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**Twenty-Third Meeting of the Parties to the  
Montreal Protocol on Substances that  
Deplete the Ozone Layer**  
Bali, Indonesia, 21-25 November 2011  
Item 4 of the provisional agenda of the high-level segment\*

**Presentation by the Chair of the Executive Committee of the  
Multilateral Fund on the work of the Executive Committee**

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

**Introduction**

1. The terms of reference of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol (UNEP/OzL.Pro.9/12, Annex V) require the Executive Committee to report annually to the Meeting of the Parties. The present report, which covers the activities undertaken by the Executive Committee since the Twenty-second Meeting of the Parties, is submitted in fulfilment of that requirement. The report includes three annexes: Annex I containing tables with data on project approvals; Annex II containing an assessment report on implementation of the recommendations contained in the 2004 evaluation and review of the financial mechanism; and Annex III showing the amounts of HCFC consumption phased in.

2. During the reporting period, the 62<sup>nd</sup>, 63<sup>rd</sup> and 64<sup>th</sup> meetings of the Executive Committee were held in Montreal from 29 November to 3 December 2010, 4 to 8 April 2011 and 25 to 29 July 2011, respectively, and the 65<sup>th</sup> in Bali (Indonesia) from 13 to 17 November 2011. The reports of those meetings of the Executive Committee are contained in documents UNEP/OzL.Pro/ExCom/62/62, UNEP/OzL.Pro/ExCom/63/60, UNEP/OzL.Pro/ExCom/64/53 and UNEP/OzL.Pro/ExCom/65/60, respectively, and are available on the Multilateral Fund's web site ([www.multilateralfund.org](http://www.multilateralfund.org)).

3. In accordance with decision XXI/27 of the Twenty-first Meeting of the Parties, the 62<sup>nd</sup> meeting was attended by Belgium, Canada, France, Japan, Switzerland, Ukraine and the United States of America, representing Parties not operating under paragraph 1 of Article 5 of the Montreal Protocol, and by Colombia, Grenada, India, Morocco, Namibia, Saudi Arabia and Senegal, representing Parties operating under paragraph 1 of Article 5, and was chaired by Mr. Javier Ernesto Camargo Cubillos (Colombia), with Mr. Philippe Chemouny (Canada) acting as Vice-Chair.

4. In accordance with decision XXII/24 of the Twenty-second Meeting of the Parties, the 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings were attended by Australia, Belgium, the Czech Republic, France, Japan, Switzerland and the United States of America, representing Parties not operating under paragraph 1 of Article 5 of the Montreal Protocol, and by Argentina, China, Cuba, Grenada, Kenya, Kuwait and Morocco, representing Parties operating under paragraph 1 of Article 5, and were chaired by Mr. Patrick McInerney (Australia). Mr. Wurui Wen (China) and Mr. Xiao Xuezhi

(China) acted as Vice-Chairs at the 64<sup>th</sup> and 65<sup>th</sup> meetings, respectively. Ms. Maria Nolan, Chief Officer, acted as Secretary for all the Meetings within the reporting period.

5. All the Meetings within the reporting period were also attended by 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), the World Bank, the Ozone Secretariat and other observers.

## **A. ACTIONS TAKEN TO IMPLEMENT DECISIONS OF MEETINGS OF THE PARTIES**

### *Decision XIX/6 and decision XXI/9*

6. Decision XIX/6 requested the Executive Committee to assist Parties in preparing their HCFC phase-out management plans (HPMPs). Decision XXI/9 called on the Executive Committee to finalize guidelines on HCFCs and the 60<sup>th</sup> meeting had adopted therefore agreed criteria on HCFCs. The meetings during the period under review considered a number of outstanding policy issues relating to HPMPs and took the following decisions:

#### *Phase-out of HCFC consumption over the 10 per cent baseline*

7. The 62<sup>nd</sup> meeting noted that several requests to phase out more than 10 per cent of a country's estimated HCFC baseline for compliance had been submitted and some Article 5 countries were seeking the equivalent of more than 10 per cent of their funding eligibility in order to address the expected growth in HCFC consumption until the freeze level stipulated by the control measures of the Protocol. The Executive Committee decided to set up an informal group to discuss the matter, but the group was unable to reach consensus and it was agreed to continue discussion at the 63<sup>rd</sup> meeting. In the meantime, requests for funding for the reduction in HCFC consumption beyond the 10 per cent baseline level would be considered on a case-by-case basis.

8. After hearing a further report from the contact group, the 63<sup>rd</sup> meeting agreed to note in the respective decisions for each such HPMP that the amount of HCFC consumption to be phased out in stage I should assist the country in making progress towards meeting the control measures beyond 2015 accordingly, on the understanding that Article 5 countries would still be able to submit stage II proposals when the Executive Committee approved the last tranche of stage I and that the approach was without prejudice to the tonnage of HCFCs that could be put forward for phase-out in stage II proposals. The Executive Committee further agreed to continue discussion on how HCFC phase-out in addition to the 10 per cent required for 2015 could be addressed at its 64<sup>th</sup> meeting.

9. At the 64<sup>th</sup> meeting, the Executive Committee agreed to continue to consider, on a case-by-case basis, those HPMPs that proposed to address more than 10 per cent of the baseline by 2015, and that it could, if need be, continue its discussion on establishing a policy on that issue at a future meeting of the Executive Committee.

#### *Baseline established for Article 5 countries*

10. The 64<sup>th</sup> meeting discussed the question of HPMPs that had been prepared on the basis of estimated baseline data rather than actual data and agreed to continue the established practice of considering estimated baselines that would be revised by the Secretariat once the actual baseline data were known, in line with the relevant paragraphs in the approved HPMPs and related agreements.

#### *Discrepancies between data reported under Article 7 and in HPMPs*

11. The 63<sup>rd</sup> meeting examined the issue of data reporting discrepancies in light of compliance and accuracy considerations. It was pointed out that there might be valid reasons for data discrepancies, such as the inclusion of HCFC blends, for instance. However, under decision 60/44, countries had the option to request an adjustment to baseline data through the Ozone Secretariat. Furthermore, there was a revision process built into the HPMP guidelines and agreements, through which the agreed starting point for aggregate reductions could be adjusted once the HCFC baseline for compliance had been established, based on Article 7 data. The Executive Committee decided that the calculation of the starting points for aggregate reductions in HCFC consumption for HPMPs should be based on the latest accepted HCFC consumption data reported under Article 7, consistent with decision 60/44 of the Executive Committee (decision 63/14).

*Additional funding requests for HCFC phase-out outside approved HPMPs*

12. The 63<sup>rd</sup> meeting was informed that some countries had only reported HCFC consumption in the refrigeration servicing sector under Article 7, and foam enterprises which relied exclusively on imported HCFC-141b pre-blended polyol did not report it as consumption. Those countries were unable to select the most cost-effective alternative technology and could therefore not include a funding proposal for the conversion of the enterprises in stage I of their HPMPs. The meeting accordingly decided that Article 5 countries with HCFC consumption reported under Article 7 solely in the refrigeration servicing sector and with foam enterprises relying exclusively on imported HCFC-141b pre-blended polyol systems not reported as consumption could, on an exceptional and case-by-case basis, and consistent with decision 61/47, submit a funding request for the conversion of those enterprises during implementation of stage I of the HPMP, on the understanding that: there were no systems houses in the country concerned, and funding for the conversion of any of the foam enterprises was not requested but fully described in the submission of stage I of the HPMP; all foam enterprises and the annual amount of HCFC-141b contained in imported pre-blended polyol, to be calculated based on the 2007-2009 average consumption, excluding those years in which no production was reported, would be included therein; the eligibility of the foam enterprises would be determined at the time of the submission of the project, and the funding level would be based on the amount of HCFC-141b contained in imported pre-blended polyol systems, calculated based on the 2007-2009 average consumption, excluding those years in which no production was reported; and the project proposal would completely phase out the use of HCFC-141b in imported pre-blended polyol systems and would include a commitment from the country to put in place, by the time the last foam manufacturing plant had been converted to a non-HCFC technology, regulations or policies banning the import and/or the use of HCFC-141b pre-blended polyol systems (decision 63/15).

*Funding for conversion of eligible enterprises with very little or no current consumption of HCFCs*

13. The issue of funding for conversion of eligible enterprises with very little or no current consumption of HCFCs raised the question of how far back to go in the determination of whether an immediate return to production by enterprises using HCFCs would put the country at risk of non-compliance. The 63<sup>rd</sup> meeting took note of the issue and confirmed its decision, taken at the 16<sup>th</sup> meeting that eligible ODS consumption at the enterprise level should be calculated on the basis of either the year, or an average of the three years, immediately preceding project preparation.

*Applicability of HCFC cost-effectiveness thresholds for low-volume-consuming countries*

14. The 63<sup>rd</sup> meeting agreed that the issue of applicability of HCFC cost-effectiveness thresholds for low-volume-consuming (LVC) countries was already covered by previous decisions taken by the Executive Committee and by existing procedures.

*Accelerated phase-out of HCFCs beyond 2020 for LVC countries and increase in HPMP funding*

15. The 62<sup>nd</sup> meeting considered the case of countries that wished to accelerate the phase-out of HCFCs and decided that, for HPMPs which addressed phase-out of HCFCs ahead of the Montreal Protocol schedule and had been submitted in line with decision 60/15 (on accelerated phase-out for LVC countries), the total funding available for achieving 100 per cent phase-out would be extrapolated from that available for meeting the 35 per cent reduction in consumption, as prescribed in the table in decision 60/44(f)(xii) (decision 62/10).

*High levels of recorded HCFC consumption in HPMPs submitted for LVC countries*

16. The 62<sup>nd</sup> meeting noted that HCFC consumption in the HPMPs of several countries showed a substantial increase and the difficulty of establishing a general rule to address proposals for countries that were former LVC countries but whose consumption exceeded 360 metric tonnes owing to the uncertainties regarding their levels of consumption and stockpiling, while at the same time bearing in mind the need to ensure that sufficient funding was provided to enable them to comply with the 2013 and 2015 control measures. Accordingly, the Executive Committee decided to allow the submission of stage I of HPMPs to assist former LVCs with HCFC consumption above 360 metric tonnes, in the refrigeration servicing sector only, in order to meet control measures up to 2020, on the understanding that the level of funding provided would be considered on a case-by-case basis until otherwise decided (decision 62/11).

*Flexibility provision under HPMPs*

17. After the issue of flexibility in re-allocating HCFC phase-out funds had been raised at the 63<sup>rd</sup> meeting and referred to a contact group, the Executive Committee decided to request the Secretariat to include the matter of the flexibility provision under HPMPs in relation to technology changes and funding reallocation among sectors in the agenda of the 64<sup>th</sup> meeting, and to provide relevant background information for its consideration (decision 63/16).

18. For HPMPs submitted to the 64<sup>th</sup> meeting, technology changes and funding reallocation among sectors were considered on a case-by-case basis and the meeting agreed to consider the relevant policy issue at its 65<sup>th</sup> meeting.

19. At the 65<sup>th</sup> meeting, diverging views were expressed on whether to continue the current practice of considering technology changes and funding reallocation among sectors on a case-by-case basis or to take a policy decision on the issue. Following the discussion, the Executive Committee decided to consider the matter of the flexibility provision under stage I of HPMPs in relation to technology changes and funding reallocation among sectors on a case-by-case basis and to return to the issue at a later stage (decision 65/11).

*Amending agreements between the Executive Committee and countries on HPMPs to help ensure compliance with the 2013 control measure*

20. The 63<sup>rd</sup> meeting noted that some countries, in their submissions, appeared to indicate that efforts to achieve compliance with the 2013 HCFC consumption freeze were limited to selected sectors. In order to ensure that adequate measures would be undertaken at the national level, the Executive Committee decided to add the following paragraph both to the template for draft agreements approved in decision 61/46 and to the draft agreements between Article 5 countries and the Executive Committee submitted to the 63<sup>rd</sup> meeting (decision 63/17):

"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."

*Countries that have total HCFC consumption above 360 metric tonnes and should address consumption in the manufacturing sector first to meet the 2013 and 2015 control measures (as per decision 60/44)*

21. The 63<sup>rd</sup> meeting addressed the issue of countries with total HCFC consumption above 360 metric tonnes, which had submitted project proposals that included funding requests for servicing sector activities instead of the manufacturing sector, notwithstanding decision 60/44(f)(xv). In the interests of flexibility, it was suggested that such Article 5 countries should be allowed to address consumption in the servicing sector instead of the manufacturing sector to meet their reduction steps in 2013 and 2015 if the conversion in the manufacturing sector would result in a significant phase-in of high-global warming potential (GWP) substances or costs higher than US \$82 per ODP kg. After hearing the report of a contact group, the 63<sup>rd</sup> meeting agreed to continue discussion of the matter at its 64<sup>th</sup> meeting.

22. The 64<sup>th</sup> meeting decided to consider, on a case-by-case basis, project proposals from countries with total HCFC consumption above 360 metric tonnes that included funding requests for refrigeration servicing sector activities instead of the manufacturing sector (decision 64/14).

*Funding for countries with HCFC consumption between 361 and 400 metric tonnes in the servicing sector*

23. The 64<sup>th</sup> meeting considered whether funding for countries with HCFC consumption in the servicing sector of between 361 and 400 metric tonnes should be equal to the maximum allowable funding for countries whose consumption was between 300 and 360 metric tonnes. The Executive Committee agreed to consider, on a case-by-case basis, the need for equitable treatment of those countries with HCFC consumption between 361 and 400 metric tonnes in the refrigeration servicing sector whose maximum level of funding would be lower than that for countries with consumption of between 300 and 360 metric tonnes.

*Prioritization of HCFCs*

24. The question of prioritization of HCFCs was examined by the 62<sup>nd</sup> meeting, which set up a contact group to discuss the issue. After hearing the report of the contact group, the Executive Committee decided to request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the manufacture of refrigeration and air conditioning equipment, to estimate the total future amount of HCFC-22 that could potentially be required until 2020 for servicing such equipment. Bilateral and implementing agencies were also requested, when submitting activities to phase out HCFC-22 used in the refrigeration servicing sector, to clearly demonstrate how the proposed activities would reduce the growth rate in the servicing sector and contribute to meeting the reduction steps in 2013 and 2015, and to consider projects for the phase-out of HCFC-22/HCFC-142b used for the manufacture of extruded polystyrene (XPS) foam when it was clearly demonstrated that they would be required by national circumstances and priorities to comply with the 2013 and 2015 control measures, and to consider all other XPS foam projects after 2014 (decision 62/12).

*Funding of institutional strengthening projects as part of an HPMP*

25. The 62<sup>nd</sup> meeting recalled that, pursuant to decision 59/17, countries were able to choose whether or not to include institutional strengthening (IS) funding in their HPMPs and, in agreeing to that, the Executive Committee understood that funding would be subject to the performance-based targets under the multi-year agreement (MYA) covering the HPMP. The Executive Committee noted that in the very few cases in which penalties for not meeting performance-based targets under MYAs had been implemented, the circumstances of the country concerned had been taken into account. It was felt important that countries should clearly understand that the inclusion of IS funding in an HPMP would be contingent on the implementation of the entire HPMP as IS would be affected in the event of delays. Following the discussion, the Executive Committee decided to reiterate that the inclusion of IS funding in an HPMP, in line with decision 59/17, made it subject to the performance-based targets under the MYA covering the HPMP, including all the conditions required for future tranche funding, and requested bilateral and implementing agencies to inform Article 5 countries of the consequences of choosing to include IS in the HPMP, reminding them that they could continue to receive IS funding as stand-alone projects (decision 62/15).

*Guidance on the justification for second-stage conversion*

26. At its 62<sup>nd</sup> meeting, the Executive Committee decided that project proposals which included requests for second-stage conversions should provide the following information as part of the justification required by decision 60/44: the proportion of HCFCs consumed by enterprises that received assistance under the Multilateral Fund for CFC phase-out, as a percentage of total HCFC consumption; total HCFC consumption in the manufacturing sector; and total consumption of HCFC-141b in the foam sector. Information should also be provided on the estimated cost-effectiveness value, in ODP and metric tonnes, of the proposed second-stage conversion projects as compared with the estimated cost-effectiveness of phasing out HCFC consumption in other manufacturing enterprises in all sectors (decision 62/16).

*Provision of relevant information on second-stage conversions*

27. Concern was expressed at the 65<sup>th</sup> meeting at instances in which inadequate information was provided to the Executive Committee to allow assessment of whether funding of second-stage conversions was necessary to meet compliance targets, or was the most cost-effective means of achieving those targets. There were also instances in which countries were seeking funding for second-stage conversions to phase out HCFC-141b-based pre-blended polyol not reported under Article 7. Another matter of concern was situations in which previous conversions in enterprises had been eligible for financing, but not all production lines had been converted or new lines had been added later. After hearing the report of a contact group established to consider the matter further, it was decided to request the Secretariat to prepare two documents for the 66<sup>th</sup> meeting, one containing information on previous conversions funded by the Multilateral Fund, and describing the conditions under which agreements were signed with Article 5 countries on the phase-out of CFCs, and the other containing options for a tracking system to correlate, by country, the amounts of HCFC 141b-based pre-blended polyols exported by systems houses with the amounts used by foam enterprises in importing Article 5 countries that had been approved for phase-out, which could be updated on a periodic basis (decision 65/12).

*Last funding tranche of multi-year HCFC phase-out plans*

28. The Executive Committee discussed at its 62<sup>nd</sup> meeting the issue of ensuring that 10 per cent of the total funds associated with an HPMP was left until the final tranche of the HPMP, as an incentive to meet the reduction targets in the performance-based agreement. The Executive Committee accordingly requested the bilateral and implementing agencies, when preparing multi-year HPMPs, to ensure that the last tranche comprised 10 per cent of the total funding for the refrigeration servicing sector in the agreement and was scheduled for the last year of the plan (decision 62/17).

*Decision XI/7*

29. After concern was expressed at the 64<sup>th</sup> meeting that there was a risk of a carry-over to the next triennium should all the funds not be allocated for implementation at the meeting, the Executive Committee recalled decision XI/7 of the Eleventh Meeting of the Parties, which called for the Executive Committee to take action to ensure as far as possible that the whole of the budget had been committed by the end of the triennium (decision 64/1).

30. The 65<sup>th</sup> meeting was informed that, despite the processing of an unprecedented number of HPMPs, there would probably be a carry-over to the next triennium. It was, therefore, agreed that the balance of the 2011 budget would be included in the carry-over calculation for the next triennium, to be addressed in the context of the funding requirements for 2012-2014, and that the balance of US \$453,747 set aside for a special funding facility would be included in the carry-over calculation (decision 65/3).

*Decision XXI/3*

31. The 62<sup>nd</sup> meeting considered the Report of the Executive Committee to the Open-ended Working Group (OEWG) on the progress made in reducing emissions of controlled substances from process-agent uses (follow-up to decision XVII/6 of the Seventeenth Meeting of the Parties, an update for the period 2009 and 2010). The report had been prepared in response to decision XXI/3 of the Twenty-first Meeting of the Parties, which requested the Technology and Economic Assessment Panel (TEAP) and the Executive Committee to prepare a joint report on progress in phasing out process agents. The Executive Committee requested the Fund Secretariat to set up a discussion forum, open to all Committee members, to enable members to provide a first round of feedback on the Executive Committee's report to the OEWG. Based on the feedback a revised version of the document was posted for further comment by Executive Committee members. Having taken into account any further comments from members, a revised version of the report was forwarded to the Ozone Secretariat for inclusion by the TEAP in the joint report requested by decision XXI/3 (decision 62/68). The 63<sup>rd</sup> meeting was informed that an updated version of the report had been transmitted to the Ozone Secretariat. The report was subsequently considered by the 31<sup>st</sup> meeting of the OEWG.

*Decision XXII/12*

32. Decision XXII/12 requested the Executive Committee, when considering project proposals for Haiti, to take into account the special situation of Haiti and the special difficulties that it might pose in respect of the phase-out of ODS, including in particular the phase-out of HCFCs, in accordance with the requirements of the Montreal Protocol. At its 62<sup>nd</sup> meeting, the Executive Committee heard a report from the representative of UNEP to the effect that, because of the continuing state of disruption in Haiti, UNEP, together with UNDP, had been unable to prepare the strategy and action plan to assist Haiti to return to the pre-earthquake implementation level of the Montreal Protocol, as requested by decision 61/52. The Executive Committee decided to request UNEP, as lead agency, to present a strategy and action plan to assist Haiti to return to the pre-earthquake implementation level of the Montreal Protocol requested in decision 61/52 to the 63<sup>rd</sup> meeting of the Executive Committee (decision 62/70).

33. At the 63<sup>rd</sup> meeting, UNEP drew attention to the tables and annexes in its business plan, which contained amounts for information support to Haiti under the Compliance Assistance Programme (CAP). The meeting requested UNEP to undertake prioritized CAP activities to assist Haiti, as part of its 2011 business plan activities (decision 63/8).

34. The 64<sup>th</sup> meeting heard an interim report on the strategy and action plan to assist Haiti, which highlighted the particular challenges being faced by the country following the devastating earthquake and stressed that recovery

was proceeding slowly and on a scale that did not meet existing needs. The Executive Committee emphasized that the challenge for the agencies was to develop concrete action proposals to help Haiti.

## **B. PROCEDURAL MATTERS**

### **(i) Production Sector Sub-group**

35. The Production Sector Sub-group, composed of Canada, Colombia, Grenada, India, Switzerland and the United States of America met in the margins of the 62<sup>nd</sup> meeting. The Sub-group, with a new membership composed of Argentina, Australia, China, Cuba, Japan, Kuwait, Switzerland and the United States of America, met in the margins of the 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings.

36. At the 62<sup>nd</sup> meeting, the Executive Committee decided to note the Sub-group's agreement in principle in its ongoing work on guidelines for the HCFC production sector with respect to adopting for the HCFC production sector the same practices and procedures as those prescribed in paragraphs (a) and (d) of decision 19/36 of the Executive Committee, with the suggestion that paragraph (a)(vii) of the decision be replaced by the words: "the environmental clean-up of the ODS-producing facility should not be included in calculating the funding of HCFC production sector phase-out; however, it should be done in an environmentally responsible manner" (decision 62/63(b)). It also noted the receipt of the preliminary data on HCFC-producing plants, replenished the sub-account for technical audits and authorized the Fund Secretariat to initiate the contracting process for the technical audit of the HCFC production sector in China (decision 62/63(a)(c)(d)).

37. The Sub-Group met again in the margins of the 63<sup>rd</sup> meeting and, noting the status report on the bidding process for the technical audit of the HCFC production sector in China requested the Secretariat to investigate the possibility of the contractor submitting an interim report, including audits of HCFC-141b producing plants and, to the extent possible, HCFC-22 and HCFC-142b-producing plants, and providing a final report of a comprehensive audit of all HCFC-producing plants, without prejudice to which HCFC-producing plants would be addressed first for phase-out (decision 63/63). It also met in the margins of the 64<sup>th</sup> meeting and reported that progress had been made on the text for a possible decision on HCFC production sector guidelines. The Executive Committee requested the Sub-group to continue its discussions on the guidelines for the HCFC production sector and implementation of decision 60/47 at the 65<sup>th</sup> meeting (decision 64/53).

38. At its meeting in the margins of the 65<sup>th</sup> meeting, the Sub-group discussed issues related to CFC production sector phase-out plans in China and India and heard a presentation by a consultant on the preliminary findings of the technical audit of HCFC production in China. After providing the consultation with some considerations to be taken into account when finalizing the report on the technical audit, the Executive Committee decided to consider at its 66<sup>th</sup> meeting whether China's CFC production sector phase-out plan required modification to permit exemptions for the production of CFCs for essential uses approved for other Parties for 2012 (decision 65/49).

## **C. FINANCIAL AND ADMINISTRATIVE MATTERS**

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

39. As at 11 November 2011 the total income to the Multilateral Fund, including cash payments, promissory notes held, bilateral contributions, interest earned and miscellaneous income, amounted to US \$2,888,938,976 and total allocations, including provisions, amounted to US \$2,822,352,344. The balance available as at 11 November 2011 therefore amounted to US \$66,586,632. The yearly distribution of contributions against pledges is as follows:

#### **YEARLY DISTRIBUTION OF CONTRIBUTIONS AGAINST PLEDGES**

<b>Year</b>	<b>Pledged contributions US \$</b>	<b>Total payments US \$</b>	<b>Arrears/outstanding pledges US \$</b>
1991-1993	234,929,241	210,656,464	24,272,777
1994-1996	424,841,347	393,465,069	31,376,278
1997-1999	472,567,009	453,353,879	38,213,130
2000-2002	440,000,001	429,283,071	10,716,930
2003-2005	474,000,000	465,570,281	8,429,718
2006-2008	368,028,480	358,884,649	9,143,831
2009-2010	266,282,691	260,596,687	5,686,004
2011	133,346,281	116,841,445	16,504,837
<b>Total:</b>	<b>2,813,995,050</b>	<b>2,669,651,547</b>	<b>144,343,504</b>

Note: Not including any disputed contributions.

**(ii) Cash flow for the 2011 budget**

40. The 63<sup>rd</sup> meeting discussed the availability of cash flow for the 2011 budget and agreed a 2011 budget of US \$275.4 million, noting that up to US \$54.8 million of programmable funding might not be available until after 2011 owing to the practice of Parties paying 79 per cent of their contributions during the year in which they were due, and the fact that some promissory notes had fixed encashment schedules and were only available for encashment after the triennium in which they were due. The meeting accordingly urged Parties with fixed encashment schedules to accelerate the encashment schedules for their promissory notes, as needed (decision 63/3). The 65<sup>th</sup> meeting requested Parties with promissory notes due for encashment after the replenishment period to facilitate the acceleration of their encashment as soon as possible and before the end of the 2009-2011 replenishment period (decision 65/1).

**(iii) Interest collected during the 2006-2008 and 2009-2011 trienniums**

41. As at 11 November 2011, the total level of interest recorded in the Treasurer's accounts amounted to US \$43,537,814 for the 2006-2008 triennium and US \$10,205,562 for the 2009-2011 triennium.

**(iv) Gain from the fixed-exchange-rate mechanism**

42. The Treasurer informed the 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings of the total amounts gained from exchange differences since the inception of the fixed-exchange-rate mechanism. As of the 65<sup>th</sup> meeting, it stood at [US \$26,752,405].

**(v) Bilateral cooperation**

43. During the period under review, the Executive Committee approved requests by Australia, the Czech Republic, France, Germany, and Japan to credit bilateral assistance amounting to a total of US \$8,080,198 (decisions 62/19, 63/19, 64/16 and 65/14). This brings the total for bilateral cooperation since the inception of the Multilateral Fund to US \$139,142,398 (excluding cancelled and transferred projects), representing approximately 5 per cent of funds approved. The range of bilateral projects approved includes, inter alia, HCFC phase-out projects, terminal phase-out of methyl bromide (MB) and disposal and destruction of ODS in LVC countries.

**(vi) Issues pertaining to contributions**

44. During the period under review, the Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible and concern was expressed regarding arrears in contributions and the length of time that these had existed (decisions 62/1, 63/1, 64/1 and 65/1).

45. The 62<sup>nd</sup> meeting heard reports from the Chief Officer and the Treasurer on the outstanding contribution of the Russian Federation, noting that it was hoped to hold a meeting with the competent authorities of the Russian Federation in 2011. The Chief Officer informed the 65<sup>th</sup> meeting that Secretariat had had several contacts with the Government of the Russian Federation in relation to the outstanding contributions to the Multilateral Fund. A letter had been received confirming that although unfortunately the Ministry of Finance was unable to send a representative, senior officials from the Russian Ministries of Foreign Affairs and Natural Resources would attend a meeting to be held in the margins of the Twenty-Third Meeting of the Parties to discuss the issue and it was hoped that some progress could be made. It had also been proposed that a follow-up meeting should take place in Moscow with the Ministry of Finance. The Secretariat would consider, in consultation with other interested Parties, the need for a follow-up meeting on the basis of the discussions that would take place during the Meeting of the Parties.

**(vii) Reconciliation of the accounts of the Multilateral Fund**

46. The 62<sup>nd</sup> and 65<sup>th</sup> meetings noted the reconciliation of the 2009 and 2010 accounts, respectively, requesting that some adjustments be made by the implementing agencies and the Treasurer (decisions 62/65 and 65/51).

47. The 63<sup>rd</sup> meeting noted the obligation of UNEP, as Treasurer of the Multilateral Fund, to make provisions for doubtful debts in the accounts of the Multilateral Fund in line with the recommendation of the United Nations Board of Auditors (decision 63/1).

**(viii) 2009 final accounts of the Multilateral Fund**

48. The Multilateral Fund's 2009 final accounts were examined by the 62<sup>nd</sup> meeting, which requested the Treasurer to bring to the Executive Committee's attention any change UNEP intended to make in the presentation of long-outstanding pledges in the Multilateral Fund accounts, as well as any change in the current practice of separating the Multilateral Fund accounts from UNEP's accounts. The Treasurer should also record in the 2010 accounts the differences between the agencies' provisional statements and their final 2009 accounts (decision 62/64).

**(ix) 2010 accounts of the Multilateral Fund**

49. The 64<sup>th</sup> meeting noted the provisional 2010 accounts of the Multilateral Fund and that the final accounts would be submitted to the 65<sup>th</sup> meeting, with any further adjustments being incorporated as required. The Committee noted the action taken by the Treasurer to reflect the adjustments resulting from the reconciliation of the 2009 accounts exercise and requested the Treasurer to reclassify the fixed-exchange-rate mechanism loss, hitherto classified as Secretariat expenditure, as a separate line item in the financial statement (decision 64/52). The 65<sup>th</sup> meeting noted the audited financial statement of the Multilateral Fund as at 31 December 2010 and that, pursuant to decision 64/52, the loss on the fixed-exchange-rate-mechanism had been recorded as a separate line item in the Fund's accounts, with any losses or gains under the mechanism recorded in UNEP's accounts using an identifying code. The meeting also noted the action taken regarding the return of bilateral project balances in cash as part of prior years' contributions instead of miscellaneous income. As requested by the Committee, the Treasurer had provided an indicative breakdown of the US \$500,000 annual fees as a supplement to the 2010 accounts only. The Treasurer was requested to record in the 2011 accounts the differences between the agencies' provisional statements and their final 2010 accounts (decision 65/50).

**(x) Budgets of the Fund Secretariat**

50. The 62<sup>nd</sup> meeting was informed that the 2011 budget of the Fund Secretariat had been revised to introduce the Fund Secretariat's operational costs at the same level, and had been further adjusted to include funding for technical audits of the production sector. The 2012 budget approved at the 59<sup>th</sup> meeting remained unchanged. The proposed 2013 budget reflected staff costs for 2013 to enable extension of staff contracts based on the approved 2012 staff salary component level, using the 3 per cent inflation rate applied in line with decision 60/49(b). After noting the 2012 personnel component costs already approved at the 59<sup>th</sup> meeting and maintained at the 60<sup>th</sup> meeting, the Executive Committee approved the proposed 2013 personnel component costs of the budget totalling US \$4,001,453, on the understanding that they would be subject to any decision taken at the 65<sup>th</sup> meeting on the 3 per cent inflation rate applied in line with decision 60/49(b) (decision 62/67).

51. The 65<sup>th</sup> meeting decided to maintain the 3 per cent rate applied to the 2012, 2013 and 2014 budgets and to request the Secretariat to revisit the question in 2012 to further assess the most appropriate rate once all positions had been filled and occupied for at least two years. It also approved the amount of US \$3,034,869 to cover the operational costs of the Secretariat and the 2012 revised personnel component cost, resulting in a total of US \$6,919,774. An additional amount of US \$42,063 was approved for the revised 2013 personnel component costs of the budget, totalling US \$4,043,516, together with the proposed 2014 personnel component costs of the budget, totalling US \$4,164,821. The Secretariat was requested to report to the Executive Committee in the future on any balances returned to the Fund and to provide information on how such balances were utilized (decision 65/52).

**(xi) Compliance Assistance Programme (CAP) budget for 2011 and 2012**

52. The Compliance Assistance Programme (CAP) budget for 2011 was reviewed by the Executive Committee at its 62<sup>nd</sup> meeting. Following a discussion, the Executive Committee approved the budget at the amount of US \$9,007,000, plus agency support costs of 8 per cent amounting to US \$720,560, and requested UNEP to ensure that the primary function of the new regional assistant posts proposed in the budget focused on assisting countries, particularly LVC countries, with the implementation of HPMPs, including supporting outreach activities. UNEP was also requested to examine and monitor South-South cooperation activities, and report thereon to the Committee's 65<sup>th</sup> meeting. Future submissions of the CAP budget should continue to provide detailed information on the activities for which the global funds would be used and prioritization of funding between CAP budget lines should continue to be extended in order to accommodate changing priorities. Details on the reallocations and on any changes in the current staff post levels should be reported to the Executive Committee and UNEP was urged to make every effort to avoid an increase in the budget lines for activities in the 2012 CAP budget (decision 62/24).

53. The 65<sup>th</sup> meeting considered the CAP budget for 2012 and discussed ways in which UNEP could make further savings in the budget. In approving the budget, the Committee reiterated the requests it had made to UNEP in connection with the 2011 budget and also requested a report in the context of UNEP's role in implementation of HPMPs, clearly delineating expenditures made from the CAP budget and those made from HPMP funds (decision 65/17).

**(xii) Core unit costs for UNDP, UNIDO and the World Bank**

54. The 62<sup>nd</sup> meeting considered the requests from UNDP, UNIDO and the World Bank for increases in core unit costs. After the Executive Committee had received clarifications from the agencies concerned, it approved the requests and decided that the extension of the administrative cost regime for the 2012-2014 triennium could be based on the report on 2012 core unit costs to be prepared by the Fund Secretariat by the 65<sup>th</sup> meeting (decision 62/25).

55. A contact group was established at the 65<sup>th</sup> meeting to consider whether modifications to the administrative cost regime were required. After hearing its report, the Executive Committee approved the 2012 core unit budgets and requested the implementing agencies to consider options for an administrative cost regime for 2012-2014 at rates up to 0.7 per cent. The Secretariat would present a further assessment of administrative costs for the 2012-2014 triennium to the 66<sup>th</sup> meeting, when it would consider whether to request the implementing agencies to provide an estimation of the use of administrative costs for reporting, project implementation and internal requirements (decision 65/18).

**(xiii) Agreement between UNEP as Treasurer of the Multilateral Fund and the Executive Committee**

56. The 62<sup>nd</sup> meeting reviewed the feedback received from the Treasurer on the Executive Committee's request to provide indicative data on expenditures between 2004 and 2009. After noting that the United Nations audit report did not contain any observation on the services of the Treasurer, it approved the Treasurer's proposal to maintain the existing level of its fees at US \$500,000 per annum until UNEP reverted to the Executive Committee. The Treasurer was requested to include in the accounts of the Fund Secretariat an indicative breakdown of the US \$500,000 annual fees for the provision of treasury services (decision 62/66).

**D. BUSINESS PLANNING AND RESOURCE MANAGEMENT**

**(i) Updated model rolling three-year phase-out plan: 2011-2013**

57. In discussing the updated model rolling three-year phase-out plan: 2011-2013, the 62<sup>nd</sup> meeting noted that, in light of the business planning approach agreed for the period 2010-2014, there was no need to adopt the proposed three-year phase-out plan as a guide for resource planning. As the baseline for compliance might only be known at the end of 2011, it was agreed that it would be preferable to update the plan once the baseline had been established. Article 5 countries with approved but not implemented projects, and the relevant bilateral and implementing agencies, were urged to accelerate the pace of implementation during the period 2011-2013. Bilateral and implementing agencies were also urged to work with those countries that had been identified as in need of immediate assistance to meet the 2013 and 2015 phase-out targets in the Montreal Protocol, and to include relevant activities in their 2011-2014 business plans as appropriate. The Fund Secretariat was requested to present an updated model three-year rolling phase-out plan for the years 2013-2015 to the second meeting of the Executive Committee in 2012 to provide guidance, as relevant, for the preparation of a business plan for the Multilateral Fund for 2013-2015 (decision 62/5).

**(ii) Consolidated business plan of the Multilateral Fund for 2011-2014**

58. The 63<sup>rd</sup> meeting considered the 2011-2014 consolidated business plan of the Multilateral Fund, and after making some amendments to the projects proposed, the Executive Committee endorsed the 2011-2014 consolidated business plan while noting that endorsement denoted neither approval of the projects identified therein nor their funding or tonnage levels; established a window for ODS destruction for LVC countries, pursuant to decision XXI/2 of the Twenty-first Meeting of the Parties, amounting to US \$3 million; and decided that the project preparation could be funded for stage II HPMP activities and might be included prior to the completion of stage I in business

plans for the years 2012-2014 and that the duration of the next business plan should be only for the next triennium 2012-2014, and include any multi-year funding after 2014 (decision 63/5).

### (iii) 2011-2014 business plans of the implementing agencies

59. The 63<sup>rd</sup> meeting, after deciding to remove certain activities from the business plans of the bilateral agencies and the World Bank, noted the business plans of bilateral agencies, UNDP, UNEP, UNIDO and the World Bank and approved the performance indicators for the implementing agencies (decisions 63/6, 63/7, 63/8, 63/9 and 63/10).

60. The 64<sup>th</sup> and 65<sup>th</sup> meetings noted the reports on the status of the 2011 business plans. As not all the amount available for the 2011 business plans had been approved for the activities submitted to the 64<sup>th</sup> and 65<sup>th</sup> meetings (decisions 64/3 and 65/3).

### (iv) Compliance with the next control measures of the Montreal Protocol

61. The 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings considered updated reports on the status of compliance and information on projects with implementation delays. The 62<sup>nd</sup> meeting was informed that three of the 34 projects previously listed as having implementation delays had been completed; at the 63<sup>rd</sup> meeting 12 of the 26 projects had been completed; at the 64<sup>th</sup> and 65<sup>th</sup> meetings that was the case for one of the 15 projects and four of the 34 projects, respectively. It was decided to request additional status reports on some projects and the Secretariat was requested to take the established actions regarding projects with implementation delays (decisions 62/4, 63/4, 64/4 and 65/4).

## E. FUND ACHIEVEMENTS SINCE INCEPTION

### (i) Total ODS phased out

62. Since 1991, 6,591 projects and activities (excluding cancelled and transferred projects) had been approved, with the following geographical distribution: 2,730 projects and activities for countries in Asia and the Pacific; 1,658 for countries in Latin America and the Caribbean; 1,513 for countries in Africa, 398 for countries in Europe; and 292 with global coverage. Of the 458,133 tonnes of ODS to be eliminated once all these projects have been implemented, a total of 446,798 tonnes of ODS had already been phased out. A breakdown by production and consumption and by sector is given in table I of Annex I to the present report. The sectoral distribution of the actual ODS phased out is indicated in the table below:

Sectors	ODP tonnes phased out*
Aerosol	26,385
Destruction	0
Foam	65,626
Fumigant (methyl bromide)	6,493
Halon (production and consumption)	88,425
Projects in multiple sectors	455
Process agent (production and consumption)	55,434
National phase out plan (production and consumption)	54,122
Production	89,827
Refrigeration	50,367
Several	714
Solvent	7,317
Sterilant	60
Tobacco expansion	1,574
<b>Total</b>	<b>446,798</b>

\*Excluding cancelled and transferred projects

**(ii) Funding and disbursement**

63. The total funds approved by the Executive Committee since 1991 in order to achieve this phase-out of ODS and to implement both ongoing investment projects and all non-investment projects and activities amounted to US \$2,778,175,667, including US \$280,667,454 for agency support costs (excluding cancelled and transferred projects). Of the total project funds approved, the amounts allocated to, and disbursed by, each of the implementing agencies and bilateral agencies, are indicated in the table below:

Agency	US \$ approved <sup>1</sup>	US \$ disbursed <sup>2</sup>
UNDP	664,472,352	543,749,397
UNEP	212,496,600	163,659,692
UNIDO	687,983,789	508,817,771
World Bank	1,074,080,528	988,397,665
Bilateral	139,142,398	117,492,953
<b>Total</b>	<b>2,778,175,667</b>	<b>2,322,117,478</b>

**F. FUNDING APPROVALS DURING THE REPORTING PERIOD****(i) Projects and activities approved during the reporting period (62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings of the Executive Committee)**

64. During the reporting period, the Executive Committee approved a total of 349 additional projects and activities, with a planned phase-out of 1,465 ODP tonnes in the production and consumption of controlled substances. The total funds approved for project/activity implementation, amounting to US \$274,468,323 including US \$30,232,360 for agency support costs, are as follows by agency:

Agency	US \$	US \$ support	US \$ total
UNDP	67,039,843	9,004,308	76,044,151
UNEP	29,599,883	2,390,285	31,990,168
UNIDO	95,184,777	11,125,939	106,310,716
World Bank	45,210,856	6,832,234	52,043,090
Bilateral	7,200,604	879,594	8,080,198
<b>Total</b>	<b>244,235,963</b>	<b>30,232,360</b>	<b>274,468,323</b>

**(ii) 2010 work programmes**

65. The 62<sup>nd</sup> meeting deferred consideration of the proposed amendments to the work programmes of UNDP, UNEP and the World Bank to its 63<sup>rd</sup> meeting (decisions 62/20, 62/22 and 62/23) and the 63<sup>rd</sup> meeting then discussed them subsequently in the context of the 2011 work programmes (see below).

**(iii) 2011 work programmes**

66. The 63<sup>rd</sup> meeting approved the 2011 work programmes of the implementing agencies, posing a number of conditions: UNDP (decision 63/20); UNEP (decisions 63/21 and 63/22); UNIDO (decision 63/23); and the World Bank (decision 63/24).

67. Amendments to the 2011 work programmes were considered at the 64<sup>th</sup> meeting, when certain activities were approved, changes were agreed and other activities not approved, as reflected in the following decisions: UNDP (decision 64/18); UNEP (decisions 64/19 to 64/23); UNIDO (decision 64/24) and the World Bank

<sup>1</sup> As at 29 September 2011 (excluding cancelled and transferred projects)

<sup>2</sup> As at 31 December 2010 (excluding cancelled and transferred projects)

(decision 64/25). Amendments to the 2011 work programmes of UNDP and UNEP were approved by the 65<sup>th</sup> meeting as part of the blanket approval of projects and activities (decision 65/13). The meeting also approved amendments to the work programmes of UNIDO and the World Bank separately (decisions 65/15 and 65/16).

#### **(iv) Investment projects**

68. Of the total funds approved in the period under review, the Executive Committee allocated US \$217,359,196, including US \$15,481,122 for agency support costs, for the implementation of investment projects to eliminate an estimated quantity of 1,392 ODP tonnes in consumption and production of ODS. A breakdown by sector of projects approved since inception is given in table 2 of Annex I to the present report.

69. The Executive Committee also approved 16 new agreements at its 62<sup>nd</sup> meeting, 28 new agreements and one revised agreement at its 63<sup>rd</sup> meeting, 21 new agreements at the 64<sup>th</sup> meeting, and 25 new agreements and two revised agreements at the 65<sup>th</sup> meeting, with commitments in principle totalling US \$456,389,343. Details of the amounts per country, agency and ODP tonnes to be phased out can be found in table 3 of Annex I to the present report. US \$206,088,661, including US \$14,983,066 in agency support costs have been approved during the reporting period for tranches of several MYAs.

##### *Demonstration projects*

70. During the period under review, three HCFC demonstration projects were approved, including foam and solvent projects amounting to a total of US \$2,732,099 including US \$201,132 in agency support costs. The Executive Committee also approved four ODS disposal demonstration projects amounting to a total of US \$2,342,919 including US \$191,804 in agency support costs.

#### **(v) Non-investment activities**

##### *Technical assistance and training*

71. During the period under review, eight technical assistance projects amounting to US \$896,575, including US \$79,075 for agency support costs, were approved, bringing the cost of technical assistance projects and training activities approved since the inception of the Multilateral Fund to a total of US \$113,956,476 (excluding cancelled and transferred projects). This amount does not include the non-investment components of MYAs, core unit costs and CAP budgets.

##### *Institutional strengthening*

72. Since the Twenty-second Meeting of the Parties, US \$8,669,430, including agency support costs of US \$329,681 were approved for IS projects. This brings the total approvals by the Executive Committee to US \$93,716,933 IS projects in 144 Article 5 countries. When approving funding for IS projects, the Executive Committee expressed certain views that were annexed to the reports of the respective meetings.

##### *Country programmes*

73. During the period under review, the Executive Committee approved the country programme for Timor-Leste (decision 63/60). The total number of country programmes approved since the Committee's inception is 144, covering the estimated baseline production of 140,088.1 ODP tonnes of CFCs and halons and baseline consumption of 201,099.1 ODP tonnes of controlled substances (as stated in the country programme document).

### **G. MONITORING AND EVALUATION**

#### **(i) Monitoring and evaluation work programme for 2011 and 2012**

74. The 63<sup>rd</sup> meeting approved the 2011 monitoring and evaluation work programme at a budget of US \$86,750 and noted the draft programme for 2012, requesting that it be submitted to the 65<sup>th</sup> meeting for approval (decision 63/11).

75. The draft monitoring and evaluation work programme for 2012 was approved at the 65<sup>th</sup> meeting, at the amount of US \$325,000 (decision 65/6).

**(ii) Progress reports as at 31 December 2010**

*Consolidated progress report*

76. The 64<sup>th</sup> meeting considered the consolidated progress report, noting the Secretariat's request for guidance for its review of administrative costs, which had historically been approximately 11 per cent of total project costs, but had risen to just over 14 per cent for the year 2010. Without systematic responses from all four implementing agencies with respect to questions regarding their progress reports, it was difficult for the Secretariat to draw accurate conclusions. In examining the report, the Executive Committee noted that project document/agreement signatures had not been reported for some approved HPMPs, that some countries with approved IS projects did not have the signed project document/agreement needed to initiate project implementation, and that there were some outstanding progress and financial reports due to agencies to enable the release of funding.

77. The Executive Committee urged governments and bilateral and implementing agencies to expedite the submission of HPMPs, making every effort to integrate refrigerant management plans, terminal phase-out management plans and national CFC phase-out plans into HPMPs as appropriate. They were also requested to expedite the submission of requests for ODS disposal projects and the signing of project documents. The Executive Committee would also consider, in the context of its review of administrative costs at the 65<sup>th</sup> meeting, whether the current administrative cost regime continued to be appropriate in light of the changing roles and portfolios of implementing agencies, and options for ensuring that the overall administrative cost ratio remained within the historical average or lower (see paragraph 55. above). Bilateral and implementing agencies were requested to indicate planned completion dates for activities completed prior to the submission of the annual progress and financial report that reflected actual project completion (decision 64/6).

*Progress reports of the bilateral and implementing agencies*

78. The progress reports of the bilateral and implementing agencies were noted by the 64<sup>th</sup> meeting, which also made a number of requests to the agencies in the following decisions: bilateral agencies (decision 64/7); UNDP (decision 64/8); UNEP (decision 64/9), UNIDO (decision 64/10) and the World Bank (decision 64/11).

**(iii) Strategy for the dissemination and communication of lessons learned**

79. The 64<sup>th</sup> meeting considered a proposed strategy for the dissemination and communication of lessons learned, but in view of the insufficient interest within the Committee decided not to proceed with the project (decision 64/5).

**(iv) Evaluation of the implementation of the 2010 business plans**

80. The 64<sup>th</sup> meeting noted the evaluation of the implementing agencies' performance against their 2010 business plans and requested Germany, UNDP, UNEP and UNIDO to hold open and constructive discussions with NOUs in various countries with respect to those countries' qualitative assessments of agency performance (decision 64/12).

**(v) Project completion reports (PCR)**

81. The 2010 consolidated PCR was considered by the 62<sup>nd</sup> meeting, which requested the bilateral and implementing agencies concerned to establish by the end of January 2011, in cooperation with the Fund Secretariat, full consistency of data reported in the PCRs in the inventory of approved projects and in the annual progress reports. In addition, they were requested to provide the information still missing in a number of PCRs by the end of January 2011 and to clear the backlog of PCRs on projects completed before the end of 2006 by the end of January 2011. The Senior Monitoring and Evaluation Officer was asked to address the issue of development of a completion report format for completed multi-year projects as a matter of priority and to inform the 65<sup>th</sup> meeting on progress. All those involved in the preparation and implementation of projects were invited to take into consideration the lessons learned from PCRs when preparing and implementing future projects (decision 62/6).

82. The 65<sup>th</sup> meeting had before it an overview of the results reported in the PCRs received since the 62<sup>nd</sup> meeting. The meeting reiterated the requests made to the implementing agencies to establish full consistency of data, to provide the information still missing and to clear the backlog of PCRs by mid-February 2012 (decision 65/5)

83. The completion report format for multi-year agreement projects was presented to the 65<sup>th</sup> meeting, which made a number of comments thereon (decision 65/6).

**(vi) Desk study on evaluation of multi-year agreement projects**

84. The 65<sup>th</sup> meeting considered the desk study on the evaluation of MYAs, which comprised the first phase of an evaluation of the effectiveness and results of the implementation of MYAs, with a second phase for which a more detailed investigation at field level was proposed. With regard to the first phase, members were requested to post comments and observations on the website, which would then be compiled and submitted to the 66<sup>th</sup> meeting, with a view to preparing the terms of reference for the second phase to the 66<sup>th</sup> meeting (decision 65/7).

**(vii) Annual tranche submission delays**

85. At the 62<sup>nd</sup> meeting, it was noted with appreciation that all annual tranches of MYAs due for submission had been submitted on time (decision 62/3); four of the five annual tranches of MYAs due for submission had been submitted on time to the 63<sup>rd</sup> meeting (decision 63/12); three of the four annual tranches at the 64<sup>th</sup> meeting (decision 64/3); and two of the five annual tranches at the 65<sup>th</sup> meeting (decision 65/3).

**(viii) Progress reports on approved projects with specific reporting requirements**

86. The 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings noted the progress reports submitted pursuant to specific reporting requirements on approved projects and took the required action (decisions 62/7, 63/13, 64/3 and 65/10).

**(ix) Multilateral Fund Climate Impact Indicator (MCII)**

87. The 62<sup>nd</sup> meeting was informed that the trial version of the MCII had been posted on the Fund Secretariat's intranet website for downloading. A number of suggestions for improving the MCII were made and the Executive Committee decided to defer consideration of the report on the experience gained in using the MCII to its 63<sup>rd</sup> meeting (decision 62/62).

88. The 63<sup>rd</sup> meeting noted that, from a technological point of view, the model had evolved since 2007. Input from the implementing agencies had been solicited, but there had been little agency involvement in the web-based discussions that had taken place at the end of 2010. The implementing agencies were encouraged, once again, to engage in the discussions, including the Multilateral Fund web-based discussions. The meeting also considered the possibility of developing a climate impact indicator for the servicing sector and its use in assessing the effect of HPMPs on the climate, focusing only on servicing. In that regard, it was suggested that the Secretariat should first develop a methodology, in close consultation with Executive Committee members, implementing agencies and, if necessary, experts, before beginning work on an actual indicator, subject to an Executive Committee decision. The Executive Committee decided to continue discussion of the MCII at its 64<sup>th</sup> meeting (decision 63/62).

89. At the 64<sup>th</sup> meeting there was general consensus that, although substantive work had been done on the MCII, more in-depth discussions were required to clarify its exact purpose and objective and the end-users. It would also be beneficial to draw on the views and experience of the implementing agencies and other experts, as appropriate. After taking note of the report on the experience gained in implementing the MCII, the Executive Committee decided to continue discussion of the MCII at its 65<sup>th</sup> meeting (decision 64/51).

90. There was general consensus at the 65<sup>th</sup> meeting that further in-depth discussion was required to clarify the exact purpose and objective of the MCII. It was therefore decided to continue consideration of the issue at the 66<sup>th</sup> meeting, based on intersessional discussions (decision 65/48).

## **H. POLICY MATTERS (not already covered)**

### **(i) Cost-effectiveness threshold for the rigid insulation refrigeration foam sub-sector**

91. At its 62<sup>nd</sup> meeting, the Executive Committee decided to set the cost-effectiveness threshold for rigid insulation refrigeration foam at US \$7.83/kg, with a maximum of up to 25 per cent above this threshold for low-GWP alternatives (decision 62/13).

### **(ii) Sub-sector on the assembly of refrigeration equipment in addition to refrigeration manufacturing and servicing sectors**

92. At its 62<sup>nd</sup> meeting, the Executive Committee requested bilateral and implementing agencies, when submitting projects related to the installation, assembly and charging sub-sector, to demonstrate that each of the enterprises participating in the project had invested in equipment, development of products, or training of personnel specific to HCFC technology significantly exceeding the level of such investments prevalent in the servicing sector, and that the activities foreseen for those enterprises represented incremental costs (decision 62/14).

### **(iii) Incremental costs related to retooling for manufacturing heat exchangers**

93. The 62<sup>nd</sup> meeting considered the issue of whether the conversion of refrigeration or air-conditioning systems from HCFCs to non-flammable HFCs and the capital costs related to retooling should be treated as an incremental cost, or whether they constituted an avoidable technology upgrade. In view of the problems raised during discussion of the issue, the Executive Committee requested the Fund Secretariat to prepare a new document on the incremental costs related to retooling for manufacturing heat exchangers to assist it in its deliberations, incorporating any views it might receive from experts, implementing agencies and members of the Executive Committee (decision 62/61).

### **(iv) Implementation of disposal projects**

94. The 64<sup>th</sup> meeting took note of a report on the use of the interim guidelines for the funding of demonstration projects for the disposal of unwanted ODS, while mindful that there was as yet very little experience in the implementation of the full pilot projects. It requested implementing agencies to provide an update to the Secretariat on how those guidelines were used in carrying out the approved ODS disposal pilot projects as their implementation progressed, no later than the 69<sup>th</sup> meeting. The Secretariat was requested to prepare a report for the consideration of the Executive Committee at the 70<sup>th</sup> meeting summarizing the experience gained and making recommendations for future action and in the meantime to continue using the interim guidelines and applying them also to pilot projects for LVC countries (decision 64/50).

## **I. FUND SECRETARIAT ACTIVITIES**

95. During the period under review, the Fund Secretariat had taken action pursuant to the decisions taken by the Executive Committee at its 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings. It had also prepared documentation and provided conference services for the 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings. Proposals for projects and activities from implementing agencies and bilateral partners had been submitted amounting to US \$2,140,357,002. In addition to the documents customarily prepared for Executive Committee meetings, the Secretariat had also prepared documents, *inter alia*, on the policy matters referred to above.

96. The Secretariat had analysed and reviewed 324 funding requests and provided comments and recommendations for the Executive Committee's consideration. The requested level of funding for approval at the 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings amounted to US \$2,030,615,132.

97. The 62<sup>nd</sup> meeting was informed that the new Senior Monitoring and Evaluation Officer had joined the Fund Secretariat in October 2010 and the 64<sup>th</sup> meeting was informed that the new Senior Programme Management Officer had joined the Fund Secretariat in May 2011.

**J. MATTERS RELATING TO THE MEETING OF THE PARTIES**

98. The 65<sup>th</sup> meeting reviewed the draft report of the Executive Committee to the Twenty-third Meeting of the Parties, which covered the 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings. The Secretariat was authorized to finalize it in the light of the discussions held and decisions taken at the 65<sup>th</sup> meeting (decision 65/53).

99. In response to decision XVI/36 of the Sixteenth Meeting of the Parties requesting the Executive Committee to include a component in its annual report on the progress made and the issues encountered in its consideration of the recommendations contained in the executive summary of the 2004 evaluation and review of the financial mechanism of the Montreal Protocol, the Executive Committee has annexed hereto its progress report to the Twenty-third Meeting of the Parties (Annex II).

100. Annex III contains a table showing the amount of HCFC-141b consumption phased in through projects using HCFCs as a replacement. This is in response to Executive Committee decision 36/56(e), which states, *inter alia* "That the annual Executive Committee report to the Meeting of the Parties should state by country the amount of HCFC-141b consumption phased in through projects using HCFC as replacement, a consumption which would - in application of decision 27/13 - be excluded from funding at future stages".

**K. REPORTS OF THE EXECUTIVE COMMITTEE**

101. The reports of the 62<sup>nd</sup>, 63<sup>rd</sup>, 64<sup>th</sup> and 65<sup>th</sup> meetings (UNEP/OzL.Pro/ExCom/62/62, UNEP/OzL.Pro/ExCom/63/60, UNEP/OzL.Pro/ExCom/64/53 and UNEP/OzL.Pro/ExCom/65/60, respectively), and meeting summaries have been distributed to all Parties to the Montreal Protocol. The reports of these meetings and previous Executive Committee meetings are available from the Fund Secretariat on request or can be accessed at the web site of the Fund Secretariat ([www.multilateralfund.org](http://www.multilateralfund.org)).

## Annex I

## TABLES WITH DATA ON PROJECT APPROVALS

Table 1: Sectoral distribution of phase-out in all approved projects and activities since inception\*

Sector	ODP approved	ODP phased out
<b>Consumption</b>		
Aerosol	27,807	26,385
Destruction	45	0
Foam	69,020	65,626
Fumigant	7,758	6,493
Halon	39,440	46,467
Multi-sector	670	455
Other	1,530	1,574
Process agent	19,573	6,090
Phase-out plan	45,108	43,134
Refrigeration	53,566	50,367
Several	753	714
Solvent	7,345	7,317
Sterilant	55	60
Total Consumption	272,671	254,681
<b>Production</b>		
CFC	87,251	85,297
Halon	31,581	43,158
CTC	65,841	63,032
TCA	213	213
MBR	576	417
Total Production	185,462	192,117

\* Excluding cancelled and transferred projects

Table 2: Sectoral distribution of approved investment projects since inception

Sector	ODP tonnes	US \$ approved
Aerosol	27,650	89,970,012
Destruction	0	0
Foam	68,896	430,733,939
Fumigant	7,445	105,945,758
Halon	64,118	78,093,664
Multi-sector	670	2,568,987
Other	1,530	17,023,270
Process agent	71,508	129,528,752
Phase-out plan	55,646	428,808,871
Production	91,840	346,995,305
Refrigeration	45,316	487,551,185
Solvent	7,309	105,568,952
Sterilant	55	1,198,819
Total	441,982	2,223,987,514

\* Excluding cancelled and transferred projects

Table 3: HPMPs approved during the reporting period

Country	To be implemented by (lead agency/cooperating agency)	Total phase-out (in ODP tonnes)	Funding approved in principle (US \$)		
			Project funds	Support costs	Total
Afghanistan	UNEP	8.2	398,825	51,847	450,672
	Germany		280,276	36,436	316,712
Albania	UNIDO	2.1	230,000	20,700	250,700
	UNEP		85,000	11,050	96,050
Armenia	UNDP	2.23	594,353	44,577	638,930
	UNEP		39,000	5,070	44,070
Angola	UNDP	1.59	176,000	15,840	191,840
Bahamas	UNEP	1.68	156,900	20,397	177,297
	UNIDO		151,420	13,628	165,048
Bangladesh	UNDP	24.53	1,201,074	90,081	1,291,155
	UNEP		355,000	46,150	401,150
Belize	UNEP	1.03	213,500	27,755	241,255
	UNDP		66,500	5,985	72,485
Benin	UNEP	8.25	370,000	48,100	418,100
	UNIDO		260,000	19,500	279,500
Bhutan	UNEP	0.303	282,000	36,660	318,660
	UNDP		188,000	16,920	204,920
Bolivia (Plurinational State of)	Germany	1.7	315,000	40,950	355,950
Brazil	UNDP	220.3	15,506,257	1,162,969	16,669,226
	Germany		4,090,909	460,000	4,550,909
Burkina Faso	UNEP	9.7	546,168	71,002	617,170
	UNIDO		249,900	22,491	272,391
Burundi	UNEP	2.5	172,000	22,360	194,360
	UNIDO		160,000	14,400	174,400
Cameroon	UNIDO	25.4	1,182,725	88,704	1,271,429
Cape Verde	UNEP	0.09	160,000	20,800	180,800
Central African Republic	UNEP	4.2	310,000	40,300	350,300
	UNIDO		250,000	18,750	268,750
Chad	UNEP	9.5	370,000	48,100	418,100
	UNIDO		260,000	19,500	279,500
Chile	UNDP	22.0	1,497,966	112,347	1,610,313
	UNEP		288,489	37,504	325,993
China	Germany (Foam XPS)	3,386.24	6,000,000	51,260*	6,051,260
	Japan (Servicing, including enabling programme)		400,000	10,400*	410,400
	UNDP (Refrigeration ICR)		61,000,000	1,903,500*	62,903,500
	UNDP (National co-ordination)		360,000	27,000	387,000
	UNEP (Servicing, including enabling programme)		5,240,000	176,703*	5,416,703
	UNIDO (Foam XPS)		44,000,000	1,602,900*	45,602,900
	UNIDO (Refrigeration RAC)		75,000,000	2,732,250*	77,732,250
	World Bank (Foam Rigid)		73,000,000	2,914,000*	75,914,000
Colombia	UNDP (Solvent)	78.91	5,000,000	187,500*	5,187,500
	UNDP		6,721,483	504,111	7,225,594
Comoros	UNEP	0.05	100,000	13,000	113,000
	UNEP		160,000	20,800	180,800
Congo (the)	UNEP	3.55	175,000	22,750	197,750
	UNIDO		175,000	15,750	190,750

Country	To be implemented by (lead agency/cooperating agency)	Total phase-out (in ODP tonnes)	Funding approved in principle (US \$)		
			Project funds	Support costs	Total
Costa Rica	UNDP	17.6	1,153,523	86,514	1,240,037
Cuba	UNDP	19.26	1,747,527	131,065	1,878,592
Democratic People's Republic of the Congo	UNEP	5.8	235,000	30,550	265,550
	UNDP		240,000	21,600	261,600
Dominica	UNEP	0.08	164,500	21,385	185,885
Dominican Republic	UNDP	27.14	1,646,225	123,467	1,769,692
	UNEP		50,000	6,500	56,500
Ecuador	UNIDO	21.08	1,846,440	138,483	1,984,923
	UNEP		115,000	14,950	129,950
Egypt	UNIDO	174.0	2,325,415	174,406	2,499,821
	UNDP		6,195,400	469,193	6,664,593
El Salvador	UNDP	9.03	699,277	52,446	751,723
	UNEP		375,000	11,700	386,700
Equatorial Guinea	UNEP	2.2	165,000	21,450	186,450
	UNIDO		150,000	13,500	163,500
Fiji	UNDP	2.98	199,500	17,955	217,455
	UNEP		133,000	17,290	150,290
Gabon	UNEP	10.4	290,100	37,713	327,813
	UNIDO		249,900	22,491	272,391
Gambia	UNEP	0.32	110,000	14,300	124,300
	UNIDO		100,000	9,000	109,000
Georgia	UNDP	2.33	500,900	37,568	538,468
Grenada	UNEP	0.3	210,000	27,300	237,300
Guatemala	UNIDO	4.3	345,637	25,923	371,560
	UNEP		96,500	12,545	109,045
Guinea-Bissau	UNEP	0.5	130,000	16,900	146,900
	UNIDO		80,000	7,200	87,200
Guyana	UNEP	0.1	18,000	2,340	20,340
	UNDP		48,000	4,320	52,320
Honduras	UNIDO	6.97	380,000	28,500	408,500
	UNEP		250,000	32,500	282,500
Indonesia	Australia	135.0	300,000	39,000	339,000
	UNDP		8,901,102	667,583	9,568,685
	UNIDO		777,395	58,305	835,700
	World Bank		2,714,187	203,564	2,917,751
Islamic Republic of Iran	UNDP	107.1	4,565,746	342,431	4,908,177
	UNEP		262,000	34,060	296,060
	UNIDO		2,679,827	200,987	2,880,814
	Germany		2,885,815	327,440	3,213,255
Iraq	UNEP	14.98	770,000	94,700	864,700
	UNIDO		410,000	30,750	440,750
Jamaica	UNDP	8.1	578,450	43,384	621,834
	UNEP		77,000	10,010	87,010
Jordan	UNIDO	25.51	2,259,217	170,824	2,430,041
	World Bank		2,341,150	175,586	2,516,736
Kyrgyzstan	UNDP	0.44	52,800	4,752	57,552
	UNEP		35,200	4,576	39,776
Lao People's Democratic Republic	UNEP	0.62	176,250	22,913	199,163
	France		33,750	4,388	38,138
Lebanon	UNDP	20.0	2,495,109	187,133	2,682,242
Lesotho	Germany	1.4	280,000	36,400	316,400

Country	To be implemented by (lead agency/cooperating agency)	Total phase-out (in ODP tonnes)	Funding approved in principle (US \$)		
			Project funds	Support costs	Total
Liberia	Germany	1.93	315,000	40,950	355,950
Madagascar	UNEP	6.0	300,000	39,000	339,000
	UNIDO		260,000	19,500	279,500
Malawi	UNEP	3.11	230,000	29,900	259,900
	UNIDO		120,000	10,800	130,800
Malaysia	UNDP	103.02	9,587,470	719,060	10,306,530
Mali	UNEP	5.2	280,000	36,400	316,400
	UNDP		280,000	21,000	301,000
Mauritius	Germany	10.2	1,000,000	120,000	1,120,000
Mexico	UNIDO	417.3	4,412,195	330,915	4,743,110
	UNDP		13,654,016	1,024,051	14,678,067
Mongolia	UNEP	0.46	236,000	30,680	266,680
	Japan		130,000	16,900	146,900
Montenegro	UNIDO	0.33	450,000	33,750	483,750
Morocco	UNIDO	16.77	1,286,740	96,506	1,383,246
Namibia	Germany	6.14	900,000	109,000	1,009,000
Nigeria	UNDP	90.1	2,999,750	224,981	3,224,731
	UNIDO		1,939,080	145,431	2,084,511
Oman	UNIDO	4.64	349,120	26,184	375,304
	UNEP		85,000	11,050	96,050
Pacific Island countries	UNEP	20.69	1,696,000	220,480	1,916,480
Pakistan	UNIDO	79.1	5,008,849	375,664	5,384,513
	UNEP		440,000	57,200	497,200
Papua New Guinea	Germany	3.4	1,250,000	147,500	1,397,500
Panama	UNDP	4.78	265,545	19,916	285,461
	UNEP		70,000	9,100	79,100
Paraguay	UNEP	6.28	330,000	42,900	372,900
	UNDP		300,000	22,500	322,500
Republic of Moldova	UNDP	0.23	88,000	7,920	95,920
Qatar	UNIDO	57.86	1,726,600	129,495	1,856,095
	UNEP		310,000	40,300	350,300
Rwanda	UNEP	1.4	170,000	22,100	192,100
	UNIDO		110,000	9,900	119,900
Saint Kitts and Nevis	UNEP	0.18	124,500	16,185	140,685
	UNDP		40,000	3,600	43,600
Saint Lucia	UNEP	0.32	82,650	10,745	93,395
	UNIDO		127,350	11,462	138,812
Saint Vincent and the Grenadines	UNEP	0.28	345,800	44,954	390,754
	UNIDO		124,115	11,170	135,285
Sao Tome and Principe	UNEP	0.05	160,000	20,800	180,800
Senegal	UNIDO	12.65	505,216	37,891	543,107
	UNEP		530,000	68,300	598,300
Serbia	UNIDO	3.3	915,260	68,645	983,905
	UNEP		75,500	9,815	85,315
Seychelles	Germany	1.38	600,000	76,000	676,000
Sierra Leone	UNEP	0.58	110,000	14,300	124,300
	UNIDO		100,000	9,000	109,000
Sri Lanka	UNDP	4.93	398,866	29,915	428,781
	UNEP		249,000	32,370	281,370
Suriname	UNEP	0.69	104,000	13,520	117,520

Country	To be implemented by (lead agency/cooperating agency)	Total phase-out (in ODP tonnes)	Funding approved in principle (US \$)		
			Project funds	Support costs	Total
	UNIDO		106,000	9,540	115,540
Swaziland	UNEP	8.27	210,000	27,300	237,300
	UNDP		667,948	50,096	718,044
Timor-Leste	UNEP	0.053	164,900	21,437	186,337
	UNDP		106,800	9,612	116,412
Togo	UNEP	7.0	280,000	36,400	316,400
	UNIDO		350,000	26,250	376,250
Trinidad and Tobago	UNDP	17.9	1,462,733	109,705	1,572,438
Turkmenistan	UNIDO	2.55	652,050	48,904	700,954
Uruguay	UNDP	4.18	380,004	28,500	408,504
Venezuela, Bolivarian Republic of	UNIDO	23.16	1,758,500	131,888	1,890,388
	UNEP		136,000	17,680	153,680
Viet Nam	World Bank	140.1	9,763,820	732,287	10,496,107
Zambia	UNEP	1.7	175,000	22,750	197,750
	UNIDO		140,000	12,600	152,600
Zimbabwe	Germany	11.51	1,038,818	124,270	1,163,088

\*Support costs for 2012-2015 to be determined.

## Annex II

### ASSESSMENT REPORT ON THE RECOMMENDATIONS IN THE 2004 EVALUATION AND REVIEW OF THE FINANCIAL MECHANISM OF THE MONTREAL PROTOCOL

#### A. Introduction

1. This report is submitted by the Executive Committee pursuant to the following decision of the Meeting of the Parties:

- (i) “To request the Executive Committee of the Multilateral Fund, within its mandate, to consider the report on the 2004 evaluation and review of the financial mechanism of the Montreal Protocol, with a view to adopting its recommendations, whenever possible, in the process of continuous improvement of the management of the Multilateral Fund, and having in mind the need to contribute to the assessment of the Technology and Economic Assessment Panel of the 2006-2008 replenishment of the Multilateral Fund;
- (ii) To request the Executive Committee regularly to report back to and seek guidance from the Parties on the subject. To this effect, the Executive Committee shall submit a preliminary assessment to the Open-ended Working Group at its twenty-fifth meeting and include a component in its annual report to the Meeting of the Parties, on progress made and issues encountered in its consideration of the recommended actions contained in the executive summary of the evaluation report.”

**(Decision XVI/36)**

2. A first report on the recommendations from the 2004 evaluation and review of the financial mechanism of the Montreal Protocol was prepared by the Secretariat for consideration by the Executive Committee at the 45<sup>th</sup> Meeting, as a follow-up to decision 44/60 (document UNEP/OzL.Pro/ExCom/45/51). The report was noted and the Executive Committee decided to “forward its assessment report on the recommendations in the 2004 evaluation and review of the financial mechanism of the Montreal Protocol for consideration at the 25<sup>th</sup> Meeting of the Open-ended Working Group” (decision 45/59).

3. The assessment report (document UNEP/OzL.Pro.WG.1/25/INF/3), based on the deliberations at the 45<sup>th</sup> Meeting, grouped the 28 recommendations contained in the 2004 evaluation and review of the financial mechanism of the Montreal Protocol into three categories, as follows.

#### Category I:

*“...11 general recommendations are related to ongoing activities of the Executive Committee, the Secretariat, the Implementing Agencies and the Treasurer and do not need any new action, but instead require regular follow-up at meetings of the Committee. The Executive Committee will report back to the Meeting of the Parties on these recommendations, as appropriate, in the context of its Annual Report”.* These include: recommendations 2, 6, 7, 15, 16, 18, 21, 22, 24, 25 and 28.

#### Category II:

*“Ten general recommendations are related to ongoing activities of the Executive Committee, the Secretariat, the Implementing Agencies and the Treasurer but may require new actions in the short term. The Executive Committee will report back to the Meeting of the Parties on these recommendations, as appropriate, in the context of its Annual Report”.* These include recommendations: 1, 3, 4, 9, 11, 12, 17, 20, 23 and 26.

Category III:

*“Seven general recommendations were considered not necessary to be implemented. Six because future action would be redundant in the light of recent developments or existing practices. One because of the potential negative incentive. The Executive Committee considers that there is no need for further reporting on these recommendations”.* These include recommendations 5, 8, 10, 13, 14, 19 and 27.

4. The following report therefore covers the recommendations falling under the first two categories where further work needed to be done and new information was available. As reported previously, efforts with respect to recommendations 1, 3, 4, 6, 7, 9, 11, 12, 16, 17, 18, 20, 21, 22, 23, 25, and 28 have taken place on a regular basis and no further action in addition to the existing practice of the Executive Committee is required. Under this reporting period, the recommendation 2 and 26 do not require further action by the Committee.

**B. Recommendations under the first two categories**

**GENERAL RECOMMENDATION 15: Increase efforts to improve country level data reporting.**

5. During the period under review, the Committee requested the Secretariat to consult with the implementing agencies to ascertain why so few countries had submitted Country Programme reports through the web-based portal and to remove from the format the request of information on CFC, CTC and halon starting with the report containing 2012 data. The 64<sup>th</sup> meeting noted that 20 country programme reports for the year 2010 had been submitted through the web-based system, which had been initiated on 25 April 2007.

**GENERAL RECOMMENDATION 24: Take action to encourage timely payment by the donor countries.**

6. During this reporting period, the Executive Committee urged all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

7. At the 62<sup>nd</sup> meeting the Committee was informed that discussions were ongoing for holding a meeting with the Russian Federation during the Thirty-first meeting of the Open-ended Working Group on outstanding contributions to the Multilateral Fund. The meeting did not take place as expected and it is envisaged to hold it at the margins of the Twenty-third Meeting of the Parties

## Annex III

AMOUNTS OF HCFCs<sup>1</sup> CONSUMPTION PHASED-IN (ODP TONNES)

Country	CFC phased out in projects using HCFC technologies	HCFC phased in
Algeria	54.8	6.0
Argentina	749.5	82.1
Bahrain	15.5	1.7
Bolivia	11.1	1.2
Bosnia and Herzegovina	29.4	3.2
Brazil	4,901.9	533.7
Chile	238.7	22.4
China	10,159.5	852.6
Colombia	652.4	71.4
Costa Rica	33.5	3.7
Cuba	0.8	0.1
Dominican Republic	136.9	15.0
Egypt	488.1	41.1
El Salvador	18.5	2.0
Guatemala	45.9	5.0
India	4,550.8	483.6
Indonesia	2,721.2	290.8
Iran	1,057.7	115.8
Jordan	334.1	36.6
Kenya	23.0	2.5
Lebanon	82.0	9.0
Libya	62.2	6.8
The former Yugoslav Republic of Macedonia	76.0	8.3
Malaysia	1,240.2	132.2
Mauritius	4.3	0.5
Mexico	2,128.1	215.4
Morocco	119.4	13.1
Nicaragua	8.1	0.9
Nigeria	387.7	42.4
Pakistan	790.3	86.5
Panama	14.6	1.6
Paraguay	67.3	7.4
Peru	148.6	16.3
Philippines	525.0	57.5
Romania	194.3	21.3
Serbia	44.7	4.9
Sri Lanka	7.3	0.8
Sudan	4.4	0.5
Syrian Arab Republic	635.8	69.6
Thailand	2,046.0	222.8
Tunisia	237.1	22.5
Turkey	376.5	41.2
Uruguay	99.2	10.9
Venezuela	707.2	77.4
Viet Nam	44.9	4.9
Yemen	9.8	1.1
Zimbabwe	11.5	1.3
<b>Total</b>	<b>36,295.9</b>	<b>3,647.4</b>

Note 1: ODP values as follows: HCFC-123: 0.02  
 HCFC-22: 0.055  
 HCFC-141b: 0.11