335				32,335
Monaco	24,252	24,252.00			0
Netherlands	3,342,676	3,342,676.00			0
New Zealand	511,304	511,304.00			0
Norway	1,719,841	1,719,841.00			0
Poland	1,861,309	1,861,309.40			(0)
Portugal	957,937				957,937
Romania	456,738	456,738.00			0
Russian Federation	4,927,112	4,927,112.49			(0)
San Marino	6,063	6,063.00			0
Slovak Republic	345,585	345,585.18			(0)
Slovenia	202,096	202,096.00			0
Spain	6,008,328	6,008,328.00			0
Sweden	1,940,126	1,940,126.00			0
Switzerland	2,115,950	2,115,950.00			0
Tajikistan	6,063				6,063
Ukraine	200,076				200,076
United Kingdom	10,466,576	10,466,576.00			0
United States of America	31,631,269	31,631,269.40			(0)
Uzbekistan	30,314				30,314
<b>TOTAL</b>	<b>145,381,269</b>	<b>138,295,148</b>	<b>3,660,803</b>		<b>3,425,319</b>
Disputed Contributions(*)	452,064				452,064
<b>TOTAL</b>	<b>145,833,333</b>	<b>138,295,148</b>	<b>3,660,803</b>		<b>3,877,383</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

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

TABLE 7 : Status of Contributions for 2012 - 2014 (US\$)

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	35,720	35,787	0	0	-67
Australia	9,863,697	9,863,697	0	0	0
Austria	4,342,476	4,342,476	0	0	0
Azerbaijan	76,542	0	0	0	76,542
Belarus	214,317	0	0	0	214,317
Belgium	5,485,501	5,485,501	0	0	0
Bulgaria	193,906	193,906	0	0	0
Canada	16,364,653	16,364,653	0	0	0
Croatia	164,729	164,729	0	0	0
Cyprus	234,728	234,728	0	0	0
Czech Republic	1,780,874	1,780,874	0	0	0
Denmark	3,755,655	3,755,655	0	0	0
Estonia	204,112	204,112	0	0	0
Finland	2,888,180	2,888,180	0	0	0
France	31,244,394	30,205,709	1,038,685	0	0
Germany	40,914,185	30,912,940	8,182,837	1,818,408	0
Greece	3,526,029	80,000	0	0	3,446,029
Holy See	5,103	5,103	0	0	0
Hungary	1,484,912	1,484,912	0	0	0
Iceland	214,317	142,878	0	0	71,439
Ireland	2,541,190	2,541,190	0	0	0
Israel	1,959,472	0	0	0	1,959,472
Italy	25,508,856	24,700,925	807,931	0	0
Japan	63,937,981	62,378,802	1,559,180	0	0
Kazakhstan	386,718	0	0	0	386,718
Latvia	193,906	193,906	0	0	0
Liechtenstein	45,925	45,925	0	0	0
Lithuania	331,681	133,775	0	0	197,906
Luxembourg	459,251	459,251	0	0	0
Malta	86,747	86,747	0	0	0
Monaco	15,308	15,308	0	0	0
Netherlands	9,465,679	9,465,679	0	0	0
New Zealand	1,393,062	1,393,062	0	0	0
Norway	4,444,532	4,444,532	0	0	0
Poland	4,225,112	4,225,112	0	0	0
Portugal	2,607,527	0	0	0	2,607,527
Romania	903,194	903,194	0	0	0
Russian Federation	8,174,672	5,449,782	0	0	2,724,891
San Marino	15,308	15,308	0	0	0
Slovak Republic	724,596	724,596	0	0	0
Slovenia	525,588	525,588	0	0	0
Spain	16,211,570	15,318,570	893,000	0	0
Sweden	5,429,370	5,429,370	0	0	0
Switzerland	5,766,155	5,766,155	0	0	0
Tajikistan	10,206	0	0	0	10,206
Ukraine	443,943	0	0	0	443,943
United Kingdom	33,698,837	33,698,837	0	0	0
United States of America	84,522,090	84,522,090	0	0	0
Uzbekistan	51,028	0	0	0	51,028
<b>TOTAL</b>	<b>397,073,537</b>	<b>370,583,545</b>	<b>12,481,633</b>	<b>1,818,408</b>	<b>12,189,951</b>
Disputed Contributions(*)	3,477,910				3,477,910
<b>TOTAL</b>	<b>400,551,447</b>	<b>370,583,545</b>	<b>12,481,633</b>	<b>1,818,408</b>	<b>15,667,861</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

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

TABLE 8 : Status of Contributions for 2014 (US\$)

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	11,907	11,907			0
Australia	3,287,899	3,287,899			0
Austria	1,447,492	1,447,492			0
Azerbaijan	25,514				25,514
Belarus	71,439				71,439
Belgium	1,828,500	1,828,500			0
Bulgaria	64,635	64,635			0
Canada	5,454,884	5,454,884			(0)
Croatia	164,729	164,729			0
Cyprus	78,243	78,243			0
Czech Republic	593,625	593,625			0
Denmark	1,251,885	1,251,885			0
Estonia	68,037	68,037			0
Finland	962,727	962,727			0
France	10,414,798	9,755,199	659,599		(0)
Germany	13,638,062	3,636,816	2,688,494	1,818,408	5,494,343
Greece	1,175,343				1,175,343
Holy See	1,701	1,701			0
Hungary	494,971	494,971			0
Iceland	71,439				71,439
Ireland	847,063	847,063			0
Israel	653,157				653,157
Italy	8,502,952	7,762,821	740,131		(0)
Japan	21,312,660	21,193,445	119,215		0
Kazakhstan	128,906				128,906
Latvia	64,635	64,635			0
Liechtenstein	15,308	15,308			0
Lithuania	110,560				110,560
Luxembourg	153,084	153,084			0
Malta	28,916	28,916			0
Monaco	5,103	5,103			0
Netherlands	3,155,226	3,155,226			0
New Zealand	464,354	464,354			0
Norway	1,481,511	1,481,511			0
Poland	1,408,371	1,408,371			0
Portugal	869,176				869,176
Romania	301,065	301,065			(0)
Russian Federation	2,724,891	2,724,891			0
San Marino	5,103	5,103			0
Slovak Republic	241,532	241,532			0
Slovenia	175,196	175,196			0
Spain	5,403,857	5,403,857			0
Sweden	1,809,790	1,809,790			0
Switzerland	1,922,052	1,922,052			0
Tajikistan	3,402				3,402
Ukraine	147,981				147,981
United Kingdom	11,232,946	11,232,946			0
United States of America	28,619,010	28,619,010			0
Uzbekistan	17,009				17,009
<b>TOTAL</b>	<b>132,912,645</b>	<b>118,118,528</b>	<b>4,207,439</b>	<b>1,818,408</b>	<b>8,768,269</b>
Disputed Contributions(*)	714,323				714,323
<b>TOTAL</b>	<b>133,626,968</b>	<b>118,118,528</b>	<b>4,207,439</b>	<b>1,818,408</b>	<b>9,482,593</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

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

TABLE 9 : Status of Contributions for 2013 (US\$)

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	11,907	11,907			0
Australia	3,287,899	3,287,899			0
Austria	1,447,492	1,447,492			0
Azerbaijan	25,514				25,514
Belarus	71,439				71,439
Belgium	1,828,500	1,828,500			0
Bulgaria	64,635	64,635			0
Canada	5,454,884	5,454,884			0
Croatia	0				
Cyprus	78,243	78,243			0
Czech Republic	593,625	593,625			0
Denmark	1,251,885	1,251,885			0
Estonia	68,037	68,037			0
Finland	962,727	962,727			0
France	10,414,798	10,324,398	90,400		0
Germany	13,638,062	13,638,062	2,766,731		(2,766,731)
Greece	1,175,343				1,175,343
Holy See	1,701	1,701			0
Hungary	494,971	494,971			0
Iceland	71,439	71,439			0
Ireland	847,063	847,063			0
Israel	653,157				653,157
Italy	8,502,952	8,502,952			0
Japan	21,312,660	21,312,660			0
Kazakhstan	128,906				128,906
Latvia	64,635	64,635			0
Liechtenstein	15,308	15,308			0
Lithuania	110,560	23,215			87,346
Luxembourg	153,084	153,084			0
Malta	28,916	28,916			0
Monaco	5,103	5,103			0
Netherlands	3,155,226	3,155,226			0
New Zealand	464,354	464,354			0
Norway	1,481,511	1,481,511			0
Poland	1,408,371	1,408,371			0
Portugal	869,176				869,176
Romania	301,065	301,065			0
Russian Federation	2,724,891	2,724,891			0
San Marino	5,103	5,103			0
Slovak Republic	241,532	241,532			0
Slovenia	175,196	175,196			0
Spain	5,403,857	5,403,857			0
Sweden	1,809,790	1,809,790			0
Switzerland	1,922,052	1,922,052			0
Tajikistan	3,402				3,402
Ukraine	147,981				147,981
United Kingdom	11,232,946	11,232,946			0
United States of America	28,364,323	28,364,323			0
Uzbekistan	17,009				17,009
<b>TOTAL</b>	<b>132,493,229</b>	<b>129,223,556</b>	<b>2,857,131</b>		<b>412,543</b>
Disputed Contributions(*)	969,010				969,010
<b>TOTAL</b>	<b>133,462,239</b>	<b>129,223,556</b>	<b>2,857,131</b>		<b>1,381,553</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

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

TABLE 10 : Status of Contributions for 2012 (US\$)

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	11,907	11,974			(67)
Australia	3,287,899	3,287,899			0
Austria	1,447,492	1,447,492			0
Azerbaijan	25,514				25,514
Belarus	71,439				71,439
Belgium	1,828,500	1,828,500			0
Bulgaria	64,635	64,635			0
Canada	5,454,884	5,454,884			0
Croatia	0				
Cyprus	78,243	78,243			0
Czech Republic	593,625	593,625			0
Denmark	1,251,885	1,251,885			0
Estonia	68,037	68,037			0
Finland	962,727	962,727			0
France	10,414,798	10,126,112	288,686		0
Germany	13,638,062	13,638,062	2,727,612		(2,727,612)
Greece	1,175,343	80,000			1,095,343
Holy See	1,701	1,701			0
Hungary	494,971	494,971			0
Iceland	71,439	71,439			0
Ireland	847,063	847,063			0
Israel	653,157				653,157
Italy	8,502,952	8,435,152	67,800		(0)
Japan	21,312,660	19,872,696	1,439,965		0
Kazakhstan	128,906				128,906
Latvia	64,635	64,635			0
Liechtenstein	15,308	15,308			0
Lithuania	110,560	110,560			0
Luxembourg	153,084	153,084			0
Malta	28,916	28,916			0
Monaco	5,103	5,103			0
Netherlands	3,155,226	3,155,226			0
New Zealand	464,354	464,354			0
Norway	1,481,511	1,481,511			0
Poland	1,408,371	1,408,371			0
Portugal	869,176				869,176
Romania	301,065	301,065			0
Russian Federation	2,724,891				2,724,891
San Marino	5,103	5,103			0
Slovak Republic	241,532	241,532			0
Slovenia	175,196	175,196			0
Spain	5,403,857	4,510,857	893,000		0
Sweden	1,809,790	1,809,790			0
Switzerland	1,922,052	1,922,052			0
Tajikistan	3,402				3,402
Ukraine	147,981				147,981
United Kingdom	11,232,946	11,232,946			0
United States of America	27,538,756	27,538,756			0
Uzbekistan	17,009				17,009
<b>TOTAL</b>	<b>131,667,662</b>	<b>123,241,460</b>	<b>5,417,063</b>		<b>3,009,139</b>
Disputed Contributions(*)	1,794,577				1,794,577
<b>TOTAL</b>	<b>133,462,239</b>	<b>123,241,460</b>	<b>5,417,063</b>		<b>4,803,716</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL  
**TABLE 11 : Summary Status of Contributions for 2009-2011 (US\$)**  
As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	34,764	34,697	0	0	67
Australia	8,678,133	8,339,133	339,000	0	0
Austria	4,307,501	4,307,501	0	0	0
Azerbaijan	24,281	0	0	0	24,281
Belarus	97,125	0	0	0	97,125
Belgium	5,351,596	5,351,596	0	0	0
Bulgaria	97,125	97,125	0	0	0
Canada	14,457,080	14,028,245	428,835	0	0
Cyprus	213,675	213,675	0	0	0
Czech Republic	1,364,608	1,143,128	221,480	0	0
Denmark	3,588,775	3,588,775	0	0	0
Estonia	77,700	77,700	0	0	0
Finland	2,738,929	2,738,929	0	0	0
France	30,599,281	29,546,764	1,052,517	0	(0)
Germany	41,652,124	33,321,699	8,330,424	(1)	2
Greece	2,894,330	2,894,330	0	0	(0)
Hungary	1,184,927	1,184,927	0	0	0
Iceland	179,682	179,682	0	0	0
Ireland	2,161,035	2,161,035	0	0	0
Israel	2,034,772	0	0	0	2,034,772
Italy	24,664,934	23,856,984	807,950	0	0
Japan	80,730,431	78,896,665	1,833,766	0	0
Kazakhstan	140,801	62,580	0	0	78,221
Latvia	87,413	87,413	0	0	0
Liechtenstein	48,563	48,563	0	0	0
Lithuania	150,544	150,543	0	0	1
Luxembourg	412,782	412,782	0	0	0
Malta	82,556	82,556	0	0	0
Monaco	14,569	14,569	0	0	0
Netherlands	9,095,771	9,095,771	0	0	0
New Zealand	1,243,202	1,243,202	0	0	0
Norway	3,797,594	3,797,594	0	0	0
Poland	2,432,985	2,432,985	0	0	0
Portugal	2,559,248	932,219	0	0	1,627,029
Romania	339,938	339,938	0	0	0
Russian Federation	5,827,509	0	0	0	5,827,509
San Marino	11,734	11,734	0	0	0
Slovak Republic	305,944	305,944	0	0	0
Slovenia	466,201	466,201	0	0	0
Spain	14,413,373	12,955,373	893,000	0	565,000
Sweden	5,201,052	5,201,052	0	0	0
Switzerland	5,905,210	5,905,210	0	0	0
Tajikistan	4,857	0	0	0	4,857
Ukraine	218,532	0	0	0	218,532
United Kingdom	32,255,265	32,255,265	0	0	0
United States of America	87,594,208	87,594,208	0	0	(0)
Uzbekistan	38,850	0	0	0	38,850
<b>SUB-TOTAL</b>	<b>399,781,507</b>	<b>375,358,289</b>	<b>13,906,972</b>	<b>(1)</b>	<b>10,516,247</b>
Disputed Contributions(*)	405,792	0	0	0	405,792
<b>TOTAL</b>	<b>400,187,299</b>	<b>375,358,289</b>	<b>13,906,972</b>	<b>-1</b>	<b>10,922,039</b>

(\*) Additional amount on disputed contributions relating to the United States of America.

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

**TABLE 12 : Status of Contributions for 2011 (US\$)**

As of 2 December 2016

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,948	12,881			67
Australia	2,892,711	2,553,711	339,000		0
Austria	1,435,834	1,435,834			0
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865	1,783,865			0
Bulgaria	32,375	32,375			0
Canada	4,819,027	4,819,027			0
Cyprus	71,225	71,225			0
Czech Republic	454,869	415,319	39,550		0
Denmark	1,196,258	1,196,258			0
Estonia	25,900	25,900			0
Finland	912,976	912,976			0
France	10,199,760	9,634,760	565,000		0
Germany	13,884,041	5,553,617	2,776,808	(1)	5,553,618
Greece	964,777	964,777			0
Hungary	394,976	394,976			0.00
Iceland	59,894	59,894			0
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645	8,221,645			(0)
Japan	26,910,144	26,440,498	469,646		0
Kazakhstan	46,934	62,580			0
Latvia	29,138	29,138			0
Liechtenstein	16,188	16,188			0
Lithuania	50,181	150,543			(100,362)
Luxembourg	137,594	137,594			0
Malta	27,519	27,519			0
Monaco	4,856	4,856			0
Netherlands	3,031,924	3,031,924			0
New Zealand	414,401	414,401			0
Norway	1,265,865	1,265,865			0
Poland	810,995	810,995			0
Portugal	853,083				853,083
Romania	113,313	113,313			0
Russian Federation	1,942,503				1,942,503
San Marino	4,855	4,855			0
Slovak Republic	101,981	101,981			0
Slovenia	155,400	155,400			0
Spain	4,804,458	4,804,458			(0)
Sweden	1,733,684	1,733,684			0
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755	10,751,755			0
United States of America	29,333,333	29,333,333			0
Uzbekistan	12,950				12,950
<b>TOTAL</b>	<b>133,398,070</b>	<b>120,168,665</b>	<b>4,190,004</b>	<b>(1)</b>	<b>9,055,048</b>

**Table 13: Status of Promissory Notes as at 2 December 2016 (US\$)**

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	A WORLD BANK	B TREASURER	C= A+B TOTAL	D UNDP	E UNEP	F UNIDO	G WORLD BANK	H TREASURER	D+E+F+G+H=I I=C TOTAL
	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value
Canada	-	-	-	-	-	-	-	-	-
France	-	-	0	-	-	-	-	0	0
Germany	-	7,591,092	7,591,092	-	-	-	-	7,591,092	7,591,092
The Netherlands	-	-	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-	-	-
United States of America	-	-	-	-	-	-	-	0	0
<b>TOTAL</b>	-	<b>7,591,092</b>	<b>7,591,092</b>	-	-	-	-	<b>7,591,092</b>	<b>7,591,092</b>

RECEIPTS												
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain /(Loss) to intended value (USD)
	2004 - 2012	Canada		Can\$	37,801,368.39	31,377,892.52			37,822,572.11	2005 - 2012	34,479,816.33	3,101,923.81
	2004 - 2012	France		Euro	70,874,367.37	87,584,779.29			70,874,367.37	2006 - 2013	93,273,116.31	5,688,337.02
Dec.2013	2013	France		Euro	7,436,663.95	10,324,398.10		TREASURER	7,436,663.95	9/17/2015	8,384,678.22	1,939,719.88
	2014	France		Euro	7,026,669.91	9,755,199.00		TREASURER	7,026,669.91	9/17/2015	7,922,730.75	1,832,468.25
						20,079,597.10						
						-						
8/9/2004	2004	Germany	BU 104 1006 01	US\$	18,914,439.57	18,914,439.57						
							8/3/2005	TREASURER	6,304,813.19	8/3/2005	6,304,813.19	-
							8/11/2006	TREASURER	6,304,813.19	8/11/2006	6,304,813.19	-
							2/16/2007	TREASURER	3,152,406.60	2/16/2007	3,152,406.60	-
							8/10/2007	TREASURER	3,152,406.60	8/10/2007	3,152,406.60	-
									18,914,439.57		18,914,439.58	
7/8/2005	2005	Germany	BU 105 1003 01	US\$	7,565,775.83	7,565,775.83						
							4/18/2006	TREASURER	1,260,962.64	4/18/2006	1,260,962.64	-
							8/11/2006	TREASURER	1,260,962.64	8/11/2006	1,260,962.64	-
							2/16/2007	TREASURER	1,260,962.64	2/16/2007	1,260,962.64	-
							8/10/2007	TREASURER	1,260,962.64	8/10/2007	1,260,962.64	-
							2/12/2008	TREASURER	1,260,962.64	2/12/2008	1,260,962.64	-
							8/12/2008	TREASURER	1,260,962.63	8/12/2008	1,260,962.64	-
									7,565,775.83		7,565,775.83	
5/10/2006	2006	Germany	BU 106 1004 01	Euro	11,662,922.38	14,473,718.52						
						2,412,286.41	2/28/2007	TREASURER	1,943,820.40	2/28/2007	2,558,067.65	145,781.24
						2,412,286.41	8/10/2007	TREASURER	1,943,820.40	8/10/2007	2,681,305.85	269,019.44
						2,412,286.42	2/12/2008	TREASURER	1,943,820.40	2/12/2008	2,821,066.54	408,780.12
						2,412,286.42	8/12/2008	TREASURER	1,943,820.40	8/12/2008	2,930,114.87	517,828.45
						2,412,286.42	2/17/2009	TREASURER	1,943,820.40	2/17/2009	2,492,560.89	80,274.47
						2,412,286.44	8/12/2009	TREASURER	1,943,820.38	8/12/2009	2,760,613.72	348,327.28
									11,662,922.38		11,662,922.38	
7/23/2007	2007	Germany	BU 107 1006 01	Euro	11,662,922.38	14,473,718.52						
						2,412,286.42	2/12/2008	TREASURER	1,943,820.40	2/12/2008	2,821,066.54	408,780.12
						2,412,286.41	8/12/2008	TREASURER	1,943,820.39	8/12/2008	2,930,114.87	517,828.46
						2,412,286.42	2/17/2009	TREASURER	1,943,820.40	2/17/2009	2,492,560.89	80,274.47
						2,412,286.42	8/12/2009	TREASURER	1,943,820.38	8/12/2009	2,760,613.72	348,327.30
						2,412,286.42	2/11/2010	TREASURER	1,943,820.40	2/11/2010	3,179,312.65	767,026.23
						2,412,286.43	8/10/2010	TREASURER	1,943,820.41	8/10/2010	2,561,178.36	148,891.93
									11,662,922.38		11,662,922.38	
8/15/2008	2008	Germany	BU 108 1004 01	Euro	4,665,168.96	5,789,487.42						
						964,914.57	2/17/2009	TREASURER	777,528.16	2/17/2009	997,024.36	32,109.79
						964,914.57	8/12/2009	TREASURER	777,528.16	8/12/2009	1,104,245.49	139,330.92
						964,914.57	2/11/2010	TREASURER	777,528.16	2/11/2010	529,107.91	(435,806.66)
						964,914.57	8/10/2010	TREASURER	777,528.16	8/10/2010	1,024,470.50	59,555.93
						964,914.60	2/10/2011	TREASURER	777,528.16	2/10/2011	1,060,159.65	95,245.05
						964,914.54	6/20/2011	TREASURER	777,528.16	6/20/2011	1,095,381.67	130,467.13
									4,665,168.96		4,665,168.96	
12/18/2009	2009	Germany	BU 109 1007 01	Euro	9,121,815.12	13,884,041.00						
						2,314,006.88	2/11/2010	TREASURER	1,520,302.52	2/11/2010		
						2,314,006.88	8/10/2010	TREASURER	1,520,302.52	8/10/2010	2,003,150.60	(310,856.28)
						2,314,006.88	2/10/2011	TREASURER	1,520,302.52	2/10/2011	2,072,932.49	(241,074.39)
						2,314,006.88	6/20/2011	TREASURER	1,520,302.52	6/20/2011	2,141,802.19	(172,204.69)
						2,314,006.88	2/3/2012	TREASURER	1,520,302.52	2/3/2012	2,002,998.57	(311,008.31)
						2,314,006.60	8/8/2012	TREASURER	1,520,302.52	8/8/2012	1,881,982.56	(432,024.04)
									9,121,815.12		9,121,815.12	
4/14/2010	2010	Germany	BU 110 1002 01	Euro	9,121,815.12	13,884,041.00						
						2,314,006.88	2/10/2011	TREASURER	1,520,302.52	2/10/2011	2,072,932.48	(241,074.40)
						2,314,006.88	6/20/2011	TREASURER	1,520,302.52	6/20/2011	2,141,802.19	(172,204.69)
						2,314,006.88	2/3/2012	TREASURER	1,520,302.52	2/3/2012	2,002,998.57	(311,008.31)

RECEIPTS							ENCASHMENTS					
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain /(Loss) to intended value (USD)
						2,314,006.88	8/8/2012	TREASURER	1,520,302.52	8/8/2012	1,881,982.56	(432,024.32)
						2,314,006.88	2/12/2013	TREASURER	1,520,302.52	2/12/2013	2,037,357.39	(276,649.49)
						2,314,006.60	8/12/2013	TREASURER	1,520,302.52	8/12/2013	2,028,843.72	(285,162.88)
									<b>9,121,815.12</b>		<b>9,121,815.12</b>	
4/27/2011	2011	Germany	BU 111 1001 01	Euro	3,648,726.05	5,553,616.51						
						925,602.75	2/3/2012	TREASURER	608,121.01	2/3/2012	801,199.43	(124,403.32)
						925,602.75	8/8/2012	TREASURER	608,121.00	8/8/2012	752,792.86	(172,809.89)
						925,602.75	2/12/2013	TREASURER	608,121.01	2/12/2013	814,942.98	(110,659.77)
						925,602.75	8/12/2013	TREASURER	608,121.01	8/12/2013	811,537.48	(114,065.27)
						925,602.75	2/11/2014	TREASURER	608,121.01	2/11/2014	824,186.40	(101,416.35)
						925,602.76	8/12/2014	TREASURER	608,121.00	8/12/2014	814,152.39	(111,450.37)
									<b>3,648,726.04</b>		<b>4,818,811.54</b>	
1/24/2013	2012	Germany	BU 113 1001 01	Euro	9,823,495.77	13,638,061.59						
						2,273,010.27	2/12/2013	TREASURER	1,637,249.30	2/12/2013	2,194,077.79	(78,932.48)
						2,273,010.26	8/12/2013	TREASURER	1,637,249.30	8/12/2013	2,184,909.18	(88,101.08)
						2,273,010.27	2/11/2014	TREASURER	1,637,249.30	2/11/2014	2,220,601.22	(52,409.05)
						2,273,010.27	8/12/2014	TREASURER	1,637,249.30	8/12/2014	2,191,949.36	(81,060.92)
						909,204.10	2/10/2015	TREASURER	654,899.72	2/10/2015	749,663.71	(159,540.39)
						3,636,816.42	8/5/2015	TREASURER	2,619,598.87	8/5/2015	2,868,722.72	(768,093.70)
						-	<b>BALANCE</b>	<b>TREASURER</b>				
3/25/2013	2013	Germany	BU 113 1004 01	Euro	9,823,495.77	<b>13,638,061.59</b>			<b>0.7203</b>			
						2,273,010.27	2/11/2014	TREASURER	1,637,249.30	2/11/2014	2,220,601.22	(52,409.05)
						2,273,010.27	8/12/2014	TREASURER	1,637,249.30	8/12/2014	2,191,949.36	(81,060.92)
						2,273,010.27	8/12/2014	TREASURER	1,637,249.30	8/12/2014	2,191,949.36	(81,060.92)
						2,273,010.27	2/10/2015	TREASURER	1,637,249.30	2/10/2015	1,874,159.27	(398,851.00)
						2,273,010.24	8/12/2015	TREASURER	1,637,249.30	8/12/2015	1,874,159.27	(398,850.97)
						2,273,010.27	2/10/2016	TREASURER	1,637,249.30	2/10/2016	1,874,159.27	(398,851.00)
						-	<b>BALANCE</b>	<b>TREASURER</b>				
						-						
10/2/2014	2014	Germany	BU 114 1003 01	Euro	3,929,398.32	<b>5,455,224.66</b>						
						1,818,408.22	8/5/2015	TREASURER	1,309,799.44	8/5/2015	1,434,361.37	(384,046.85)
						909,204.11	2/10/2016	TREASURER	654,899.72	2/10/2016	727,004.18	(182,199.93)
						909,204.11		TREASURER	654,899.73	8/10/2016	726,087.33	(183,116.78)
						<b>1,818,408.22</b>	<b>BALANCE</b>	<b>TREASURER</b>				
1/19/2015	2015	Germany	BU 115 1001 01	Euro	8,424,308.00	<b>11,545,367.08</b>						
						4,329,512.66	2/10/2015	TREASURER	3,159,115.50	2/10/2015	3,616,239.51	(713,273.15)
						4,329,512.66	8/5/2015	TREASURER	3,159,115.50	8/5/2015	3,459,547.38	(869,965.28)
						2,886,341.77	2/10/2016	TREASURER	2,106,077.00	2/10/2016	2,337,956.08	(548,385.69)
						<b>0.00</b>	<b>BALANCE</b>	<b>TREASURER</b>				
1/12/2016	2016	Germany	BU 116 1000 01	Euro	8,424,308.00	<b>11,545,367.08</b>						
						1,443,170.89	2/10/2016		1,053,038.50			
						4,329,512.66	8/10/2016	TREASURER	3,159,115.50	8/10/2016		
						<b>5,772,683.53</b>	<b>BALANCE</b>	<b>TREASURER</b>	1,053,038.50	2/10/2016		
12/8/2003	2004	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	11/17/2004	TREASURER	3,364,061.32	11/17/2004	3,364,061.32	-
12/8/2003	2005	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	12/5/2005	TREASURER	3,364,061.32	12/5/2005	3,364,061.32	-
5/18/2004	2004	UK		GBP	7,243,564.08	10,718,502.63						
						1,786,417.11	8/23/2005	TREASURER	1,207,260.68	8/23/2005	2,166,550.02	380,132.91
						5,359,251.32	Feb. 2006	TREASURER	3,621,782.04	Feb. 2006	6,303,711.64	944,460.32
						3,572,834.20	7/24/2006	TREASURER	3,621,782.04	7/24/2006	4,473,383.73	900,549.53
									<b>7,243,564.08</b>		<b>12,943,645.39</b>	2,225,142.76
6/1/2005	2005	UK		GBP	7,243,564.08	10,718,502.63						
						1,786,417.11	7/24/2006	TREASURER	1,207,260.68	7/24/2006	2,236,691.86	450,274.75
						4,681,386.55	8/9/2006	TREASURER	3,163,681.03	8/9/2006	6,036,303.40	1,354,916.85
						4,250,698.97	8/16/2006	TREASURER	2,872,622.37	8/16/2006	5,429,236.28	1,178,537.31

RECEIPTS							ENCASHMENTS					
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain/(Loss) to intended value (USD)
									7,243,564.08		13,702,231.54	2,983,728.91
5/13/2005	2004	USA		US\$	4,920,000.00	4,920,000.00	10/27/2005	TREASURER	2,000,000.00	10/27/2005	2,000,000.00	-
							11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-
							10/25/2007	TREASURER	920,000.00	10/25/2007	920,000.00	-
									4,920,000.00		4,920,000.00	
3/1/2006	2005	USA		US\$	3,159,700.00	3,159,700.00	11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-
							10/25/2007	TREASURER	1,159,700.00	10/25/2007	1,159,700.00	-
									3,159,700.00		3,159,700.00	
4/25/2007	2006	USA		US\$	7,315,000.00	7,315,000.00	10/25/2007	TREASURER	2,500,000.00	10/25/2007	2,500,000.00	-
							11/19/2008	TREASURER	2,500,000.00	11/19/2008	2,500,000.00	-
							5/11/2009	TREASURER	2,315,000.00	5/11/2009	2,315,000.00	-
									7,315,000.00		7,315,000.00	
2/21/2008	2008	USA		US\$	4,683,000.00	4,683,000.00	11/19/2008	TREASURER	2,341,500.00	11/19/2008	2,341,500.00	-
							5/11/2009	TREASURER	2,341,500.00	5/11/2009	2,341,500.00	-
									4,683,000.00		4,683,000.00	
4/21/2009	2009	USA		US\$	5,697,000.00	5,697,000.00						
							5/11/2009	TREASURER	1,900,000.00	5/11/2009	1,900,000.00	-
							11/4/2010	TREASURER	1,900,000.00	11/4/2010	1,900,000.00	-
							11/3/2011	TREASURER	1,897,000.00	11/3/2011	1,897,000.00	-

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

**TABLE 15: OUTSTANDING PROMISSORY NOTES SCHEDULE OF ENCASHMENT AS AT 2 December  
2016 (IN US\$)**

	<b>Due in 2017</b>	<b>Due in 2018</b>	<b>Unscheduled</b>	<b>TOTAL</b>
<b><u>GERMANY:</u></b>				
2014	1,818,408			1,818,408
2015				0
2016	2,886,342	2,886,342		5,772,684
	<b>4,704,750</b>	<b>2,886,342</b>		<b>7,591,092</b>

**NOTE:**

Germany's promissory notes due are payable in February and August of the relevant years.

# **Annex I**

## **LIST OF COUNTRIES WHICH HAVE EITHER CONFIRMED TO THE TREASURER IN WRITING THAT THEY WOULD BE USING THE FIXED-EXCHANGE-RATE MECHANISM DURING THE 2015 – 2017 REPLENISHMENT PERIOD OR PAID IN NATIONAL CURRENCIES WITHOUT FORMALLY WRITING TO THE TREASURER (AS AT 31 DECEMBER 2015)**

1. Australia
2. Austria
3. Belgium
4. Canada
5. Croatia
6. Cyprus
7. Czech Republic
8. Denmark
9. Estonia
10. Finland
11. France
12. Germany
13. Ireland
14. Italy
15. Luxemburg
16. New Zealand
17. Norway
18. Poland
19. Russian Federation
20. San Marino
21. Slovak Republic
22. Spain
23. Sweden
24. Switzerland
25. United Kingdom of Great Britain and Northern Ireland

**Annex II**

**LETTERS TO BE SENT TO THE RELEVANT GOVERNMENTS  
ON TRANCHE SUBMISSION DELAYS**

<b>Country</b>	<b>Views expressed by the Executive Committee</b>
Algeria	Noting that the delays in initiating two investment projects had been addressed and urging the Government of Algeria to work with UNIDO so that the third (2014) tranche could be submitted to the 79 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2014 and subsequent tranches on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.
Antigua and Barbuda	Noting that the second (2015) tranche of the HPMP was not submitted and urging the Government of Antigua and Barbuda to complete the approval of the quota system, to submit the required progress and financial report to UNEP, and to work with UNEP so that the second tranche could be submitted to the 79 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches.
Bahamas (the)	Noting that the agreement had only been signed in the first part of 2016 and implementation was underway and urging the Government of the Bahamas to work with UNEP and UNIDO so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Bahrain	Noting that the delays from previous tranches had been resolved and urging the Government of Bahrain to sign the grant agreement with UNEP and to work with UNEP and UNIDO so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> or 80 <sup>th</sup> meeting.
Bangladesh	Noting the effort to expedite project implementation and the planning of training workshops and urging the Government of Bangladesh to work with UNEP so the third (2015) tranche could be submitted to the 79 <sup>th</sup> or 80 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches.
Barbados	Noting that the project document had only been signed on 7 October 2016 but new administrative procedures were delaying the completion of the current tranche and urging the Government of Barbados to work with UNDP and UNEP so that the second (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Belize	Noting that the Government of Belize has not obtained expected co-financing to supplement the funding for the HPMP approved and urging the Government to work with UNEP and UNDP to submit a revised action plan for the second (2016) tranche and subsequent tranches for implementing the HPMP in the absence of co-financing for consideration by the Executive Committee at its 79 <sup>th</sup> meeting.
Burkina Faso	Noting that the third (2016) tranche submitted to the 77 <sup>th</sup> meeting was withdrawn by the relevant implementing agencies, and urging the Government of Burkina Faso to work with UNEP and UNIDO to address all relevant issues with HCFC consumption data, so that the third (2016) tranche could be re-submitted to the 79 <sup>th</sup> meeting.
Burundi	Noting that there are ongoing security issues and structural changes in the Government and the required verification report has not been completed, and urging the Government of Burundi to work with UNEP to complete the verification report and to work with UNEP and UNIDO to address all relevant issues and to submit the third (2016) tranche to the 79 <sup>th</sup> meeting.
Central African Republic (the)	Noting that there are ongoing security issues and a new ozone officer has been appointed but that 2015 country programme data has not been submitted and urging the Government to work with UNEP to expedite the implementation of the existing tranche so that the second (2013) tranche can be submitted to the 79 <sup>th</sup> or 80 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2013 tranche and subsequent tranches.

<b>Country</b>	<b>Views expressed by the Executive Committee</b>
Cote d'Ivoire	Noting that there are delays in the completion of the required verification report, and urging the Government of Cote d'Ivoire to work with UNEP to complete the verification report so that UNEP and UNIDO could submit the third (2016) tranche to the 79 <sup>th</sup> meeting.
Democratic Republic of Congo (the)	Noting the change in the national ozone unit and ongoing security issues and that the required verification report has not been completed, and urging the Government of the Democratic Republic of Congo to work with UNEP to complete the verification report and to work with UNDP and UNEP so that the third (2015) tranche of the HPMP could be submitted to the 79 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches.
Dominica	Noting that the required verification has not been completed, and urging the Government of Dominica to work with UNEP to complete the verification so that the second (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Equatorial Guinea	Noting that the required verification has not been completed and urging the Government of Equatorial Guinea to work with UNEP to complete the verification and to work with UNEP and UNIDO to submit the third (2016) tranche to the 79 <sup>th</sup> meeting.
Gabon	Noting that the verification has not been completed and urging the Government of Gabon to work with UNEP to complete the verification report and to work with UNEP and UNIDO so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Guinea	Noting that the required verification has not been completed and urging the Government of Guinea to work with UNEP to complete the verification report and to work with UNEP and UNIDO to submit the third (2016) tranche to the 79 <sup>th</sup> meeting.
Kuwait	Noting that the overall disbursement rate of the second tranche of the HPMP was below the 20 per cent disbursement threshold, that the agreement with UNEP was pending, and that there had been a delay in equipment shipment, and urging the Government of Kuwait to work with UNIDO to expedite the completion of planned activities and with UNEP on signing the agreement so that the third (2016) tranche can be submitted to the 79 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold could be achieved.
Mozambique	Noting that there have been delays due to the determination of the specifications of equipment for the investment component of the HPMP, and urging the Government of Mozambique to work with UNEP and UNIDO to complete the activities so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Myanmar	Noting that internal procedures have delayed the implementation of the HPMP, and urging the Government of Myanmar to work with UNEP to expedite the implementation of activities so that the second (2015) tranche can be submitted to the 79 <sup>th</sup> meeting, with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches.
Niger (the)	Noting that the required verification report had not been completed, and urging the Government of the Niger to work with UNIDO to submit the verification report and with UNEP and UNIDO so that the second (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Peru	Noting that there had been a change in Government and urging the Government of Peru to work with UNDP and UNEP to expedite the completion of activities so that the third (2016) tranche can be submitted to the 79 <sup>th</sup> meeting.
Philippines (the)	Noting that the required verification report and the progress and financial reports had not been completed, and urging the Government of the Philippines to work with UNEP to submit the verification report and to complete the required progress and financial reports so that the second (2015) tranche can be submitted to the 79 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches.

Country	Views expressed by the Executive Committee
Qatar	Noting that the agreement with UNEP has not been signed and the required verification report had not been completed nor had an national ozone officer been appointed by the relevant authorities, and inviting the Government of Qatar to appoint a new national ozone officer, and urging the Government to work with UNEP to sign the relevant agreement and complete the verification report, and with UNEP and UNIDO to complete activities so that the second (2013) tranche could be submitted to the 79 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2013 and subsequent tranches.
Serbia	Noting that the Government had agreed for UNEP to use direct implementation to implement the HPMP and urging the Government of Serbia to work with UNEP and UNIDO to expedite the completion of activities so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> or 80 <sup>th</sup> meeting with the understanding that the 20 per cent disbursement threshold could be achieved.
Suriname	Noting that there had been delays in previous tranches and there were some staffing issues in the ozone unit and urging the Government of Suriname to work with UNEP and UNIDO to expedite the completion of activities so the third (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
The former Yugoslav Republic of Macedonia	Noting that the 20 per cent disbursement threshold had not be achieved and urging the Government of the former Yugoslav Republic of Macedonia to work with UNIDO to complete activities so that the seventh (2016) tranche could be submitted to the 79 <sup>th</sup> meeting, on the understanding that the 20 per cent disbursement threshold could be achieved.
Timor-Leste	Noting that there had been delays in the procurement of training materials and changes in the national ozone office and urging the Government of Timor-Leste to work with UNDP and UNEP to expedite implementation of the HPMP so that the third (2015) tranche could be submitted to the 79 <sup>th</sup> meeting with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches.
Togo	Noting that there had been a change in the national ozone unit, and urging the Government of Togo to work with UNEP and UNIDO to expedite implementation so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> meeting.
Turkey	Noting that there had been security issues and change in the Government and urging the Government of Turkey to work with UNIDO to expedite implementation so that the third (2016) tranche could be submitted to the 79 <sup>th</sup> or 80 <sup>th</sup> meeting on the understanding that the 20 per cent disbursement threshold could be achieved.

**Annex III**

**PROJECTS WITH IMPLEMENTATION DELAYS**

<b>Agency</b>	<b>Code</b>	<b>Project title</b>	<b>Category of delays</b>
Germany	JOR/FUM/29/INV/54	Complete phase-out of the use of methyl bromide in Jordan	12 months delays
UNDP	PAK/ARS/56/INV/71	Plan for phase-out of CFCs in the manufacture of pharmaceutical MDIs	12 months delays
UNEP	DJI/SEV/74/TAS/22	Survey of ODS alternatives at the national level	12 months delays
UNEP	GLO/SEV/73/TAS/323	Compliance Assistance Programme: 2015 budget	12 months delays
UNEP	GUI/SEV/74/TAS/31	Survey of ODS alternatives at the national level	12 months delays
UNEP	TRI/FUM/65/TAS/28	Technical assistance to phase out the use of methyl bromide	12 and 18 months delays
UNIDO	BHE/SEV/74/TAS/31	Survey of ODS alternatives at the national level	12 months delays
UNIDO	CPR/ARS/56/INV/473	Sector plan for phase-out of CFCs consumption in MDI sector	12 months delays
UNIDO	EGY/ARS/50/INV/92	Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs)	12 months delays
UNIDO	IRQ/FUM/62/INV/13	Technical assistance for alternatives to methyl bromide	12 months delays
UNIDO	IRQ/REF/57/INV/07	Replacement of refrigerant CFC-12 with isobutane and foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company	12 months delays
UNIDO	SUD/FUM/73/TAS/36	Technical assistance for the final phase-out of methyl bromide in the post-harvest sector	12 months delays
UNIDO	SYR/REF/62/INV/103	Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment and rigid polyurethane insulation panels at Al Hafez Group	12 months delays
UNIDO	TUN/FUM/73/TAS/63	Technical assistance for the final phase-out of methyl bromide in the palm dates sector	12 months delays
UNIDO	ZAM/FUM/56/INV/21	Technical assistance for the total phase out of methyl bromide in tobacco, cut flowers, horticulture and post-harvest uses	12 months delays
World Bank	THA/SEV/74/TAS/167	Survey of ODS alternatives at the national level	12 months delays

Annex IV

PROJECTS WITH ADDITIONAL STATUS REPORTS

Country/Project code	Project title	Reasons	Agency
Indonesia (IDS/PHA/64/TAS/196)	HCFC phase-out management plan (technical assistance for refrigerant management) (stage I, first tranche)	The disbursement rate of approved funds.	Australia
China (CPR/FOA/73/PRP/553)	Preparation for HCFC phase-out investment activities (stage II) (extruded polystyrene foam sector)	The disbursement rate of approved funds.	Germany
China (CPR/PHA/74/PRP/557)	Preparation of a HCFC phase-out management plan (stage II) (refrigeration servicing sector and enabling programme)	The disbursement rate of approved funds.	Germany
Tunisia (TUN/FUM/73/TAS/62)	Technical assistance for the final phase-out of methyl bromide in the palm dates sector	The disbursement rate of approved funds.	Italy
Barbados (BAR/PHA/69/INV/21)	HCFC phase-out management plan (stage I, first tranche)	The signing of the agreement by the Government and UNDP.	UNDP
Brazil (BRA/PHA/75/INV/312)	HCFC phase-out management plan (stage II, first tranche) (foam sector)	The signing of the agreement by the Government.	UNDP
Brazil (BRA/PHA/75/TAS/313)	HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing, regulatory actions and project monitoring)	The signing of the agreement by the Government.	UNDP
Chile CHI/PHA/73/INV/184	HCFC phase-out management plan (stage I, third tranche)	Disbursement rate of approved funds.	UNDP
China (CPR/PHA/71/INV/534)	HCFC phase-out management plan (stage I, third tranche) (industrial and commercial refrigeration and air conditioning sector plan)	Disbursement of operating costs.	UNDP
Ghana (GHA/PHA/67/INV/34)	HCFC phase-out management plan (stage I, second tranche)	The delivery of the equipment.	UNDP
Iran (Islamic Republic of) (IRA/PHA/74/INV/219)	HCFC phase-out management plan (stage I, fourth tranche) (air conditioning sector plan and project management unit)	The activities implemented by the project management unit.	UNDP
Nepal (NEP/PHA/66/INV/30)	HCFC phase-out management plan (stage I, first tranche)	The delivery of the equipment.	UNDP
Nigeria (NIR/PHA/71/INV/135)	HCFC phase-out management plan (stage I, third tranche) (foam)	Delays in the establishment of the licensing process for the pilot plant.	UNDP
Pakistan (PAK/ARS/56/INV/71)	Plan for phase-out of CFCs in the manufacture of pharmaceutical MDIs	Project completion.	UNDP
Saint Kitts and Nevis (STK/PHA/64/TAS/16)	HCFC phase-out management plan (stage I, first tranche)	The signing of the agreement by the Government.	UNDP

Country/Project code	Project title	Reasons	Agency
Afghanistan (AFG/PHA/72/TAS/16)	HCFC phase-out management plan (stage I, second tranche)	The appointment of project management unit coordinator.	UNEP
Algeria (ALG/SEV/73/INS/81)	Extension of the institutional strengthening project (phase VI: 12/2014-11/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Antigua and Barbuda (ANT/PHA/66/TAS/14)	HCFC phase-out management plan (stage I, first tranche)	The signing of the endorsement letter from the Ministry.	UNEP
Antigua and Barbuda (ANT/SEV/68/INS/15)	Extension of institutional strengthening project (phase IV: 1/2013-12/2014)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Antigua and Barbuda (ANT/SEV/73/INS/16)	Extension of institutional strengthening project (phase V: 1/2015-12/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Bahamas (the) (BHA/SEV/72/INS/22)	Extension of the institutional strengthening project (phase V: 4/2014-3/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Bahrain (BAH/PHA/75/TAS/29)	HCFC phase-out management plan (stage I, second tranche) (policy, refrigeration servicing, monitoring and verification)	The signing of the agreement by the Government and UNEP.	UNEP
Barbados (BAR/PHA/69/TAS/22)	HCFC phase-out management plan (stage I, first tranche)	Awarding of contracts for the HPMP.	UNEP
Benin (BEN/PHA/70/TAS/28)	HCFC phase-out management plan (stage I, second tranche)	Low disbursement rate of approved funds.	UNEP
Botswana (BOT/PHA/75/TAS/17)	HCFC phase-out management plan (stage I, first tranche)	The signing of the agreement by the Government and UNEP.	UNEP
Brunei Darussalam (BRU/PHA/74/TAS/16)	HCFC phase-out management plan (stage I, second tranche)	The signing of the agreement by the Government.	UNEP
Brunei Darussalam (BRU/SEV/73/INS/15)	Renewal of the institutional strengthening project (phase IV: 1/2015-12/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Burkina Faso (BKF/PHA/70/TAS/33)	HCFC phase-out management plan (stage I, second tranche)	The signing of the second agreement between the Government and UNEP for the release of remaining funds.	UNEP
Central African Republic (the) (CAF/PHA/64/TAS/22)	HCFC phase-out management plan (stage I, first tranche)	The resumption of project implementation.	UNEP
Central African Republic (the) (CAF/SEV/68/INS/23)	Extension of the institutional strengthening project (phase VI: 1/2013-12/2014)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Chile (CHI/PHA/71/TAS/180)	HCFC phase-out management plan (stage I, second tranche)	The signing of the agreement by the Government.	UNEP
Chile (CHI/PHA/73/TAS/185)	HCFC phase-out management plan (stage I, third tranche)	The signing of the agreement by the Government.	UNEP

Country/Project code	Project title	Reasons	Agency
Colombia (COL/PHA/75/TAS/93)	HCFC phase-out management plan (stage II, first tranche) (technical assistance in policies formulation and implementation)	The signing of the agreement by the Government and UNEP.	UNEP
Democratic People's Republic of Korea (the) (DRK/SEV/68/INS/57)	Extension of institutional strengthening project (phases VI and VII: 1/2010-12/2013)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Democratic Republic of the Congo (the) (DRC/PHA/70/TAS/38)	HCFC phase-out management plan (stage I, second tranche)	Completion of training for the new national ozone officer.	UNEP
Dominican Republic (the) (DOM/PHA/69/TAS/52)	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	Completion of the global bidding process.	UNEP
El Salvador (ELS/PHA/65/TAS/28)	HCFC phase-out management plan (stage I, first tranche)	The signing of the agreement by the Government and UNEP (original agreement expired).	UNEP
El Salvador (ELS/PHA/74/TAS/32)	HCFC phase-out management plan (stage I, second tranche)	The signing of the agreement by the Government and UNEP.	UNEP
Eritrea (ERI/SEV/68/INS/12)	Institutional strengthening (phase II: 1/2013-12/2014)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Grenada (GRN/PHA/62/TAS/18)	HCFC phase-out management plan (stage I, first tranche)	Transfer of investment to non-investment activities.	UNEP
Haiti (HAI/PHA/68/TAS/18)	HCFC phase-out management plan (stage I, first tranche)	The signing of a new agreement and the appointment of legal assistance to development of regulations.	UNEP
Honduras (HON/PHA/63/TAS/35)	HCFC phase-out management plan (stage I, first tranche)	The signing of the agreement by the Government and UNEP.	UNEP
Honduras (HON/PHA/70/TAS/38)	HCFC phase-out management plan (stage I, second tranche)	The signing of the agreement by the Government and UNEP.	UNEP
India (IND/PHA/71/TAS/450)	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector and enabling activities)	The signing of the amendment to the agreement.	UNEP
India (IND/PHA/75/TAS/466)	HCFC phase-out management plan (stage I, third tranche) (refrigeration servicing sector and enabling activities)	The signing of the agreement by the Government and UNEP.	UNEP
Iraq (IRQ/PHA/73/PRP/21)	Preparation of a HCFC phase-out management plan (stage II)	The signing of the agreements by the Government and UNEP.	UNEP
Iraq (IRQ/PHA/65/TAS/17)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	Submission of required expenditure and progress reports from the Government to UNEP.	UNEP
Iraq (IRQ/PHA/74/TAS/22)	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	The signing of the agreement by the Government and UNEP.	UNEP
Malawi (MLW/PHA/70/TAS/34)	HCFC phase-out management plan (stage I, second tranche)	Low disbursement rate of approved funds.	UNEP

Country/Project code	Project title	Reasons	Agency
Mali (MLI/PHA/71/TAS/33)	HCFC phase-out management plan (stage I, second tranche)	Low disbursement rate of approved funds.	UNEP
Mauritania (MAU/PHA/55/PRP/20)	Preparation of a HCFC phase-out management plan	The submission of the HCFC phase-out management plan.	UNEP
Mozambique (MOZ/PHA/73/TAS/25)	HCFC phase-out management plan (stage I, second tranche)	Completion of the procurement of equipment.	UNEP
Namibia (NAM/SEV/73/INS/20)	Extension of institutional strengthening project (phase VIII: 12/2014-11/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Nauru (NAU/PHA/63/TAS/07)	HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche, Nauru)	The appointment of a national ozone officer.	UNEP
Nauru (NAU/PHA/74/TAS/10)	HCFC phase-out management plan for PIC countries through regional approach (stage I, second tranche, Nauru)	The signing of the agreement by the Government and UNEP.	UNEP
Nauru (NAU/SEV/67/INS/08)	Extension of the institutional strengthening project (phase IV: 8/2012-7/2014)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Nauru (NAU/SEV/72/INS/09)	Extension of the institutional strengthening project (phase V: 8/2014-7/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Nepal (NEP/PHA/66/TAS/29)	HCFC phase-out management plan (stage I, first tranche)	The appointment of a national ozone officer.	UNEP
Nepal (NEP/PHA/75/TAS/34)	HCFC phase-out management plan (stage I, second tranche)	The appointment of a national ozone officer.	UNEP
Nepal (NEP/SEV/72/INS/32)	Extension of the institutional strengthening project (phase VIII: 12/2014-11/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Oman (OMA/PHA/65/TAS/22)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	The adoption and enforcement of the e-licensing system and certification scheme.	UNEP
Pakistan (PAK/PHA/70/TAS/84)	HCFC phase-out management plan (stage I, second tranche)	The signing of the memorandum of understanding for technician training.	UNEP
Philippines (the) (PHI/PHA/68/TAS/95)	HCFC phase-out management plan (stage I, first tranche)	Submission of technical and financial report.	UNEP
Qatar (QAT/PHA/73/PRP/20)	Preparation of a HCFC phase-out management plan (stage II)	The signing of the agreements by the Government and UNEP.	UNEP
Qatar (QAT/PHA/65/TAS/17)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	The signing of the agreement by the Government and UNEP.	UNEP
Saint Lucia (STL/SEV/73/INS/23)	Renewal of institutional strengthening project (phase IX: 1/2015-12/2016)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Saudi Arabia (SAU/PHA/68/TAS/16)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing, custom training and monitoring)	The completion of the required expenditures report.	UNEP

Country/Project code	Project title	Reasons	Agency
Saudi Arabia (SAU/PHA/68/TAS/18)	HCFC phase-out management plan (stage I, first tranche) (polyurethane foam sector plan)	The completion of the required expenditures report.	UNEP
Serbia (YUG/PHA/71/TAS/43)	HCFC phase-out management plan (stage I, second tranche)	The completion of training for customs officers and environmental inspectors.	UNEP
Suriname (SUR/PHA/74/TAS/22)	HCFC phase-out management plan (stage I, second tranche)	The signing of the agreement by the Government and UNEP.	UNEP
Swaziland (SWA/SEV/71/INS/21)	Extension of institutional strengthening project (phase V: 12/2013-11/2015)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Vanuatu (VAN/PHA/63/TAS/09)	HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche, Vanuatu)	The submission of required expenditure and progress reports from the Government to UNEP.	UNEP
Viet Nam (VIE/SEV/73/INS/68)	Extension of the institutional strengthening project (phase X: 7/2015-6/2017)	Project implementation progress and the disbursement rate of approved funds.	UNEP
Yemen (YEM/PHA/73/PRP/44)	Preparation of a HCFC phase-out management plan (stage II)	The resumption of the project.	UNEP
Region: Europe EUR/DES/69/DEM/13	Demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region	Project completion.	UNIDO
Albania (ALB/PHA/70/INV/25)	HCFC phase-out management plan (stage I, second tranche)	Completion of legislation for a new certification.	UNIDO
Algeria (ALG/PHA/66/INV/77)	HCFC phase-out management plan (stage I, first tranche) (activities in the refrigeration servicing sector including phase-out of HCFC-141b used for flushing, and project monitoring)	No response from the national ozone unit on the training plan and verification exercise.	UNIDO
Bahrain (BAH/PHA/68/INV/27)	HCFC phase-out management plan (stage I, first tranche) (phase-out of HCFC-22 from the manufacturing of central air conditioning and window air conditioning at Awal Gulf manufacturing company)	Procurement and/or delivery of the equipment.	UNIDO
Cameroon (CMR/PHA/64/INV/35)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector plan)	Procurement and/or delivery of the equipment.	UNIDO
Central African Republic (the) (CAF/PHA/64/INV/21)	HCFC phase-out management plan (stage I, first tranche)	Resumption of activities due to security situations.	UNIDO
China (CPR/PHA/64/INV/513)	HCFC-22 phase-out management plan for room air-conditioner manufacturing sector (stage I, first tranche)	Completion of the disbursement of incremental operating costs.	UNIDO
China CPR/PHA/68/INV/524	HCFC-22 phase-out management plan for room air-conditioner manufacturing sector (stage I, second tranche)	Completion of the conversion of the compressor line.	UNIDO
China (CPR/PHA/73/INV/548)	HCFC phase-out management plan (stage I, fourth tranche) (room air-conditioner manufacturing sector plan)	Procurement and/or delivery of the equipment.	UNIDO

Country/Project code	Project title	Reasons	Agency
Democratic People's Republic of Korea (the) (DRK/PHA/73/INV/59)	HCFC phase-out management plan (stage I, first tranche) (phase-out of HCFC-141b in polyurethane foam sector at Pyongyang Sonbong and Puhung Building Materials)	Procurement and/or delivery of equipment.	UNIDO
Democratic People's Republic of Korea (the) (DRK/PHA/73/TAS/60)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing and monitoring)	The resolution of the issue of the funding disbursement mechanism.	UNIDO
Egypt (EGY/FUM/74/TAS/123)	Technical assistance on two alternatives to methyl bromide in the palm date sector	Resumption of activities.	UNIDO
Iraq (MYA)	National phase-out plan	The installation of the equipment.	UNIDO
Iraq (IRQ/PHA/73/PRP/19)	Preparation of a HCFC phase-out management plan (stage II)	Resumption of activities.	UNIDO
Iraq (IRQ/REF/73/PRP/20)	Preparation for HCFC phase-out investment activities (stage II) (air-conditioning sector)	Resumption of activities.	UNIDO
Kuwait (KUW/PHA/66/INV/18)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	Procurement and/or delivery of the equipment.	UNIDO
Kuwait (KUW/PHA/66/INV/20)	HCFC phase-out management plan (stage I, first tranche) (polyurethane foam sector phase-out: Kuwait polyurethane Industry Co.; Kirby Building Systems, technical assistance to spray foam users and other small users)	Procurement and/or delivery of the equipment.	UNIDO
Kuwait (KUW/PHA/66/INV/21)	HCFC phase-out management plan (stage I, first tranche) (extruded polystyrene foam sector phase-out: Gulf Insulating Materials Manufacturing and Trading; Isofoam Insulating Materials Plants; and Al Masaha Comapny)	Procurement and/or delivery of the equipment.	UNIDO
Morocco (MOR/PHA/65/INV/68)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	Completion of the audit.	UNIDO
Morocco (MOR/PHA/68/INV/69)	HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	Completion of the training of custom authorities and the audit of HCFC consumption.	UNIDO
Niger (NER/PHA/66/INV/28)	HCFC phase-out management plan (stage I, first tranche)	Completion of the calibration of the equipment.	UNIDO
Nigeria (NIR/PHA/71/INV/136)	HCFC phase-out management plan (stage I, third tranche) (refrigeration air-conditioning manufacturing and coordination)	Procurement and/or delivery of the equipment.	UNIDO
Saudi Arabia (SAU/PHA/68/INV/17)	HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing and monitoring)	Ongoing project with 100 per cent of funds disbursed.	UNIDO
Saudi Arabia (SAU/PHA/72/INV/21)	HCFC phase-out management plan (stage I, second tranche) (polyurethane foam sector plan)	Completion of the import tax exemption to facilitate the shipment of equipment.	UNIDO
Sierra Leone (SIL/PHA/65/INV/24)	HCFC phase-out management plan (stage I, first tranche)	Procurement and/or delivery of the equipment.	UNIDO

Country/Project code	Project title	Reasons	Agency
Suriname (SUR/PHA/65/INV/18)	HCFC phase-out management plan (stage I, first tranche)	Resumption of activities in the first quarter of 2017.	UNIDO
Syrian Arabic Republic SYR/PHA/55/PRP/97	Preparation of a HCFC phase-out management plan	Resumption of activities.	UNIDO
Syrian Arabic Republic (SYR/FOA/61/PRP/102)	Preparation for HCFC phase-out investment activities (foam sector)	Resumption of activities.	UNIDO
Syrian Arab Republic (SYR/SEV/73/INS/104)	Extension of institutional strengthening (phase V: 1/2015-12/2016)	Low disbursement rates of approved funds.	UNIDO
TUR/PHA/68/INV/102	HCFC phase-out management plan (stage I, first tranche) (technical assistance for small and medium enterprises in the foam sector)	Completion of training for the project.	UNIDO
VEN/PHA/75/INV/131	HCFC phase-out management plan (stage I, fourth tranche)	Date of completion different from the completion date in tranche request.	UNIDO
VEN/PHA/75/TAS/130	HPMP Stage I - Transfer from UNEP	Date of completion different from the completion date in tranche request.	UNIDO
Yemen (YEM/PHA/73/PRP/45)	Preparation of a HCFC phase-out management plan (stage II)	Resumption of activities.	UNIDO
Yemen (YEM/FOA/73/PRP/46)	Preparation for HCFC phase-out investment activities (stage II) (foam sector)	Resumption of activities.	UNIDO
Region: Africa (AFR/FUM/54/DEM/40)	Regional demonstration project on alternatives to the use of methyl bromide for treatment of high moisture dates (Algeria and Tunisia)	To monitor project completion by December 2016.	UNIDO
Argentina (ARG/PHA/66/TAS/170)	HCFC phase-out management plan (stage I, first tranche) (monitoring and reporting of HCFC-22 production)	Disbursement rates of approved funds.	World Bank
China (CPR/FOA/59/DEM/491)	Conversion demonstration from HCFC-141b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd	Project completion.	World Bank
China (CPR/PRO/72/INV/540)	HCFC production phase-out management plan (stage I, second tranche)	Ongoing project with 100 per cent of fund disbursement.	World Bank
Thailand (THA/PHA/68/TAS/160)	HCFC phase-out management plan (stage I, first tranche) (technical assistance)	Ongoing project with 100 per cent of fund disbursement.	World Bank
Thailand (THA/SEV/68/INS/159)	Extension of institutional strengthening project (phase VII: 1/2013-12/2014)	Request additional information on the activities conducted in 2015 and 2016 by the national ozone unit since limited information was provided in the World Bank's progress report.	World Bank
Viet Nam (VIE/PHA/63/TAS/58)	HCFC phase-out management plan (stage I, first tranche) (Technical assistance and project management)	Ongoing project with 100 per cent of fund disbursement.	World Bank

Country/Project code	Project title	Reasons	Agency
Viet Nam (VIE/PHA/63/INV/56)	HCFC phase-out management plan (stage I, first tranche) (foam sector plan)	Ongoing project with 100 per cent of fund disbursement.	World Bank

**Annex V**

**PERFORMANCE INDICATORS FOR UNDP**

<b>Type of indicator</b>	<b>Short title</b>	<b>Calculation</b>	<b>2017 target</b>
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	23
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	15
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$27,839,943
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	186.04 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	62
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	70% of those due
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

\* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

\*\* Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

## Annex VI

### PERFORMANCE INDICATORS FOR UNEP

Type of indicator	Short title	Calculation	2017 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	42
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	64
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$13,121,810
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	191.57 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	82
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	14
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

\* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

\*\* Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

**PERFORMANCE INDICATORS FOR UNEP'S COMPLIANCE ASSISTANCE PROGRAMME  
(CAP)**

<b>Performance indicator</b>	<b>Data</b>	<b>Assessment</b>	<b>UNEP's target for 2017</b>
Efficient follow-up to regional network/thematic meetings	List of recommendations emanating from 2014-2015 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2016	90 % implementation rate
Effective support to NOUs in their work, particularly guidance to new NOUs	List of innovative ways/means/products/ services for supporting NOUs in their work, with specification of those destined for new NOUs	Number of innovative ways, means, products, services for supporting NOUs in their work, with specification of those destined for new NOUs	-7 such ways, means, products, services; -All new NOUs receive capacity building support.
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	List of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	All such countries
Innovations in production and delivery of global and regional information products and services	List of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	Number of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	7 such products and services
Close cooperation between CAP regional teams and implementing and bilateral agencies working in the regions	List of joint missions/ undertakings of CAP regional staff with implementing and bilateral agencies	Number of joint missions/undertakings	3 in each region

## Annex VII

### PERFORMANCE INDICATORS FOR UNIDO

Type of indicator	Short title	Calculation	2017 target
Planning--Approval	Tranches approved	Number of tranches approved vs. those planned*	35
Planning--Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	13
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$22,350,000
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	622.5 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	60
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	12 months after operational completion
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

\* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

\*\* Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

**Annex VIII**

**PERFORMANCE INDICATORS FOR THE WORLD BANK**

<b>Type of indicator</b>	<b>Short title</b>	<b>Calculation</b>	<b>2017 target</b>
Planning— Approval	Tranches approved	Number of tranches approved vs. those planned*	7
Planning— Approval	Projects/activities approved	Number of projects/activities approved vs. those planned (including project preparation activities)**	1
Implementation	Funds disbursed	Based on estimated disbursement in progress report	US \$54 million
Implementation	ODS phase-out	ODS phase-out for the tranche when the next tranche is approved vs. those planned per business plans	1,979.4 ODP tonnes
Implementation	Project completion for activities	Project completion vs. planned in progress reports for all activities (excluding project preparation)	13
Administrative	Speed of financial completion	The extent to which projects are financially completed 12 months after project completion	90%
Administrative	Timely submission of project completion reports	Timely submission of project completion reports vs. those agreed	On time
Administrative	Timely submission of progress reports	Timely submission of progress reports and business plans and responses unless otherwise agreed	On time

\* The target of an agency would be reduced if it could not submit a tranche owing to another cooperating or lead agency, if agreed by that agency.

\*\* Project preparation should not be assessed if the Executive Committee has not taken a decision on its funding.

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	

## ANGOLA

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage I, fourth tranche)	UNDP		\$19,556	\$1,760	\$21,316
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*Approved on the understanding that if Angola were to decide to proceed with retrofits and associated servicing to 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 protocol. The Government of Angola and UNDP were requested to submit the project completion report to the second meeting of the Executive Committee in 2018.*

<b>Total for Angola</b>			<b>\$19,556</b>	<b>\$1,760</b>	<b>\$21,316</b>
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## ARGENTINA

### PHASE-OUT PLAN

#### HCFC phase out plan

Preparation of a HCFC phase-out management plan (stage II)	UNIDO		\$90,000	\$6,300	\$96,300
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<b>Total for Argentina</b>			<b>\$90,000</b>	<b>\$6,300</b>	<b>\$96,300</b>
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## ARMENIA

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage II, first tranche)	UNDP		\$108,000	\$9,720	\$117,720
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*Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 66.6 per cent of the baseline, and on the understanding that if Armenia were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in RAC 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. The Government, UNDP and UNEP were requested to deduct 3.26 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to report on the status of sale of equipment purchased for the enterprise SAGA to each Executive Committee meeting until the sale of equipment is completed and funds obtained from the sale of the equipment are returned to the Fund.*

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
HCFC phase-out management plan (stage II, first tranche)	UNEP		\$35,000	\$4,550	\$39,550
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 66.6 per cent of the baseline, and on the understanding that if Armenia were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in RAC 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. The Government, UNDP and UNEP were requested to deduct 3.26 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to report on the status of sale of equipment purchased for the enterprise SAGA to each Executive Committee meeting until the sale of equipment is completed and funds obtained from the sale of the equipment are returned to the Fund.</i>					
<b>Total for Armenia</b>			<b>\$143,000</b>	<b>\$14,270</b>	<b>\$157,270</b>
<b>BAHAMAS</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase VI: 11/2016-10/2018)	UNEP		\$85,000	\$0	\$85,000
<b>Total for Bahamas</b>			<b>\$85,000</b>		<b>\$85,000</b>
<b>BANGLADESH</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Renewal of the institutional strengthening project (phase VIII: 1/2017-12/2018)	UNDP		\$166,400	\$11,648	\$178,048
<b>Total for Bangladesh</b>			<b>\$166,400</b>	<b>\$11,648</b>	<b>\$178,048</b>
<b>BENIN</b>					
<b>PHASE-OUT PLAN</b>					
<b>HCFC phase out plan</b>					
Verification report on the implementation of the HCFC phase-out management plan	UNEP		\$30,000	\$3,900	\$33,900
<i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>					
<b>Total for Benin</b>			<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CAPE VERDE						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification report on the implementation of the HCFC phase-out management plan <i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>	UNEP		\$30,000	\$3,900	\$33,900	
HCFC phase-out management plan (stage I, third tranche)	UNEP		\$35,000	\$4,550	\$39,550	
Total for Cape Verde			\$65,000	\$8,450	\$73,450	
CHAD						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification report on the implementation of the HCFC phase-out management plan <i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>	UNEP		\$30,000	\$3,900	\$33,900	
Total for Chad			\$30,000	\$3,900	\$33,900	
CHINA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage II, first tranche) (refrigeration and air-conditioning servicing sector plan and enabling component) <i>Approved in principle for the period 2016 to 2020 to reduce HCFC consumption by 734 ODP tonnes on the understanding that the percentage of funds allocated to the project implementation and monitoring unit did not set a precedent for future approvals. The Government of China, UNEP, the Governments of Germany and Japan were requested to deduct 734.0 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding.</i>	UNEP	119.3	\$3,299,132	\$364,651	\$3,663,783	
HCFC phase-out management plan (stage II, first tranche) (solvent sector plan) <i>Approved in principle for the period 2016 to 2026 for the complete phase-out of HCFCs in the solvent sector. Noted that the Agreement between the Government and the Executive Committee would be considered at the 79th meeting and agency support costs determined at a future meeting. Approved on the understanding that no further funding would be provided from the Multilateral Fund for the phase-out of HCFCs in the solvent sector. The Government of China and UNDP were requested to deduct 454.1 ODP tonnes of HCFC-141b and 1.13 ODP tonnes of HCFC-225ca from the remaining HCFC consumption eligible for funding.</i>	UNDP		\$2,821,937	\$197,536	\$3,019,473	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<p>HCFC phase-out management plan (stage II, first tranche) (polyurethane rigid foam sector plan)</p> <p><i>Approved in principle for the period 2016 to 2026 for the complete phase-out of HCFCs in the PU rigid foam sector. Noted that the Agreement between the Government and the Executive Committee would be considered at the 79th meeting and agency support costs determined at a future meeting. The Government of China and the World Bank were requested to deduct 3,733.08 ODP tonnes of HCFC-141b from the remaining HCFC consumption eligible for funding.</i></p>	IBRD	186.0	\$7,045,027	\$493,152	\$7,538,179	
<p>HCFC phase-out management plan (stage II, first tranche) (extruded polystyrene foam sector plan)</p> <p><i>Approved in principle for the period 2016 to 2026 to complete phase out of all HCFCs in the XPS foam sector. Noted that the Agreement between the Government and the Executive Committee would be considered at the 79th meeting and agency support costs determined at a future meeting. The Government of China, UNIDO and the Government of Germany were requested to deduct 646 ODP tonnes of HCFC-142b and 1,640 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding.</i></p>	UNIDO	152.2	\$7,514,867	\$526,041	\$8,040,908	
<p>HCFC phase-out management plan (stage II, first tranche) (industrial and commercial refrigeration and air-conditioning sector plan)</p> <p><i>Approved in principle for the period 2016 to 2021 to achieve, by 2020, a 33 per cent reduction in relation to the 2013 maximum allowable consumption in the ICR sector. Noted that the Agreement between the Government and the Executive Committee would be considered at the 79th meeting and agency support costs determined at a future meeting. Approved on the understanding that a maximum quantity of 3,150 metric tonnes in the unitary air-conditioning (UAC) sub-sector could be converted to HFC-32; that the Government would have flexibility in the UAC sub-sector to convert to alternatives with a lower GWP than HFC 32 as long as the cost and tonnage to be phased out remained the same; that the Government would have flexibility to convert heat-pump water-heater (HPWH) lines to HFC-32 on the understanding that UAC and HPWH conversions to HFC 32 combined would not exceed 3,150 metric tonnes; that at least 20 per cent of the total phase-out of HCFC-22 in the ICR sector would be from the conversion of small and medium-sized enterprises (i.e. those consuming 50 metric tonnes or less); that, in sectors other than the UAC sector, the Government of China would have flexibility to select from among the six low-GWP technologies identified in Table 8 of document UNEP/OzL.Pro/ExCom/76/25, excluding HFC-32, and would make best efforts to ensure that the tonnage remained within 30 per cent of the amount specified for each technology in that table, at no additional cost to the Multilateral Fund, and that any deviation from that range would be reported to the Executive Committee for its consideration. The Government of China and UNDP was requested to deduct 477.79 ODP tonnes of HCFC-22 and 2.70 ODP tonnes of HCFC-123 from the remaining HCFC consumption eligible for funding.</i></p>	UNDP	72.1	\$13,368,756	\$935,813	\$14,304,569	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) (room air-conditioner manufacturing sector plan)  <i>Approved in principle for the period 2016 to 2021 to achieve, by 2020, a 45 per cent reduction in relation to 2013 maximum allowable consumption in the RAC sector. Noted that the Agreement between the Government and the Executive Committee would be considered at the 79th meeting and agency support costs determined at a future meeting. Approved on the understanding that the Government agreed to convert at least 20 manufacturing lines for the production of RAC equipment to HC-290; three compressor manufacturing lines to HC-290; three HPWH manufacturing lines to HC-290; two HPWH manufacturing lines to R-744. The Government of China, UNIDO and the Government of Italy were requested to deduct 1,027.13 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding.</i>	UNIDO	169.0	\$14,671,089	\$1,026,976	\$15,698,065	
HCFC phase-out management plan (stage II, first tranche) (refrigeration and air-conditioning servicing sector plan and enabling component)  <i>Approved in principle for the period 2016 to 2020 to reduce HCFC consumption by 734 ODP tonnes on the understanding that the percentage of funds allocated to the project implementation and monitoring unit did not set a precedent for future approvals. The Government of China, UNEP, the Governments of Germany and Japan were requested to deduct 734.0 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding.</i>	Germany	10.9	\$300,000	\$36,000	\$336,000	
HCFC phase-out management plan (stage II, first tranche) (refrigeration and air-conditioning servicing sector plan and enabling component)  <i>Approved in principle for the period 2016 to 2020 to reduce HCFC consumption by 734 ODP tonnes on the understanding that the percentage of funds allocated to the project implementation and monitoring unit did not set a precedent for future approvals. The Government of China, UNEP, the Governments of Germany and Japan were requested to deduct 734.0 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding.</i>	Japan	2.9	\$80,000	\$10,400	\$90,400	
HCFC phase-out management plan (stage II, first tranche) (room air-conditioner manufacturing sector plan)  <i>Approved in principle for the period 2016 to 2021 to achieve, by 2020, a 45 per cent reduction in relation to 2013 maximum allowable consumption in the RAC sector. Noted that the Agreement between the Government and the Executive Committee would be considered at the 79th meeting and agency support costs determined at a future meeting. Approved on the understanding that the Government agreed to convert at least 20 manufacturing lines for the production of RAC equipment to HC-290; three compressor manufacturing lines to HC-290; three HPWH manufacturing lines to HC-290; two HPWH manufacturing lines to R-744. The Government of China, UNIDO and the Government of Italy were requested to deduct 1,027.13 ODP tonnes of HCFC-22 from the remaining HCFC consumption eligible for funding.</i>	Italy	10.3	\$891,892	\$108,108	\$1,000,000	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase XII: 1/2017-12/2018)	UNDP		\$499,200	\$34,944	\$534,144	
<b>Total for China</b>		<b>722.6</b>	<b>\$50,491,900</b>	<b>\$3,733,621</b>	<b>\$54,225,521</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
Project			Project	Support	Total
COMOROS					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche)	UNEP		\$35,000	\$4,550	\$39,550
<i>Approved on the understanding that if the Government of Comoros were to decide to proceed with retrofits and associated servicing to 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.</i>					
Total for Comoros			\$35,000	\$4,550	\$39,550
CONGO, DR					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VIII: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Congo, DR			\$85,000		\$85,000
COOK ISLANDS					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VI: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Cook Islands			\$85,000		\$85,000
COTE D'IVOIRE					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VIII: 1/2017-12/2018)	UNEP		\$136,115	\$0	\$136,115
Total for Cote D'Ivoire			\$136,115		\$136,115

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
CUBA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche)	UNDP		\$141,527	\$10,615	\$152,142
<i>Noted that three enterprises in the polyurethane (PU) foam sector for which conversion had been approved based on the basis of a low-global-warming potential (GWP) alternative were temporarily using a blend of HFC-365mfc and HFC-227ea owing to the poor performance of the selected technology; and that the enterprise INPUD had decided to convert to cyclopentane instead of water-blown technology and would provide the co-financing required. UNDP was requested to continue assisting the Government, during the implementation of its HPMP, in securing the supply of low-GWP alternative technologies for the two foam enterprises (FRIARC and IDA) included in stage I of the HPMP that had not found a low-GWP alternative technology; and to report to the Executive Committee on the status of use of the interim technology selected by the two enterprises at each meeting until a low GWP technology had been introduced and the foam enterprises had been fully converted. Approval included the proposed change in technology for the enterprise INPUD.</i>					
Total for Cuba			\$141,527	\$10,615	\$152,142
DOMINICAN REPUBLIC					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage II, first tranche)	UNDP		\$558,800	\$39,116	\$597,916
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 40 per cent of its baseline. Noted the commitment of the Government to reduce HCFC consumption by 40 per cent of its baseline by 2020. The Government, UNDP and UNEP were requested to deduct 15.36 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>					
HCFC phase-out management plan (stage II, first tranche)	UNEP		\$95,000	\$12,350	\$107,350
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 40 per cent of its baseline. Noted the commitment of the Government to reduce HCFC consumption by 40 per cent of its baseline by 2020. The Government, UNDP and UNEP were requested to deduct 15.36 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase IX: 1/2017-12/2018)	UNEP		\$171,946	\$0	\$171,946
Total for Dominican Republic			\$825,746	\$51,466	\$877,212

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
ECUADOR					
PHASE-OUT PLAN					
HCFC phase out plan					
Verification report for stage I of HCFC phase-out management plan	UNIDO		\$30,000	\$2,700	\$32,700
<i>Approved on the understanding that the verification reports should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>					
Total for Ecuador			\$30,000	\$2,700	\$32,700
EL SALVADOR					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche)	UNDP	2.0	\$94,000	\$7,050	\$101,050
HCFC phase-out management plan (stage I, third tranche)	UNEP	0.3	\$171,000	\$4,680	\$175,680
Total for El Salvador			2.3	\$265,000	\$11,730
ERITREA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche)	UNIDO	0.2	\$80,000	\$7,200	\$87,200
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; and that the revised starting point for sustained aggregate reduction in HCFC consumption was 1.08 ODP tonnes, calculated using actual consumption of 1.05 ODP tonnes and 1.12 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol and that the revised funding level for stage I of the HPMP for Eritrea was US\$210,000 plus agency support costs, in accordance with decision 60/44(f)(xii). Approved on the understanding that if Eritrea were to decide to proceed with retrofits and associated servicing to 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.</i>					

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
HCFC phase-out management plan (stage I, second tranche)	UNEP	0.2	\$29,000	\$3,770	\$32,770
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; and that the revised starting point for sustained aggregate reduction in HCFC consumption was 1.08 ODP tonnes, calculated using actual consumption of 1.05 ODP tonnes and 1.12 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol and that the revised funding level for stage I of the HPMP for Eritrea was US\$210,000 plus agency support costs, in accordance with decision 60/44(f)(xii). Approved on the understanding that if Eritrea were to decide to proceed with retrofits and associated servicing to 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.</i>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Renewal of the institutional strengthening project (phase III: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000
<b>Total for Eritrea</b>		<b>0.4</b>	<b>\$194,000</b>	<b>\$10,970</b>	<b>\$204,970</b>
<b>ETHIOPIA</b>					
<b>PHASE-OUT PLAN</b>					
<b>HCFC phase out plan</b>					
HCFC phase-out management plan (stage I, second tranche)	UNEP	0.8	\$55,000	\$7,150	\$62,150
<i>Approved on the understanding that UNEP would report on the progress in implementing the recommendations in the verification report in the next tranche submission; and if Ethiopia were to decide to proceed with retrofits and associated servicing to 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.</i>					
HCFC phase-out management plan (stage I, second tranche)	UNIDO	0.7	\$70,000	\$6,300	\$76,300
<i>Approved on the understanding that UNEP would report on the progress in implementing the recommendations in the verification report in the next tranche submission; and if Ethiopia were to decide to proceed with retrofits and associated servicing to 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.</i>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase VII 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
<b>Total for Ethiopia</b>		<b>1.4</b>	<b>\$210,000</b>	<b>\$13,450</b>	<b>\$223,450</b>

# List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
FIJI					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche) <i>Approved on the understanding that if Fiji were to decide to proceed with retrofits and associated servicing to 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.</i>	UNEP	0.8	\$41,650	\$5,415	\$47,065
HCFC phase-out management plan (stage I, third tranche) <i>Approved on the understanding that if Fiji were to decide to proceed with retrofits and associated servicing to 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.</i>	UNDP	1.2	\$59,850	\$5,387	\$65,237
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase X: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Fiji		2.0	\$186,500	\$10,802	\$197,302
GAMBIA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche) <i>Approved on the understanding that if the Gambia were to decide to proceed with retrofits and associated servicing to 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.</i>	UNEP		\$20,000	\$2,600	\$22,600
HCFC phase-out management plan (stage I, third tranche) <i>Approved on the understanding that if the Gambia were to decide to proceed with retrofits and associated servicing to 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.</i>	UNIDO	0.2	\$50,000	\$4,500	\$54,500
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase IX: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Gambia		0.2	\$155,000	\$7,100	\$162,100

# List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
GRENADA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche)	UNEP	0.2	\$9,000	\$1,170	\$10,170
<i>Approved on the understanding that if Grenada were to decide to proceed with retrofits and associated servicing to 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. Noted that UNIDO had been added as a cooperating agency for the implementation of the second tranche of stage I of the HPMP; that the Agreement between the Government and the Executive Committee had been updated based on the established HCFC baseline for compliance and the revised starting point, and the inclusion of UNIDO as cooperating agency; that the revised starting point for sustained aggregate reduction in HCFC consumption was 0.58 ODP tonnes, estimated based on the historical consumption; that the revised funding level for stage I of the HPMP for Grenada was US \$164,500, plus agency support costs, in accordance with decision 60/44(f)(xii); and that the deduction of US \$45,500 would be applied when stage II of the HPMP was approved.</i>					
HCFC phase-out management plan (stage I, second tranche)	UNIDO	0.1	\$75,000	\$6,750	\$81,750
<i>Approved on the understanding that if Grenada were to decide to proceed with retrofits and associated servicing to 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. Noted that UNIDO had been added as a cooperating agency for the implementation of the second tranche of stage I of the HPMP; that the Agreement between the Government and the Executive Committee had been updated based on the established HCFC baseline for compliance and the revised starting point, and the inclusion of UNIDO as cooperating agency; that the revised starting point for sustained aggregate reduction in HCFC consumption was 0.58 ODP tonnes, estimated based on the historical consumption; that the revised funding level for stage I of the HPMP for Grenada was US \$164,500, plus agency support costs, in accordance with decision 60/44(f)(xii); and that the deduction of US \$45,500 would be applied when stage II of the HPMP was approved.</i>					
Total for Grenada		0.3	\$84,000	\$7,920	\$91,920
GUINEA-BISSAU					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche)	UNIDO	0.3	\$75,000	\$6,750	\$81,750
<i>Approved on the understanding that if Guinea-Bissau were to decide to proceed with retrofits and associated servicing to 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.</i>					

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage I, third tranche) <i>Approved on the understanding that if Guinea-Bissau were to decide to proceed with retrofits and associated servicing to 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.</i>	UNEP	0.6	\$50,000	\$6,500	\$56,500	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase V: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000	
<b>Total for Guinea-Bissau</b>		<b>0.9</b>	<b>\$210,000</b>	<b>\$13,250</b>	<b>\$223,250</b>	
<b>GUYANA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Verification report on the implementation of the HCFC phase-out management plan <i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>	UNEP		\$30,000	\$3,900	\$33,900	
<b>Total for Guyana</b>			<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>	
<b>INDIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (stage II, first tranche) (air-conditioning manufacturing sector plan) <i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 60 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption from the baseline by 48 per cent by 2020, 50 per cent by 2021, 56 per cent by 2022 and 60 per cent by 2023; and to issue a ban on the import and use in all sectors of HCFC-141b, pure or contained in pre-blended polyol, upon completion of the conversion of all the eligible enterprises and no later than 1 January 2020. The Government of India, UNDP, UNEP and the Government of Germany were requested to deduct 769.49 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. Noted that no further funding for heat exchangers at the enterprises to be assisted in stage II of the HPMP would be provided in future stages of the HPMP; and that for air-conditioning manufacturing enterprises that would receive funding under stage II of the HPMP to convert some but not all HCFC-22-based manufacturing lines, any increase in HCFC-22 consumption on the non converted line, in relation to the level of HCFC-22 consumption at the time of signature of the memorandum of agreement between the enterprise and the Government, would not be funded by the Multilateral Fund, and the Government would request the enterprise to avoid any growth in HCFC-22 consumption after the time of signature.</i>	UNDP	25.0	\$4,500,000	\$315,000	\$4,815,000	

# List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<p>HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector plan)</p> <p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 60 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption from the baseline by 48 per cent by 2020, 50 per cent by 2021, 56 per cent by 2022 and 60 per cent by 2023; and to issue a ban on the import and use in all sectors of HCFC-141b, pure or contained in pre-blended polyol, upon completion of the conversion of all the eligible enterprises and no later than 1 January 2020. The Government of India, UNDP, UNEP and the Government of Germany were requested to deduct 769.49 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i></p>	Germany	4.0	\$345,000	\$38,626	\$383,626
<p>HCFC phase-out management plan (stage II, first tranche) (polyurethane foam sector plan)</p> <p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 60 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption from the baseline by 48 per cent by 2020, 50 per cent by 2021, 56 per cent by 2022 and 60 per cent by 2023; and to issue a ban on the import and use in all sectors of HCFC-141b, pure or contained in pre-blended polyols, upon completion of the conversion of all the eligible enterprises and no later than 1 January 2020. The Government of India, UNDP, UNEP and the Government of Germany were requested to deduct 769.49 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP were requested to include in request for the second tranche and future tranches an updated list of PU foam enterprises assisted, and to be assisted by the Multilateral Fund under stage II of the HPMP, including the HCFC-141b consumption to be phased out, the estimated incremental cost of conversion, the sub-sector, the baseline equipment where applicable, and the technology to be adopted; and noted that if, during the implementation of the PU foam sector plan, the total tonnage to be phased out in enterprises eligible for funding was found to be less than the 3,166 metric tonnes of HCFC 141b approved for phase-out under stage II of the HPMP, funding for stage II of the HPMP would be reduced to account for that reduced tonnage, at a rate of US\$7.58/kg.</i></p>	UNDP	114.0	\$4,500,000	\$315,000	\$4,815,000
<p>HCFC phase-out management plan (stage II, first tranche) (project management and monitoring)</p> <p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 60 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption from the baseline by 48 per cent by 2020, 50 per cent by 2021, 56 per cent by 2022 and 60 per cent by 2023; and to issue a ban on the import and use in all sectors of HCFC-141b, pure or contained in pre-blended polyol, upon completion of the conversion of all the eligible enterprises and no later than 1 January 2020. The Government of India, UNDP, UNEP and the Government of Germany were requested to deduct 769.49 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i></p>	UNDP		\$256,000	\$17,920	\$273,920

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector plan)	UNEP	3.4	\$300,000	\$36,333	\$336,333	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 60 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption from the baseline by 48 per cent by 2020, 50 per cent by 2021, 56 per cent by 2022 and 60 per cent by 2023; and to issue a ban on the import and use in all sectors of HCFC-141b, pure or contained in pre-blended polyol, upon completion of the conversion of all the eligible enterprises and no later than 1 January 2020. The Government of India, UNDP, UNEP and the Government of Germany were requested to deduct 769.49 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>						
<b>Total for India</b>		<b>146.4</b>	<b>\$9,901,000</b>	<b>\$722,879</b>	<b>\$10,623,879</b>	

## IRAN

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector)	UNEP	2.3	\$200,000	\$24,857	\$224,857	
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*Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 75 per cent of the baseline, noting that the approach taken for the refrigeration and air-conditioning sector was agreed on an exceptional basis owing to the special circumstances in the country. Noted the commitment of the Government to reduce HCFC consumption by 75 per cent by 2023; and to issue a ban on import and use of HCFC-141b pure or contained in pre-blended polyols upon completion of the conversion of all the eligible enterprises and no later than 1 July 2023, a ban on new manufacturing capacity using HCFC-22 by 1 January 2020, and a ban on the use of HCFC-22 in manufacturing of refrigeration and air conditioning equipment upon completion of the conversions of all the eligible enterprises and no later than 1 January 2023. The Government, UNDP, UNEP, UNIDO and Germany were requested to deduct 162.37 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to include in the submission of the request for the second funding tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-global warming potential alternatives highlighting lessons learned and challenges faced.*

## List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) (foam sector)	Italy	7.1	\$403,203	\$48,797	\$452,000	
<p><i>approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 75 per cent of the baseline, noting that the approach taken for the refrigeration and air-conditioning sector was agreed on an exceptional basis owing to the special circumstances in the country. Noted the commitment of the Government to reduce HCFC consumption by 75 per cent by 2023; and to issue a ban on import and use of HCFC-141b pure or contained in pre-blended polyols upon completion of the conversion of all the eligible enterprises and no later than 1 July 2023, a ban on new manufacturing capacity using HCFC-22 by 1 January 2020, and a ban on the use of HCFC-22 in manufacturing of refrigeration and air conditioning equipment upon completion of the conversions of all the eligible enterprises and no later than 1 January 2023. The Government, UNDP, UNEP, UNIDO and Germany were requested to deduct 162.37 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to include in the submission of the request for the second funding tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-global warming potential alternatives highlighting lessons learned and challenges faced.</i></p>						
HCFC phase-out management plan (stage II, first tranche) (foam sector)	UNDP	23.8	\$1,298,170	\$90,872	\$1,389,042	
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 75 per cent of the baseline, noting that the approach taken for the refrigeration and air-conditioning sector was agreed on an exceptional basis owing to the special circumstances in the country. Noted the commitment of the Government to reduce HCFC consumption by 75 per cent by 2023; and to issue a ban on import and use of HCFC-141b pure or contained in pre-blended polyols upon completion of the conversion of all the eligible enterprises and no later than 1 July 2023, a ban on new manufacturing capacity using HCFC-22 by 1 January 2020, and a ban on the use of HCFC-22 in manufacturing of refrigeration and air conditioning equipment upon completion of the conversions of all the eligible enterprises and no later than 1 January 2023. The Government, UNDP, UNEP, UNIDO and Germany were requested to deduct 162.37 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to include in the submission of the request for the second funding tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-global warming potential alternatives highlighting lessons learned and challenges faced.</i></p>						

# List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) (foam sector)	UNIDO	8.4	\$473,567	\$33,150	\$506,717	
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 75 per cent of the baseline, noting that the approach taken for the refrigeration and air-conditioning sector was agreed on an exceptional basis owing to the special circumstances in the country. Noted the commitment of the Government to reduce HCFC consumption by 75 per cent by 2023; and to issue a ban on import and use of HCFC-141b pure or contained in pre-blended polyols upon completion of the conversion of all the eligible enterprises and no later than 1 July 2023, a ban on new manufacturing capacity using HCFC-22 by 1 January 2020, and a ban on the use of HCFC-22 in manufacturing of refrigeration and air conditioning equipment upon completion of the conversions of all the eligible enterprises and no later than 1 January 2023. The Government, UNDP, UNEP, UNIDO and Germany were requested to deduct 162.37 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to include in the submission of the request for the second funding tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-global warming potential alternatives highlighting lessons learned and challenges faced.</i></p>						
HCFC phase-out management plan (stage II, first tranche) (foam sector)	Germany	3.6	\$645,500	\$73,420	\$718,920	
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2023 to reduce HCFC consumption by 75 per cent of the baseline, noting that the approach taken for the refrigeration and air-conditioning sector was agreed on an exceptional basis owing to the special circumstances in the country. Noted the commitment of the Government to reduce HCFC consumption by 75 per cent by 2023; and to issue a ban on import and use of HCFC-141b pure or contained in pre-blended polyols upon completion of the conversion of all the eligible enterprises and no later than 1 July 2023, a ban on new manufacturing capacity using HCFC-22 by 1 January 2020, and a ban on the use of HCFC-22 in manufacturing of refrigeration and air conditioning equipment upon completion of the conversions of all the eligible enterprises and no later than 1 January 2023. The Government, UNDP, UNEP, UNIDO and Germany were requested to deduct 162.37 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding. UNDP was requested to include in the submission of the request for the second funding tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-global warming potential alternatives highlighting lessons learned and challenges faced.</i></p>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase XI: 4/2017-3/2019)	UNDP		\$222,094	\$15,547	\$237,641	
	<b>Total for Iran</b>	<b>45.2</b>	<b>\$3,242,534</b>	<b>\$286,643</b>	<b>\$3,529,177</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
JORDAN					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage II, first tranche) (polyurethane foam sector)	IBRD	10.0	\$526,956	\$36,887	\$563,843
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2017 to 2022, to reduce HCFC consumption by 50 per cent of its baseline. Noted the commitment of the Government to reduce its HCFC consumption by 35 per cent of its baseline by 2020 and by 50 per cent of its baseline by 2022; that the Government would phase out HCFC-141b in bulk and contained in imported pre-blended polyols by 1 January 2022; that the Government would have flexibility in using the funds approved for the polyurethane foam sector to achieve a smooth and efficient HCFC 141b phase-out in line with the Agreement between it and the Executive Committee. The Government, the World Bank and UNIDO were requested to deduct 44.79 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>					
HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector)	UNIDO	2.8	\$227,686	\$15,938	\$243,624
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2017 to 2022, to reduce HCFC consumption by 50 per cent of its baseline. Noted the commitment of the Government to reduce its HCFC consumption by 35 per cent of its baseline by 2020 and by 50 per cent of its baseline by 2022; that the Government would phase out HCFC-141b in bulk and contained in imported pre-blended polyols by 1 January 2022; that the Government would have flexibility in using the funds approved for the polyurethane foam sector to achieve a smooth and efficient HCFC 141b phase-out in line with the Agreement between it and the Executive Committee. The Government, the World Bank and UNIDO were requested to deduct 44.79 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>					
HCFC phase-out management plan (stage II, first tranche) (polyurethane spray foam sector)	UNIDO	3.5	\$164,485	\$11,514	\$175,999
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2017 to 2022, to reduce HCFC consumption by 50 per cent of its baseline. Noted the commitment of the Government to reduce its HCFC consumption by 35 per cent of its baseline by 2020 and by 50 per cent of its baseline by 2022; that the Government would phase out HCFC-141b in bulk and contained in imported pre-blended polyols by 1 January 2022; that the Government would have flexibility in using the funds approved for the polyurethane foam sector to achieve a smooth and efficient HCFC 141b phase-out in line with the Agreement between it and the Executive Committee. The Government, the World Bank and UNIDO were requested to deduct 44.79 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase XII: 1/2017-12/2018)	IBRD		\$188,586	\$13,201	\$201,787

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
Total for Jordan		16.3	\$1,107,713	\$77,540	\$1,185,253
KENYA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, fourth tranche)	France	5.8	\$176,250	\$21,346	\$197,596
<i>Approved on the understanding that future tranches of stage I and/or stage II of the HPMP for Kenya would be considered only after satisfactory resolution of the issues related to the import and export licensing and quota system of HCFCs identified in the verification report, and confirmed by an independent verification report; and if Kenya were to decide to proceed with retrofits and associated servicing to 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.</i>					
Total for Kenya		5.8	\$176,250	\$21,346	\$197,596
KOREA, DPR					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche) (policy, refrigeration servicing and monitoring)	UNIDO	2.1	\$167,867	\$11,751	\$179,618
<i>Noted that the enterprise Pyongyang Sonbong PU Foam Factory changed the selected technology from cyclopentane to methyl formate, and that the savings in incremental costs related to the change of technology would decrease the overall funding level under the Agreement by US \$55,330; that UNEP is returning to the Multilateral Fund US\$ 33,197, plus agency support costs of US \$4,316, and that US\$33,197, plus agency support costs of US\$2,324 have been added to the third tranche being requested by UNIDO in accordance with decision 75/58(b) and (c); and that the Agreement had been updated based on the level of funding approved at the second tranche, the savings in incremental costs and the transfer of UNEP's component to UNIDO. UNIDO was requested when submitting and implementing the current and future tranches of the HPMP, to follow an approach similar to that taken for the previous tranches of stage I of the HPMP in terms of compliance with the resolutions of the United Nations Security Council, the modality of disbursement, organizational structures and monitoring procedures; and to report on progress in the establishment of a fund-transfer mechanism in the context of the 2016 annual progress and financial report.</i>					
Total for Korea, DPR		2.1	\$167,867	\$11,751	\$179,618
KYRGYZSTAN					
PHASE-OUT PLAN					
HCFC phase out plan					
Verification report for stage I of HCFC phase-out management plan	UNDP		\$30,000	\$2,700	\$32,700
<i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>					

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
Project			Project	Support	Total
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VIII: 1/2017-12/2018)	UNEP		\$148,262	\$0	\$148,262
Total for Kyrgyzstan			\$178,262	\$2,700	\$180,962
LEBANON					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase X: 4/2017-3/2019)	UNDP		\$198,515	\$13,896	\$212,411
Total for Lebanon			\$198,515	\$13,896	\$212,411
LESOTHO					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VIII: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Lesotho			\$85,000		\$85,000
LIBYA					
SEVERAL					
Ozone unit support					
Renewal of institutional strengthening project (second year of phase IV: 12/2016-11/2017)	UNIDO		\$87,082	\$6,096	\$93,178
Approved without prejudice to the operation of the Montreal Protocol's mechanism on-non compliance					
Total for Libya			\$87,082	\$6,096	\$93,178
MADAGASCAR					
SEVERAL					
Ozone unit support					
Renewal of institutional strengthening project (phase VII: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Madagascar			\$85,000		\$85,000

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	

## MALAWI

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage I, third tranche)	UNIDO	1.3	\$60,000	\$5,400	\$65,400
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*Approved on the understanding that UNEP will report on the progress in implementing the recommendations in the verification report in the next tranche submission; and if Malawi were to decide to proceed with retrofits and associated servicing to 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.*

HCFC phase-out management plan (stage I, third tranche)	UNEP		\$40,000	\$5,200	\$45,200
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*Approved on the understanding that UNEP will report on the progress in implementing the recommendations in the verification report in the next tranche submission; and if Malawi were to decide to proceed with retrofits and associated servicing to 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.*

<b>Total for Malawi</b>		<b>1.3</b>	<b>\$100,000</b>	<b>\$10,600</b>	<b>\$110,600</b>
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## MALAYSIA

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage II, first tranche) (polyurethane foam sector)	UNDP	38.3	\$2,272,640	\$159,085	\$2,431,725
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*Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2022 to reduce HCFC consumption by 42.9 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption by 22.4 per cent in 2019, 35.0 per cent in 2020, 40.0 per cent in 2021, and 42.9 per cent in 2022; to issue a ban on export of HCFC-141b contained in pre-blended polyols by 31 December 2018 and a ban on the import and use of HCFC-141b contained in pre-blended polyols by 1 January 2022; to phase-out all uses of HCFC-141b except in the solvent sector by 1 January 2022; to limit consumption of HCFC-141b to 1 ODP tonne or less for use in the solvent sector by 1 January 2022; to issue a ban on import of refrigeration and air-conditioning (RAC) equipment operated with HCFCs and on the manufacturing and the new installation of RAC equipment operating with HCFCs, by 1 January 2020; and no longer to issue licenses for the import of HCFC-141, HCFC-142b, and HCFC 21. The Government and UNDP were requested to deduct 146.24 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.*

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) (management and coordination)	UNDP		\$285,750	\$20,003	\$305,753	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2022 to reduce HCFC consumption by 42.9 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption by 22.4 per cent in 2019, 35.0 per cent in 2020, 40.0 per cent in 2021, and 42.9 per cent in 2022; to issue a ban on export of HCFC-141b contained in pre-blended polyols by 31 December 2018 and a ban on the import and use of HCFC-141b contained in pre-blended polyols by 1 January 2022; to phase-out all uses of HCFC-141b except in the solvent sector by 1 January 2022; to limit consumption of HCFC-141b to 1 ODP tonne or less for use in the solvent sector by 1 January 2022; to issue a ban on import of refrigeration and air-conditioning (RAC) equipment operated with HCFCs and on the manufacturing and the new installation of RAC equipment operating with HCFCs, by 1 January 2020; and no longer to issue licenses for the import of HCFC-141, HCFC-142b, and HCFC 21. The Government and UNDP were requested to deduct 146.24 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>						
HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector)	UNDP	45.3	\$949,548	\$66,468	\$1,016,016	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2022 to reduce HCFC consumption by 42.9 per cent of the baseline. Noted the commitment of the Government to reduce HCFC consumption by 22.4 per cent in 2019, 35.0 per cent in 2020, 40.0 per cent in 2021, and 42.9 per cent in 2022; to issue a ban on export of HCFC-141b contained in pre-blended polyols by 31 December 2018 and a ban on the import and use of HCFC-141b contained in pre-blended polyols by 1 January 2022; to phase-out all uses of HCFC-141b except in the solvent sector by 1 January 2022; to limit consumption of HCFC-141b to 1 ODP tonne or less for use in the solvent sector by 1 January 2022; to issue a ban on import of refrigeration and air-conditioning (RAC) equipment operated with HCFCs and on the manufacturing and the new installation of RAC equipment operating with HCFCs, by 1 January 2020; and no longer to issue licenses for the import of HCFC-141, HCFC-142b, and HCFC 21. The Government and UNDP were requested to deduct 146.24 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>						
HCFC phase-out management plan (stage I, fourth tranche) (refrigeration servicing, management and coordination)	UNDP	0.8	\$141,295	\$10,597	\$151,892	
<i>The Government of Malaysia and UNDP were requested to submit progress reports on a yearly basis on the implementation of the work programme associated with the final tranche until the completion of the project, verification reports until approval of stage II, and the project completion report by the second meeting of the Executive Committee in 2018.</i>						
<b>Total for Malaysia</b>		<b>84.4</b>	<b>\$3,649,233</b>	<b>\$256,153</b>	<b>\$3,905,386</b>	

## MALDIVES

### SEVERAL

#### Ozone unit support

Extension of the institutional strengthening project (phase IX: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000	
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# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
Total for Maldives			\$85,000		\$85,000
MAURITIUS					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase V: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Mauritius			\$85,000		\$85,000
MEXICO					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage II, second tranche) (cleaning agent phase-out in refrigeration servicing sector)	Spain	2.3	\$76,991	\$8,831	\$85,822
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					
HCFC phase-out management plan (stage II, second tranche) (phase-out of HCFC-22 and HCFC-141b in solvent)	UNIDO	19.5	\$851,229	\$59,586	\$910,815
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					
HCFC phase-out management plan (stage II, second tranche) (HC demonstration and training)	Germany	4.0	\$325,000	\$40,750	\$365,750
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					
HCFC phase-out management plan (stage II, second tranche) (refrigeration servicing sector)	UNIDO		\$314,280	\$22,000	\$336,280
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
HCFC phase-out management plan (stage II, second tranche) (phase-out of HCFC-22 and HCFC-141b in solvent)	Spain		\$700,000	\$80,291	\$780,291
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					
HCFC phase-out management plan (stage II, second tranche) (refrigeration servicing sector)	Spain		\$280,000	\$32,116	\$312,116
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					
HCFC phase-out management plan (stage II, second tranche) (refrigeration servicing sector)	UNEP		\$40,000	\$5,200	\$45,200
<i>Noted the inclusion of Spain as a cooperating bilateral agency for the second (2016) and third tranches (2018) for activities in the aerosol and refrigeration servicing sectors; and that the Agreement between the Government and the Executive Committee had been updated based on the transfer of funding from UNIDO to Spain (US\$1,056,991 for the second tranche and US\$1,070,000 for the third tranche) for the implementation of activities mentioned above.</i>					
<b>Total for Mexico</b>		<b>25.7</b>	<b>\$2,587,500</b>	<b>\$248,774</b>	<b>\$2,836,274</b>

## MICRONESIA

### SEVERAL

#### Ozone unit support

Renewal of institutional strengthening project (phase VI: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
<b>Total for Micronesia</b>			<b>\$85,000</b>		<b>\$85,000</b>

## MOLDOVA, REP

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage II, first tranche)	UNDP	0.2	\$104,850	\$9,437	\$114,287
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of its baseline, nothing that the amount for approval in principle was in line with decision 74/47(a)(iv). The Government, UNDP and UNEP were requested to deduct 0.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>					

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of its baseline, nothing that the amount for approval in principle was in line with decision 74/47(a)(iv). The Government, UNDP and UNEP were requested to deduct 0.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding.</i>	UNEP		\$26,100	\$3,393	\$29,493	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IX: 1/2017-12/2018)	UNEP		\$88,748	\$0	\$88,748	
<b>Total for Moldova, Rep</b>		<b>0.2</b>	<b>\$219,698</b>	<b>\$12,830</b>	<b>\$232,528</b>	
<b>MONGOLIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (stage I, third tranche) <i>Noted that the Fund Secretariat had updated the Agreement to correctly reflect the maximum allowable consumption values for the years 2015-2019.</i>	UNEP	0.4	\$69,000	\$8,970	\$77,970	
<b>Total for Mongolia</b>		<b>0.4</b>	<b>\$69,000</b>	<b>\$8,970</b>	<b>\$77,970</b>	
<b>MOZAMBIQUE</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Verification report on the implementation of the HCFC phase-out management plan <i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>	UNEP		\$30,000	\$3,900	\$33,900	
<b>Total for Mozambique</b>			<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>	
<b>NEPAL</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IX: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000	
<b>Total for Nepal</b>			<b>\$85,000</b>		<b>\$85,000</b>	
<b>PAKISTAN</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IX: 4/2017-3/2019)	UNDP		\$287,318	\$20,112	\$307,430	
<b>Total for Pakistan</b>			<b>\$287,318</b>	<b>\$20,112</b>	<b>\$307,430</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
PAPUA NEW GUINEA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (third tranche)	Germany	1.2	\$301,000	\$35,518	\$336,518
<i>Approved on the understanding that if Papua New Guinea were to decide to proceed with retrofits and associated servicing to 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.</i>					
Total for Papua New Guinea		1.2	\$301,000	\$35,518	\$336,518
PARAGUAY					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VIII: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Paraguay			\$85,000		\$85,000
RWANDA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche)	UNIDO	0.2	\$55,000	\$4,950	\$59,950
<i>Approved on the understanding that if Rwanda were to decide to proceed with retrofits and associated servicing using 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; and that UNEP would report on the progress made in implementing the recommendations in the verification report at the time of the next tranche submission.</i>					
HCFC phase-out management plan (stage I, third tranche)	UNEP		\$30,000	\$3,900	\$33,900
<i>Approved on the understanding that if Rwanda were to decide to proceed with retrofits and associated servicing using 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; and that UNEP would report on the progress made in implementing the recommendations in the verification report at the time of the next tranche submission.</i>					
Total for Rwanda		0.2	\$85,000	\$8,850	\$93,850

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SAINT VINCENT AND THE GRENADINES						
PHASE-OUT PLAN						
HCFC phase out plan						
Verification report on the implementation of the HCFC phase-out management plan	UNEP		\$30,000	\$3,900	\$33,900	
<i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>						
Total for Saint Vincent and the Grenadines			\$30,000	\$3,900	\$33,900	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	

## SAUDI ARABIA

### PHASE-OUT PLAN

#### HCFC phase out plan

HCFC phase-out management plan (stage I, fourth tranche) (refrigeration servicing and monitoring)	UNIDO	47.9	\$600,000	\$42,000	\$642,000	
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*Noted with concern, the delay in the implementation of activities in the foam manufacturing and refrigeration servicing sectors; that the conditions of Appendix 8-A of the Agreement between the Government and the Executive Committee had not been met, and portions of the funding (US\$777,000, plus agency support costs of US\$54,390 for UNIDO and US\$120,000, plus agency support costs of US\$14,864 for UNEP) related to activities in the servicing sector could not be released as they were subject to the conditions. Approved, on an exceptional basis, the proposal to provide funding for the damaged equipment in accordance with subparagraph 7(a) of the Agreement as reflected in the implementation plan. UNIDO was requested to prepare a report outlining the resolution of issues related to customs clearance, such as duties, taxes, demurrage fees, and any damages to equipment purchased by the Multilateral Fund to be submitted together with the fifth tranche request. Allowed submission of fifth tranche once the following conditions had been met: (i) completion of the conversion, to the agreed technology, of all PU foam enterprises included in stage I of the HPMP, establishment of the ban on HCFC-141b; and completion of the conversion at Al-Watania, XPS foam enterprise, to a blend of isobutane, CO2 and HFO-1234ze; (ii) completion of conversion of all systems houses included in stage I of the HPMP to formulations with a low-GWP potential, and at least ten workshops held by systems houses for downstream foam users; and (iii) adoption of a code of practice and e-licensing scheme; establishment of mandatory recovery and recycling of HCFCs and other ODS refrigerants; and the establishment of a ban on disposable refrigerant cylinders. Requested the return, to the same meeting at which the fifth tranche was submitted, of funds associated with any foam enterprise or systems house in stage I of the HPMP that decided not to convert to the agreed technology or not to participate in the HPMP, after taking into account the funds needed for conversion at the two newly identified enterprises (Bayt Al Awazil and Sahari). Approved, on an exceptional basis, and on the understanding that the Treasurer would withhold the amount of US\$966,254, consisting of US\$777,000 plus agency support costs of US \$54,390 for UNIDO, and US\$120,000, plus agency support costs of US\$14,864 for UNEP, until receipt of a comprehensive report demonstrating that the conditions specified in Appendix 8-A had been met, on the understanding that, if the report were not provided by the first regular meeting of 2018, the amount of US\$966,254 would be returned to the Multilateral Fund, and that a request for those funds could be made by the Government only once the conditions in Appendix 8-A had been fully met.*

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage I, fourth tranche) (polyurethane foam sector plan)	UNIDO	43.2	\$1,166,600	\$81,662	\$1,248,262	

*Noted with concern, the delay in the implementation of activities in the foam manufacturing and refrigeration servicing sectors; that the conditions of Appendix 8-A of the Agreement between the Government and the Executive Committee had not been met, and portions of the funding (US\$777,000, plus agency support costs of US\$54,390 for UNIDO and US\$120,000, plus agency support costs of US\$14,864 for UNEP) related to activities in the servicing sector could not be released as they were subject to the conditions.*

*Approved, on an exceptional basis, the proposal to provide funding for the damaged equipment in accordance with subparagraph 7(a) of the Agreement as reflected in the implementation plan. UNIDO was requested to prepare a report outlining the resolution of issues related to customs clearance, such as duties, taxes, demurrage fees, and any damages to equipment purchased by the Multilateral Fund to be submitted together with the fifth tranche request. Allowed submission of fifth tranche once the following conditions had been met: (i) completion of the conversion, to the agreed technology, of all PU foam enterprises included in stage I of the HPMP, establishment of the ban on HCFC-141b; and completion of the conversion at Al-Watania, XPS foam enterprise, to a blend of isobutane, CO<sub>2</sub> and HFO-1234ze; (ii) completion of conversion of all systems houses included in stage I of the HPMP to formulations with a low-GWP potential, and at least ten workshops held by systems houses for downstream foam users; and (iii) adoption of a code of practice and e-licensing scheme; establishment of mandatory recovery and recycling of HCFCs and other ODS refrigerants; and the establishment of a ban on disposable refrigerant cylinders. Requested the return, to the same meeting at which the fifth tranche was submitted, of funds associated with any foam enterprise or systems house in stage I of the HPMP that decided not to convert to the agreed technology or not to participate in the HPMP, after taking into account the funds needed for conversion at the two newly identified enterprises (Bayt Al Awazil and Sahari). Approved, on an exceptional basis, and on the understanding that the Treasurer would withhold the amount of US\$966,254, consisting of US\$777,000 plus agency support costs of US \$54,390 for UNIDO, and US\$120,000, plus agency support costs of US\$14,864 for UNEP, until receipt of a comprehensive report demonstrating that the conditions specified in Appendix 8-A had been met, on the understanding that, if the report were not provided by the first regular meeting of 2018, the amount of US\$966,254 would be returned to the Multilateral Fund, and that a request for those funds could be made by the Government only once the conditions in Appendix 8-A had been fully met.*

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<p>HCFC phase-out management plan (stage I, fourth tranche) (refrigeration servicing, custom training and monitoring)</p> <p><i>Noted with concern, the delay in the implementation of activities in the foam manufacturing and refrigeration servicing sectors; that the conditions of Appendix 8-A of the Agreement between the Government and the Executive Committee had not been met, and portions of the funding (US\$777,000, plus agency support costs of US\$54,390 for UNIDO and US\$120,000, plus agency support costs of US\$14,864 for UNEP) related to activities in the servicing sector could not be released as they were subject to the conditions. Approved, on an exceptional basis, the proposal to provide funding for the damaged equipment in accordance with subparagraph 7(a) of the Agreement as reflected in the implementation plan. UNIDO was requested to prepare a report outlining the resolution of issues related to customs clearance, such as duties, taxes, demurrage fees, and any damages to equipment purchased by the Multilateral Fund to be submitted together with the fifth tranche request. Allowed submission of fifth tranche once the following conditions had been met: (i) completion of the conversion, to the agreed technology, of all PU foam enterprises included in stage I of the HPMP, establishment of the ban on HCFC-141b; and completion of the conversion at Al-Watania, XPS foam enterprise, to a blend of isobutane, CO2 and HFO-1234ze; (ii) completion of conversion of all systems houses included in stage I of the HPMP to formulations with a low-GWP potential, and at least ten workshops held by systems houses for downstream foam users; and (iii) adoption of a code of practice and e-licensing scheme; establishment of mandatory recovery and recycling of HCFCs and other ODS refrigerants; and the establishment of a ban on disposable refrigerant cylinders. Requested the return, to the same meeting at which the fifth tranche was submitted, of funds associated with any foam enterprise or systems house in stage I of the HPMP that decided not to convert to the agreed technology or not to participate in the HPMP, after taking into account the funds needed for conversion at the two newly identified enterprises (Bayt Al Awazil and Sahari). Approved, on an exceptional basis, and on the understanding that the Treasurer would withhold the amount of US\$966,254, consisting of US\$777,000 plus agency support costs of US \$54,390 for UNIDO, and US\$120,000, plus agency support costs of US\$14,864 for UNEP, until receipt of a comprehensive report demonstrating that the conditions specified in Appendix 8-A had been met, on the understanding that, if the report were not provided by the first regular meeting of 2018, the amount of US\$966,254 would be returned to the Multilateral Fund, and that a request for those funds could be made by the Government only once the conditions in Appendix 8-A had been fully met.</i></p>	UNEP	43.2	\$250,400	\$31,018	\$281,418	
Total for Saudi Arabia		134.3	\$2,017,000	\$154,680	\$2,171,680	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
SENEGAL					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche)	UNEP		\$80,000	\$10,400	\$90,400
<i>Noted that the Agreement between the Government and the Executive Committee had been updated based on the revised starting point and funding level; and that the revised starting point for sustained aggregate reduction in HCFC consumption was 20.96 ODP tonnes, based on the verification report submitted to the 77th meeting, and that the revised funding level for stage I of the HPMP for Senegal was US\$630,000 plus agency support costs, in accordance with decision 60/44(f)(xii).</i>					
HCFC phase-out management plan (stage I, second tranche)	UNIDO		\$80,000	\$6,000	\$86,000
<i>Noted that the Agreement between the Government and the Executive Committee had been updated based on the revised starting point and funding level; and that the revised starting point for sustained aggregate reduction in HCFC consumption was 20.96 ODP tonnes, based on the verification report submitted to the 77th meeting, and that the revised funding level for stage I of the HPMP for Senegal was US\$630,000 plus agency support costs, in accordance with decision 60/44(f)(xii).</i>					
Total for Senegal			\$160,000	\$16,400	\$176,400
SIERRA LEONE					
PHASE-OUT PLAN					
HCFC phase out plan					
Verification report on the implementation of the HCFC phase-out management plan	UNEP		\$30,000	\$3,900	\$33,900
<i>Approved on the understanding that the verification report should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.</i>					
Total for Sierra Leone			\$30,000	\$3,900	\$33,900
SOMALIA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche) (refrigeration servicing sector)	UNIDO	1.3	\$141,500	\$9,905	\$151,405
<i>Noted that the Agreement between the Government and the Executive Committee had been updated based on the revised starting point and the change in monitoring institutions; and that the revised starting point for sustained aggregate reduction in HCFC consumption was 18.10 ODP tonnes, consisting of 16.42 ODP tonnes of HCFC-22 and 1.68 ODP tonnes of HCFC-141b contained in imported pre-blended polyols.</i>					
HCFC phase-out management plan (stage I, second tranche) (additional security)	UNIDO		\$45,000	\$3,150	\$48,150
<i>Approved, on an exceptional basis, the additional funding for the security-related costs to enable the implementation of the programme, in line with decision 67/28(h).</i>					

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase III: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000
Total for Somalia		1.3	\$271,500	\$13,055	\$284,555
SOUTH SUDAN					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, first tranche)	UNEP		\$20,000	\$2,600	\$22,600
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption at 1.64 ODP tonnes, based on the data collected from the survey during preparation for stage I of the HPMP. The Government, UNDP and UNEP were requested to deduct 0.57 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption.</i>					
Total for South Sudan			\$20,000	\$2,600	\$22,600
SURINAME					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VI: 12/2016-11/2018)	UNEP		\$93,866	\$0	\$93,866
Total for Suriname			\$93,866		\$93,866
SWAZILAND					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, third tranche)	UNEP		\$50,000	\$6,500	\$56,500
<i>Approved on the understanding that if Swaziland were to decide to proceed with retrofits and associated servicing to 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. Noted that the Agreement between the Government and the Executive Committee had been updated based on the revised HCFC baseline for compliance.</i>					
Total for Swaziland			\$50,000	\$6,500	\$56,500
THAILAND					
FOAM					
Preparation of project proposal					
Preparation for HCFC phase-out investment activities (stage II) (foam sector)	IBRD		\$120,000	\$8,400	\$128,400

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (stage II) (commercial refrigeration sector)	IBRD		\$90,000	\$6,300	\$96,300	
SOLVENT						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (stage II) (solvent sector)	IBRD		\$90,000	\$6,300	\$96,300	
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage I, third tranche) (foam sector plan)	IBRD	14.2	\$618,803	\$43,316	\$662,119	
<i>Noted that the Agreement between the Government and the Executive Committee had been updated to correct the consumption targets for 2018 and to reflect reduction in funding amounting to US\$381,197 plus agency support costs in the third tranche. The Government of Thailand and the World Bank was requested, upon submission of the request for the fourth tranche of stage I of the HPMP, to confirm completion of HCFC-22 phase-out in the manufacturing of air-conditioners with a capacity of less than 50,000 BTUs per hour and in the production of HFC-32 based air-conditioners by all manufacturing enterprises; enforcement of regulations prohibiting, from 1 January 2017, the manufacture of HCFC-22-based air-conditioners with a capacity of less than 50,000 BTUs per hour intended for sale in domestic markets, as well as the use of HCFC-141b in bulk and in pre-blended polyols in manufacturing in the foam sector except for in spray foam; and development of a final plan of action addressing the foam sector and all remaining activities in the refrigeration servicing sector for the implementation of stage I of the HPMP, as well as fund balances that might be returned and/or funding associated with the future tranches that might not be requested on the basis of the plan of action, with the understanding that the total phase-out of HCFC specified in Appendix 2-A of the Agreement would be achieved.</i>						
Preparation of a HCFC phase-out management plan (stage II)	IBRD		\$90,000	\$6,300	\$96,300	
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase VIII: 1/2017-12/2018)	IBRD		\$443,735	\$31,061	\$474,796	
Total for Thailand		14.2	\$1,452,538	\$101,677	\$1,554,215	
TOGO						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IX: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000	
Total for Togo			\$85,000		\$85,000	

# List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	Total
TUNISIA					
FOAM					
Preparation of project proposal					
Preparation for HCFC phase-out investment activities (stage II) (polyurethane foam sector)	UNIDO		\$60,000	\$4,200	\$64,200
PHASE-OUT PLAN					
HCFC phase out plan					
Preparation of a HCFC phase-out management plan (stage II)	UNIDO		\$60,000	\$4,200	\$64,200
Total for Tunisia			\$120,000	\$8,400	\$128,400
UGANDA					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage I, second tranche)	UNIDO		\$40,000	\$3,600	\$43,600
<i>Approved on the understanding that if Uganda were to decide to proceed with retrofits and associated servicing to 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.</i>					
HCFC phase-out management plan (stage I, second tranche)	UNEP		\$23,500	\$3,055	\$26,555
<i>Approved on the understanding that if Uganda were to decide to proceed with retrofits and associated servicing to 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.</i>					
Total for Uganda		0.1	\$63,500	\$6,655	\$70,155
URUGUAY					
PHASE-OUT PLAN					
HCFC phase out plan					
HCFC phase-out management plan (stage II, first tranche) (foam sector)	UNDP	1.0	\$100,000	\$7,000	\$107,000
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of its baseline. Noted the commitment by the Government to ban imports of HCFC-141b, both pure and contained in imported pre-blended polyols, after the conversion of enterprises had been completed, and no later than 1 January 2021. The Government and UNDP were requested to deduct 11.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding and noting that no further funding would be available for consumption of HCFC-141b contained in imported pre-blended polyols.</i>					

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage II, first tranche) (implementation and monitoring) <i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of its baseline. Noted the commitment by the Government to ban imports of HCFC-141b, both pure and contained in imported pre-blended polyols, after the conversion of enterprises had been completed, and no later than 1 January 2021. The Government and UNDP were requested to deduct 11.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding and noting that no further funding would be available for consumption of HCFC-141b contained in imported pre-blended polyols.</i>	UNDP		\$35,800	\$2,506	\$38,306	
HCFC phase-out management plan (stage II, first tranche) (refrigeration servicing sector) <i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2016 to 2020 to reduce HCFC consumption by 35 per cent of its baseline. Noted the commitment by the Government to ban imports of HCFC-141b, both pure and contained in imported pre-blended polyols, after the conversion of enterprises had been completed, and no later than 1 January 2021. The Government and UNDP were requested to deduct 11.25 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding and noting that no further funding would be available for consumption of HCFC-141b contained in imported pre-blended polyols.</i>	UNDP		\$178,200	\$12,474	\$190,674	4.80
<b>Total for Uruguay</b>		<b>1.0</b>	<b>\$314,000</b>	<b>\$21,980</b>	<b>\$335,980</b>	
<b>VANUATU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VI: 1/2017-12/2018)	UNEP		\$85,000	\$0	\$85,000	
<b>Total for Vanuatu</b>			<b>\$85,000</b>		<b>\$85,000</b>	
<b>VENEZUELA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase XIII: 1/2017-12/2018)	UNDP		\$365,414	\$25,579	\$390,993	
<b>Total for Venezuela</b>			<b>\$365,414</b>	<b>\$25,579</b>	<b>\$390,993</b>	
<b>VIETNAM</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase XI: 7/2017-6/2019)	UNEP		\$152,289	\$0	\$152,289	
<b>Total for Vietnam</b>			<b>\$152,289</b>		<b>\$152,289</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/77/76  
Annex IX

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
ZAMBIA						
PHASE-OUT PLAN						
HCFC phase out plan						
HCFC phase-out management plan (stage I, third tranche)	UNIDO	0.4	\$70,000	\$6,300	\$76,300	
<i>Approved on the understanding that if Zambia were to decide to proceed with retrofits and associated servicing to 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.</i>						
HCFC phase-out management plan (stage I, third tranche)	UNEP		\$35,000	\$4,550	\$39,550	
<i>Approved on the understanding that if Zambia were to decide to proceed with retrofits and associated servicing to 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.</i>						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI: 12/2016-11/2018)	UNEP		\$85,000	\$0	\$85,000	
Total for Zambia		0.4	\$190,000	\$10,850	\$200,850	
GLOBAL						
SEVERAL						
Agency programme						
Core unit budget (2017)	IBRD		\$0	\$1,725,000	\$1,725,000	
Compliance Assistance Programme: 2017 budget	UNEP		\$9,776,000	\$782,080	\$10,558,080	
<i>UNEP was requested to continue to submit an annual work programme and budget for the CAP that included detailed information on the progress of the four new activities identified in the 2016 work programme for which where the global funds would be used until their completion; extension of the prioritization of funding between CAP budget lines so as to accommodate changing priorities, and details on the reallocations made in its budget pursuant to decisions 47/24 and 50/26; and reporting on the current levels of staff posts and information for the Executive Committee on any changes thereto, particularly with respect to any increased budget allocations. UNEP was requested to review the overall structure of the CAP and to consider its operations and regional structure in addressing emerging needs and new challenges, and to submit a final report of that review to the Executive Committee for consideration at its 79th meeting.</i>						
Core unit budget (2017)	UNDP		\$0	\$2,055,000	\$2,055,000	
Core unit budget (2017)	UNIDO		\$0	\$2,055,000	\$2,055,000	
Total for Global			\$9,776,000	\$6,617,080	\$16,393,080	
GRAND TOTAL		1,210.6	\$92,052,823	\$12,674,116	\$104,726,939	

## Summary

UNEP/OzL.Pro/ExCom/77/76  
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Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Phase-out plan	52.0	\$4,524,836	\$534,203	\$5,059,039
TOTAL:	52.0	\$4,524,836	\$534,203	\$5,059,039
INVESTMENT PROJECT				
Phase-out plan	1,158.6	\$72,017,417	\$5,276,049	\$77,293,466
TOTAL:	1,158.6	\$72,017,417	\$5,276,049	\$77,293,466
WORK PROGRAMME AMENDMENT				
Foam		\$180,000	\$12,600	\$192,600
Refrigeration		\$90,000	\$6,300	\$96,300
Solvent		\$90,000	\$6,300	\$96,300
Phase-out plan		\$510,000	\$49,500	\$559,500
Several		\$14,640,570	\$6,789,164	\$21,429,734
TOTAL:		\$15,510,570	\$6,863,864	\$22,374,434
Summary by Parties and Implementing Agencies				
France	5.8	\$176,250	\$21,346	\$197,596
Germany	23.6	\$1,916,500	\$224,314	\$2,140,814
Italy	17.4	\$1,295,095	\$156,905	\$1,452,000
Japan	2.9	\$80,000	\$10,400	\$90,400
Spain	2.3	\$1,056,991	\$121,238	\$1,178,229
IBRD	210.2	\$9,213,107	\$2,369,917	\$11,583,024
UNDP	323.7	\$33,563,620	\$4,412,785	\$37,976,405
UNEP	171.5	\$17,431,008	\$1,377,292	\$18,808,300
UNIDO	453.2	\$27,320,252	\$3,979,919	\$31,300,171
GRAND TOTAL	1,210.6	\$92,052,823	\$12,674,116	\$104,726,939

### Balances on projects returned at the 77<sup>th</sup> meeting

Agency	Project costs (US\$)	Support costs (US\$)	Total (US\$)
Germany (per decision 77/2(a)(vi))*	133,732	17,347	151,079
Italy (per decision 77/2(a)(iii)**)	76,711	8,783	85,494
Japan (per decision 77/2(a)(iii)**)	209	27	236
UNDP (per decision 77/2(a)(ii))	244,115	18,478	262,593
UNEP (per decision 77/2(a)(ii))	126,301	17,643	143,944
UNIDO (per decision 77/2(a)(ii))	42,829	2,664	45,493
World Bank (per decision 77/2(a)(ii))	0	411,441	411,441
<b>Total</b>	<b>623,897</b>	<b>476,383</b>	<b>1,100,280</b>

\*Offset against bilateral projects approved at the 77<sup>th</sup> meeting.

\*\*Cash transfer.

### Adjustment arising from the 77<sup>th</sup> meeting for transferred projects

Agency	Project costs (US\$)	Support costs (US\$)	Total (US\$)
UNIDO (per decision 77/16(b))	131,938	11,874	143,812
UNIDO (per decision 77/62(b)(ii))	21,467	0	21,467

### Interest accrued

Agency	Interest accrued (US \$)	Country
Italy (per decision 77/2(a)(iii))*	29,552	
UNIDO (per decision 77/19(b))	24,945	China - Foam XPS
World Bank (per decision 77/20(b))	3,443	China - Foam Rigid
UNDP (per decision 77/21(b))	103,708	China - ICR
UNIDO (per decision 77/22(b))	62,305	China - Room Air-Conditioning
UNDP (per decision 77/23(b))	2,656	China - Solvent
UNEP (per decision 77/24(b))	663	China - Servicing
UNDP (per decision 77/62(b)(i))	105,346	

\*Cash transfer.

### Net allocations based on decisions of the 77<sup>th</sup> meeting

Agency	Project costs (US\$)	Support costs (US\$)	Total (US\$)
France	176,250	21,346	197,596
Germany	1,782,768	206,967	1,989,735
Italy	1,295,095	156,905	1,452,000
Japan	80,000	10,400	90,400
Spain	1,056,991	121,238	1,178,229
UNDP	33,107,795	4,394,307	37,502,102
UNEP	17,304,044	1,359,649	18,663,693
UNIDO	27,343,578	3,989,129	31,332,707
World Bank	9,209,664	1,958,476	11,168,140
<b>Total</b>	<b>91,356,185</b>	<b>12,218,417</b>	<b>103,574,602</b>

## **Annex X**

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the Democratic People's Republic of Korea (the "Country") and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A ("The Substances") to a sustained level of 66.30 ODP tonnes by 1 January 2018 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A ("Format of Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report;
- (c) Should the Country decide during implementation of the agreement to introduce an alternative technology other than that proposed in the approved HPMP, this would require approval by the Executive Committee as part of an Annual Implementation Plan or the revision of the approved plan. Any submission of such a request for change in technology would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable. The Country agrees that potential savings in incremental costs related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (d) Any enterprise to be converted to non-HCFC technology included in the approved HPMP and that would be found to be ineligible under the guidelines of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), will not receive assistance. This information would be reported to the Executive Committee as part of the Annual Implementation Plan;

- (e) The Country commits to examining the possibility of using pre-blended hydrocarbon systems instead of blending them in-house, for those foam enterprises covered under the umbrella project, should this be technically viable, economically feasible and acceptable to the enterprises; and
  - (f) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:
- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
  - (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.
9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.
10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.
11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.
12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

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

16. At the 75<sup>th</sup> meeting UNEP stopped being the Cooperating Agency in respect of the Country's activities under this Agreement. Therefore, the responsibilities of UNEP under this Agreement only extend up to the 75<sup>th</sup> meeting. This updated Agreement supersedes the Agreement reached between the Government of the Democratic People's Republic of Korea and the Executive Committee at the 73<sup>rd</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reduction in consumption (ODP tonnes)
HCFC-22	C	I	62.0
HCFC-141b	C	I	16.0
Total			78.0

### APPENDIX 2-A: THE TARGETS AND FUNDING

Row	Particulars	2014	2015	2016	2017	2018	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substance (ODP tonnes)	78	70.2	70.2	70.2	70.2	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substance (ODP tonnes)	*	70.2	70.2	70.2	66.3	n/a
2.1	Lead IA (UNIDO) agreed funding (US\$)	123,700	506,680	167,867	0	40,000	838,247
2.2	Support costs for Lead IA (US \$)	8,659	35,468	11,751	0	2,800	58,678
2.3	Cooperating IA (UNEP) agreed funding (US \$)	10,303	0	0	0	0	10,303
2.4	Support costs for Cooperating IA (US \$)	1,339	0	0	0	0	1,339
3.1	Total agreed funding (US \$)	134,003	506,680	167,867	0	40,000	848,550
3.2	Total support costs (US \$)	9,998	35,468	11,751	0	2,800	60,017
3.3	Total agreed costs (US \$)	144,001	542,148	179,618	0	42,800	908,567
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						4.03
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						n/a
4.1.3	Remaining eligible consumption of HCFC-22 (ODP tonnes)						57.97
4.2.1	Total phase-out of HCFC-141b to be achieved under this Agreement (ODP tonnes)						16.00
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)						n/a
4.2.3	Remaining eligible consumption of HCFC-141b (ODP tonnes)						0.00

\*The Government of the Democratic People's Republic of Korea estimated a consumption of 80.00 ODP tonnes, which is above the HCFC baseline for compliance.

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

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

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

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and

- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

1. The HPMP implementation will be performed with the assistance from the Lead IA and the Cooperating IA. The Project Management Unit (PMU) will be responsible for the coordination and the implementation of the HPMP activities. The PMU role will include: the preparation of the annual implementation plan; the implementation of the HPMP activities; the monitoring and coordination of the activities related to the refrigeration equipment production factory, refrigerant factory and foam factories; the implementation of the annual audit; the preparation of the annual progress report; and the support to be provided to Lead IA and the Cooperating IA for the verification of the HCFC consumption.
2. The HPMP will be implemented in line with UN Security Council Resolutions 1695, 1718, 1874, 2087 and 2094. The recommendations by the UN review panel on procedural changes will be taken into account for the transfer of equipment and technology to the country. The established procedures of the UN agencies in the country, in particular the modified UNDP procurement procedures for the supply of equipment and services, will be used to implement the HPMP activities under the responsibility of the Lead IA. The HPMP activities under the responsibility of the Cooperating IA, also in charge of the institutional strengthening (IS) project will be implemented using the methods of disbursement, organizational structures and procedural arrangements applied to the IS project.
3. The Country agrees with unhindered access to project sites by the Lead and Cooperating Agencies to the extent necessary for the implementation, monitoring and oversight of the project.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;

- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

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

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

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A;
- (d) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (e) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting; and
- (f) Providing assistance with policy, management and technical support when required.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$105 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

## **Annex XI**

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF ERITREA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Eritrea (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0.71 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

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

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

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

16. This updated Agreement supersedes the Agreement reached between the Government of Eritrea and the Executive Committee at the 67<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.08

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

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	1.09	1.09	0.98	0.98	0.98	0.98	0.98	0.71	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	1.09	1.09	0.98	0.98	0.98	0.98	0.98	0.71	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	40,000	0	0	0	29,000	0	0	0	21,000	90,000
2.2	Support costs for Lead IA (US \$)	5,200	0	0	0	3,770	0	0	0	2,730	11,700
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	40,000	0	0	0	80,000	0	0	0	0	120,000
2.4	Support costs for Cooperating IA (US \$)	3,600	0	0	0	7,200	0	0	0	0	10,800
3.1	Total agreed funding (US \$)	80,000	0	0	0	109,000	0	0	0	21,000	210,000
3.2	Total support costs (US \$)	8,800	0	0	0	10,970	0	0	0	2,730	22,500
3.3	Total agreed costs (US \$)	88,800	0	0	0	119,970	0	0	0	23,730	232,500
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										0.38
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										0.70

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

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

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

1. All the monitoring activities will be coordinated and managed through the National Ozone Unit (NOU) which is included within this HPMP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the HPMP. The Lead IA, along with the Cooperating IA, will also undertake the challenging task of monitoring illegal ODS imports and exports, and advising the appropriate national agencies through the NOU.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
  - (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
  - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and

- (l) Providing assistance with policy, management and technical support when required.
2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

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

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

## Annex XII

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF MONGOLIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Mongolia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1 A (“The Substances”) to a sustained 0.4 ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (“maximum allowable total consumption of Annex C, Group I Substances”; the Target) as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (“Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) of this Agreement as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted and received approval from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> Meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this agreement.

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

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and the Government of Japan has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence

of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have entered into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

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

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

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

16. This updated Agreement supersedes the Agreement reached between the Government of Mongolia and the Executive Committee at the 71<sup>st</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.4

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

Row	Particulars	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.4	1.4	1.3	1.3	1.3	1.3	1.3	0.9	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.4	1.4	0.77	0.77	0.77	0.77	0.77	0.4	n/a
2.1	Lead IA(UNEP) agreed funding (US \$)	65,000	0	65,000	0	0	69,000	0	0	0	37,000	236,000
2.2	Support costs for Lead IA(US \$)	8,450	0	8,450	0	0	8,970	0	0	0	4,810	30,680
2.3	Cooperating IA (Japan) agreed funding (US \$)	130,000	0	0	0	0	0	0	0	0		130,000
2.4	Support costs for Cooperating IA (US \$)	16,900	0	0	0	0	0	0	0	0		16,900
3.1	Total agreed funding (US \$)	195,000	0	65,000	0	0	69,000	0	0	0	37,000	366,000
3.2	Total support cost (US \$)	25,350	0	8,450	0	0	8,970	0	0	0	4,810	47,580
3.3	Total agreed costs (US \$)	220,350	0	73,450	0	0	77,970	0	0	0	41,810	413,580
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)											1.0
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)											0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)											0.4

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different

activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the Country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;

- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the Country and the Lead IA; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

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

1. The overall monitoring will be the responsibility of National Ozone Unit (NOU), Ministry of Industries.
2. The consumption will be monitored based on data collected from relevant government departments and crosschecking it with data collected from the distributors and consumers.
3. The NOU will be responsible for reporting and shall submit the following reports in a timely manner:

- (a) Annual reports on consumption of Substances to be submitted to the Ozone Secretariat;
- (b) Annual reports on progress of implementation of this Agreement to be submitted to the Executive Committee of the Multilateral Fund; and
- (c) Project-related reports to the Lead IA.

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

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

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

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

1. The Cooperating IA will be responsible for a range of activities. These activities can be specified in the respective project document further, but include at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

### Annex XIII

#### **REVISED UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF SWAZILAND AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Swaziland (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 1.11 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (“maximum allowable total consumption of Annex C, Group I Substances”; the Target) as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (“Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) of this Agreement as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;
- (d) That the Country has submitted and received approval from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> Meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this agreement.

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

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have entered into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees; in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

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

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

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

16. This revised updated Agreement supersedes the updated Agreement reached between the Government of Swaziland and the Executive Committee at the 70<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.7
HCFC-141b contained in imported pre-blended polyols			5.6
Total			7.3

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

Row	Particulars	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.80	1.80	1.62	1.62	1.62	1.62	1.62	1.17	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.80	1.80	1.53	1.53	1.53	1.53	1.53	1.11	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	75,000	0	55,000	0	0	50,000	0	0	30,000	0	210,000
2.2	Support costs for Lead IA (US \$)	9,750	0	7,150	0	0	6,500	0	0	3,900	0	27,300
2.3	Cooperating IA (UNDP) agreed funding (US \$)	667,948	0	0	0	0	0	0	0	0	0	667,948
2.4	Support costs for Cooperating IA (US \$)	50,096	0	0	0	0	0	0	0	0	0	50,096
3.1	Total agreed funding (US \$)	742,948	0	55,000	0	0	50,000	0	0	30,000	0	877,948
3.2	Total support costs (US \$)	59,846	0	7,150	0	0	6,500	0	0	3,900	0	77,396
3.3	Total agreed costs (US \$)	802,794	0	62,150	0	0	56,500	0	0	33,900	0	955,344
4.1.1	Total phase-out of HCFC-22 and under this agreement (ODP tonnes)											0.59
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)											0.00
4.1.3	Remaining eligible consumption for HCFC-22											1.11
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols under this agreement (ODP tonnes)											5.60
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyols in previously approved projects (ODP tonnes)											0.00
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols											0.00

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the Country, and providing other relevant information. The report should also include information about and

justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;

- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the Country and the Lead IA; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

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

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

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

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

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

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

1. The Cooperating IA will be responsible for a range of activities. These activities can be specified in the respective project document further, but include at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

## **Annex XIV**

### **VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 77<sup>TH</sup> MEETING**

#### **Bahamas (the)**

1. The Executive Committee reviewed the report presented with the request for the IS project for the Bahamas (phase VI) and noted with appreciation that Bahamas reported Article 7 data indicating that the country is in compliance with the Montreal Protocol in 2015. The Executive Committee further noted that Bahamas had taken steps to phase out its consumption of HCFCs including the improvement and the enforcement of the licensing system; involvement of the refrigeration association and stakeholders in the HCFC phase-out strategy; capacity building and certification of refrigeration technicians in good practices and the proper use of alternative refrigerants, and capacity building of customs officers. The Executive Committee acknowledged the efforts of the Bahamas and is therefore hopeful that, within the next two years, the Bahamas will continue the implementation of its HCFC phase-out management plan (HPMP) and IS project with success to prepare the country to achieve the 35 per cent reduction in HCFC consumption required by 1 January 2020.

#### **Bangladesh**

2. The Executive Committee reviewed the report presented with the request for the institutional strengthening (IS) project for Bangladesh (phase VIII) and noted with appreciation Bangladesh's success in achieving the 10 per cent reduction in HCFC consumption in 2015 in accordance with the Montreal Protocol. It further noted the country's continued efforts to sustain ODS phase-out and maintain compliance with control measures through updates of rules and regulations and an efficient HCFC licensing system. The Executive Committee acknowledged the country's progress in preparing stage II of its HPMP, and looks forward to its submission to the 78<sup>th</sup> meeting of the Executive Committee.

#### **China**

3. The Executive Committee reviewed the report presented with the request for the IS project for China (phase XII) and noted with appreciation the country's continued efforts in ODS control, and monitoring policies and regulations, as well as coordination amongst stakeholders. The Executive Committee commended the continual awareness enhancement activities amongst agencies, sectors, and projects and is therefore hopeful that during phase XII of the IS project China will complete all the remaining activities of stage I of the HPMP and implement activities under stage II of the HPMP as planned. The Executive Committee is confident that the continued success of China's HCFC phase-out activities will pave the way for further progress in stage II of the country's HPMP.

#### **Democratic Republic of the Congo (the)**

4. The Executive Committee reviewed the report presented with the request for the IS project for the Democratic Republic of the Congo (phase VIII) and noted with appreciation that the Democratic Republic of the Congo reported 2015 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol. The Executive Committee further noted that the Democratic Republic of the Congo took steps to phase out its consumption of HCFCs including the implementation of import controls through a licensing and quota system, and training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of the Democratic Republic of the Congo to reduce HCFC consumption and is hopeful that, within the next two years, the country

will continue with the implementation of its HPMP and IS project activities with success to prepare for the 35 per cent reduction in HCFC consumption by 1 January 2020.

#### **Cook Islands (the)**

5. The Executive Committee reviewed the report presented with the request for the IS project for the Cook Islands (phase VI) and noted with appreciation the fact that the Cook Islands reported 2015 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with Montreal Protocol. The Executive Committee further noted that the Cook Islands has taken steps to phase out its HCFC consumption including the implementation of import controls through a licensing and quota system; strengthening the national refrigeration industry association; and capacity building through training of law enforcement and customs officials, and refrigeration and air-conditioning (RAC) servicing technicians. The Executive Committee expressed appreciation for the efforts of the Cook Islands to reduce HCFC consumption and is therefore hopeful that, within the next two years, the Cook Islands will continue to implement its HPMP and IS project with success to prepare the country for the 35 per cent reduction in HCFC consumption by 1 January 2020.

#### **Côte d'Ivoire**

6. The Executive Committee reviewed the report presented with the request for the IS project for Côte d'Ivoire (phase VIII) and noted with appreciation the fact that Côte d'Ivoire reported Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol. The Executive Committee further noted that Côte d'Ivoire took steps to phase out its consumption of HCFCs. Côte d'Ivoire reported that it had taken important initiatives, namely the implementation of HCFC import controls through a licensing and quota system and training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of Côte d'Ivoire to reduce HCFC consumption and is hopeful that, within the next two years, the country will continue with the implementation of stage I of the HPMP and IS project with success to prepare for the 35 per cent reduction in HCFC consumption by 1 January 2020.

#### **Dominican Republic (the)**

7. The Executive Committee reviewed the report presented with the request for the IS project for Dominican Republic (phase IX) and noted with appreciation that the country had fulfilled its 2015 country programme and Article 7 reporting requirements to the Fund and Ozone Secretariats. The Executive Committee acknowledged with appreciation that the Dominican Republic achieved the 10 per cent reduction in HCFC consumption. The Executive Committee also noted that the implementation of stage I of the HPMP was almost complete and is therefore confident that the Dominican Republic will continue activities at both the project implementation and policy enforcement level to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

#### **Eritrea**

8. The Executive Committee reviewed the report presented with the request for the IS project for Eritrea (phase III) and noted with appreciation that Eritrea reported Article 7 data indicating that the country is in compliance with Montreal Protocol in 2015. The Executive Committee is pleased that Eritrea has taken steps to phase out its consumption of HCFCs including the implementation of import controls through a licensing and quota system. The Executive Committee expressed appreciation for the efforts of Eritrea to reduce HCFC consumption and is hopeful that, within the next two years, the country will continue the implementation of its HPMP and IS project with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

## **Ethiopia**

9. The Executive Committee reviewed the report presented with the request for the IS project for Ethiopia (phase VII) and noted with appreciation that Ethiopia is in compliance with its Article 7 data reporting and HCFC phase-out obligations, and that an operational HCFC import and export licensing and HCFC quota system is in place. The Executive Committee is pleased that Ethiopia has carried out training for refrigeration technicians and customs officers, and public awareness activities. The Executive Committee is therefore confident that Ethiopia will continue to implement stage I of the HPMP and the IS project in an effective manner to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

## **Fiji**

10. The Executive Committee reviewed the report presented with the request for the IS project for Fiji (phase X) and noted with appreciation that the country reported 2015 country programme implementation data to the Fund Secretariat and 2015 Article 7 data to the Ozone Secretariat. The Executive Committee acknowledged with appreciation that Fiji has a well-structured licensing and quota system and also noted that stage I of the HPMP was being implemented in an efficient and timely manner, including the training of customs officers and refrigeration technicians. The Executive Committee is therefore confident that Fiji will continue activities both at the project and policy levels to enable the country to meet the future Montreal Protocol control measures.

## **Gambia (the)**

11. The Executive Committee reviewed the report presented with the request for the IS project for the Gambia (phase IX) and noted with appreciation that Gambia has been in compliance with its reporting and HCFC phase-out obligations under the Montreal Protocol. The Executive Committee further noted that the country has an operational HCFC import and export licensing and quota system in place and has implemented activities under stage I of the HPMP including training workshops of customs officers and refrigeration technicians. The Executive Committee is therefore confident that Gambia will continue implementing its HPMP and IS project in a timely and effective manner to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

## **Guinea-Bissau**

12. The Executive Committee reviewed the report presented with the request for the IS project for Guinea Bissau (phase V) and noted with appreciation that Guinea Bissau reported had 2015 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with Montreal Protocol. The Executive Committee further noted that Guinea Bissau has taken steps to phase out its consumption of HCFCs, namely the implementation of import controls through a licensing and quota system, training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of Guinea Bissau to reduce the consumption of HCFCs and is therefore hopeful that, within the next two years, Guinea Bissau will continue with the implementation of its HPMP and IS project with success to prepare for the 35 per cent reduction step in HCFC consumption by 1 January 2020.

## **Islamic Republic of Iran**

13. The Executive Committee reviewed the report presented with the request for the IS project for the Islamic Republic of Iran (phase XI) and noted with appreciation the effective quota and licensing system that had allowed the country to achieve compliance with the 2015 control measure of the Montreal Protocol. The Executive Committee further noted the release of all four funding tranches of stage I of the HPMP, as well as the submission of the relevant progress and verification reports, and expressed appreciation for the efforts of the Islamic Republic of Iran for achieving the final stage of its conversion

projects. The Committee expressed the expectation that the Islamic Republic of Iran will sustain its enforcement of the established regulatory measures to control HCFC import and distribution to enable effective implementation of stage II of the HPMP.

#### **Jordan**

14. The Executive Committee reviewed the report presented with the request for the institutional strengthening (IS) project for Jordan (phase XII) and noted with appreciation the timely submission of country programme data to the Fund Secretariat and that Jordan had submitted Article 7 data to the Ozone Secretariat indicating that it had successfully reduced HCFC consumption by 10 per cent of its baseline by 1 January 2015. The Executive Committee encouraged Jordan to continue enforcement of the country's quota and licensing system to achieve further reductions in HCFC consumption in 2016 and 2017 in accordance with its HCFC phase-out management plan (HPMP) Agreement. The Executive Committee is confident that Jordan will implement the remaining activities under stage I of the HPMP to reinforce the efficacy of its policy actions, while creating the enabling environment for the next stage of HCFC phase-out.

#### **Kyrgyzstan**

15. The Executive Committee reviewed the report presented with the request for the IS project for Kyrgyzstan (phase VIII) and noted with appreciation that Kyrgyzstan has reported 2015 Article 7 data to the Ozone Secretariat indicating that the country has achieved a 10 per cent reduction in HCFC consumption from the baseline. The Executive Committee is therefore confident that, in the next two years, Kyrgyzstan will successfully implement the accelerated HCFC phase-out as formulated in the stage II of the HPMP.

#### **Lebanon**

16. The Executive Committee reviewed the report presented with the request for the IS project for Lebanon (phase X), and noted with appreciation the continued success of Lebanon's ODS phase-out activities and its compliance with the Montreal Protocol target to reduce HCFC consumption by 10 per cent of baseline by 1 January 2015. The Executive Committee acknowledged Lebanon's continued cooperation with stakeholders to implement legislation on ODS and ODS import control and noted with appreciation the incorporation of the ozone unit's action plan into Lebanon's national development agenda, as well as the country's submission of the country programme and Article 7 data. The Executive Committee hopes that Lebanon will continue to strengthen its cooperation with stakeholders to disseminate knowledge and awareness on ozone protection including climate change linkages with a focus on HCFCs.

#### **Lesotho**

17. The Executive Committee reviewed the report presented with the request for the IS project for Lesotho (phase VIII) and noted with appreciation the fact that Lesotho reported 2015 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol. The Executive Committee further noted that Lesotho has taken initiatives including the implementation of a licensing and quota system to control ODS imports, and training of customs officers and refrigeration technicians. The Executive Committee expressed the expectation that, in the next two years, Lesotho will continue implementation of HPMP and IS activities with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

## **Libya**

18. The Executive Committee reviewed the report presented with the request for the institutional strengthening (IS) project for Libya (phase IV, second year) and noted with appreciation that Libya reported data to the Ozone Secretariat for the year 2015 indicating that it was in compliance with its commitments under decision XXVII/11 of the Parties to the Montreal Protocol. The Executive Committee further noted that that within the framework of the IS project, Libya had achieved substantive progress towards control of HCFCs. The Executive Committee acknowledged that the national ozone unit has kept working in an un-interrupted mode despite the difficulties faced since 2011, and further acknowledges with appreciation that the country has established a licensing and quota system by Decree Law No. 228 in June 2015, elaborated a plan of action to return to compliance by 2018 for submission to the Implementation Committee, and submitted the stage I of the HCFC phase-out management plan (HPMP) to effectively implement the plan of action mainly through reduction of HCFC consumption in the foam manufacturing sector. The Executive Committee is therefore hopeful that Libya will continue implementing its HPMP and IS project with success and that sustained priority will be given toward compliance with the targets set out in decision XXVII/11 so that Libya can return to compliance with the Montreal Protocol.

## **Madagascar**

19. The Executive Committee reviewed the report presented with the request for the IS project for Madagascar (phase VII) and noted with appreciation the fact that Madagascar reported 2015 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with Montreal Protocol. The Executive Committee further noted that Madagascar has taken steps to phase out its HCFC consumption, namely the implementation of import controls through a licensing and quota system, training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of Madagascar and is hopeful that, within the next two years, Madagascar will continue with the implementation of its HPMP and IS activities with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

## **Maldives**

20. The Executive Committee reviewed the report presented with the request for the IS project for Maldives (phase IX) and noted with appreciation that Maldives reported Article 7 data indicating that the country is in compliance with the Montreal Protocol in 2015. The Executive Committee further noted that Maldives have an operational licensing and quota system in place and financial incentives to promote low-global warming potential (GWP) alternatives, and that capacity building of service technicians and enforcement officers is progressing well. The Executive Committee expressed appreciation that Maldives are targeting different sectors, such as tourism and fisheries and organized targeted awareness raising campaigns to promote low GWP alternatives, and is therefore confident that, in the next two years, Maldives will successfully prepare to complete HCFC phase-out by 2020, as formulated in the country's HPMP.

## **Mauritius**

21. The Executive Committee reviewed the report presented with the request for the IS project for Mauritius (phase V) and noted with appreciation the fact that Mauritius reported Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol. The Executive Committee further noted that Mauritius had implemented HCFC import controls through a licensing and quota system, and training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of Mauritius and is hopeful that, in the next two years, Mauritius will continue to implement HPMP and IS activities to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

### **Micronesia (Federated States of)**

22. The Executive Committee reviewed the report presented with the request for the IS project for the Federated States of Micronesia (phase VI) and noted with appreciation that the country reported 2015 Article 7 data indicating that the country is in compliance with Montreal Protocol. The Executive Committee further noted the steps to phase out HCFC consumption including the implementation of HCFC import controls through a licensing and quota system, strengthening of the national refrigeration industry association in each state, training and capacity building in key sectors and training of refrigeration servicing technicians. The Executive Committee expressed appreciation for the efforts of the country and is hopeful that, within the next two years, the Federated States of Micronesia will continue with the implementation of its HPMP and IS project activities with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

### **Nepal**

23. The Executive Committee reviewed the report presented with the request for the IS project for Nepal (phase IX) and noted with appreciation that Nepal reported 2015 country programme implementation data and Article 7 data to the Fund and Ozone Secretariats, respectively. The Executive Committee noted that Nepal had implemented activities including enforcement of the licensing system training in good refrigeration practices despite the natural calamity that occurred in 2015. The Executive Committee is therefore confident that Nepal will continue implementing its HPMP and IS project in a timely and effective manner to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

### **Pakistan**

24. The Executive Committee reviewed the report presented with the request for the IS project for Pakistan (phase IX), and noted with appreciation that Pakistan had achieved the 10 per cent reduction in HCFC consumption by 1 January 2015 in compliance with the Montreal Protocol. It also noted the effective import control measures, particularly with the computerized online quota system. The Executive Committee expressed appreciation for Pakistan's successful implementation of stage I of the HPMP and the conversion of foam manufacturing industries to HCFC alternatives. The Executive Committee hopes that this foundation will assist Pakistan to successfully implement stage II of the HPMP.

### **Paraguay**

25. The Executive Committee reviewed the report presented with the request for the IS project for Paraguay (phase VIII) and noted with appreciation that Paraguay reported 2015 country programme implementation data to the Multilateral Fund Secretariat in advance of the 1 May deadline and also 2015 Article 7 data to the Ozone Secretariat. The Executive Committee acknowledged with appreciation that Paraguay had achieved the 10 per cent reduction in HCFC consumption and noted that the second tranche of stage I of the HPMP was proceeding satisfactorily. The Executive Committee is therefore confident that Paraguay will continue activities both at the project implementation and policy enforcement level to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

### **Republic of Moldova (the)**

26. The Executive Committee reviewed the report presented with the request for the IS project for the Republic of Moldova (phase IX) and noted that the Republic of Moldova had submitted 2015 Article 7 data indicating the country is in compliance with the Montreal Protocol and had reduced its HCFC consumption by 18 per cent of the baseline. The Executive Committee noted with appreciation the coordinated implementation of stage I of the HPMP and the ODS alternatives survey, and that the ozone

unit had successfully engaged all stakeholders in phase-out activities. The Executive Committee is confident that in the next two years, the Republic of Moldova will continue its activities, both at the project and policy levels, to enable it to achieve to the 35 per cent HCFC reduction step by 1 January 2020.

### **Somalia**

27. The Executive Committee reviewed the report presented with the request for the IS project for Somalia (phase III) and noted with appreciation that Somalia has been in compliance with its reporting and HCFC phase-out obligations under the Montreal Protocol and that an operational ODS licensing and HCFC quota system is in place. The Executive Committee further noted that Somalia had implemented activities under its HPMP including training workshops of customs officers and refrigeration technicians, and distribution of tools for refrigeration technicians. The Executive Committee is pleased that the post of ozone officer was filled in May 2016 and is therefore confident that Somalia will continue implementing its HPMP and IS project in a timely and effective manner to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

### **Suriname**

28. The Executive Committee reviewed the report presented with the request for the IS project for Suriname (phase VI) and noted with appreciation that Suriname is in compliance with its reporting and HCFC phase-out obligations under the Montreal Protocol and that an operational HCFC licensing and quota system is in place. The Executive Committee expressed appreciation that the country had implemented activities under the HPMP namely, the implementation of import controls through a licensing system and training workshops of customs officers and refrigeration technicians. The Executive Committee noted that in the next IS phase Suriname plans to focus on legislative measures to control HCFC-based equipment, extending the licensing system to include ODS alternatives and organize advanced training for the safe use of alternative refrigerants. The Executive Committee is therefore confident that Suriname will continue implementing its HPMP and IS project in a timely and effective manner to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

### **Thailand**

29. The Executive Committee reviewed the report presented with the request for the IS project for Thailand (phase VIII) and noted with appreciation the achievements of the National Ozone Unit for Thailand. The Executive Committee noted in particular the work done to implement stage I of the HPMP, that Thailand has a well-established and reliable ODS licensing system, and that the country is in compliance with its data reporting and consumption obligations under the Montreal Protocol. The Executive Committee expressed the expectation that, in the next two years, Thailand will continue to implement its planned activities particularly the enforcement of the import quota system in order to sustain the ODS phase-out achieved so far and to achieve its HCFC phase-out targets of the Montreal Protocol for 2017 and 2018.

### **Togo**

30. The Executive Committee reviewed the report presented with the request for the IS project for Togo (phase IX) and noted with appreciation the fact that Togo reported 2015 Article 7 data indicating that the country is in compliance with Montreal Protocol. The Executive Committee further noted that Togo has taken steps to phase out its consumption of HCFCs, specifically the implementation of ODS import controls through a licensing and quota system, training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of Togo and is hopeful that, within the next two years, Togo will continue with the implementation of its HPMP and IS project

activities with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

#### **Vanuatu**

31. The Executive Committee reviewed the report presented with the request for the IS project for Vanuatu (phase VI) and noted with appreciation that Vanuatu reported 2015 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with Montreal Protocol. The Executive Committee further noted that Vanuatu has taken steps to phase out its HCFC consumption including the implementation of HCFC import controls through a licensing and quota system, strengthening of the national refrigeration industry association, training and capacity building to law enforcement officials and training of RAC servicing technicians. The Executive Committee expressed appreciation for the efforts of Vanuatu and is hopeful that Vanuatu will continue with the implementation of the HPMP and IS project with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

#### **Venezuela (Bolivarian Republic of)**

32. The Executive Committee reviewed the report presented with the request for the IS project request for the Bolivarian Republic of Venezuela (phase XIII) and noted with appreciation that the country is taking the necessary steps to meet the Montreal Protocol control measures related to HCFCs. The Executive Committee commended the Government for the implementation of stage I of the HPMP, its effective licensing and quota system, and the good communication between HCFC importers and customs authorities. The Executive Committee noted with appreciation the training on low-global warming potential alternatives in the refrigeration and air-conditioning sector. The Executive Committee noted that the approved stage II of the HPMP will support the effort of the Bolivarian Republic of Venezuela in the coming years to fulfil its HCFC reduction goals and is therefore hopeful that the country will continue to implement ODS phase-out activities with success.

#### **Viet Nam**

33. The Executive Committee reviewed the report presented with the request for the IS project for Viet Nam (phase XI) and noted with appreciation that the country reported 2015 country programme implementation data to the Fund Secretariat, and 2015 Article 7 data submitted to the Ozone Secretariat indicated that the country was in compliance with the Montreal Protocol. The Executive Committee acknowledged with appreciation that Viet Nam has been enforcing a well-structured HCFC licensing and quota system, which includes HCFC-based imported pre-blended polyols, and that stage II of the HPMP was being implemented. The Executive Committee is therefore confident that Viet Nam will continue activities both at the project and policy levels to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

#### **Zambia**

34. The Executive Committee reviewed the report presented with the request for the IS project for Zambia (phase VI) and noted with appreciation that Zambia reported 2015 Article 7 data indicating that the country is in compliance with the Montreal Protocol. The Executive Committee further noted that Zambia has taken steps including: implementation of the licensing system and training of customs officers and refrigeration technicians. The Executive Committee expressed appreciation for the efforts of Zambia and expressed the expectation that, in the next two years, Zambia will continue with the implementation of the HPMP and IS project with success to prepare the country to meet the 35 per cent HCFC reduction step by 1 January 2020.

**UNEP's 2017 COMPLIANCE ASSISTANCE PROGRAMME (CAP) BUDGET**

		Bud Ln	Component	Location			Approved CAP 2017 ExCom 77
10			<b>PROJECT PERSONNEL COMPONENT</b>				
			<b>Title/Description</b>		<b>Grade</b>	<b>w/m</b>	
		1101	Head of Branch	Paris	D1	12	258,000
		1102	Senior Environment Officer - Network & Policy	Paris	P5	12	253,000
		1103	Programme Officer - Capacity Building	Paris	P4	12	221,000
		1104	Information Manager	Paris	P4	12	221,000
		1105	Project Operations	Paris	P4	12	221,000
		1106	Programme Officer - Policy & Tech Support	Paris	P4	12	221,000
		1107	Programme Officer - HCFC/non ODS Help Desk	Paris	P3	12	185,000
		1108	Programme Officer - ECA / Paris	Paris / ECA	P3	12	185,000
		1111	ECA Regional Network Coordinator	Paris / ECA	P4	12	221,000
		1121	ROAP Senior Regional Network Coordinator - SA	Bangkok	P5	12	213,000
		1122	ROAP Regional Network Coordinator - SEAP	Bangkok	P4	12	187,000
		1123	ROAP Coordinator - Transregional Capacity Building PICs)	Bangkok	P4	12	187,000
		1124	ROAP Programme Officer - HPMP (SEAP + PICs)	Bangkok	P3	12	151,000
		1125	ROAP Programme Officer - HPMP (SA)	Bangkok	P3	12	151,000
		1126	ROAP Programme Officer HPMP (SEAP + PICs)	Bangkok	P3	12	151,000
		1131	ROWA Regional Network Coordinator	Manama	P4	12	215,000
		1132	ROWA Coordinator International Partnerships	Manama	P5	12	227,000
		1133	ROWA Programme Officer - HPMP	Manama	P3	12	207,000
		1142	ROA Regional Network Coordinator (Francophone)	Nairobi	P4	12	203,000
		1143	ROA Regional Network Coordinator (Anglophone)	Nairobi	P4	12	203,000
		1144	ROA Programme Officer - HPMP (Anglophone)	Nairobi	P3	12	166,000
		1145	ROA Programme Officer - HPMP (Francophone)	Nairobi	P3	12	166,000
		1146	ROA Programme Officer (Francophone)	Nairobi	P2	12	98,000
		1147	ROA Programme Officer (Anglophone)	Nairobi	P2	12	98,000
		1151	ROLAC Regional Network Coordinator (Latin America)	Panama	P4	12	188,000
		1152	ROLAC Regional Network (Caribbean)	Panama	P4	12	188,000

		Bud Ln	Component	Location			Approved CAP 2017 ExCom 77
		1153	ROLAC Programme Officer - HPMP (Caribbean)	Panama	P3	12	160,000
		1154	ROLAC Programme Officer - HPMP (Latin America)	Panama	P3	12	160,000
		1301	Principal Assistant HOB	Paris	G6	12	114,000
		1302	Programme Assistant - Regional Networks	Paris	G6	12	114,000
		1303	Programme Assistant (ECA)	Paris	G6	12	114,000
		1305	Programme Assistant - Information/ExCom	Paris	G5	12	102,000
		1306	Programme Assistant - Capacity Building/Information	Paris	G5	12	102,000
		1307	Programme Assistant - Operations	Paris	G5	12	102,000
		1311	Programme Assistant	Paris / ECA	G6	12	114,000
		1312	Budget & Finance Assistant	Paris	G7	12	120,000
		1317	Temporary assistance CAP				30,000
		1321	ROAP Programme Assistant (SA)	Bangkok	G6	12	66,000
		1322	ROAP Programme Assistant (SEAP)	Bangkok	G5	12	53,000
		1323	ROAP Programme Assistant (PIC)	Bangkok	G5	12	53,000
		1324	ROAP Programme Assistant	Bangkok	G6	12	59,000
		1331	ROWA Programme Assistant	Manama	G6	12	74,000
		1332	ROWA Programme Assistant	Manama	G6	12	74,000
		1341	ROA Programme Assistant (Anglophone)	Nairobi	G6	12	44,000
		1342	ROA Administrative Assistant (Global)	Nairobi	G5	12	36,000
		1343	ROA Programme Assistant	Nairobi	G6	12	44,000
		1344	ROA Programme Assistant (Francophone)	Nairobi	G6	12	44,000
		1351	ROLAC Programme Assistant	Panama	G4	12	32,000
		1352	ROLAC Programme Assistant	Panama	G6	12	45,000
		<b>COMPONENT TOTAL STAFF PERSONNEL</b>					<b>6,841,000</b>
	1600	<b>TRAVEL</b>					
		1601	Paris staff travel	Paris			171,000
		1610	ECA staff travel	Paris / ECA			25,000
		1620	ROAP staff travel (SA)	Bangkok			33,000
		1621	ROAP staff travel (SEAP)	Bangkok			33,000
		1622	ROAP staff travel (PIC)	Bangkok			50,000
		1630	ROWA staff travel	Manama			45,000

		Bud Ln	Component	Location			Approved CAP 2017 ExCom 77
		1640	ROA staff travel (Francophone)	Nairobi			60,500
		1641	ROA staff travel (Anglophone)	Nairobi			60,500
		1650	ROLAC staff travel (Caribbean)	Panama			35,000
		1651	ROLAC staff travel (Latin America)	Panama			35,000
			<b>COMPONENT TOTAL TRAVEL</b>				<b>548,000</b>
20/30			<b>REGIONAL ACTIVITIES</b>				
			<b>CONTRACT SERVICE COMPONENT</b>				
		2210	ECA South South cooperation/Regional awareness raising	Paris / ECA			20,000
		3210	ECA network meetings/thematic workshops	ECA			110,000
			<i>Subtotal ECA</i>				<i>130,000</i>
		2220	ROAP South South cooperation/Regional awareness raising (SA)	Bangkok			20,000
		2221	ROAP South South cooperation/Regional awareness raising (SEAP)	Bangkok			20,000
		2222	ROAP South South Cooperation/Regional awareness raising (PIC)	Bangkok			30,000
		3220	ROAP network meetings/thematic workshops (SA)	Bangkok			72,000
		3221	ROAP network meetings/thematic workshops (SEAP)	Bangkok			50,000
		3222	ROAP network meetings/thematic workshops (PIC)	Bangkok			75,000
			<i>Subtotal ROAP</i>				<i>267,000</i>
		2230	ROWA South South cooperation/Regional awareness raising	Manama			20,000
		3230	ROWA network meetings/thematic workshops	Manama			80,000
			<i>Subtotal ROWA</i>				<i>100,000</i>
		2240	ROA South South cooperation/Regional awareness raising (Francophone)	Nairobi			35,000
		2241	ROA South South cooperation/Regional awareness raising (Anglophone)	Nairobi			35,000
		3240	ROA network meetings/thematic workshops (Francophone)	Nairobi			140,000
		3241	ROA network meetings/thematic workshops (Anglophone)	Nairobi			140,000
			<i>Subtotal ROA</i>				<i>350,000</i>
		2250	ROLAC South South cooperation/Regional awareness raising (Caribbean)	Panama			20,000
		2251	ROLAC South South cooperation/Regional awareness raising (Latin America)	Panama			20,000
		3250	ROLAC network meetings/thematic workshops (Caribbean)	Panama			110,000
		3251	ROLAC network meetings/thematic workshops (Latin America)	Panama			100,000
			<i>Subtotal ROLAC</i>				<i>250,000</i>
			<b>Subtotal Regional activities</b>				<b>1,097,000</b>

		Bud Ln	Component	Location			Approved CAP 2017 ExCom 77
			<b>GLOBAL SERVICES</b>				
40		4210	Clearing House	Paris			170,000
		4220	Capacity Building , Technical & Policy Materials	Paris			110,000
	*	4230	NOO Training programme lauched				40,000
	*	4240	Refrigerant drivers licence launched				40,000
	*	4250	Global training in refrigeration servicing sector				60,000
	*	4260	ODS Management in fishing sector				25,000
		4270	Emerging needs				55,000
			<i>Subtotal Global Services</i>				500,000
			<b>MEETINGS</b>				
50		5210	Advisory and consultative Meetings - Paris	Paris/REGIONS			60,000
			<i>Subtotal Meetings</i>				60,000
			<b>EQUIPMENT AND PREMISES</b>				
60		6210	Office Operations (equipment, rental, supplies & maintenance)	Paris			290,000
		6220	Office Operations (equipment, rental, supplies & maintenance)	Regions			270,000
			<i>Subtotal Equipment &amp; Premises</i>				560,000
			<b>REPORTING/COMMUNICATION</b>				
70		7210	Reproduction costs /Translations/Dissemination	PARIS/REGIONS			55,000
		7220	Communication (Paris and ECA)	Paris / ECA			55,000
		7230	Communication (Regions)	Regional			60,000
			<i>Subtotal Reporting/Communication</i>				170,000
			<b>COMPONENT TOTAL CONTRACT SERVICE</b>				2,387,000
			<b>99 TOTAL DIRECT PROJECT COST</b>				9,776,000
			<i>Programme support costs (8%)</i>				782,080
90			<b>GRAND TOTAL</b>				10,558,080

\*\*\*2304, 2305, 2306 & 2307 activities & budget to be carried to 2017

Note on all other Budget Lines unspent balances will be returned

## **Annex XVI**

### **AGREEMENT BETWEEN THE GOVERNMENT OF SOUTH SUDAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of South Sudan (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 1.07 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in

respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

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

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

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

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.64

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

Row	Particulars	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.69	3.69	3.69	3.69	2.67	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.48	1.48	1.48	1.48	1.07	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	20,000	0	70,500	0	29,500	120,000
2.2	Support costs for Lead IA (US \$)	2,600	0	9,165	0	3,835	15,600
2.3	Cooperating IA (UNDP) agreed funding (US \$)	0	0	50,000	0	40,000	90,000
2.4	Support costs for Cooperating IA (US \$)	0	0	4,500	0	3,600	8,100
3.1	Total agreed funding (US \$)	20,000	0	120,500	0	69,500	210,000
3.2	Total support costs (US \$)	2,600	0	13,665	0	7,435	23,700
3.3	Total agreed costs (US \$)	22,600	0	134,165	0	76,935	233,700
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						0.57
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						1.07

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the last meeting of the year specified in Appendix 2-A.

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

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified

in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;

- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

1. The National Ozone Unit (NOU) will be monitoring the implementation of the project activities and will prepare a quarterly progress report for the project. The monitoring programme will therefore ensure effectiveness of all the proposed projects within the HPMP through constant monitoring and periodic review of the performance of individual projects. Independent verification will be conducted by a consultant arranged by the Lead IA.

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

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
  - (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
  - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
  - (l) Providing assistance with policy, management and technical support when required.
2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

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

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

## **Annex XVII**

### **AGREEMENT BETWEEN THE GOVERNMENT OF ARMENIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of Armenia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 2.34 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

#### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

#### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

### **APPENDICES**

#### **APPENDIX 1-A: THE SUBSTANCES**

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	7.00
HCFC-141b contained in imported pre-blended polyols	C	I	0.83
Total	C	I	7.83

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

Row	Particulars	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	6.30	6.30	6.30	6.30	4.55	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	5.04	4.20	3.92	3.64	2.34	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	108,000	0	0	0	21,600	129,600
2.2	Support costs for Lead IA (US \$)	9,720	0	0	0	1,944	11,664
2.3	Cooperating IA (UNEP) agreed funding (US \$)	35,000	0	51,400	0	0	86,400
2.4	Support costs for Cooperating IA (US \$)	4,550	0	6,682	0	0	11,232
3.1	Total agreed funding (US \$)	143,000	0	51,400	0	21,600	216,000
3.2	Total support costs (US \$)	14,270	0	6,682	0	1,944	22,896
3.3	Total agreed costs (US \$)	157,270	0	58,082	0	23,544	238,896
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						3.26
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						1.40
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						2.34
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)						0.83
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0

\*Date of completion of stage I as per stage I Agreement: 31 December 2016

## APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
  - (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
  - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub paragraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
  - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The national ozone unit (NOU) will continue to act as the focal point for the HPMP project coordination and management. This activity will be undertaken by experienced project managers acting under the direction of the head of the NOU, who also acts as the national focal point for the Montreal Protocol. High level consultation both with Government agencies and with external stakeholders and the general public will be carried out.
2. UNDP will be the lead implementing agency responsible for the investment component, and UNEP will be the cooperating implementing agency, responsible for the non-investment activities. The Lead and Cooperating IAs will utilize the established procedures to govern procurement, financial management, reporting and monitoring. Implementation will be further supported by consultants, suppliers of equipment and services, and beneficiary enterprises.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
  - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
  - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (h) Carrying out required supervision missions;
  - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
  - (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
  - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
  - (m) Providing assistance with policy, management and technical support when required;
  - (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
  - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

#### **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

## **Annex XVIII**

### **AGREEMENT BETWEEN THE GOVERNMENT OF THE DOMINICAN REPUBLIC AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of the Dominican Republic (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 30.72 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3 and 4.4.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The United Nations Development Programme has agreed to be the lead implementing agency (the “Lead IA”) and the United Nations Environment Programme has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance

with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

#### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

#### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	50.41
HCFC-123	C	I	0.19
HCFC-141b	C	I	0.60
Sub-total			51.2
HCFC-141b contained in imported pre-blended polyols	C	I	19.51
Total	C	I	70.71

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

Row	Particulars	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	46.08	46.08	46.08	46.08	33.28	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	46.08	46.08	46.08	46.08	30.72	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	558,800	0	574,200	0	146,558	1,279,558
2.2	Support costs for Lead IA (US \$)	39,116	0	40,194	0	10,259	89,569
2.3	Cooperating IA (UNEP) agreed funding	95,000	0	100,000	0	0	195,000
2.4	Support costs for Cooperating IA (US \$)	12,350	0	13,000	0	0	25,350
3.1	Total agreed funding (US \$)	653,800	0	674,200	0	146,558	1,474,558
3.2	Total support costs (US \$)	51,466	0	53,194	0	10,259	114,919
3.3	Total agreed costs (US \$)	705,266	0	727,394	0	156,817	1,589,477
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						15.36
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						7.03
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						28.02
4.2.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.2.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)						0.00
4.2.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)						0.19
4.3.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.3.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)						0.60
4.3.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.00
4.4.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.4.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)						19.51
4.4.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0.00

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

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:
  - (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
  - (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
  - (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
  - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The National Ozone Programme (PRONAOZ) of the Ministry of Environment and Natural Resources (MARN) shall be responsible for coordinating the actions associated with each programme and projects through collaborating with various areas of the Ministry; as well as with other government agencies such as the General Customs Directorate of the Ministry of Treasury, between others.

2. To support the implementation of projects in different sectors, national and/or international consultants will be hired, if necessary, to implement the various activities and offer support to the PRONAOZ in coordination with key actors, including other Ministries, Agencies and the private sector.

3. PRONAOZ have the full support of the Government. The MARN has ensured the adoption of the laws and the implementation of necessary national regulations to guarantee the country's compliance with the Montreal Protocol agreements.

4. For the adequate implementation of these projects, it is essential to continue to have the active participation of relevant public sector counterparts, such as the General Customs Directorate, which actively participates in the definition and implementation of import and export control processes of HCFC.

5. The Lead IA shall have the overall responsibility of reporting to the Executive Committee, and of supporting the Country in the implementation of the non-investment components that are not implemented by the Cooperating IA.

6. Before each Executive Committee meeting is held to discuss a tranche to receive funding, PRONAOZ will prepare a report on the status of activities and progress together with the Lead IA and with the help of the Cooperating IA, including the milestones and other key performance indicators as well as any other information of interest for the implementation of the Plan. This report will be reviewed and verified by the Lead IA and will then be sent to the Executive Committee through the Secretariat of the Multilateral Fund.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;

- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

## **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$192 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

## **Annex XIX**

### **AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of India (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 643.28 ODP tonnes by 1 January 2023 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3 and 4.6.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each

previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;
- (c) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), would not

receive financial assistance. This information would be reported as part of the Tranche Implementation Plan;

- (d) The Country commits to examining the possibility of using pre-blended systems with low-global warming potential blowing agents instead of blending them in-house, for those foam enterprises covered under the Plan, should this be technically viable, economically feasible and acceptable to the enterprises;
- (e) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations standards and incentives adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and
- (f) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

#### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions of the Executive Committee on the refrigeration servicing sector during the implementation of the Plan.

#### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”). UNEP and the Government of Germany have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IAs taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IAs will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4 and 2.6 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-123	C	I	3.50
HCFC-124	C	I	13.50
HCFC-141b	C	I	865.50
HCFC-142b	C	I	123.70
HCFC-22	C	I	602.00
Sub-total			1,608.20
HCFC-141b contained in imported pre-blended polyols	C	I	83.05
Total			1,691.25

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

Row	Particulars	2016	2017	2018	2019	2020	2021	2022	2023	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1,447.38	1,447.38	1,447.38	1,447.38	1,045.33	1,045.33	1,045.33	1,045.33	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1,447.38	1,447.38	1,433.63	1,103.85	832.32	799.76	698.82	643.28	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	9,256,000	0	14,608,000	0	12,045,500	0	3,001,959	0	38,911,459
2.2	Support costs for Lead IA (UNDP) (US \$)	647,920	0	1,022,560	0	843,185	0	210,137	0	2,723,802
2.3	Cooperating IA (UNEP) agreed funding (US \$)	300,000	0	300,000	0	210,000	0	90,000	0	900,000
2.4	Support costs for UNEP (US \$)	36,333	0	36,333	0	25,433	0	10,900	0	109,000
2.5	Cooperating IA (Germany) agreed funding (US \$)	345,000	0	2,000,000	0	1,500,000	0	1,255,000	0	5,100,000
2.6	Support costs for Germany (US \$)	38,626	0	223,922	0	167,941	0	140,511	0	571,000
3.1	Total agreed funding (US \$)	9,901,000	0	16,908,000	0	13,755,500	0	4,346,959	0	44,911,459
3.2	Total support costs (US \$)	722,880	0	1,282,815	0	1,036,560	0	361,548	0	3,403,802
3.3	Total agreed costs (US \$)	10,623,880	0	18,190,815	0	14,792,060	0	4,708,507	0	48,315,261
4.1.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)									0.00
4.1.2	Phase-out of HCFC-123 to be achieved in the previous stage (ODP tonnes)									0.00
4.1.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)									3.50
4.2.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)									0.00
4.2.2	Phase-out of HCFC-124 to be achieved in the previous stage (ODP tonnes)									0.00
4.2.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)									13.50
4.3.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)									554.97
4.3.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)									310.53
4.3.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)									0.00
4.4.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)									0.00
4.4.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)									0.00
4.4.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)									123.70
4.5.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									131.47
4.5.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									31.24
4.5.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									439.29
4.6.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)									83.05
4.6.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)									0.00
4.6.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)									0.00

\*Date of completion of stage I as per stage I Agreement: 31 December 2017

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

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The monitoring process will be managed by Ozone Cell, Ministry of Environment, Forest and Climate Change, with the assistance of the Lead IA.
2. The consumption will be monitored and determined based on official import and export data for the substances recorded by relevant government departments.
3. The Ozone Cell, the Ministry of Environment Forest and Climate Change, shall compile and report the following data and information on an annual basis on or before the relevant due dates:
  - (a) Annual reports on consumption of the substances to be submitted to the Ozone Secretariat; and
  - (b) Annual reports on progress of implementation of HPMP stage-II to be submitted to the Executive Committee of the Multilateral Fund.
4. The consumption will be monitored annually throughout the implementation of HPMP stage-II and accordingly reflected in the progress report on the implementation of the HPMP stage-II.
5. The Ozone Cell, Ministry of Environment, Forest and Climate Change shall endorse the final report and the Lead IA shall submit the same to the relevant meeting of the Executive Committee along with the annual implementation plan and reports.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IAs;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IAs, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

#### **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA[s], and refer to the Lead IA to ensure a co-ordinated sequence in the activities;

- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$116 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

#### **APPENDIX 8-A: SECTOR SPECIFIC ARRANGEMENTS**

1. Polyurethane (PU) foam sector plan:

- (a) UNDP is requested to include in the submission of the second tranche and future tranches an updated list of polyurethane foam enterprises assisted and to be assisted by the Multilateral Fund under stage II in accordance with current Multilateral Fund guidelines, including their HCFC-141b consumption to be phased-out, estimated incremental cost of conversion, subsector, baseline equipment where applicable and technology to be adopted; and
- (b) If during the implementation of the PU foam sector plan, the tonnage to be phased out in eligible enterprises was found to be less than the 3,166 metric tonnes of HCFC-141b approved for phase-out under the stage II of the HPMP, funding for stage II of the HPMP would be reduced to account for that reduced tonnage at a rate of US \$7.58/kg.

2. Air-conditioning manufacturing sector:

- (a) No further funding for heat exchangers at the assisted enterprises would be provided in future stages of the HPMP; and
- (b) For those air-conditioning manufacturing enterprises that received funding in the stage II of the HPMP to convert some but not all HCFC-22-based manufacturing lines any increase in consumption of the non-converted line relative to that at the time of signature of the memorandum of agreement between the enterprise and the Government will not be funded by the Multilateral Fund, and the Government will request the enterprises to avoid any growth in HCFC-22 consumption after the time of signature.

## **Annex XX**

### **AGREEMENT BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of the Islamic Republic of Iran (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 95.13 ODP tonnes by 1 January 2023 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each

previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;
- (c) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to

foreign ownership or establishment post the 21 September 2007 cut-off date), would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan;

- (d) The Country commits to examining the possibility of using pre-blended systems with low-global warming potential blowing agents instead of blending them in-house, for those foam enterprises covered under the Plan, should this be technically viable, economically feasible and acceptable to the enterprises;
- (e) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations standards and incentives adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and
- (f) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNEP, UNIDO, the Government of Germany and the Government of Italy have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IAs taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IAs will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4, 2.6, 2.8 and 2.10 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	163.6
HCFC-141b	C	I	216.9
Total			380.5

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

Row	Particular	2016	2017	2018	2019	2020	2021	2022	2023	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	342.45	342.45	342.45	342.45	247.33	247.33	247.33	247.33	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	342.45	342.45	266.35	266.35	247.33	247.33	247.33	95.13	n/a
2.1	Lead IA (UNDP) (US \$)	1,298,170	0	1,593,980	0	1,307,980	464,231	241,000	0	4,905,361
2.2	Support costs for Lead IA (US \$)	90,872	0	111,579	0	91,559	32,496	16,870		343,375
2.3	Cooperating IA (UNIDO) (US \$)	473,567	0	584,000	0	524,000	447,638	74,000	0	2,103,205
2.4	Support costs for Cooperating IA (US \$)	33,150	0	40,880	0	36,680	31,335	5,180	0	147,224
2.5	Cooperating IA (UNEP) (US \$)	200,000	0	190,000	0	170,000	0	140,000	0	700,000
2.6	Support costs for Cooperating IA (US \$)	24,857	0	23,614	0	21,129	0	17,400	0	87,000
2.7	Cooperating IA (Germany) (US \$)	645,500	0	1,047,035	0	285,009	598,000	96,860	0	2,672,404
2.8	Support costs for Cooperating IA (US \$)	73,420	0	119,092	0	32,417	68,018	11,017	0	303,964
2.9	Cooperating IA (Italy) (US \$)	403,203	0	504,004	0	0	0	0	0	907,207
2.10	Support costs for Cooperating IA (US \$)	48,797	0	60,996	0	0	0	0	0	109,793
3.1	Total agreed funding (US \$)	3,020,440	0	3,919,019	0	2,286,989	1,509,869	551,860	0	11,288,177
3.2	Total support costs (US \$)	271,096	0	356,161	0	181,785	131,848	50,467	0	991,357
3.3	Total agreed costs (US \$)	3,291,536	0	4,275,180	0	2,468,774	1,641,717	602,327	0	12,279,534
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									71.27
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									38.6
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									53.73
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)									91.1
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)									125.8
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)									0

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

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The monitoring process will be managed by the Department of Environment (DOE) through the National Ozone Unit (NOU) with the assistance of the Lead IA.
2. The consumption will be monitored and determined based on official import and export data for the Substances recorded by relevant Government departments. The NOU shall compile and report on an annual basis on or before the relevant due dates on consumption of the Substances to be submitted to the Ozone Secretariat and on progress of implementation of HPMP to be submitted to the Executive Committee.
3. The NOU and the Lead IA will engage an independent and qualified entity to carry out a qualitative and quantitative performance evaluation of the HPMP implementation.
4. The evaluating entity shall have full access to relevant technical and financial information related to implementation of the HPMP; it shall prepare and submit to the NOU and the Lead IA, a consolidated draft report at the end of each Tranche Implementation Plan, comprising of the findings of the evaluation and recommendations for improvements or adjustments, if any. The draft report shall include the status of the Country's compliance with the provisions of this Agreement upon incorporating the comments and explanations as may be applicable, from NOU, Lead IA and the Cooperating IAs, the evaluating entity shall finalize the report and submit to the NOU and Lead IA.
5. The NOU shall endorse the final report and the Lead IA shall submit the same to the relevant meeting of the Executive Committee along with the Tranche Implementation plan and reports.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IAs;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IAs, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

## **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IAs, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$139 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

## **APPENDIX 8-A: SECTOR SPECIFIC ARRANGEMENTS**

1. This section outlines a specific condition required to be met before the portion of funding shown in rows 2.1 to 2.10 and 3.1 to 3.3 of Appendix 2-A could be released:

- (a) That the Lead IA, the Cooperating IAs and the Country have included in the submission of the request for the second tranche a report on the results of the conversion of the first 15 enterprises in the refrigeration and air-conditioning manufacturing sector to low-GWP alternatives highlighting lessons learned and challenges faced.

## **Annex XXI**

### **AGREEMENT BETWEEN THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of the Hashemite Kingdom of Jordan (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 41.5 ODP tonnes by 1 January 2022 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3 and 4.3.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly.
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;
- (c) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), would not

receive financial assistance. This information would be reported as part of the Tranche Implementation Plan;

- (d) The Country commits to examining the possibility of using pre-blended systems with low-global warming potential blowing agents instead of blending them in-house, for those foam enterprises covered under the Plan, should this be technically viable, economically feasible and acceptable to the enterprises;
- (e) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations, standards and incentives, adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and
- (f) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant implementing agencies would take into consideration relevant decisions on refrigeration servicing sector during the implementation of the Plan.

### **Implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The World Bank has agreed to be the lead implementing agency (the “Lead IA”) and the UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At

the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kilogram of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement, will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

#### **Date of Completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

#### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	54.19
HCFC-141b	C	I	28.79
Sub-total			82.98
HCFC-141b contained in imported pre-blended polyols			11.31
Total	C	I	94.29

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

Row	Particulars	2016	2017	2018	2019	2020	2021	2022	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	74.7	74.7	74.7	74.7	53.95	53.95	53.95	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	70.50	66.40	66.40	66.40	53.95	53.95	41.50	n/a
2.1	Lead IA (World Bank) agreed funding (US \$)	526,956	0	1,013,554	0	0	534,726	0	2,075,236
2.2	Support costs for Lead IA (US \$)	36,887	0	70,949	0	0	37,431	0	145,267
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	392,171	0	540,849	0	0	66,435	0	999,455
2.4	Support costs for Cooperating IA (US \$)	27,452	0	37,859	0	0	4,650	0	69,961
3.1	Total agreed funding (US \$)	919,127	0	1,554,403	0	0	601,161	0	3,074,691
3.2	Total support costs (US \$)	64,339	0	108,808	0	0	42,081	0	215,228
3.3	Total agreed costs (US \$)	983,466	0	1,663,211	0	0	643,242	0	3,289,919
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								5.88
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)								24.32
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								23.99
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)								27.60
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)								1.19
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)								0.00
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)								11.31
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)								0.00
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)								0.00

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the last Executive Committee meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The Jordan National Ozone Unit (the NOU) for the implementation of the Montreal Protocol of the Ministry of Environment (MoE) is responsible for managing and co-ordinating Jordan's overall ODS phase-out programme, including all phase-out activities and measures controlling Annex C, Group I substances (HCFCs). The management and implementation of this Agreement will be undertaken by the NOU and the HPMP Project Management Unit (PMU) which falls under the direct authority of the NOU.

2. The NOU will coordinate and work in cooperation with respective governmental bodies to implement the import/control system for HCFCs; review annual HCFC import/export license applications; and establish the annual import quotas for HCFCs for the period 2016 to 2022.

3. In order assist MoE in monitoring and evaluating the progress of Agreement implementation, the PMU and NOU will:

- (a) Coordination with stakeholders in the public and private sectors;
- (b) Preparation or review of terms of reference for consultancy services to support implementation, and supervision of HCFC phase-out activities;
- (c) Preparation of monitoring reports in cooperation with the Implementing Agencies and as required by the Executive Committee, including the Tranche Implementation Reports and Plans according to the schedule set forth in Appendix 2-A;
- (d) Facilitating project supervision or evaluation as may be required by Implementing Agencies and the Monitoring and Evaluation Officer of the Multilateral Fund Secretariat;
- (e) Undertaking procurement of goods and services necessary for implementation of the foam sector plans, technical assistance, monitoring and supervision of consultants;
- (f) Financial management to ensure effective use of the Multilateral Fund resources;
- (g) Updating and maintenance of a project management information system;
- (h) Facilitating performance and financial audits as required;
- (i) Organizing meetings and workshops for MoE staff and staff of other relevant agencies to ensure full cooperation of all stakeholders in the HCFC phase-out efforts;
- (j) Inform the industry of the availability of funds from the Multilateral Fund;
- (k) Organize training and technical assistance for the beneficiaries;
- (l) Supervision and evaluation of projects with assistance from technical experts to be engaged as part of the technical assistance component; and
- (m) Monitor progress of HCFC phase-out on the demand side by direct oversight of subproject implementation.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee including the activities implemented by the Cooperating IA;
  - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
  - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (h) Carrying out required supervision missions;
  - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
  - (j) Co-ordinating activities with the Cooperating IA, and ensuring appropriate sequence of activities;
  - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
  - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
  - (m) Providing assistance with policy, management and technical support when required;
  - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
  - (o) Timely releasing funds to the country/participating enterprises for completing the activities related to the project.

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

#### **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and,
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$138 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

## **Annex XXII**

### **AGREEMENT BETWEEN THE GOVERNMENT OF MALAYSIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of Malaysia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 294.63 ODP tonnes by 1 January 2022 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3, 4.6.3 and 4.7.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;

- (c) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan;
- (d) The Country commits to examining the possibility of using pre-blended systems with low-global warming potential blowing agents instead of blending them in-house, for those foam enterprises covered under the Plan, should this be technically viable, economically feasible and acceptable to the enterprises;
- (e) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations standards and incentives adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and
- (f) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

#### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

#### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-123	C	I	1.13
HCFC-141	C	I	0.94
HCFC-141b	C	I	162.54
HCFC-142b	C	I	0.79
HCFC-21	C	I	0.74
HCFC-22	C	I	349.54
HCFC-225	C	I	0.08
Total	C	I	515.76

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

Row	Particulars	2016	2017	2018	2019	2020	2021	2022	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	464.18	464.18	464.18	464.18	335.24	335.24	335.24	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	438.40	438.40	438.40	400.00	335.24	309.46	294.63	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	3,507,938	0	0	2,475,225	0	154,900	0	6,138,063
2.2	Support costs for Lead IA (US \$)	245,556	0	0	173,266	0	10,843	0	429,665
3.1	Total agreed funding (US \$)	3,507,938	0	0	2,475,225	0	154,900	0	6,138,063
3.2	Total support costs (US \$)	245,556	0	0	173,266	0	10,843	0	429,665
3.3	Total agreed costs (US \$)	3,753,494	0	0	2,648,491	0	165,743	0	6,567,728
4.1.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.1.2	Phase-out of HCFC-123 to be achieved in the previous stage (ODP tonnes)								0.00
4.1.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)								1.13
4.2.1	Total phase-out of HCFC-141 agreed to be achieved under this Agreement (ODP tonnes)								0.94
4.2.2	Phase-out of HCFC-141 to be achieved in the previous stage (ODP tonnes)								0.00
4.2.3	Remaining eligible consumption for HCFC-141 (ODP tonnes)								0.00
4.3.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)								66.94
4.3.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)								94.60
4.3.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)								1.00
4.4.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)								0.79
4.4.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)								0.00
4.4.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)								0.00
4.5.1	Total phase-out of HCFC-21 agreed to be achieved under this Agreement (ODP tonnes)								0.74
4.5.2	Phase-out of HCFC-21 to be achieved in the previous stage (ODP tonnes)								0.00
4.5.3	Remaining eligible consumption for HCFC-21 (ODP tonnes)								0.00
4.6.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								76.83
4.6.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								17.25
4.6.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								255.46
4.7.1	Total phase-out of HCFC-225 agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.7.2	Phase-out of HCFC-225 to be achieved in the previous stage (ODP tonnes)								0.00
4.7.3	Remaining eligible consumption for HCFC-225 (ODP tonnes)								0.08

\*Date of completion of stage I as per stage I Agreement: 31 December 2016

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

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The monitoring process will be managed by the Department of Environment (DOE) through the Ozone Protection Section with the assistance of the Lead IA.

2. The consumption will be monitored and determined based on official import and export data for the Substances recorded by relevant government departments.

3. DOE shall compile and report the following data and information on an annual basis on or before the relevant due dates:

- (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat; and
- (b) Annual reports on progress of implementation of HPMP to be submitted to the Executive Committee of the Multilateral Fund.

4. DOE and Lead IA will engage an independent and qualified entity to carry out a qualitative and quantitative performance evaluation of the HPMP implementation.

5. The evaluating entity shall prepare and submit to DOE and the Lead IA, a consolidated draft report at the end of each annual implementation plan, comprising of the findings of the evaluation and recommendation for improvements or adjustments, if any. The draft report shall include the status of the Country's compliance with provisions of this Agreement.

6. Upon incorporating the comments and explanations as may be applicable, from DOE and Lead IA, the evaluating entity shall finalize the reports and submit to DOE and Lead IA.

7. DOE shall endorse the final report and the Lead IA shall submit the same to the relevant meeting of the Executive Committee along with the annual implementation plan and reports.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;

- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (l) Providing assistance with policy, management and technical support when required; and
- (m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$80 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

## **Annex XXIII**

### **AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of the Republic of Moldova (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0.65 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each

previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for programmes or activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the relevant bilateral and/or implementing agencies would take into consideration decision 72/41 during the implementation of the Plan.

### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA will reach consensus on the arrangements regarding inter-agency planning including regular co-ordination meetings, reporting and responsibilities under this Agreement in order to facilitate a co-ordinated implementation of the Plan. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

#### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

#### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

### **APPENDICES**

#### **APPENDIX 1-A: THE SUBSTANCES**

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.0

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

Row	Particulars	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.9	0.9	0.9	0.9	0.65	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.9	0.9	0.9	0.9	0.65	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	104,850	0	0	0	17,450	122,300
2.2	Support costs for Lead IA (US \$)	9,437	0	0	0	1,570	11,007
2.3	Cooperating IA (UNEP) agreed funding (US \$)	26,100	0	26,100	0	0	52,200
2.4	Support costs for Cooperating IA (US \$)	3,393	0	3,393	0	0	6,786
3.1	Total agreed funding (US \$)	130,950	0	26,100	0	17,450	174,500
3.2	Total support costs (US \$)	12,830	0	3,393	0	1,570	17,793
3.3	Total agreed costs (US \$)	143,780	0	29,493	0	19,020	192,293
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						0.25
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						0.1
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.65

## APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
  - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub paragraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
  - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The Plan will be implemented by the National Ozone Unit (NOU) of the Country with support from the Lead IA and the Cooperating IA. The NOU will function as the national coordinator of all project activities described in the Plan.
2. The Lead IA and the Cooperating IA will apply their administrative procedures towards implementation of the Plan. The Lead IA will use National Implementation Modality (NIM) based on establishment of annual work plans and utilization of the Lead IA's procurement functions for the delivery of equipment and tools planned for the project. The Cooperating IA will utilize its standard operating procedure on SSFA agreements with the NOU. Regular monitoring of compliance with the work plans is ensured by both IAs.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4 A;

- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

## **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

## **Annex XXIV**

### **AGREEMENT BETWEEN THE GOVERNMENT OF URUGUAY AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of Uruguay (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 15.16 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3 and 4.6.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;
- (c) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan;
- (d) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations standards and incentives adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and
- (e) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

#### **Considerations for the refrigeration servicing sector**

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

#### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The United Nations Development Programme (UNDP) has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

### **Validity**

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

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	21.08
HCFC-123	C	I	0.04
HCFC-124	C	I	0.09
HCFC-141b	C	I	1.49
HCFC-142b	C	I	0.63
Sub-total			23.33
HCFC-141b contained in imported pre-blended polyols	C	I	5.33
Total	C	I	28.66

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

Row	Particulars	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	21.0	21.0	21.0	21.0	15.16	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	21.0	21.0	21.0	21.0	15.16	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	314,000	0	679,889	0	111,268	1,105,157
2.2	Support costs for Lead IA (US \$)	21,980	0	47,592	0	7,789	77,361
3.1	Total agreed funding (US \$)	314,000	0	679,889	0	111,268	1,105,157
3.2	Total support costs (US \$)	21,980	0	47,592	0	7,789	77,361
3.3	Total agreed costs (US \$)	335,980	0	727,481	0	119,057	1,182,518
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						5.31
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						2.34
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						13.43
4.2.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.2.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)						0.04
4.2.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)						0.00
4.3.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.3.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)						0.09
4.3.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)						0.00
4.4.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)						0.41
4.4.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)						1.08
4.4.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						0.00
4.5.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)						0.00
4.5.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)						0.63
4.5.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)						0.00
4.6.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)						5.33
4.6.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)						0.00
4.6.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)						0.00

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

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

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

1. The project coordination and management of the Plan will be the National Ozone Unit (NOU), a part of the National Environmental Directorate (DINAMA) of the Ministry of Housing, Land planning and Environment (MVOTMA). MVOTMA will assure passage of all national laws and regulations. The NOU is directly responsible for the implementation of Montreal Protocol related activities, for the identification, implementation, monitoring and evaluation of all non-investment, investment, and technical assistance activities. Ozone protection matters will have an important participation on national strategies and environmental policies. The strategic partners of the NOU are:

- (a) National Customs Directorate (DNA) with whom the NOU shares the responsibility for the implementation of the HCFC import licensing system and control trade of HCFC;
- (b) Technological Laboratory of Uruguay (LATU) functioning as technical branch for the NOU;
- (c) Technological University of Uruguay (UTU) supporting training activities and assessment of new technologies; and
- (d) Importers of HCFCs and HCFC blends who provide information that allows validation of customs data, tracking of stockpiles, downstream HCFC applications.

2. The NOU will prepare for each tranche request a status report on its activities and achievements including milestones and other performance targets as well as any other information of interest to the implementation of the HPMP. This report will be reviewed and verified by the Lead IA.

3. The Lead IA has the overall financial and substantive oversight over the execution of the HPMP. The NOU is required to provide regular expenditure report to the Lead IA.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (l) Providing assistance with policy, management and technical support when required; and
- (m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$202 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

**Annex XXV**

**UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF GRENADA AND THE  
EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN  
CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Grenada (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0.38 ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (maximum allowable total consumption of Annex C, Group I substances) as the final reduction step under this agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in row 4.1.3.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

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

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

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IAs taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have entered into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

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

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

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

16. This updated Agreement supersedes the Agreement reached between the Government of Grenada and the Executive Committee at the 62<sup>nd</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.58

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

Row	Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	0.83	0.83	0.75	0.75	0.75	0.75	0.75	0.54	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	0.58	0.58	0.52	0.52	0.52	0.52	0.52	0.38	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	105,000	0	0	0	0	0	9,000	0	0	0	21,000	135,000
2.2	Support costs for Lead IA (US \$)	13,650	0	0	0	0	0	1,170	0	0	0	2,730	17,550
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	0	0	0	0	0	0	75,000	0	0	0		75,000
2.4	Support costs for Cooperating IA (US \$)	0	0	0	0	0	0	6,750	0	0	0		6,750
3.1	Total agreed funding (US \$)	105,000	0	0	0	0	0	84,000	0	0	0	21,000	210,000
3.2	Total support costs (US \$)	13,650	0	0	0	0	0	7,920	0	0	0	2,730	24,300
3.3	Total agreed costs (US \$)	118,650	0	0	0	0	0	91,920	0	0	0	23,730	234,300
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.20
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												0.38

## APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
  - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all

relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and lead implementing agency; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

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

1. The NOU will submit annual progress reports of status of implementation of the HPMP to UNEP.
2. Monitoring of development of HPMP and verification of the achievement of the performance targets, specified in the Plan, will be assigned to independent company or to independent consultants by UNEP.

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

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
  - (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

- (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

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

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

1. The Cooperating IA will be responsible for a range of activities. These activities can be specified in the respective project document further, but include at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$2,500 per metric tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

## Annex XXVI

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF MEXICO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

1. This Agreement represents the understanding of the Government of Mexico (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 373.36 ODP tonnes by 1 January 2022 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3 and 4.5.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted Tranche Implementation Reports in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report;
- (c) Should the Country decide during implementation of the Agreement to introduce an alternative technology other than that proposed in the Plan, this would require approval by the Executive Committee as part of a Tranche Implementation Plan or the revision of the approved plan. Any submission of such a request for change in technology would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable. The Country agrees that potential savings in incremental costs related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (d) Any enterprise to be converted to non-HCFC technology included in the Plan and that would be found to be ineligible under the guidelines of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), will not receive assistance. This information would be reported to the Executive Committee as part of the Tranche Implementation Plan; and

- (e) Any remaining funds held by the implementing agencies or the country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the relevant bilateral and/or implementing agencies will take into consideration decision 72/41 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and the Government of Germany, the Government of Italy, UNEP and the Government of Spain have agreed to be the cooperating implementing agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IAs taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IAs to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IAs will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IAs have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4, 2.6, 2.8 and 2.10 of Appendix 2 A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

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

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

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

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

16. This updated Agreement supersedes the Agreement reached between the Government of Mexico and the Executive Committee at the 73<sup>rd</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	392.8
HCFC-141b	C	I	820.6
HCFC-142b	C	I	1.0
HCFC-123	C	I	0.3
HCFC-124	C	I	0.1
Total	C	I	1,214.8

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

Row	Particulars	2014	2015	2016	2018	2020	2022	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1,148.80	1,033.92	1,033.92	1,033.92	746.72	746.72	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1,148.80	1,033.92	1,033.92	746.72	574.40	373.36	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	2,404,412	0	1,165,509	2,139,719	1,612,350	450,600	9,899,581
2.2	Support costs for Lead IA (US \$)	168,309	0	81,586	149,780	112,865	31,542	692,971
2.3	Cooperating IA (Germany) agreed funding (US \$)	325,000	0	325,000	0	0	0	650,000
2.4	Support costs for Cooperating IA (US \$)	40,750	0	40,750	0	0	0	81,500
2.5	Cooperating IA (Italy) agreed funding (US \$)	458,191	0	0	0	0	0	458,191
2.6	Support costs for Cooperating IA (US \$)	59,565	0	0	0	0	0	59,565
2.7	Cooperating IA (UNEP) agreed funding (US \$)	0	0	40,000	0	40,000	0	80,000
2.8	Support costs for Cooperating IA (US \$)	0	0	5,200	0	5,200	0	10,400
2.9	Cooperating IA (Spain) agreed funding (US \$)	0	0	1,056,991	1,070,000	0	0	2,126,991
2.10	Support costs for Cooperating IA (US \$)	0	0	121,238	122,731	0	0	243,969
3.1	Total agreed funding (US \$)	3,187,603	0	2,587,500	3,209,719	1,652,350	450,600	11,087,772
3.2	Total support costs (US \$)	268,624	0	248,774	272,511	118,065	31,542	939,516
3.3	Total agreed costs (US \$)	3,456,227	0	2,836,274	3,482,230	1,770,415	482,142	12,027,288
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							105.5
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)							24.8
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							262.5
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)							428.1
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)							392.5
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)							0.0
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)							0.0
4.3.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)							0.0
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)							1.0
4.4.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)							0.0
4.4.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)							0.0
4.4.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)							0.3
4.5.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)							0.0
4.5.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)							0.0
4.5.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)							0.1

## APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) An independent verification report of the Plan results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the Tranche Implementation Plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year more than one stage of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Implementation Report and Plans:

- (a) The Implementation Report and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets in a particular year, the lower HCFC consumption target will be used as reference for compliance with the HPMP Agreements and for the independent verification.

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

1. The Ministry of the Environment and Natural Resources (SEMARNAT) is in charge of the protection, restoration and conservation of all ecosystems, natural resources and environmental services in order to promote a sustainable development. It is also responsible for carrying out national policies regarding climate change and ozone layer protection. The National Ozone Unit (under SEMARNAT) monitors the consumption and production of all ozone depleting substances (ODS) through regional teams. Inspections at converted companies to non-ODS technologies are foreseen to ensure the non uses of ODS after project completion.

2. The Government of Mexico has offered and intends to offer continuity of activities and endorsement for the projects over the next years as specified in the institutional support component and the list of activities of the institutional strengthening project. This will guarantee the success of any activity approved for Mexico.

3. Close monitoring of all activities and coordination between stakeholders is an essential element of the HPMP and key to reach compliance. There will be regular coordination meetings with industry stakeholders, HCFC importers, Government stakeholders (i.e., Ministries of Economy, Energy and Health), various industrial associations, and all sectors involved, in order to enact the necessary agreements and measures to carry out the investment and non-investment activities on time and in a coordinated manner. In the manufacturing sector the implementation process and the achievement of the phase-out will be monitored through site visits at enterprise level.

4. Yearly monitoring will be carried out through the ODS licensing and quota system. Verification site visits will be undertaken by independent international experts.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IAs;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IAs, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

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

#### **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$134 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors related to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

**Annex XXVII**

**UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
SENEGAL AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR  
THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the Republic of Senegal (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 13.62 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
  - (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.
7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:
- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
    - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
    - (ii) Changes which would modify any clause of this Agreement;
    - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
    - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
  - (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
  - (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:
- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
  - (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

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

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

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

16. This updated Agreement supersedes the Agreement reached between the Government of the Republic of Senegal and the Executive Committee at the 65<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	20.96

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

Row	Particulars	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	36.15	36.15	32.54	32.54	32.54	32.54	32.54	23.50	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	20.96	20.96	20.96	18.86	17.70	16.80	15.90	13.62	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	200,000	0	0	0	0	80,000	0	20,000	0	30,000	330,000
2.2	Support costs for Lead IA (US \$)	15,000	0	0	0	0	6,000	0	1,500	0	2,250	24,750
2.3	Cooperating IA (UNEP) agreed funding (US \$)	100,000	0	0	0	0	80,000	0	80,000	0	40,000	300,000
2.4	Support costs for Cooperating IA (US \$)	12,887	0	0	0	0	10,400	0	10,400	0	5,200	38,887
3.1	Total agreed funding (US \$)	300,000	0	0	0	0	160,000	0	100,000	0	70,000	630,000
3.2	Total support costs (US \$)	27,887	0	0	0	0	16,400	0	11,900	0	7,450	63,637
3.3	Total agreed costs (US \$)	327,887	0	0	0	0	176,400	0	111,900	0	77,450	693,637
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)											7.34
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)											n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)											13.62

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the last meeting of the year specified in Appendix 2-A.

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

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

1. The National Ozone Unit (NOU) is the central administrative unit established within the administrative structure of the Ministry of Environment, responsible for the co-ordination of governmental activities with respect to the ozone layer protection and facilitation of ODS phase-out.
2. The management of the implementation of the planned project activities will be allocated to the NOU in cooperation with UNIDO as the Lead IA and UNEP as Cooperating IA.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
  - (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
  - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
  - (l) Providing assistance with policy, management and technical support when required.

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

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

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$163 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

## **Annex XXVIII**

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF SOMALIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Somalia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 10.67 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and

- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

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

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

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

16. This updated Agreement supersedes the Agreement reached between the Government of Somalia and the Executive Committee at the 67<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	16.42
HCFC-141b in imported pre-blended polyols			1.68
Total			18.10

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

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	45.08	45.08	40.57	40.57	40.57	40.57	40.57	29.30	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	16.42	16.42	16.42	14.78	14.78	14.78	14.78	10.67	n/a
2.1	Lead IA UNIDO agreed funding (US \$)	133,500	0	0	0	141,500	0	0	0	40,000	315,000
2.2	Support costs for Lead IA (US \$)	9,345	0	0	0	9,905	0	0	0	2,800	22,050
3.1	Total agreed funding (US \$)	133,500	0	0	0	141,500	0	0	0	40,000	315,000
3.2	Total support costs (US \$)	9,345	0	0	0	9,905	0	0	0	2,800	22,050
3.3	Total agreed costs (US \$)	142,845	0	0	0	151,405	0	0	0	42,800	337,050
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										5.75
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										10.67
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)										0
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)										0
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)										1.68

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

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

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

1. The Office of the State Minister for Environmental Affairs through the National Ozone Unit will be responsible for project monitoring and reporting with the assistance of the Lead IA.
2. The consumption will be monitored and determined based on official import and export data for the HCFCs recorded by relevant government departments.
3. The Office of the State Minister for Environmental Affairs shall compile and report the following data and information on an annual basis on or before the relevant due dates:
  - (a) Annual reports on consumption of HCFCs by substance to be submitted to the Ozone Secretariat; and
  - (b) Annual report on progress of implementation of the HPMP to be submitted to the Executive Committee of the Multilateral Fund.
4. The Lead IA, in consultation with the Office of the State Minister for Environmental Affairs, will contract an independent and qualified entity to carry out a qualitative and quantitative performance evaluation of the HPMP implementation. The evaluating entity shall submit a consolidated report, with endorsement by the Office of the State Minister for Environmental Affairs, to the Lead IA at the end of each annual implementation plan period. The report shall include the status of the Country's compliance with the provisions of this Agreement and will be submitted to the relevant meeting of the Executive Committee along with the annual implementation plan and reports.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;

- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (i) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

**Annex XXIX**

**UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THAILAND AND THE  
EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN  
CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Thailand (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 788.46 ODP tonnes by 1 January 2018 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3, 4.6.3 and 4.7.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the lead implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Should the Country decide during implementation of the agreement to introduce an alternative technology other than that proposed in the approved HPMP, this would require approval by the Executive Committee as part of an Annual Implementation Plan or the revision of the approved plan. Any submission of such a request for change in technology would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable. The Country agrees that potential savings in incremental costs related to the change of technology would decrease the overall funding level under this Agreement accordingly;

- (d) Any enterprise to be converted to non-HCFC technology included in the approved HPMP and that would be found to be ineligible under the guidelines of the Multilateral Fund (i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), will not receive assistance. This information would be reported to the Executive Committee as part of the Annual Implementation Plan;
  - (e) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFC, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations and/or standards, inclusion of adequate incentive provisions that encourage introduction of lower GWP alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly; and
  - (f) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:
- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
  - (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.
9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The World Bank has agreed to be the lead implementing agency (the “Lead IA”) and the Government of Japan has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.
10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.
11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has

satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

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

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

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

16. This updated Agreement supersedes the Agreement reached between the Government of Thailand and the Executive Committee at the 68<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	716.57
HCFC-123	C	I	3.20
HCFC-124	C	I	0.08
HCFC-141b	C	I	205.25
HCFC-142b	C	I	0.12
HCFC-225, 225ca and 225cb	C	I	2.30
Sub-total			927.52*
HCFC-141b in imported pre-blended polyols	C	I	15.68
Total			943.20

\*Lower than Article 7 baseline because of rounding of Article 7 data to one decimal

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

Row	Particulars	2012	2013	2014*	2015	2016	2017	2018	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	927.6	927.6	834.84	834.84	834.84	834.84	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	927.6	927.6	834.84	834.84	834.84	788.46	n/a
2.1	Lead IA (World Bank) agreed funding (US \$)	4,817,166	9,706,154	618,803	3,063,542	1,000,000	753,630	2,408,580	22,367,875
2.2	Support costs for Lead IA (US \$)	337,202	679,431	43,316	214,448	70,000	52,754	168,601	1,565,752
2.3	Cooperating IA (Japan) agreed funding (US \$)	302,965	0	0	0	0	0	0	302,965
2.4	Support costs for Cooperating IA (US \$)	39,385	0	0	0	0	0	0	39,385
3.1	Total agreed funding (US \$)	5,120,131	9,706,154	618,803	3,063,542	1,000,000	753,630	2,408,580	22,670,840
3.2	Total support costs (US \$)	376,587	679,431	43,316	214,448	70,000	52,754	168,601	1,605,137
3.3	Total agreed costs (US \$)	5,496,718	10,385,585	662,119	3,277,990	1,070,000	806,384	2,577,181	24,275,977
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								67.86
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)								0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								648.74
4.2.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.2.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)								0.00
4.2.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)								3.20
4.3.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.3.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)								0.00
4.3.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)								0.08
4.4.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)								151.68
4.4.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)								0.00
4.4.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)								53.57
4.5.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.5.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)								0.00
4.5.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)								0.12
4.6.1	Total phase-out of HCFC-225, 225ca and 225cb agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.6.2	Phase-out of HCFC-225, 225ca and 225cb to be achieved in previously approved projects (ODP tonnes)								0.00
4.6.3	Remaining eligible consumption for HCFC-225, 225ca and 225cb (ODP tonnes)								2.30
4.7.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)								15.19
4.7.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)								0.00
4.7.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)								0.49

\*The third tranche should have been submitted in 2014.

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

1. Funding for the future tranches will be considered for approval at the last meeting of the year specified in Appendix 2-A.

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

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and

- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

1. The National Ozone Unit (NOU) of the Department of Industrial Works (DIW) is responsible for managing and co-ordinating Thailand's overall ODS phase-out programme, including all phase-out activities and measures controlling Annex C, Group I substances (HCFCs). The management and implementation of this Agreement will be undertaken by the HPMP Project Management Unit (PMU).
2. The HPMP PMU and the NOU will collaborate and co-ordinate with the Hazardous Substances Control Bureau and the Customs Department to institute and implement the import/control system for HCFCs; review annual HCFC import/export license applications to ensure that the list of end-users are provided by importers/exporters; and establish and publish the annual import quotas for HCFCs for the period 2012 through 2016.
3. In order to monitor and evaluate the progress of implementation, the PMU will assist the NOU to:
  - (a) Develop a management information system that captures and tracks all relevant and required data on the import of Annex C, Group I substances (HCFCs) on an annual basis;
  - (b) Update the data on the actual amount of imported HCFCs in cooperation with the Hazardous Substances Control Bureau and the Customs Department on a quarterly basis;
  - (c) Monitor and report any incidents of illegal import of HCFCs;
  - (d) Monitor progress of HCFC phase-out on the demand side by direct oversight of sub-project implementation;
  - (e) Compile periodic progress reports of HPMP implementation and HCFC phase-out achievements for sharing with the DIW, the Customs Department, and the Ministry of Industry and its local bureaus; and
  - (f) Prepare Tranche Implementation Reports and Plans according to the schedule set forth in Appendix 2-A.
4. The DIW will be responsible for reviewing PMU reports and data and instituting control and policy measures which facilitate HCFC control and reductions according to the Agreement.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;

- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

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

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

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

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

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$196 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

**Annex XXX**  
**APPROVED 2016, 2017, 2018 AND 2019 BUDGETS OF THE FUND SECRETARIAT**

		Approved	Approved	Approved	Approved	Comments
		2016	2017	2018	2019	
10	PERSONNEL COMPONENT					
1100	Project Personnel (Title & Grade)					
01	Chief Officer (D2)	266,960	274,969	283,218	291,714	All staff costs are based on standard salary cost and adjusted based on actual cost with a 3% annual increase
02	Deputy Chief Officer (D1)	263,456	271,360	279,501	287,886	
03	Programme Management Officer (P4)	174,608	191,846	197,602	203,530	Revised to P4 effective 2017 with a 3% annual increase
04	Deputy Chief Officer on Financial and Economic Affairs (P5)	238,076	245,218	252,575	260,152	
05	Senior Project Management Officer (P5)	238,076	245,218	252,575	260,152	
06	Senior Project Management Officer (P5)	238,076	245,218	252,575	260,152	
07	Senior Project Management Officer (P5)	238,076	245,218	252,575	260,152	
08	Information Management Officer (P4)	210,510	221,026	227,657	234,486	Revised to P4 effective 2017 with a 3% annual increase
09	Senior Administrative & Fund Management Officer (P5)	213,604	220,012	226,613	233,411	Difference in cost between P4 and P5 is to be charged to BL 2101
10	Senior Monitoring and Evaluation Officer (P5)	238,076	245,218	252,575	260,152	
11	Programme Management Officer (P3) / (P2)	174,608	179,846	135,061	135,061	Encumbant is at P2 level
12	Information Network Officer (P4)	146,316	162,706	167,587	172,614	Revised to P4 effective 2017 with a 3% annual increase
14	Programme Management Officer (P4)	174,608	191,084	196,817	202,721	Revised to P4 effective 2017 with a 3% annual increase
15	Associate Administrative Officer (P2)	201,389	131,127	135,061	139,113	2016 revised to include unrecorded expenditures of US \$74,081
16	Associate Database Officer (P2)	202,464	131,127	135,061	139,113	2016 revised to include unrecorded expenditures of US \$75,156
98	Prior Year					
1199	<b>Sub-Total</b>	<b>3,218,904</b>	<b>3,201,195</b>	<b>3,247,050</b>	<b>3,340,409</b>	
1200	Consultants					
01	Projects and technical reviews etc.	75,000	75,000	75,000	75,000	
02	Administrative cost study*	60,000				
1299	<b>Sub-Total</b>	<b>135,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	
1300	Administrative Support Personnel					
01	Administrative Assistant (G7)					Post cancelled and replaced by Post 1115 due to upgrade to P2
02	Meeting Services Assistant (G7)	100,352	103,362	106,463	109,657	
03	Programme Assistant (G6)	121,579	97,803	100,737	103,759	2016 revised to include unrecorded expenditures of US \$21,227 / Downgrade G6 from G7 starting 2017
04	Programme Assistant (G6)	74,334	82,000	84,460	86,994	Upgrade to G6 from G5 in 2017
05	Programme Assistant (G5)	74,334	76,565	78,861	81,227	
06	Computer Operations Assistant (G6)	94,955	97,803	100,738	103,760	
07	Programme Assistant (G5)	78,564	80,921	83,349	85,849	
08	Secretary/Clerk, Administration (G6)	84,279	86,808	89,412	92,094	
09	Registry Clerk (G4)	64,213	66,139	68,123	70,167	
10	Database Assistant (G7)			-	-	Post cancelled and replaced by Post 1116 due to upgrade to P2
11	Programme Assistant, Monitoring & Evaluation (G5)	74,334	76,565	78,861	81,227	
12	IMIS Assistant (G6)	-	-	-	-	Funded from programme support costs
13	Programme Assistant (G5)	74,334	76,565	78,861	81,227	
14	Programme Assistant (G5)	72,169	74,334	76,565	78,861	
15	Associate Human Resources Officer (G7)	-	-	-	-	Funded from programme support costs
	<b>Sub-Total</b>	<b>913,449</b>	<b>918,865</b>	<b>946,431</b>	<b>974,824</b>	
1330	Conference Servicing Cost					
1333	Meeting Services: ExCom	325,000	355,800	355,800	355,800	2017-2018 and 2019 costs based on new translation rates (TRs) and 3 meetings
1334	Meeting Services: ExCom	511,560	355,800	355,800	355,800	2016 revised budget includes unrecorded expenditures of US \$155,760 and new translation rate difference of \$30,800/2017-
1336	Meeting Services: ExCom		355,800	355,800	355,800	2017-2018 and 2019 costs based on new TRs
1335	Temporary Assistance	18,782	28,173	28,200	28,200	Based on 3 meetings in 2017-2018 and 2019
1335	Excom costs					
	<b>Sub-Total</b>	<b>855,342</b>	<b>1,095,573</b>	<b>1,095,600</b>	<b>1,095,600</b>	
1399	<b>TOTAL ADMINISTRATIVE SUPPORT</b>	<b>1,768,791</b>	<b>2,014,438</b>	<b>2,042,031</b>	<b>2,070,424</b>	

Note: Personnel costs under BLs 1100 and 1300 will be reduced by US \$280,554 based on 2015 actual cost differentials between staff cost in Montreal and staff cost in Nairobi covered by the Government of Canada.

\* One-off allocation in 2016.

			Approved 2016	Approved 2017	Approved 2018	Approved 2019	Comments
1600	Travel on official business						
	01	Mission costs	208,000	208,000	208,000	208,000	Based on tentative a travel plan schedule
	02	Network meetings (4)	50,000	50,000	50,000	50,000	Allocation for four network meetings a year
<b>1699</b>		<b>Sub-Total</b>	<b>258,000</b>	<b>258,000</b>	<b>258,000</b>	<b>258,000</b>	
<b>1999</b>		<b>COMPONENT TOTAL</b>	<b>5,380,695</b>	<b>5,548,632</b>	<b>5,622,080</b>	<b>5,743,833</b>	
20	CONTRACTUAL COMPONENT						
2100	Sub-contracts						
	01	Treasury services (decision 59/51(b))	500,000	500,000	500,000	500,000	Fixed fees per the agreement with the Treasurer (decision 59/51(b))
	02	Corporate consultancies					
2200	Subcontracts						
	01	Various studies					
	02	Corporate contracts	-	-	-	-	
<b>2999</b>		<b>COMPONENT TOTAL</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	
30	MEETING PARTICIPATION COMPONENT						
3300	Travel and DSA for Article 5 delegates to Executive Committee meetings						
	01	Travel of Chairperson and Vice-Chairperson	15,000	15,000	15,000	15,000	Covers travel other than attendance to Executive Committee meetings
	02	Executive Committee (3 in 2017, 2018 and 2019)	227,809	225,000	225,000	225,000	75 <sup>th</sup> meeting expenses of US \$77,809 to be reflected in 2016. Based on 3 meeting in 2017-2018 and 2019
<b>3999</b>		<b>COMPONENT TOTAL</b>	<b>242,809</b>	<b>240,000</b>	<b>240,000</b>	<b>240,000</b>	
40	EQUIPMENT COMPONENT						
4100	Expendables						
	01	Office stationery	12,285	12,285	12,285	12,285	Based on anticipated needs
	02	Computer expendable (software, accessories, hubs, switches, memory)	10,530	10,530	10,530	10,530	Based on anticipated needs
<b>4199</b>		<b>Sub-Total</b>	<b>22,815</b>	<b>22,815</b>	<b>22,815</b>	<b>22,815</b>	
4200	Non-Expendable Equipment						
	01	Computers, printers	13,000	13,000	13,000	13,000	Based on anticipated needs
	02	Other expendable equipment (shelves, furnitures)	5,850	5,850	5,850	5,850	Based on anticipated needs
<b>4299</b>		<b>Sub-Total</b>	<b>18,850</b>	<b>18,850</b>	<b>18,850</b>	<b>18,850</b>	
4300	Premises						
	01	Rental of office premises**	870,282	870,282	870,282	870,282	US \$52,890 to be charged to the budget. Balance to be covered by Government of Canada cost differential and allocation to be reduced
		<b>Sub-Total</b>	<b>870,282</b>	<b>870,282</b>	<b>870,282</b>	<b>870,282</b>	
<b>4999</b>		<b>COMPONENT TOTAL</b>	<b>911,947</b>	<b>911,947</b>	<b>911,947</b>	<b>911,947</b>	
50	MISCELLANEOUS COMPONENT						
5100	Operation and Maintenance of Equipment						
	01	Computers and printers, etc. (toners, colour printer)	8,100	8,100	8,100	8,100	Based on anticipated needs
	02	Maintenance of office premises	8,000	8,000	8,000	8,000	Based on anticipated needs
	03	Rental of photocopiers (office)	15,000	15,000	15,000	15,000	Based on anticipated needs
	04	Telecommunication equipment rental	8,000	8,000	8,000	8,000	Based on anticipated needs
	05	Network maintenance	10,000	10,000	10,000	10,000	Based on anticipated needs
<b>5199</b>		<b>Sub-Total</b>	<b>49,100</b>	<b>49,100</b>	<b>49,100</b>	<b>49,100</b>	
5200	Reproduction Costs						
	01	ExCom and reports to MOP	10,710	10,710	10,710	10,710	
<b>5299</b>		<b>Sub-Total</b>	<b>10,710</b>	<b>10,710</b>	<b>10,710</b>	<b>10,710</b>	
5300	Sundries						
	01	Communications	58,500	58,500	58,500	58,500	Based on anticipated needs
	02	Freight charges	9,450	9,450	9,450	9,450	Based on anticipated needs
	03	Bank charges	4,500	4,500	4,500	4,500	Based on anticipated needs (DSA delivery)
	05	Staff training	20,137	20,137	20,137	20,137	Based on anticipated needs (No changes)
	06	GST					To reverse GST to account receivables
	04	PST					To reverse PST to account receivables
<b>5399</b>		<b>Sub-Total</b>	<b>92,587</b>	<b>92,587</b>	<b>92,587</b>	<b>92,587</b>	
5400	Hospitality and Entertainment						
	01	Hospitality costs (3 in 2017, 2018 and 2019)	16,800	25,200	25,200	25,200	Based on 3 meetings in 2017-2018 and 2019
<b>5499</b>		<b>Sub-Total</b>	<b>16,800</b>	<b>25,200</b>	<b>25,200</b>	<b>25,200</b>	
<b>5999</b>		<b>COMPONENT TOTAL</b>	<b>169,197</b>	<b>177,597</b>	<b>177,597</b>	<b>177,597</b>	
GRAND TOTAL			7,204,648	7,378,176	7,451,624	7,573,377	
		Programme support costs (9%)	356,570	370,805	377,413	388,371	Applied to staff cost only
<b>COST TO MULTILATERAL FUND</b>			<b>7,561,218</b>	<b>7,748,982</b>	<b>7,829,038</b>	<b>7,961,748</b>	
		Previous budget schedule	7,126,385	7,190,229	7,268,801	-	
		Increase/decrease	434,833	558,753	560,237	7,961,748	

\*\*Rental of premises will be offset by US \$606,038 (based on 2015) being covered by cost differential with Government of Canada leaving US \$52,890 to be charged to the MLF

2017 MONITORING AND EVALUATION BUDGET						
	1200	consultant chiller		105,656		
	1299			105,656		
	1600	staff travel		33,828		
	1699			33,828		
	1999			139,484		
	5300	miscellaneous		4,000		
	5999			4,000		
	GRAND TOTAL			143,484		