



**United Nations
Environment
Programme**



Distr.
Limited

UNEP/OzL.Pro/ExCom/31/27
6 June 2000

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-first Meeting
Geneva, 5-7 July 2000

WORLD BANK WORK PROGRAMME AMENDMENTS

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. This document presents a summary of the World Bank's work programme amendment submissions and the Secretariat's recommendations followed by discussion of the issues identified and comments on individual requests.
2. The World Bank deferred, until the 32nd Meeting, three requests included in its original submission; therefore, the Bank is requesting approval from Executive Committee for US \$40,000 for its 2000 work programme amendment with agency support costs of US \$5,200.
3. Table 1 presents the work programme amendment submissions along with the amount recommended.

Table 1
World Bank 2000 Work Programme Amendment

Country	Activity/Project	Date of Completion	Amount Requested US \$	Amount Recommended US \$
Argentina:	Preparation of an investment project in the CFC production sector	December 2000	60,000	40,000
Jordan:	Country Program Update	March 2001	50,000	Deferred
Uruguay:	Country Program Update	December 2000	50,000	Deferred
Global:	Global MDI Study	December 2000	70,000	Deferred
Sub-total:			230,000	40,000
Agency support costs:			29,900	5,200
Total:			259,900	45,200

COMMENTS ON INDIVIDUAL REQUESTS

Argentina (Preparation of an investment project in the CFC production sector) (US \$40,000)

4. A technical audit of the production sector is completed. The Secretariat and the World Bank have agreed to the recommended level of funding.

Country programme updates in Jordan (US \$50,000) and Uruguay (US \$50,000)

5. The need for accurate data about what is remaining to be done during the compliance period will be discussed both informally and formally by the Executive Committee at its

31st Meeting in the context of strategic planning of the Multilateral Fund. The World Bank agreed to defer these requests for country programme updates until the next Executive Committee Meeting to take into consideration results of the Executive Committee discussion on the strategic planning of the Multilateral Fund.

Global MDI Study (US \$70,000)

6. There are several proposals concerning metered dose inhalers (MDIs) before the 20th Meeting of the Open-ended Working Group Meeting. The World Bank agreed to defer this request until the next Executive Committee Meeting to allow time to benefit from the Open-ended Working Group Meeting and submit this request that is part of the Bank's 2000 Business Plan.

RECOMMENDATIONS

1. The Project Review Sub-Committee may wish to consider recommending blanket approval of the World Bank's work programme amendments as indicated in Table 1.

2000 WORK PROGRAM AMENDMENT

BANK-IMPLEMENTED
MONTREAL PROTOCOL OPERATIONS

May 2000

2000 WORK PROGRAM AMENDMENT

Introduction

1. The World Bank 2000 Business Plan, which includes new investment activities in 14 countries and seven non-investment activities in 6 countries, was presented at the 30th Executive Committee Meeting in March 2000. New investment activities are planned for both consumption and production sectors. Non-investment activities included in the 2000 Business Plan comprise of renewal of institutional strengthening projects, country program updates and a proposed global MDI study.
2. Having considered the World Bank 2000 Business Plan, the Executive Committee decided to endorse this plan without expressing reservations on any specific activities proposed by the Bank and its client countries. At the same meeting, the Executive Committee also approved funding to support preparation of investment projects in the core and contingency lists plus those slated for submission in 2001. All project preparation requests included in the World Bank 2000 Work Program were approved, except those for production sector projects.
3. It was decided by the Executive Committee (Dec. 30/27) that consideration of project preparation requests for the production sector be deferred until technical audits are undertaken. Pursuant to Dec. 30/27, a funding request to support the preparation of a CFC production project in Argentina and the two funding requests for initiating preparation of CTC and TCA production projects in China were deferred. No funding for non-investment activities were approved at the 30th Meeting of the Executive Committee.

Work Program Amendment

4. To enable the Bank to timely implement its 2000 Business Plan as approved by the Executive Committee, the Bank finds it important to submit a work program amendment for the consideration of the Executive Committee at this meeting. The work program amendment includes a funding request to support preparation of the Argentina CFC production project, two funding requests to support preparation of country program updates in Jordan and Uruguay, and one more funding request for carrying out the global MDI study. All these activities are part of the World Bank 2000 Business Plan. *Resources required to support activities contained in this Work Program Amendment is US\$ 260,000, including 13% agency support costs.*

Project Preparation Funds for the CFC production sector project in Argentina

5. The Bank has been requested by the Government of Argentina to be an implementing agency for this project. A total funding of US\$60,000 is required to support the preparation of this project. This requested fund will be used to support the costs of international and national consultants who will assist the Government of Argentina to establish baseline information and determine the eligible and appropriate level of compensation based on the existing cost model which was developed earlier by the Bank, and in light of any findings from the technical audit report which is being prepared by the Secretariat. Part of this project preparation fund will also be allotted for all consultant travels related to this project.

6. Preparation of this project will start immediately after the Executive Committee approves the project preparation request of US\$ 60,000. The whole preparation process will take about *six months* to complete.

7. As the Executive Committee decided at its 30th Meeting to endorse the Secretariat's request to proceed with the technical audit of the CFC production sector in Argentina, it seems to the Bank and the Government of Argentina that the pre-condition that forms the basis of Dec. 30/27, has already been met. The Bank would, therefore, like to resubmit its request for project preparation fund for the consideration of the Executive Committee at its 31st Meeting.

Non-investment Activities

Country Program Updates in Jordan and Uruguay:

8. **Jordan:** - Under this proposed country program update, an international consultant will work closely with the Ozone Unit to identify users (manufacturing and servicing sectors) of the residual CFC demand. This activity should be considered as a complimentary to the ongoing effort in developing a national refrigeration management plan. Moreover, as pointed out by the Secretariat's analysis that Jordan may have difficulties in meeting the halon freeze in 2002, the proposed country program update will enable the Ozone Unit to address this issue and to develop proper measures or strategies to effectively control import and use of these chemicals. More detailed background of this request is attached as Annex 1.

9. The total budget of US\$ 50,000 is required to cover the cost of an international consultant and his/her travel. It is expected that the country program update will take about nine months to complete.

10. **Uruguay:** - The proposed country program update will allow the Government to assess the progress of its country program implementation as well as to compile and synthesize outcome of other activities that have already been undertaken. These include the market survey carried out two years ago by the World Bank, the refrigeration management plan that was developed with the assistance of UNEP, and the draft position paper already prepared by the Ozone Unit. More detailed background of this request is attached as Annex 2.

11. This effort will help the Government to develop a cohesive approach to deal with the residual use of CFCs and determine additional activities to be carried out to ensure full compliance of subsequent obligations under the Montreal Protocol. The funding request of \$50,000 is required to finance costs of an international consultant to assist the Ozone Unit to undertake this activity. It is estimated that this activity will take about 6 months to complete.

Global MDI Study:

12. The proposed global study intends to gain better understanding of the supply and demand of MDI products. While the use of CFCs for the MDI products is still considered by the Parties as essential use for non-Article 5 countries, it is still very important for Article 5 countries to develop their strategy to preempt any unnecessary growth in the demand of these products. It is also essential for Article 5 countries to have better understanding on how to ensure that decreasing

production of MDI products in developed countries will not result in an increase in the production of CFC MDIs in their countries.

13. The proposed global study should also focus on how non-Article 5 countries are planning to reduce their dependency on CFC MDIs. This would enable Article 5 country governments to plan ahead of time in reducing their dependence on these products. Considering that most Article 5 countries get their supply of MDIs solely from non-Article 5 countries, any decision of non-Article 5 countries to phase out production of CFC MDIs will have immediate and direct impact on Article 5 countries. In other words, phaseout schedule for CFC MDIs is likely to be the same in both non-Article 5 countries and most Article 5 countries that do not have their own production capacity.

14. The Bank plans to carry out this study within six months if the Executive Committee decides to approve funding of US\$70,000 to support this activity. This US\$70,000 will be used to support the costs of a small team of international consultants and their travels to undertake interviews with the producers of MDIs and key government officials in a few Article 5 countries.

Table 1. List of Project Preparation Activity and Non-Investment Activities

Country	Activity	Fund Requested (US\$ '000s)	Implementation Duration
Argentina	Project Preparation: To prepare an investment project in the CFC production sector	60	July – December 2000
Jordan	Country Program Update	50	July 2000 – March 2001
Uruguay	Country Program Update	50	July – December 2000
Global	Global MDI Study	70	July – December 2000
	Sub-Total	230	
	Agency Support Costs	30	
	Total	260	