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**DRAFT GUIDELINES FOR THE PREPARATION OF
COUNTRY PROGRAMME UPDATES**

**A Note from the Fund Secretariat
On the Revised Draft Guidelines for Preparation of Country Programme Update**

1. The Revised Draft Guidelines for Preparation of Country Programme Update is submitted by the Secretariat as a follow-up to Decision 32/68 which “requested the Secretariat to prepare a revised draft, taking into account the comments submitted by Governments and those made at the current Meeting, for submission to the Executive Committee at its 33rd Meeting”.
2. While deciding at its last Meeting to “defer consideration of the draft guidelines until the 33rd Meeting”, the Executive Committee also “invited members to submit their comments and proposals on the draft guidelines to the Secretariat.” Accordingly the Secretariat sent an invitation for comments to all members of the current Executive Committee on 31 January 2001, and attached a copy of the draft guidelines (UNEP/OzL.Pro/ExCom/32/31) for the new members of the Committee. The invitation provided for a duration of two weeks until 15 February 2001 for the submission of comments. By 16 February 2001, the Secretariat received comments from the Government of Japan, which are attached as Annex I as per Decision 32/68 which requested the Secretariat “to compile those comments on the draft and circulate them to members prior to the 33rd Meeting.”
3. In working on the revised draft guidelines, the Secretariat went back to the sound track of the discussion of the Executive Committee’s 32nd Meeting on the agenda item in order to incorporate any comments as appropriate, in addition to those comments from Japan. The revisions introduced relate to paragraphs 12, 15, 19, 24, 26, 27, II.1 of Annex II and the Appendix of document UNEP/OzL.Pro/ExCom/32/31 and are shown in *italics*. The revised document is reproduced as Annex II to this note.

Annex I

Comments of the Japanese Government on Draft Guidelines for Preparing Country Programme Updates (UNEP/OzL.Pro/ExCom/32/31)

General comments

In accordance with the Agreed Framework relating to the Strategic Planning (see Decision 32/75), there should be consistency between the country programme and the national compliance strategic plans referred to in the modalities section of the Framework. The Japanese Government does not see a substantive difference between the purposes of the country programme and the national compliance plans although the latter may indicate or consist of a set of compliance targets, policies and measures that may differ in format from the country programme.

We also understand that the national compliance plans incorporate individual projects, sectoral plans or both, which should be approved by the Executive Committee, while the country programme is not submitted to the Committee except for its cover sheet. There again, the Committee should discuss how, in detail, the compliance plans or the country programme needs to be examined by the Committee.

Specific Comments

Para.12

The second dot should include “sector plans”.

Para.16

Now that the Executive Committee agreed on the production of the national compliance plans, it should be wondered whether it is still advisable for the LVCs to continue to submit RMP to substitute it for the country programme.

Para.19

The phrase “a senior official of” should be replaced by “a senior official acting formally on behalf of his or her”.

Para.24

There should be distinction between the targets that conform to the control measures defined in the Montreal Protocol and the accelerated targets which the Article 5 country accepted. Annex I should accordingly be revised when it deals with the target dates.

Para.26

Update should be as periodic as possible and be keeping with the annual implementation report submitted by the Article 5 country. Therefore, the last sentence of the paragraph is not appropriate.

Para.27

If approval of the national compliance plans is required, an up-to-date schedule and action plan as may be submitted within the framework of the compliance plans would be mandatory.

Annex II

REVISED DRAFT GUIDELINES FOR PREPARATION OF COUNTRY PROGRAMME UPDATES

Introduction

1. This document contains the draft guidelines and format for country programme update, proposed by the Secretariat in consultation with the implementing agencies in response to Decision 31/32 which states:

- “(a) To request the Secretariat, in cooperation with the implementing agencies, to prepare for the Executive Committee at its 32nd meeting a document containing draft guidelines for the preparation of country programme updates, including conditions for the justification for such updates, as well as the specific consideration that needed to be taken into account to ensure that such updates serve not only the national needs, but also the information and planning needs of the Executive Committee;
- (b) To require that all future requests for country programme updates be in conformity with the guidelines to be agreed by the Executive Committee on the basis of the above-mentioned document.”

(Decision 31/32)

Background and Justification

The experience with the country programmes

2. The country programme was originally intended as an overall strategy of each Article 5 signatory country to comply with the Montreal Protocol requirement. It included a mapping of the ODS consumption and production in the country; a strategy for reducing and eventually eliminating the consumption and production either according to, or faster than, the Montreal Protocol schedule; an action plan, including specific projects and policies to be undertaken by industry and government to implement the action plan; and an estimate of the associated incremental costs.

3. To varying degrees, these country programmes prepared by the implementing agencies contributed to the planning of the ODS phaseout by Article 5 countries. However these documents, especially those earlier ones, have left much to be desired. They were often prepared at a time when countries were just starting the Montreal Protocol process and did not have adequate capacity to assess the amount of ODSs and their users in the country or the measures appropriate to address them. This has invariably affected the effectiveness of these documents as strategic planning instruments.

4. The effect of not having an effective country phaseout strategy is sometimes shown in the lack of synchronized actions. For instance, in quite a few cases a CFC recovery and recycling project was funded at a time when the cost of CFC was very low, and there was no policy measures implemented (e.g. no requirement for recycling, no ban on venting, and no import control). As a result, in many cases, the lack of required action, and the abundant inexpensive CFC removed the economic basis for the recovery and recycling project to succeed.

5. Overall, however, the impact of an ineffective country programme on the objective of the Fund in achieving maximum ODS reduction in the grace period was limited because there were many cost-effective projects to be targeted in most of the countries.

The demands of the compliance period

6. The circumstances in the compliance period from the year 2000 onward are significantly different from those in the grace period.

7. First the compliance baselines for CFCs, halons and methyl bromide have been calculated for each Article 5 country that reported data to the Ozone Secretariat.

8. Secondly, different from the target-free grace period, the compliance period is clearly marked by the mandated specific reductions of each controlled substance over a number of years. This presupposes more precise planning, taking into consideration the time lag between planning and delivery of the actions.

9. Finally, while it was permissible for a country to increase consumption during the grace period and still be in compliance with the Montreal Protocol, that is no longer the case now. Countries must achieve sustained reductions in order to ensure continued compliance with the reduction requirements of the Protocol.

The need for an effective phaseout strategy for the compliance

10. These circumstances imply that a functioning country compliance strategy is essential in the compliance period and call for a strategy document which commands greater authority because the strategy will be based on legally binding baseline data. In addition, the strategy document should be accorded greater discipline in implementation, assuming that well thought out actions are intended to deliver specific compliance targets. In other words the targets and action plan in the strategy are to be followed and adhered to.

11. Precise planning requires a commanding role by the country, first because the country is responsible for implementing the compliance with the Montreal Protocol and second, the country itself knows best its specific circumstances and follows it through accordingly.

Purpose of the Country Programme Update

12. The country programme update should provide a strategy for achieving compliance by each Article 5 country concerned with, at a minimum, each of the reduction steps for each of the substances controlled by the Montreal Protocol. *The term country programme update is used for its natural linkage to the existing country programmes, and in essence the update should constitute the national compliance strategy of the country in the compliance period.* With this in mind, the update should serve three purposes:

- It would delineate all of the projects that are left to implement in the country.
- It would establish the context for seeking project-level *and sector plan* funding from the Multilateral Fund by showing how projects and policies will work together in time to ensure achievement of the agreed reductions.
- It could be the basis for designing a performance-based final national phaseout agreement with the Executive Committee.

Responsibility for Preparing the Country Programme Update

13. Over the past 10 years the Fund has assisted in the establishment of ozone offices in over 100 countries, many of which have been running for over 5 years. Many countries have been participating in regional networks for several years, and have also learned from their peers in other countries what works and what does not work in achieving ODS reductions. The Article 5 countries now have significant knowledge of the ODS use in their industry, and the challenges they face in phasing out such a use. They are in a much better position to develop sound strategies. Accordingly, it should be the responsibility of the government of the Article 5 countries concerned to update their country programme at an appropriate time to assist their efforts to implement the Montreal Protocol compliance.

Process of Preparing Country Programme Update

14. Countries should prepare the country programme update based on their need to implement an effective ODS phase out strategy.

15. Eligible countries could seek funding from the Fund for the preparation of the update and such requests should be accompanied with justifications. Updates of country programmes should not take more than 6 months. Country programme updates should be submitted to the Executive Committee for review *and/or approval* and should be used as basis for considering requests for project funding.

Country Programme Update and Refrigerate Management Plan

16. Refrigerant management plans (RMPs) have already been developed and approved for many low volume consuming countries. Related funding was designed to enable countries using ODS almost exclusively in the refrigeration sector, to prepare strategic plans for the complete elimination of CFCs. Further, at the last meeting of the Executive Committee, additional

funding was allowed for implementation of such plans if the country undertook further planning and commitments. In this context, there is no need for countries requesting new or additional funds to develop a separate country programme update. Their RMP planning process should, in accordance with the requirements for RMPs, present an action plan to enable compliance with the Montreal Protocol. Thus, RMP for LVCs should serve the same purpose as a country programme update. Indeed Decision 22/24 stipulated that country programmes prepared after 1997 should also serve as RMPs.

17. For those countries where the preparation of RMP is under way, preparation of the country programme update should be combined with the RMP preparation. There should not be additional funding for the country programme update preparation except in those countries where there is significant remaining consumption/production of controlled substances other than CFCs (e.g. methyl bromide, halons).

Countries Which Are Ready to Conclude a National Phase out Agreement

18. Countries which are ready to assume full ownership and conclude a performance-based national phase out agreement with the Executive Committee should expand the country programme update to add such elements like performance milestones, total budget, disbursement schedule, and monitoring and verification requirement.

19. Pre-requisites for launching such schemes include:

- A clear expression of interest by the government concerned, which could be a letter to the Executive Committee from a senior official *acting formally on behalf of his or her government*;
- Enactment of bans on import and sale of ODS and ODS-containing equipment and a functioning enforcement system.

Contents of the Country Programme Update

20. Format for country programme update in the Appendix I is proposed to be used for preparing the update.

Part I: Implementation review of the country programme

21. I.1 ODS Phase out should include an update on the phase out achieved and the remaining consumption to be phased out under each controlled substance.

22. I.2 Industry Conversion should include an update on number of plants which have already completed their industrial conversions and the remaining number of plants that have not been converted for each ODS consuming sector.

23. I.3 Government actions should include an update on the implementation of the policy controls such as: control of ODS imports; control of import of ODS containing

equipment; ban on the import of ODS; ban on the import of ODS-containing equipment and ban on new uses of ODS.

Part II: Country programme Update

24. II.1 Statement of goals by the government should contain a statement of the target dates for the implementation of the Montreal Protocol obligations. *These target dates should, at a minimum, comply with the phase out schedule of the Montreal Protocol for the various controlled substances or adopt an accelerated schedule if the government so decides.*

25. II.2 Schedule and action plan for implementing compliance which should be done for each controlled substance consumed/produced in the country. While compliance with the Montreal Protocol schedule is expected, an accelerated phase out schedule could be prepared if it is the desire of the government. For each substance data is required for:

- the year-by-year schedule of the reductions needed to implement compliance for each controlled substance starting from the year of the preparation of the country programme update;
- the amount of reduction to be realized from projects under implementation;
- the amount of reduction to be achieved from projects to be approved in the year;
- means of delivery which could include individual, umbrella, sector projects, RMPs and others;
- government actions that would be implemented to achieve reduction in specific years;
- additional funding estimated for new projects.

26. II.3 Review and updating

The schedule and action plan for implementing compliance of each controlled substance is intended as a dynamic document to assist the government concerned to monitor implementation of its compliance with the Montreal Protocol. Therefore the government should update it *in conjunction with the annual report on the implementation of the country programme/country programme update.*

27. An up-to-date schedule and action plan *as part of the national compliance strategy would be mandatory* when the country concerned seeks funding from the Multilateral Fund.

Part III Performance-Based National Phaseout Agreement

28. This part is required only when a country is ready to conclude a performance-based national phase out agreement with the Executive Committee and take full ownership of the national phase out programme.

29. III.1 Total budget should include total cost of implementing the agreement and a break-down of the cost elements.
30. III.2 Performance milestones and disbursement schedule should include a list of quantifiable performance indicators to measure progress and a schedule of funds to be released upon verified achievement of the performance milestones.
31. III.3 Establishment of a system for verification and reporting to monitor progress in implementation of the national strategy.

Appendix I**Draft Format for Country Programme Update****Part I Implementation Review of the Country Programme****I.1 ODS Phaseout**

ODS	Consumption/ Production in C. P.	Year of Data	Phaseout Achieved	Compliance Baseline	Latest Consumption	Latest Consumption Year	Comments
CFC							
Halons							
Methyl bromide							
TCA							
CTC							

I.2 Industry Conversion

Sector	Consump tion in C.P.	Year of data	No. of plants in C.P.	No. of plants converted	ODS phased out	Funds received	No. of plants to be converted	ODS consumption	Comments
Refrigeration									
Foams									
Aerosol									
Solvents									
Halons									
Fumigant									
Total									

I.3 Government Action

Policy	Proposed in C.P. (Y/N)	Year of implementation in C.P.	Status of implementation (Y/N)	Year of implementation	Comment if experiencing delay
Control on ODS import					
Control on import of ODS-containing equipment					
Ban ODS import					
Ban on import of ODS-containing equipment					
Ban on new uses of ODS					

Part II Country Programme Update

II.1 Statement of Goal(s) by the Government

Should contain a statement of the government of the target date(s) of implementing the obligations as contained in the Montreal Protocol. *These target dates should, at a minimum, comply with the phase out schedule of the Montreal Protocol for the various controlled substances or adopt an accelerated schedule if the government so decides.*

II.2 Schedule and Action Plan for Implementing Compliance

A schedule with an action plan as shown in the Appendix II should be prepared for each controlled substance consumed/produced in the country according to the Montreal Protocol schedule. The schedule could be adjusted according to national circumstances if the government concerned intends to implement an accelerated phase out.

II.3 Review and Updating

Year of plan:		
Target in the Schedule and Action Plan	Implementation at end of year	Comments
ODS reduction	Achieved (Y/N)	
Reduction from approved projects	Achieved (Y/N)	
Reduction expected from new projects	Achieved (Y/N)	
Gov. policy control	Implemented (Y/N)	
Overall assessment	Satisfactory (Y/N)	
Corrective action needed	Y/N	
Revision of Schedule and Action Plan	Y/N	

The update should include a review of the achievement of the targets set for the year in the schedule and action plan, identify successful experiences and lessons, and agree on corrective actions. The results should be reflected in the revised schedule and action plan.

Part III Performance-Based National Phase out Agreement

Countries which are ready to conclude a performance-based national phase out agreement should provide:

III.1 Total cost of the agreement

Element/Year	Year 1	Year 2	Year 3	Year 4 *
Total				

*Till the completion of the agreement

III.2 Performance Milestones and Disbursement Schedule

Year	Milestones	Disbursement

III.3 Verification and Reporting

Institution for conducting the verification:

Frequency of verification and reporting:

Appendix II

Schedule and action plan for implementing CFC compliance

Year	Phaseout schedule		Reduction from approved projects	Reduction from new approvals	Means of delivery*	Gov. action(s)	Additional funding needed	Date of update of the schedule
	Montreal Protocol	<i>Accelerated</i>						
1999	Baseline							
2000								
2001								
2002								
2003								
2004								
2005	50% reduction							
2006								
2007	85% reduction							
2008								
2009								
2010	Total phaseout							

* Could be individual, umbrella, sector projects, RMP, and others.