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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-fourth Meeting
Montreal, 18-20 July 2001

WORK PROGRAMME AMENDMENTS OF UNIDO

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee for US \$457,000 for its 2001 work programme amendment and the associated agency support costs of US \$59,410.
2. Table 1 presents the work programme amendment request along with the amount recommended and the issues associated with the requests. UNIDO's work programme amendment consists of requests for project preparation, a methyl bromide technical assistance project, and the renewal of institutional strengthening.

TABLE 1

UNIDO 2001 WORK PROGRAMME AMENDMENT

Country	Activity/Project	Date of completion*	Amount Requested US \$	Amount Recommended US \$
PROJECT PREPARATION REQUESTS RECOMMENDED FOR BLANKET APPROVAL				
Algeria:	Preparation of an investment project in the fumigants sector (dates)	August 2002	25,000	25,000
Bosnia & Herzegovina:	Preparation of two investment projects in the flexible foam sector	August 2002	15,000	15,000
Brazil:	Preparation of an investment project in the commercial refrigeration sector	August 2002	25,000	25,000
Iran:	Preparation of an investment project in the rigid foam sector	August 2002	20,000	20,000
Iran:	Preparation of twelve investment projects in the commercial refrigeration sector	August 2002	15,000	15,000
Nicaragua:	Preparation of phase-out of methyl bromide in soil fumigation	August 2002	30,000	30,000
Yugoslavia:	Preparation of an investment project in the flexible foam sector	August 2002	15,000	15,000
Yugoslavia:	Preparation of an investment project in the rigid foam sector	August 2002	15,000	15,000
TECHNICAL ASSISTANCE				
Burkina Faso:	Workshop to raise awareness among stakeholders in order to keep them away from the use of Methyl Bromide in tobacco cultivation	August 2002	45,000	30,000
PROJECT PREPARATION REQUESTS DEFERRED				
Malaysia:	Preparation of an investment project in the rigid foam sector	August 2002	10,000	Agreed to Defer

Country	Activity/Project	Date of completion*	Amount Requested US \$	Amount Recommended US \$
REQUESTS FOR INSTITUTIONAL STRENGTHENING RENEWAL				
Egypt:	Phase IV to the institutional strengthening project (Ozone Unit)	August 2003	242,000	175,000
Sub-total:			457,000	365,000
Agency support costs:			59,410	47,450
Total:			516,410	412,450

*The date of completion is for the project preparation activity, not the submission of the investment project. The dates extend to August 2002, a year from the date of its approval.

PROJECT PREPARATION

3. Most of UNIDO's work programme amendment consists of requests for project preparation. UNIDO's requests comply with Decision 30/23 (a) as no requests are for countries where approved but unimplemented projects would phase out 80 per cent of latest consumption.

4. This section addresses projects recommended for blanket approval followed by one recommended for deferral.

Requests recommended for blanket approval

5. The Secretariat is recommending blanket approval for 8 project preparation requests.

Requests recommended for deferral

Malaysia "Preparation of an investment project in the rigid foam sector" (US \$10,000)

6. UNIDO and the Secretariat agreed to defer the request for project preparation for Malaysia because Decision 33/26 deferred the consideration of a request for project preparation for three projects in the rigid foam sector taking into consideration the fact that a national CFC phase-out project programme for Malaysia was to be submitted by the World Bank during 2001.

TECHNICAL ASSISTANCE

7. UNIDO and the Fund Secretariat agreed to a funding level of US \$30,000 for the awareness-raising workshop in Burkina Faso.

INSTITUTIONAL STRENGTHENING RENEWALS

Egypt: Renewal of institutional strengthening (US \$175,000)

Project description

8. The description of the institutional strengthening project proposal for Egypt is presented in Annex I to this document.

Fund Secretariat's recommendation

9. The Fund Secretariat recommends blanket approval of the above project with associated support costs at the funding level shown in Table 1 above. The Executive Committee may also wish to express the following views to the Government of Egypt:

The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Egypt. The Executive Committee takes note with appreciation of the fact that the 1999 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline; however the Committee expresses its concern that the methyl bromide consumption in 1999 is higher than the baseline consumption. In its submission, Egypt reported on a number of important initiatives it has undertaken, including the complete phase out of controlled substances in the foam and refrigeration sectors, and expects to complete the phase out in the solvent sectors by mid-2002. In the aerosol sector a reduction of more than 60 per cent has been achieved and it is worth to note that enterprises have switched to non-ODS alternatives on their own initiative. Egypt has given priority to the destruction of CFC-based equipment which has been replaced through Multilateral Fund-supported projects. Other important activities taken by Egypt are a decree imposing an import licensing system for ODS, suspension of industrial licenses for activities using ODS. At a regional level Egypt contributes to the establishment of a co-operation system between Arab countries. The Executive Committee expresses the expectation that in the next years, Egypt will continue with the progress achieved and sustain and build upon its current level of ODS reduction to achieve its goal of complying with the Protocol's ODS phase out schedules, including 20 per cent reduction in the consumption of methyl bromide by 2005.

RECOMMENDATIONS

The Project Review Sub-Committee may wish to consider recommending the approval of UNIDO's work programme as indicated in Table 1 with the conditions as indicated in the narrative above.

Annex I**Egypt: Renewal of institutional strengthening (US \$175,000)**

Summary of the Project and Country Profile	
Implementing Agency:	UNIDO
Amount originally approved:	Phase I: US \$263,450 US \$43,900 Phase II: US \$175,630
Amount requested for renewal:	US \$175,000
Date of approval of country programme	1992
ODS consumption reported in country programme (1991), (ODP Tonnes)	2,763
Latest reported ODS consumption (2000) (ODP tonnes)*	2,594
Baseline (1995-1997) (ODP tonnes of CFCs)	1,668
Amount approved (US \$)	31,685,564
Amount disbursed (as at December 2000) (US \$):	28,416,073
ODS to be phased out (tonnes ODP)	3,204
ODS phased out (as at December 2000) (tonnes ODP)	2,268.1

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

		<u>US \$</u>
(a)	Country programme preparation	96,507
(b)	Project preparation	771,379
(c)	Training	44,090
(d)	Technical assistance	1,025,343
(e)	Demonstration	605,000
(f)	Investment projects	28,485,266
	Total:	31,027,585

Progress Report

2. The main achievements reported in the progress report include: issuance of the Ministerial Decree No. 633 by the Minister of Economy and Foreign Trade in 1994, banning import and use of ODSs in the manufacture of air-conditioning, refrigeration and aerosols products except for medical uses; issuance of the Ministerial Decree No. 77 by the Minister of State for Environmental Affairs in 2000, including the list of ODSs under control, prohibiting the import of controlled substances under the Montreal Protocol and its Amendments without notifying the Ozone Unit; from January 1995, suspension of industrial licenses for activities using ODS; and Presidential Decrees notifying all ministries and institutions to take into consideration the Montreal Protocol and its Amendments when formulating their policy action and to notify the Ozone Unit, accordingly; complete phase-out of ODSs used in the foam and refrigeration sectors and 70 percent of ODSs used in the solvent sector (complete phase out by mid-2002); advanced destruction of CFC-based equipment that have been replaced through the investment projects (75 per cent destruction in the foam sector, 82 per cent in the refrigeration sector and 70 per cent in the solvent sector; supporting activities for other African and Arab states, including a regional demonstration workshop on foams and halons recycling and recovery; assisting in the establishment of a mechanism between Arab countries for the

implementation of the Montreal Protocol; information dissemination and public awareness programmes; translation and distribution of the OzonAction Newsletter and the five-volume technical brochure to Article 5 countries; representing the Government in national and international meetings relating to the ozone layer.

Plan of Action

3. The plan of action for the next period includes: formulation and implementation of ODS phase out strategies for different sectors, particular attention will be given to the implementation of the refrigerant management plan, the halon banking management system and the phase out of methyl bromide; tracking imports and consumption of ODS; coordinating and managing projects supported through bilateral cooperation including CFCs recovery and recycling programme; providing technical assistance to enterprises and public awareness campaigns; establishing a monitor and license systems for ODS uses; participate in ODS related meetings, prepare annual celebrations for the International Ozone Day; and publishing UNEP's OzonAction Newsletter in Arabic; annual submission of relevant reports to the Multilateral Fund and Ozone Secretariats.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

34th Executive Committee of the
Multilateral Fund for the Implementation
of the Montreal Protocol

UNIDO 2001 Work Programme
AMENDMENT
(12 June 2001)

IMPLEMENTING AGENCY: UNIDO								
Item	Country	Title of Project	Sector	Type	Requested Amount US\$ in Work Programme 2001 (excl. A.S.C.)	CFC ODP to be phased out by INV project	Non-CFC ODP to be phased out by INV project	Duration (months)
1	Algeria	Preparation of an investment project to replace MeBr in fumigation of dates in 10 units	FUM	PRP	25,000		4.8	12
1	Bosnia and Herzegovina	Preparation of 2 investment projects in the flexible foam sector	FOA	PRP	15,000	to be determined		12
1	Brazil	Preparation of 1 projet in the commercial refrigeration sector	REF	PRP	25,000	20		12
1	Burkina Faso	Non-investment project: Workshop to raise awareness among stakeholders in order to keep them away from the use of Methyl Bromide in tobacco cultivation	FUM	TRA	45,000			12
1	Egypt	Institutional Strengthening for MP-related activities, Phase IV	SEV	INS	242,000			24
1	Iran	Preparation of 12 investment projects in the commercial refrigeration sector	REF	PRP	15,000	40		12
1	Iran	Preparation of 1 investment project in the rigid foam sector	FOA	PRP	20,000	50		12
1	Malaysia	Preparation of 1 investment project in the rigid foam sector	FOA	PRP	10,000	11		12
1	Nicaragua	Preparation of phase out of Methyl bromide in Nicaragua (soil fumigation)	FUM	PRP	30,000		to be determined	12
1	Yugoslavia	Preparation of 1 investment project in the rigid foam sector	FOA	PRP	15,000	90		12
1	Yugoslavia	Preparation of 1 investment project in the flexible foam sector	FOA	PRP	15,000	60		12
11		Total			457,000	271	4.8	