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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-first Meeting
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UNDP WORK PROGRAMME AMENDMENTS

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. This document presents a summary of the UNDP's work programme amendment requests and the Secretariat's recommendations followed by discussion of the issues identified and comments on individual requests.
2. UNDP is requesting approval from Executive Committee for US \$829,900 for its 2000 work programme amendment with agency support costs of US \$107,887.
3. Table 1 presents the work programme amendment request along with the amount recommended.

Table 1
UNDP 2000 Work Programme Amendment

Country	Activity/Project	Date of completion*	Amount Requested US \$	Amount Recommended US \$
India:	Preparation of a RMP	December 2000	50,000	Defer
Indonesia:	Preparation of project in the rigid foam sector	March 2001	40,000	0
Indonesia:	Preparation of project in the commercial refrigeration sector	December 2000	25,000	0
Lebanon:	Institutional Strengthening renewal	December 2000	119,300	119,300
Libya:	Preparation of project in the foam sector		30,000	Defer
Mexico:	Preparation of project in the foam sector		40,000	40,000
Mexico:	Institutional Strengthening renewal		190,000	190,000
Uruguay:	Institutional Strengthening renewal		116,000	116,000
Venezuela:	Institutional Strengthening renewal		219,600	219,600
Sub-total:			829,900	
Agency support costs:			107,887	
Total:			937,787	

COMMENTS ON INDIVIDUAL REQUESTS

Preparation of an RMP in India (US \$50,000)

4. The Government of Germany is the lead agency for an overall programme for a strategy for the preparation of an RMP in India. UNDP's request is for its share of the overall programme. The Secretariat received a fax, dated 19 May 2000, withdrawing Germany's request from consideration at this meeting. Based on Decision 29/25 wherein one donor acts as the focal point with responsibility for communications with the Secretariat on reviewing, managing and

reporting on the project, since the lead agency is withdrawn, the same then applies to UNDP's proposal.

5. The Government of Germany subsequently decided to seek intersessional approval for its request following the consideration of the Executive Committee of the guidelines for RMPs for large volume consuming countries.

Project preparation in the rigid foam (US \$40,000) and the commercial refrigeration sector (US \$25,000) in Indonesia

6. At its 30th Meeting, the Executive Committee addressed the issue of new project preparation where funded phase-out exceeds 80 per cent of current consumption. It decided that when a project preparation request was submitted for a country that already had projects that were approved by not yet implemented that would phase out more than 80 per cent of the country's baseline consumption, the implementing agency should provide a clear delineation of the remaining consumption in all sectors (Decision 30/23(b)). The decision specifically addressed project preparation in Indonesia as the Committee decided to approve all project preparation activities, with the exception of those in Indonesia and Lebanon, on the understanding that the implementing agencies would provide the information required under subparagraph (b) with regard to the delineation of the remaining consumption in all sectors of the country (Decision 30/23(c)).

7. The Secretariat received preliminary data that indicated additional questions about the delineation of remaining consumption in all sectors. It requested UNDP to provide official data from the Government of Indonesia. UNDP indicated that there appears to be continued difficulty in obtaining the consistent data on the remaining consumption in the country. The Committee may wish to seek clarification on the data issue from UNDP; however, without the information required by Decision 30/23, the Secretariat cannot make a positive recommendation at this time to these requests.

Institutional strengthening projects

- a. Lebanon
- b. Mexico
- c. Uruguay
- d. Venezuela

8. Descriptions of the institutional strengthening project proposals for the above countries are presented in Annex I to this document.

Preparation of project in the foam sector in Libya (US \$30,000)

9. UNIDO is planning to submit Libya's country programme to the 32nd Meeting. UNDP did not include this activity in its 2000 business plan. The Secretariat discussed this matter with UNDP and it was agreed that the request should be deferred.

Project preparation in the foam sector in Mexico (US \$40,000)

10. The Executive Committee decided to try and find a way forward with Mexico, which respected both the rules of the Multilateral Fund and the unique situation of Mexico with regard to the price of CFCs (Decision 30/52(d)). Project preparation was approved for Mexico for UNDP at the 30th Meeting in the amount of US \$15,000. UNDP indicated that it planned to submit a terminal umbrella project in several phases to the Executive Committee to propose a way forward in Mexico per Decision 30/52(d). UNDP estimates that with the US \$15,000 an additional US \$40,000 would be required to prepare the plans.

RECOMMENDATIONS

1. The Project Review Sub-Committee may wish to consider recommending to the Executive Committee:
 - (a) the approval of UNDP's work programme amendments as indicated in Table 1 above.
 - (b) guidance on the issue of Indonesia's data.

ANNEX I

INSTITUTIONAL STRENGTHENING PROJECTS

Lebanon: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved (US \$):	179,000
Amount requested for renewal (US \$):	119,300
Date of approval of country programme	May 1996
ODS consumption reported in country programme (1993), (ODP Tonnes)	923.1
Latest reported ODS consumption (1998) (ODP tonnes)	719.8*
Baseline (1995-1997) (ODP tonnes of CFCs)	725.5
Amount approved (US \$):	5,450,772
Amount disbursed (as at December 1999) (US \$):	2,923,951
ODS to be phased out (tonnes ODP)	915.1
ODS phased out (as at December 1999) (tonnes ODP)	473.0

* Including 183 ODP tonnes of methyl bromide

1. The following activities have been approved and funded by the Executive Committee:

		<u>US \$</u>
(a)	Country programme preparation	50,000
(b)	Project preparation	207,658
(c)	Training	102,168
(d)	Technical assistance	528,589
(e)	Demonstration projects	328,200
(f)	Investment projects	4,055,157
	Total:	5,271,772

Progress Report

2. The main achievements reported in the progress report include: collection and reporting of ODS consumption and import data; technical and financial assistance to 40 different industries in the foam, aerosol and refrigeration sectors; initiation of a demonstration project in methyl bromide; technical and financial assistance for three non-investment projects (training of technicians, halon banking, customs training); providing technical advice and information to end-users on new technologies and suppliers of ODS alternatives; establishment of liaison with the local institutions and the responsible international agencies, and the private sector; preparation of draft legislation for the import/export of ODS equipment and development of an import/export licensing system; instituting a ban on halon importation; preparation of draft customs tariffs; presentation of the Copenhagen Amendment to the parliament for approval and signature; increasing public awareness on ODSs including workshops and seminars, lectures in

schools, brochures and booklets, a web page; and informing the media on ozone issues through radio, television and press releases.

Plan of action

3. The Action Plan for the next period includes: revision of the work plan for the year 2001; annual reporting on consumption of ODSs; preparation of terminal phaseout projects in the foam sector; preparation of new umbrella projects for commercial refrigeration sector (third group); monitoring and evaluation of approved projects; preparation of investment projects for methyl bromide, halon sector and for centrifugal chillers; continued awareness campaigns, national seminars and workshops, updating the ODS information data bank; and continued work on development of supportive legislation.

Recommendation

4. The Fund Secretariat recommends blanket approval of the above project with associated support costs at the funding level shown in Table 1 above.

Mexico: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
Amount originally approved (US \$):	June 1992:	350,000
	July 1995:	95,000
	October 1996:	190,000
	July 1998:	190,000
Amount requested for renewal (US \$):		190,000
Date of approval of country programme		February 1992
ODS consumption reported in country programme (1989), (ODP Tonnes)		10,184.0
ODS production reported in country programme (1989), (ODP Tonnes)		9,500.0
Latest reported ODS consumption (1999) (ODP tonnes)		3872.5*
Baseline (1995-1997) (ODP tonnes of CFCs)		4625.1
Amount approved (US \$):		30,028,415
Amount disbursed (as at December 1999) (US \$):		23,708,668
ODS to be phased out (tonnes ODP)		2,968.2
ODS phased out (as at December 1999) (tonnes ODP)		2,466.0

* **Includes 839.4 ODP tonnes of methyl bromide**

5. The following activities have been approved and funded by the Executive Committee:

		<u>US \$</u>
(a)	Country programme preparation	64,061
(b)	Project preparation	1,891,614
(c)	Training	1,153,038
(d)	Technical assistance	1,101,776
(e)	Demonstration projects	1,908,568
(f)	Investment projects	23,084,358
	Total:	29,203,415

Progress Report

6. The main achievements reported in the progress report include: reduction in the national consumption to 2,900 MT and of production to 5,530 MT (as of end of 1999); development and establishment of national regulations of which three official standards were issued with the intervention of the Ozone Unit; development of an emergency official standard to ban the import of domestic and commercial refrigeration equipment based on ODSs; establishment of demonstration projects in methyl bromide with seven national growers in various crops and three wheat mills; reduction in the consumption of methyl bromide to a level of 370 ODP tonnes lower than the previous year; creation of field and technical working relationships with a national university; initiation and development of a national halon strategy by which main entities were contacted and a specific study of consumption patterns commenced; institution of a licensing system based on the already existing, fully operational permit system; and information dissemination to industries about the national programme and technologies available to replace CFCs.

Plan of Action

7. The Action Plan for the next period includes: completion of the licensing system including export permits; specific controls for products and activities in the aerosols, solvents, foams, halons, refrigeration and air-conditioning equipment sectors; establishment of a labeling system; introduction of the RMP and development of a strategy to train/inform service companies and technicians; negotiations for a strategy for the CFC production sector with national producers on the possibility of plant shut down; updating the country programme due to the advance of the national programme and new support needs; negotiating measures to establish quotas with methyl bromide users to keep under control the consumption level before the freeze date, and develop investment projects with the alternatives selected by the growers.

Recommendation

8. The Fund Secretariat recommends blanket approval of the above project with associated support costs at the funding level shown in Table 1 above.

Uruguay: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
Amount originally approved (US \$):	June 1993:	202,806
	October 1996:	116,000
	July 1998:	116,000
Amount requested for renewal (US \$):		116,000
Date of approval of country programme		June 1993
ODS consumption reported in country programme (1992), (ODP Tonnes)		314.1
Latest reported ODS consumption (1999) (ODP tonnes)*		143.0*
Baseline (1995-1997) (ODP tonnes of CFCs)		200.1
Amount approved (US \$):		3,251,946
Amount disbursed (as at December 1998) (US \$):		2,369,281
ODS to be phased out (tonnes ODP)		159.0
ODS phased out (as at December 1998) (tonnes ODP)		148.0

* Includes 21.6 ODP tonnes of methyl bromide.

9. The following activities have been approved and funded by the Executive Committee:

	US \$
(a) Country programme preparation	25,444
(b) Project preparation	346,036
(c) Training	144,470
(d) Technical assistance	372,989
(e) Demonstration projects	299,200
(f) Investment projects	1,629,007
Total:	2,817,146

Progress Report

10. The main achievements reported in the progress report include: a phase out of 141 metric tonnes consumption of Annex A and B substances compared to 1992 levels; implementation of 12 investment and technical assistance projects; implementation of a demonstration project on alternatives to methyl bromide in soil fumigation; implementation of the RMP project; signing of an umbrella grant agreement between the Uruguayan Government and the World Bank Group; legislation and enforcement through national decrees including the use of an 'Ozone friendly' seal; signing of 13 agreements by ODS user enterprises and the Ministry of Environment to execute projects; ratification of the London and Copenhagen amendments; and publication of a plan for raising public awareness distributed during the Conference of the Parties to the Montreal Protocol for sharing experiences with Ozone Managers from all over the world.

Plan of action

11. The Action Plan for the next period includes: phase out of CFC consumption in the refrigeration end-user sector; implementation of an umbrella project for complete elimination of CFC-11 in the foam sector; demonstration project in domestic and commercial refrigeration equipment (retrofitting with alternative refrigerants); execution of activities identified in the strategic document for assistance to refrigeration end-users sector; commencement of a project on alternatives to methyl bromide in soil fumigation; implementation of training activities in the refrigeration servicing sector; monitoring of halon banking, refrigerants, recovery and recycling equipment in operation; approval of a decree banning production, importation and exportation of equipment based on CFCs; fostering the creation of the refrigeration technician association; co-ordination with the national customs office in the implementation of an ODS import/export licensing system; public awareness activities including press conferences and meetings, celebration of the Ozone Day.

Recommendation

12. The Fund Secretariat recommends blanket approval of the above project with associated support costs at the funding level shown in Table 1 above.

Venezuela: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
Amount originally approved (US \$):	March 1993:	329,192
	July 1995:	109,800
	October 1996:	219,600
	July 1998:	219,600
Amount requested for renewal (US \$):		219,600
Date of approval of country programme		July 1995
ODS consumption reported in country programme (1994), (ODP Tonnes)		3,194.1
ODS consumption reported in country programme (1994), (ODP Tonnes)		6,150.3
Latest reported ODS consumption (1999) (ODP tonnes)		2,165.0
Baseline (1995-1997) (ODP tonnes of CFCs)		3,321.6
Amount approved (US \$):		19,203,419
Amount disbursed (as at December 1999) (US \$):		16,016,204
ODS to be phased out (tonnes ODP)		1,042.0
ODS phased out (as at December 1998) (tonnes ODP)		716.0

13. The following activities have been approved and funded by the Executive Committee:

		US \$
(a)	Country programme preparation	156,631
(b)	Project preparation	1,141,529
(c)	Training	99,020
(d)	Technical assistance	2,108,711
(e)	Demonstration projects	279,400
(f)	Investment projects	14,539,936
	Total:	18,325,227

Progress Report

14. The main achievements reported in the progress report include: ratification of the London and Copenhagen Amendments; implementation of national regulations regarding policies for ODS data gathering and reporting; banning import and consumption of methyl bromide; successful operation of the halon bank, the recovery and recycling of CFC-12 in automobile air-conditioning shops and the centre for refrigerant reclamation and six regional centres for recycling of CFCs, at least 300 technicians in refrigerant recovery and recycling practices are expected to be trained; CFC-11 and 12 consumption decreased from 3,212 tonnes in 1998 to 2,240 tonnes in 1999; implementation of a new decree establishing the maximum levels of production and import of ODS; training of customs officers and assessment of the import market.

Plan of Action

15. The Action Plan for the next period includes: promoting and directing activities related to industrial conversion to non_ ODS technologies, production and consumption with the objective of completely eliminating ODS by 2005; completing the data requirements/identification of ODS-consuming enterprises; monitoring the progress of projects already underway and companies involved in the recycling of halons and CFCs; tracking ODS imports and illegal trade and strategies to reduce the demand of this traffic; monitoring compliance to enforce rules and regulations; reporting to the Multilateral Fund and Ozone Secretariats and update of the country programme.

Recommendation

The Fund Secretariat recommends blanket approval of the above project with associated support costs at the funding level shown in Table 1

**EXECUTIVE COMMITTEE OF THE MULTILATERAL
FUND FOR THE IMPLEMENTATION OF THE
MONTREAL PROTOCOL
(31ST Meeting, 5-7 July 2000, Geneva)**

**2000 WORK PROGRAMME AMENDMENT
OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME**

**Request for Non-Investment Project Approvals at the
31st Executive Committee Meeting**

Prepared: 10 May 2000

2000 WORK PROGRAMME AMENDMENT

Request for Non-Investment Project Approvals at the 31st Executive Committee Meeting (31st Meeting, 5-7 July 2000, Geneva)

1. The amount of \$829,900 is being requested in this work programme document, a breakdown of which is as follows:

ITEM	US\$
Project Preparation:	185,000
Institutional Strengthening Extensions:	644,900
GRAND TOTAL	829,900

Note: All project budgets described in this document exclude 13% agency support costs.

2. Institutional Strengthening renewals are being submitted for Lebanon, Mexico, Uruguay and Venezuela as per following table. Separate documentation has been sent for each proposal, including the usual progress report covering the activities over the last 2 years and the work plan covering future activities for the next two years.

Nr	Country	Sector	Title	Subsector	Budget
C4	Lebanon	Non-Investment	Institutional Str.	Non-Investment	119,300
C7	Mexico	Non-Investment	Institutional Str	Non-Investment	190,000
C8	Uruguay	Non-Investment	Institutional Str	Non-Investment	116,000
C9	Venezuela	Non-Investment	Institutional Str	Non-Investment	219,600
					644,900

3. Project preparation is being requested for the following countries:

Nr	Country	Sector	Title	Subsector	Budget
C1	India	Refrigeration	Project Preparation	RMP	50,000
C2	Indonesia	Foam	Project Preparation	Rigid Foam	40,000
C3	Indonesia	Foam	Project Preparation	Commercial Refrigeration	25,000
C5	Libya	Foam	Project Preparation	General	30,000
C6	Mexico	Foam	Project Preparation	General	40,000
					\$185,000

Please note the following clarifications on these requests:

- Project preparation of rigid and commercial refrigeration projects in Indonesia, as part of our 2000 Business Plan which was deferred at the 30th the Executive Committee Meeting. The requests are therefore being resubmitted for the 31st the Executive Committee Meeting.
- Project Preparation is being requested for UNDP's supportive role in preparation of India's RMP, part of our 2000 Business Plan, following discussions and coordination with bilateral donors who will also be active in this area.
- Project preparation is being requested to prepare foam projects in Libya following the official letter from the Government assigning this sector to UNDP. UNIDO has already received project preparation at the 30th the Executive Committee Meeting, but would use these funds for the refrigeration sector rather than the foam sector – an error not caught in time at the 30th the Executive Committee Meeting.
- Project Preparation is being requested to prepare a foam sector strategy ODS phaseout programme for Mexico following the Executive Committee decision 30/52(d) which requested that a way be found to move forward respect both the Executive Committee guidelines and the Mexican situation. A fax clarifying this request was sent to the MLF Secretariat on 8 May 2000.
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