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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-ninth Meeting
Montreal, 2-4 April 2003

2003 BUSINESS PLANS FOR BILATERAL AGENCIES

This document includes:

- (1) The consolidation of the business plans submitted by bilateral agencies
- (2) The business plans of the bilateral agencies.

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

Introduction/Background

1. The Executive Committee decided to allow flexibility in the year for which bilateral projects would be credited provided that bilateral agencies submit their work plans in time at the beginning of the year, so that the Secretariat could transmit them to the Monitoring, Evaluation and Finance Sub-Committee for consideration during discussions of the business plans at the Committee's first meeting of the year (Decision 25/13(a)).
2. The Executive Committee requested implementing agencies, and as appropriate, bilateral agencies, to use the model three-year phase-out plan in the preparation of the annual and/or multi-year business plans during the 2003 to 2005 triennium (Decision 38/66, para. b). The Secretariat sent reminder letters to those countries with bilateral activities and those that were considering bilateral activities in 2003. Bilateral agencies were provided with an updated version of the model three-year phase-out plan and asked to indicate their activities for the years 2003, 2004, and 2005 by country, amount of phase-out and cost of the activity. They were also provided with a preliminary list of the activities planned for the triennium by the implementing agencies based on the 9-10 January 2003 coordination meeting.
3. The following non-Article 5 countries provided business plans or letters on business planning: Canada, Czech Republic, Germany, Hungary, Italy, Japan, Sweden and United Kingdom. These documents are included as Annexes I through IV except Czech Republic, Hungary, Italy and the United Kingdom. Czech Republic, Hungary and Italy informed the Secretariat by email or letter that they would contribute to projects through bilateral cooperation and the United Kingdom that submitted a project proposal in lieu of a business plan.
4. Based on the submitted business plans, bilateral agencies plan to conduct activities in 2003 in 32 Article 5 countries excluding regional projects. Those countries include: Algeria, Angola, Bolivia, Botswana, Brazil, Cambodia, China, Croatia, Cuba, India, Indonesia, Iran, Kenya, Kuwait, Lesotho, Malawi, Mauritius, Mexico, Morocco, Namibia, Nigeria, Papua New Guinea, Philippines, Serbia and Montenegro, Seychelles, Sri Lanka, St. Lucia, Swaziland, Tanzania, Uganda, Yemen and Zambia.
5. Table 1 presents planned bilateral activities in 2003 by type of activity. Most bilateral activities have been non-investment activities. In 2003, 80 per cent of the planned level of expenditures for bilateral agencies is for investment and sector phase-out projects.

Table 1**Planned Bilateral Activities By Type (US\$)**

Type	2003	2004	2005
Institutional Strengthening	80,000	80,000	0
Investment	5,046,952	4,033,531	1,600,000
Substance or Sector Phase-out	1,794,074	4,123,576	3,823,335
Preparation	175,598	30,000	0
Refrigerant management plan	717,295	371,561	57,383
Technical assistance	661,315	265,279	122,065
Demonstration	90,000	0	0
Total	8,565,234	8,903,947	5,602,783

6. The total value of activities included in the bilateral business plans for 2003 is US \$8,565,234 as compared to the proposed allocation for such activities amounting to US \$15 million. It should be noted, however, that traditional bilateral donors such as Finland, France, Switzerland, and the United States did not submit bilateral business plans and Japan did not specify a value for four of its planned activities; therefore, the total value for bilateral activities could increase.

7. Czech Republic, Germany, Italy, and Sweden were the only bilateral agencies to indicate bilateral activities after 2003.

Bilateral business plans and the three-year phase-out model

8. As mentioned above, bilateral agencies, as appropriate, were encouraged to use the three-year phase-out plan in the preparation of their business plans (Decision 38/66, para. b). Table 2 presents the amount of phase-out expected to result from bilateral activities:

Table 2**Phase-out from Bilateral Activities By Substance (in ODP tonnes)**

Substance	2003	2004	2005
CFCs	137	199	229.9
Halon	0	0	0
Methyl bromide*	195	200	0
CTC	0	0	0
TCA	0	0	0
Total	332	399	229.9

*All but 5 ODP tonnes of the methyl bromide phase-out is for Italian activities in China whose tonnage may also be included in UNIDO's business plan for its sector phase-out project in China.

9. In addition to the phase-out in Table 2, bilateral agencies plan on updating RMP pursuant to Decision 31/48 in 10 countries as foreseen in the three-year phase-out plan.

10. Germany and Italy specified ODS phase-out for their activities. The phase-out associated with the Swedish project is included in the implementing agencies' business plans. When submitted, bilateral activities may account for a larger amount of ODS phase-out because: no phase-out was indicated for 7 investment projects, 5 sector or substance phase-out projects, or 11 RMP activities. Moreover, phase-out was not assigned for technical assistance or training projects, as required by Decision 35/57 for non-LVCs.

11. Bilateral agencies plan activities in 2003 totalling US \$1,618,161 in 6 countries that do not need phase-out to meet compliance targets up to and including those of 2007.

12. The Executive Committee may wish to consider the priority for such activities in the light of the overall allocation for activities required by the model as indicated in the Consolidated Business Plan (UNEP/OzL.Pro/ExCom/39/8).

COMMENTS ON BILATERAL BUSINESS PLANS

13. The Fund Secretariat reviewed each bilateral donor's business plan and provided comments on several of the proposed activities. This section of the document summarises some of the information contained in the bilateral business plans by donor country.

Canada

14. Canada's 2003 business plan (Annex I) includes four activities valued at US \$923,000. Those activities include an RMP update, a recovery and recycling project, a methyl bromide investment project and the demonstration of new technology in the foam sector. 20 per cent of Canada's pledged contributions for 2003 amounts to US \$990,967. However, based on the amount of funds that will be available for new commitment by the Executive Committee during the triennium, Canada's 20% share would be reduced to US \$518,481 per year. This issue is addressed in the context of the document on Financial Planning (UNEP/OzL.Pro/ExCom/39/7).

Methyl bromide replacement programme in Indonesia

15. Concerning the methyl bromide replacement programme in Indonesia, Indonesia does not require any additional phase-out during the 2003-2005 triennium to achieve its 2005 controls for methyl bromide according to the three-year phase-out plan.

Flexible foam demonstration in Morocco

16. Canada has included a demonstration project on the application of the Exotherm Management Technology in foam projects in its 2003 business plan. The technology is a mature technology in North America but it must be validated in developing countries to avoid similar problems to those experienced in the implementation of the liquid carbon dioxide technology. Canada indicated that although the project is planned to have Morocco as a venue, it should be considered a global project since the participating companies would allow their facilities for the

trials. The enterprises in Morocco will nevertheless receive funds for expenses related to the trials as part of the planned demonstration project.

17. The Secretariat noted that the validation trials under the project would pass the obligation to the Fund for the technology developer to test the efficacy of the technology under all prospective market conditions to ensure its maturity for transfer to Article 5 countries. In the case of the companies where the trials are planned who have already received support from the Multilateral Fund, the companies are looking for firmer foam at lower densities than those technologies that have already been installed with support from the Fund. Moreover, the foams resulting from approved projects match the physical properties of the foams that the company produced with CFCs. The Secretariat noted that funding the testing of new technologies at companies that have already been provided with support from the Fund would effectively constitute double counting, would result in no phase-out and would pass on the cost of commercial development of new technologies to the Fund. Therefore, the planned demonstration project raises issues concerning the incrementality and the eligibility of the activity as well as the precedent it would set for other approved and implemented foam projects.

Czech Republic

18. Czech Republic's letter concerning 2003 business planning indicated that it was planning one activity amounting to 20 per cent of its pledged contribution for 2003. However, this amount would be reduced to US \$34,579 representing 20 per cent of the value uncommitted of pledged contributions pending a decision on financial planning for the triennium.

19. Czech Republic informed the Secretariat of its intention to contribute to a European Network of ozone officers through bilateral cooperation.

20. It is to be recalled that the 2003 Compliance Assistance Programme approved at the last meeting includes networking activities. Networks have not been approved outside of the recurring budget of UNEP. The European network would be administered by UNEP. The network would include the following countries: Albania, Armenia, Bosnia and Herzegovina, Croatia, Georgia, Kyrgyzstan, Macedonia, Moldova, Romania, Serbia and Montenegro and Turkey. The three-year phase-out plan indicates that no additional phase-out is needed to achieve the 2005 and 2007 controls except Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldova and Serbia and Montenegro. UNIDO is the primary implementing agency in most of these countries.

21. UNEP has subsequently submitted a request for the funds for the European network as an amendment to the 2003 Compliance Assistance Programme (CAP).

Germany

22. Germany's 2003 business plan (Annex II) includes 29 activities valued at US \$4,454,735. 20 per cent of Germany's pledged contributions for 2003 amounts to US \$3,782,888. However, this amount would be reduced to US \$1,979,232 representing 20 per cent of the value uncommitted of pledged contributions plus US \$1,158,521 already committed for Germany to

implement the 2003 tranche of the CFC phase-out plan in Brazil pending a decision on financial planning.

23. Germany also provided a contingency list of 13 activities valued at US \$2,547,891 in 2003.

Methyl bromide sector phase-out in China

24. China has asked implementing agencies and Germany to prepare methyl bromide activities pending its expected ratification of the Copenhagen Amendment. Together, the implementing agencies have more ODP tonnage in their business plans than the 716.8 ODP tonnes of methyl bromide indicated in the three-year phase-out plan to enable China to comply with its 2005 control measures. Moreover, Germany did not specify any phase-out associated with its planned activities.

Refrigeration service sector phase-out plan in India

25. Germany agreed to withdraw a refrigeration service sector phase-out plan in India that was submitted to the 38th Meeting, but the Committee did not decide to maintain this project in the 2002 business plan. India does not require any additional CFC phase-out during the 2003-2005 to achieve its 2007 controls according to the three-year phase-out plan. Moreover, the amount of phase-out indicated for the refrigeration service sector phase out plan (1200 to 1500 CFC tonnes) was not included in Germany's business plan but was indicated in Germany's response to the Secretariat's comments on its plan. This level of phase-out exceeds India's remaining funding eligibility as determined in Decision 37/66(b) taking into account projects approved for India since the 35th Meeting.

Foam sector phase-out strategy in Iran

26. Germany's business plan includes a foam sector phase-out strategy that would phase out 235 CFC tonnes.

27. The level of ODS consumption in Iran was discussed at the 38th Meeting in the context of the submission of 11 projects prepared by UNDP and UNIDO. The Committee decided not to approve these projects and requested Iran to prepare a national CFC phase-out plan, clearly identifying and explaining consumption in each sector and sub-sector and any difference in this and consumption previously reported, and incorporating the Government's commitment to phase-out and remaining CFC consumption (Decision 38/55).

28. Germany indicated that Iran may wish to consider reallocating some of its remaining eligible CFC consumption since the consumption in the foam sector exceeds the level of ODS eligible based on existing decisions of the Executive Committee. It should be noted, however, that in establishing a starting point for the determination of remaining funding eligibility the Executive Committee decided that remaining funding eligibility would "represent maximum residual ODS that the Fund would pay to reduce and that existing Fund guidance related to eligibility of projects would be maintained in all respects" (Decision 35/57, para. b).

Solvent investment project in Kenya

29. Germany included a solvent investment project in Kenya that would result in the phase-out of 2 ODP tonnes. This amount of phase-out would not have a significant impact on Kenya's CTC reduction requirements since Kenya's latest consumption is 59.7 ODP tonnes of CTC. This project should be considered in the light of project proposal with minimal impact on phase-out obligations (Decision 38/13).

Methyl bromide phase-out in vegetables and horticultural crops (except cut flowers) in Kenya

30. Kenya does not require any additional phase-out during the 2003-2005 triennium to achieve its 2005 controls for methyl bromide according to the three-year phase-out plan.

Hungary

31. Hungary's letter concerning 2003 business planning indicated that it was planning one activity amounting to 20 per cent of its pledged contributions for 2003. However, this amount would be reduced to US \$24,326 representing 20 per cent of the value uncommitted of pledged contributions pending a decision on financial planning.

32. Hungary informed the Secretariat by email indicating its intention to contribute to a European Network of ozone officers through bilateral cooperation. It also indicated that the Czech Republic, Poland and Slovakia were asked by UNEP DTIE to allocate 20 per cent of their contribution for this purpose.

33. See the previous discussion concerning this request for Czech Republic.

Italy

34. Italy's 2003 business plan includes one activity valued at US \$1,961,184 amounting to 20 per cent of Italy's pledged contributions for 2003. However, this amount would be reduced to US \$1,026,105 representing 20 per cent of the value uncommitted of pledged contributions pending a decision on financial planning.

35. Italy indicated that it would submit its methyl bromide project in China (3,918,400 Euro for the years 2003 and 2004) provided that the Chinese Government ratifies the Copenhagen Amendment.

Japan

36. Japan's 2003 business plan (Annex III) includes 6 activities. Japan provided the value of two of the six activities while the value of the other activities was not indicated. 20 per cent of Japan's pledged contributions for 2003 amounts to US \$6,952,000. However, this amount would

be reduced to US \$3,637,333 representing 20 per cent of the value uncommitted of pledged contributions pending a decision on financial planning.

Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol in Nigeria

37. At its 38th Meeting, the Executive Committee approved US \$68,000 for this activity with several conditions concerning the project focus, the participation of media experts and NGOs, its relationship to UNEP's Compliance Assistance Programme, and charged an ODP of 5.6 ODP tonnes (Decision 38/17). The approval at the 38th Meeting was not for the preparation of this assistance programme but instead it was for the assistance programme itself. Moreover, it should be noted that at the same meeting, the Executive Committee approved in principle a national CFC phase-out plan for Nigeria at a total cost of US \$13,130,786 that addressed Nigeria's remaining funding eligibility.

Preparation for development of UNEP supplementary training programme and a global training programme

38. Japan did not provide a value for these activities. The Secretariat informed Japan that training materials are in place in UNEP and UNEP's CAP should address further needs in this regard. Moreover, most training is associated with RMPs for which the Executive Committee has established limits on funding eligibility.

Assistance for the implementation of strategic planning to promote compliance in the Asia Pacific Region (US \$141,250)

39. Japan received US \$148,500 at the 34th Meeting for this activity that was used for a programme in Sri Lanka and US \$125,000 at the 38th Meeting for the continuation of this activity. The Secretariat requested Japan to indicate if this was additional funds for the activity approved at the 38th Meeting in a fax dated 10 February 2003. As of this writing, the Secretariat has not received a reply from Japan.

Assistance for the implementation of strategic planning to promote compliance in Sri Lanka

40. Japan did not indicate a value or level of ODP phase-out for this activity. UNDP has included a CFC and solvent sector phase-out plan for Sri Lanka in its business plan. UNEP included a refrigeration servicing sector project in its business plan. These projects account for 99.3 CFC tonnes. According to the three-year phase-out plan, Sri Lanka needs to phase-out 75.2 ODP tonnes to achieve the 2007 controls for CFCs.

Training center in domestic refrigeration service and recycling sector in China

41. Japan did not indicate a value or level of ODP phase-out for this activity in China. According to the three-year phase-out plan, China does not need any additional CFC phase-out to achieve its 2005 and 2007 phase-out targets.

Sweden

42. Sweden's 2003 business plan (Annex IV) includes 5 activities valued at US \$395,641. 20 per cent of Sweden's pledged contributions for 2003 amounts to US \$397,693. However, this amount would be reduced to US \$208,076 representing 20 per cent of the value uncommitted of pledged contributions plus US \$166,134 already committed for Sweden to implement the 2003 tranche of the CFC phase-out plan in the Philippines pending a decision on financial planning.

Handbook on systems for reclaiming refrigerants

43. Sweden indicated that it, along with other industrialised countries, had developed a substantial capacity and know how in the reclamation of refrigerants. It noted that during network meetings, countries expressed a need for a handbook on this subject. The Secretariat indicated that UNEP has developed and implemented material on recovery and recycling and as part of its CAP, UNEP has received funding to deploy RMP officers to the regions to provide this type of expertise and therefore this activity should be considered as part of CAP. Moreover, Germany has developed a manual on recovery and recycling. According to Sweden, UNEP informed Sweden that there are no funds in its 2003 budget for the development and printing of such a publication although UNEP would offer the time of CAP staff to contribute to the development of the publication after a Swedish consultant developed a draft document. UNEP also offered to assist in the development of terms of reference, quality review, and the dissemination of the final document to all national ozone units (NOUs).

United Kingdom

44. The United Kingdom's letter concerning 2003 business planning indicated that it was planning one activity valued at US \$500,000. 20 per cent of the United Kingdom's pledged contributions for 2003 amounts to US \$2,143,701. However, this amount would be reduced to US \$1,121,599 representing 20 per cent of the value uncommitted of pledged contributions pending a decision on financial planning.

45. The activity planned for 2003 is the second phase of the Mexico Chiller Concessional Lending Pilot Project. The UK indicated that the first phase of the chiller project had been successful.

46. It should be noted, however, that Decision XIV/9 of the Fourteenth Meeting of the Parties requested the Technology and Economic Assessment Panel (TEAP) to collect data, assess the portion of the refrigeration service sector made up by chillers, identify incentives and impediments to the transition to non-CFC equipment, and prepare a report to the 2003 Open-ended Working Group Meeting. Moreover, the Executive Committee requested the Secretariat to re-examine the issue raised in the chiller sub-sector and to report to a future meeting on a possible update of policy guidance, clarification of the nature of savings that could be envisaged as a result of increased energy efficiency, and how soon those energy savings might be realized (Decision 37/21). The Secretariat plans to co-operate with TEAP in the study of the chiller sub-sector. Pending the results of this study, and in the light of the moratorium on new

chiller demonstration projects (Decision 37/27), the Executive Committee may wish to consider if activities should be included in the 2003 business plan pending the results of the TEAP study.

RECOMMENDATIONS

The Fund Secretariat recommends that the Executive Committee through the Monitoring, Evaluation, and Finance Sub-Committee consider:

1. Noting with appreciation the business plans and letters on bilateral cooperation submitted by: Canada, Czech Republic, Germany, Hungary, Italy, Japan, Sweden, and the United Kingdom as addressed in UNEP/OzL.Pro/ExCom/39/9.
2. Providing advice on the eligibility of the following activities in the bilateral business plans that are not likely to be approved in 2003:

Agency	Country	Sector and Sub-Sector	Value (\$000) in 2003
Canada	Indonesia	Methyl bromide replacement program	420
Canada	Morocco	Demonstration in flexible polyurethane foam	90
Czech Republic	Europe and Central Asia	European network for ozone officers	66
Germany	India	Refrigeration service sector plan	744
Germany	Kenya	Solvent investment project	120
Germany	Kenya	Methyl bromide phase-out in vegetables and horticultural crops (except cut flowers)	287
Hungary	Europe and Central Asia	European network for ozone officers	46
Japan	Nigeria	Assistance for a national information, education and communication campaign for compliance	77
Japan	Global	Preparation for development of UNEP supplementary training programme and Global training programme	N/A
Japan	Asia and the Pacific	Assistance for the implementation of strategic planning to promote compliance in the Asia Pacific Region	141
Japan	China	Training centre in domestic refrigeration service and recycling sector in China	N/A
Sweden	Global	Handbook on systems for reclaiming refrigerants	70
United Kingdom	Mexico	Chiller concessional lending pilot project	500

ANNEX I

2003 BUSINESS PLAN FOR CANADA

CANADIAN BILATERAL ASSISTANCE UNDER THE MLF - 2003 BUSINESS PLAN

SECTOR	COUNTRY	YEAR OF CONTRIBUTION	TITLE and NATURE OF PROJECT	ESTIMATED PROJECT VALUE (US\$) (inclusive of support costs)
Refrigeration	Bolivia	2003	<p><u>Recovery and Recycling Programme:</u></p> <p>The R&R Programme is part of Bolivia's approved Refrigerant Management Plan (RMP) and focuses on the training of technicians in recovery and recycling, new refrigeration technologies and refrigerants. Provision of R&R equipment will cover all refrigeration and air-conditioning sub-sectors where CFCs are used, in particular the mobile air conditioning sub-sector. The R&R Programme will also build upon the training and activities already conducted in this area under a previous project by UNDP.</p> <p>Canada has already received approval for an RMP for Bolivia in 2002 and work has begun on various activities. The R&R component of the RMP was not approved last year, as Canada did not have sufficient funds remaining in its 2002 bilateral allocation. Combined with the RMP, the R&R project will assist Bolivia in reducing its consumption of CFCs for the servicing of refrigeration and air conditioning equipment by 85% by the year 2007, as indicated in the letter of commitment already provided by Bolivian Government.</p>	330,000
Refrigeration	St. Lucia	2003	<p><u>Refrigerant Management Plan (RMP) Update:</u></p> <p>Implementation of an extension of St. Lucia's RMP, using 50% of the funds approved for the original RMP. The RMP Update will include a combination of additional training components, a retrofit demonstration project, and recovery and recycling, to further reduce consumption in the refrigeration servicing sector. This will be supported by continuing implementation of St. Lucia's regulations for the control of imports of CFCs.</p> <p>Canada has been working with St. Lucia in the implementation of an RMP since 1999. Since that time, refrigeration technicians and customs officers have received training. In addition, ODS legislation was developed and St. Lucia has been implementing a licensing system for the imports of CFCs since July 2002. Imports of ODS-using equipment have been banned. The RMP Update will facilitate the implementation of St. Lucia's legislation. It will be accompanied by a commitment by the country to achieve the 2007 85% CFC reduction.</p>	83,000
Methyl bromide	Indonesia	2003	<p><u>Methyl Bromide Replacement Program for Post-Harvest Stored Commodities:</u></p> <p>Based on the results of a completed demonstration project by UNIDO, Canada and UNIDO will cooperate in implementation of a project to replace methyl bromide consumption used in the fumigation of post-harvest commodities (rice, coffee and corn) protection. Alternatives that are being considered are EcoFume combined with Integrated Pest Management (IPM).</p>	420,000
Foam	Morocco	2003	<p><u>Demonstration of Exotherm Management Technology (EMT) in Flexible Polyurethane Foam:</u></p> <p>Demonstrate a new foam technology in boxfoam and Maxfoam. EMT is new organic foam filler, recently in use in North America. It offers significant technical, economic and environmental advantages over other CFC alternatives in this sector. Demonstration of EMT would provide an opportunity to apply the technology to already approved and future flexible polyurethane foam projects, likely reducing project costs and helping to overcome technical difficulties experienced with methyl chloride and liquid carbon dioxide technology. UNDP would be implementing agency on behalf of Canada for this project.</p>	90,000
TOTAL				923,000

ANNEX II

2003 BUSINESS PLAN FOR GERMANY

GTZ-Proklima Business Plan 2003-05

Current version update: 14/02/03

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
	General																
1a	Development of administrative and technical manual for handling existing refrigeration equipment under service sector, Refrigeration sector and national phase-out plans in all UN-languages		S.Sicars			\$45,000				\$400,000						\$445,000	\$45,000
1b	Study: Investigation of possible approaches, framework conditions and basics for guidelines to be applied to strategies targeting to minimize HCFC consumption growth and subsequent gradual HCFC phaseout using the example of a major consuming country		S.Sicars			\$50,000				\$250,000				\$200,000		\$500,000	\$500,000
	Algeria																
2	<u>Terminal CFC Phase out Management Plan</u>	REF	J.Usinger	17	\$200,000		1st tranche	42	\$500,000		2nd tranche	42	\$500,000			\$1,200,000	\$2,000,000
	GTZ assists Algeria in totally phasing out all remaining CFC consumption (excluding refrigeration sector)																
	Angola																
3	<u>Institutional Strengthening</u> : This project is resulting from the preparation phase and aims to strengthen the national NOU structures. Carried over from 2002	SEV	F.Krosigk		\$80,000		2nd tranche		\$80,000		3rd tranche					\$160,000	\$240,000
4	<u>Terminal Phase out Management Plan</u> : GTZ assisted Angola in setting up the country programme. The TPMP is providing a detailed action plan which needs to be followed in order to ensure the to achieve ODS phase out before the deadline in 2010.	REF	F.Krosigk		\$100,000				\$250,000				\$250,000			\$600,000	\$1,400,000

Annex II

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
5	<u>Halon Bank Management Plan:</u> This project when completed would then provide the necessary information for determining the requirements of the country with respect to reclamation, recycling, recovering facilities for halons, need for a demonstration project and the development of a Halon Bank	HAL	D.Legatis		\$50,000											\$50,000	\$50,000
	<u>MB Phase Out</u>				\$0	\$0			\$0				\$0			\$0	\$0
	Botswana																
6	<u>Preparation of RMP update :</u> Botswana is the last of the 14 South & East African countries which has not yet started work on the RMP update. This will set the stage for the RMP update to be submitted later in the year	REF	N.Sharma		\$15,000											\$15,000	\$15,000
7	<u>RMP update :</u> Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$64,295											\$64,295	
	Brazil																\$0
8	<u>Project for service sector - training of technicians</u>	REF	J.Usinger	97	\$1,158,521		2nd installment of 1st tranche	50	\$600,000		2nd tranche	50	\$600,000		3rd tranche	\$2,358,521	\$2,358,521
	China																
9	<u>MeBr Sector Phase-Out Project:</u> This follows from a GTZ pilot project for MeBr phase-out in tomato and vegetables in China, a study tour and funding of a newsletter to assist China to ratify the Copenhagen Amendment, financed through Germany non-MF development cooperation funds. A sector phase-out project will be submitted within China's comprehensive MB phase out plan after China ratifies the Copenhagen Amendment.	FUM	V.Hasse		\$200,000				\$600,000				\$600,000			\$1,400,000	\$3,000,000

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
	<i>Croatia</i>																
10	<i>Pliva</i>	FOA	J.Usinger			\$100,000										\$100,000	\$100,000
11a	<i>Project Preparation/Technical Assistance:</i> This project when completed would then provide the necessary information for determining the requirements of the country with respect to reclamation, recycling, recovering facilities for halons, need for a demonstration project and the development of a Halon Bank	HAL	D.Legatis		\$18,645												
11b	<i>Halon Bank Management Plan</i>	HAL	D.Legatis		\$50,000				\$150,000							\$200,000	\$200,000
	<i>Cuba</i>																
12	<i>Terminal Phase out Management Plan:</i> Implementation of a CFC Phase out Management Plan for the refrigeration sector. The management plan will be accompanied by an agreement between the Government of Cuba and the MF	REF	D.Legatis		\$50,000				\$150,000							\$200,000	\$200,000
	<i>Ethiopia</i>																
13	<i>RMP update:</i> Will be the result of the preparation stage. The aim will be to ensure that country achieves compliance as soon as possible and that the phase out momentum is maintained.	REF	N.Sharma			\$85,852										\$85,852	\$85,852
	<i>India</i>																
14	<i>Refrigeration Service sector Phase out plan</i>	REF	S.Sicars		\$744,074				\$1,134,576				\$1,153,335			\$3,031,985	\$7,879,191
	<i>Implementation of project planned from 2003 until 2009. Joint project with Switzerland, UNEP, UNDP; only German contribution shown.</i>																
	<i>Iran</i>																
15	<i>Foam Sector Phase out strategy:</i> Following the approval of the proposal at the 37th ExCom the foam sector plan will be prepared as part of the national phase out	FOA	J.Usinger	21	\$300,000			107	\$1,500,000			107	\$1,500,000			\$3,300,000	\$3,300,000

Annex II

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
Kenya																	
16	<i>MeBr phase-out in vegetables and horticultural crops (except cut flowers)</i>	FUM	M.Miller		\$287,247			5	\$172,347							\$459,594	\$459,594
	Request for 1st tranche will be made at the 39th ExCom meeting in 2003, following approval of project to phase-out MB in soil sector in Kenya. UNDP will implement project in cut flowers, and GTZ will implement project in all other horticultural crops.																
17	<i>RMP update:</i> Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$20,000				\$68,470							\$88,470	\$88,470
18	<i>Investment project in the solvent sector:</i> An investment project has been identified for conversion to assist Kenya meet its ODS phase out requirements for the solvent sector.	SOL	N.Sharma	2	\$120,000											\$120,000	\$120,000
Kuwait																	
19a	<i>Project Preparation/Technical Assistance:</i> This project when completed would then provide the necessary information for determining the requirements of the country with respect to reclamation, recycling, recovering facilities for halons, need for a demonstration project and the development of a Halon Bank	HAL	D.Legatis		\$76,953												
19b	<i>Halon Bank Management Plan:</i>	HAL	D.Legatis		\$100,000				\$150,000							\$250,000	\$250,000
Lebanon																	
20	<i>Terminal Phase out Management Plan - Training Component:</i> PROKLIMA will be in charge for the commercial refrigeration sector. The project will include training, practical containment and emission reduction and an incentive programme	REF	D.Legatis			\$325,000	Focal IA is UNDP									\$325,000	\$325,000

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
	Lesotho																
21	<u>RMP update</u> : Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$30,000				\$39,655							\$69,655	\$69,655
	Liberia																
	<u>National phase out</u>		N.Sharma			\$350,000										\$350,000	\$60,000
	Malawi																
22	<u>RMP update</u> : Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$20,000				\$79,767							\$99,767	\$99,767
	Mauritius																
23	<u>MB Phase-Out in Flour Mill Structural Fumigation</u>	FUM	V.Hasse			\$50,000										\$50,000	\$50,000
	Following project preparation, Mauritius/GTZ will submit a project proposal to completely phase out the use of MB for fumigation of Mauritius' flourmill.																
24	<u>Terminal Phase out</u> :	REF	N.Sharma		\$80,000				\$59,000							\$139,000	\$139,000
	Following project preparation, Mauritius/GTZ will submit a project proposal to completely phase out the use of MB for fumigation of Mauritius' flourmill. Without assistance, Mauritius will be in non-compliance starting January 2003. Efforts are under way to determine if Germany can advance support funds to prevent Mauritius from becoming non-compliant.																

Annex II

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
	Morocco																
25	<u>MeBr Phase-Out in Cucumber Sector:</u>	FUM	V.Hasse											\$500,000		\$500,000	\$500,000
	Following Morocco's successful GTZ-assisted demonstration project in cucumber and tomato, the project will continue to work with the Ministry of Agriculture to ensure MeBr reductions and phase-out. In light of Morocco's high level of compliance, the project is postponed until at least 2005.														Possibly in cooperation with France		
26	<u>Halon Bank Management Plan:</u>	HAL	D.Legatis			\$50,000										\$50,000	\$50,000
	Implementation of the findings from the project preparation in order to establish a recovery and recycling possibility for halons.																
	Mozambique																
27	<u>RMP update:</u> Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma			\$112,039										\$112,039	\$112,039
	Namibia																
28	<u>Terminal Phase out :</u> The aim of the project is to ensure that Namibia achieve compliance as soon as possible and is then able to achieve complete ODS phase out well before the 2010 deadline of the MF. The TPMP will set out the actions plans which will be followed by the country to achieve this.	REF	N.Sharma		\$50,000				\$200,000				\$100,000			\$350,000	\$350,000
29	<u>MeBr Total Phase-Out</u>	FUM	V.Hasse			\$30,000										\$30,000	\$30,000
	GTZ has assisted the NOU in identifying MeBr uses and preparing future activities on MeBr, using German non-MF funds. This project will introduce alternative technologies and phase-out all non-QPS uses of MeBr in Namibia. Carried over from 2002																

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
	Oman																
30	<u>Halon Bank Management Plan:</u> Implementation of the findings from the project preparation in order to establish a recovery and recycling possibility for halons.	HAL	D.Legatis			\$50,000										\$50,000	\$50,000
	Panama																
31	<u>Terminal Phase out Management Plan:</u> Implementation of a CFC Phase out Management Plan for the refrigeration sector. The management plan will be accompanied by an agreement between the Government of Panama and the MF	REF	D.Legatis			\$800,000										\$800,000	\$800,000
	Papua New Guinea																
32	<u>Terminal Phase out :</u> The aim of the project is to ensure that PNG achieves compliance as soon as possible and is then able to achieve complete ODS phase out well before the 2010 deadline of the MF. The TPMP will set out the actions plans which will be followed by the country to achieve this.	REF	N.Sharma		\$270,000				\$330,000			30.9	\$320,000			\$920,000	\$1,200,000
	Seychelles																
33	<u>RMP update:</u> Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$40,000											\$40,000	\$40,000
	Swaziland																
34	<u>RMP update:</u> Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$35,000				\$39,295							\$74,295	\$74,295
	Syria																
35	<u>MeBr Phase out:</u> Deferred after submission at 35th ExCom	FUM	V.Hasse														

Annex II

No.	Country/Project	Sector	Project manager	ODS phase out	1st line 2003	2nd line 2003	Remarks	ODS phase out	1st line 2004	2nd line 2004	Remarks	ODS phase out	1st line 2005	2nd line 2005	Remarks	Total Triennium	Total Project
Tanzania																	
36	<u>RMP update</u> : Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$20,000				\$55,000				\$57,383			\$132,383	\$132,383
Uganda																	
37	<u>RMP update</u> : Will be the result of the preparation stage. The aim will be to ensure that country is able to continue its ODS phase out activities started through the RMP process	REF	N.Sharma		\$25,000				\$44,607							\$69,607	\$69,607
UNIDO																	
38	<u>Cooperation with UNIDO in various MeBr Projects</u> : Funding would be provided through UNIDO Budget; Projects will be submitted by UNIDO and are therefore covered by the UNIDO Business Plan	FUM			\$0				\$0				\$0			\$0	\$0
UNDP																	
39	<u>Cooperation with UNDP in various MeBr Projects</u> : Funding would be provided through UNDP Budget; Projects will be submitted by UNDP and are therefore covered by the UNDP Business Plan	FUM			\$0				\$0				\$0			\$0	\$0
Yemen																	
40	<u>MeBr Total Phase-Out</u>	FUM	V.Hasse		\$200,000		1st tranche		\$400,000		2nd tranche		\$400,000		3rd tranche	\$1,000,000	\$1,400,000

ANNEX III

2003 BUSINESS PLAN FOR JAPAN

JAPAN-2003 POSSIBLE BILATERAL PROJECTS (Provisional as of February 4, 2003)

Note: Discussions regarding bilateral projects with beneficiary countries and implementing agencies are under way. The nature of a project and its estimated project value could be slightly changed when the concrete project plan is submitted. Also other projects could be formulated and then submitted in 2003. If International Implementing Agency plan to implement similar projects as their own projects, the Japanese Government will discuss cooperation/modification of both projects planned for 2003 with them.

SECTOR	COUNTRY	YEAR	NATURE OF PROJECT	ESTIMATED PROJECT VALUE (US \$)
Refrigeration	China	2003	<p>(Title of the project) Establishment of Training Centre of China Domestic Refrigeration Service and Recycling Sector</p> <p>(Purpose of this project) The purpose of this project is to establish the Training Centre for technical experts in domestic refrigeration servicing sector in close cooperation with State Environmental Protection Administration of China (SEPA) and the China Household Electrical Appliances Association (CHEA). At this training centre, thousands of technical experts can be trained and build up their know-how and skills of maintaining and servicing recovered refrigerants so as to reduce arbitrary discharge of CFC-12 and HFC-134a. The concrete project plan is under formulation between Japan, SEPA, and UNIDO.</p> <p>(The amount of CFC-12 and HFC-134a which will be reduced by this project: under calculation)</p> <p>(Implemented in close cooperation with UNIDO)</p>	(under calculation)
Total Refrigeration Projects	1 project			Under calculation for refrigeration servicing training centre.
All	Nigeria		<p>(Title of project) Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol</p> <p>(Purpose of the project) The project would focus on the fostering of fundamental capabilities of Nigeria to produce country-specific indigenous media relations and the establishment of cooperative structures within government, industry, non-governmental organizations and the education system to promote action-oriented public understanding and support for ODS phase-out during the compliance period through interaction of media and non-governmental organizations' entities in Japan</p> <p>(Implemented in close cooperation with UNEP)</p>	US \$76,840

SECTOR	COUNTRY	YEAR	NATURE OF PROJECT	ESTIMATED PROJECT VALUE (US \$)
TA (project preparation)	Several		<p>(Title of project) Preparation for Development of UNEP Supplementary Training Programme to be carried out in conjunction with JICA (Japan International Cooperation Agency)'s Training Programme.</p> <p>(Purpose of the project) On the basis of Japan's ODA-funded training programme, "Seminar on Policy Implementation and Alternative Technologies Concerning Ozone Layer Protection", synergies will be sought between the JICA's programme and the UNEP's training programme. Not only UNEP could use this programme as an opportunity to complement the training and information dissemination functions currently provided through several Regional Networks but also it will give UNEP direct access to technical information and other resources that have been and will be accumulated through the programme. It can be expected that, through UNEP, such information could be spread on a larger scale in an appropriate manner and timing. Activities will include, inter alia, compilation and publication of text books and information documents about various subjects including latest ODS-related technology available in Japan; these materials are originally prepared in Japanese and translated into English and adjusted for the use as training materials/teaching of the JICA seminar; in the event that the proposed joint training scheme is established and the seminars held together, these materials can be distributed and published more extensively to Article 5 countries.</p> <p>(Implemented in close cooperation with UNEP)</p>	(under calculation)
TA	Several		<p>(Title of project) UNEP Supplementary Training Programme to be carried out in conjunction with JICA (Japan International Cooperation Agency)'s Training Programme.</p> <p>Implementation of the project prepared by the above.</p>	(under calculation)
All	Asia and Pacific Region (Iran, Mongolia)		<p>(Title of project) Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol in the Asia and Pacific Region (Phase 2).</p> <p>(Purpose of the project) The Government of Japan would assist the Islamic Republic of Iran and Mongolia in preparing country consultations in these countries and help convene in either of these countries a country consultations in these countries a country consultation meeting on the model of the consultation held in Sri Lanka in the year to come.</p>	US \$141,250

SECTOR	COUNTRY	YEAR	NATURE OF PROJECT	ESTIMATED PROJECT VALUE (US \$)
A few sectors	Sri Lanka		This is a follow-up project to the pilot project, "Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol in the Asia and Pacific Region" (ASP/SEV/34/TAS/41), which was approved at the 34 th ExCom. Based upon the Sri Lankan National Compliance Action Plan (NCAP), bilateral cooperation will be provided to implement some of the planned activities in the NCAP	(under calculation)
Total Possible 2003	6 Projects			N/A

ANNEX IV

2003 BUSINESS PLAN FOR SWEDEN

Draft Swedish business plan for 2003-2005

SECTOR	COUNTRY	TITLE and NATURE OF PROJECT	2003 ESTIMATED PROJECT VALUE (US\$)	2004 ESTIMATED PROJECT VALUE (US\$)	2005 ESTIMATED PROJECT VALUE (US\$)	ODS phase-out (tonnes)
Refrig.	Croatia	<u>Terminal CFC Phase-out Plan</u> Technical Assistance to implement the TPMP in Cooperation with UNIDO as lead agency.	41,925	20,103	13,975	96 ¹
Several	Cambodia	<u>Import/export licensing system for ODSs:</u> Assist the government of Cambodia in establishing an import and export licensing system for the monitoring and control of ODS and ODS using products.	55,000			N.A
Refrig.	Philippines	<u>National CFC phase-out Plan</u> Technical Assistance to implement the NCPP in Cooperation with World Bank as lead agency.	163,716	179,086	42,000	1530 ²
Refrig.	Macedonia	<u>Assistance to prepare a Terminal CFC Phase-out Plan.</u> Assist Macedonia to make a full strategy for the phase-out ODS uses found in the servicing sector, including means of funding and plans for implementation of the activities identified as needed. Activities are to be implemented by UNIDO.		30,000		Preparation to total phase-out
Refrig.	FR Yugoslavia	<u>Assistance to prepare a National CFC Phase-out Plan for the servicing sector.</u> Assist FR Yugoslavia to make a full strategy for the phase-out ODS uses found in the servicing sector, including means of funding and plans for implementation of the activities identified as needed. Activities are to be implemented by UNIDO.	65,000			Preparation to total phase-out in the servicing sector

¹ This is the total remaining consumption figure. UNIDO will also include this figure in their BP

² This is the total remaining consumption figure in the servicing sector. The World Bank will include the total phase-out from the NCPP in their BP.

SECTOR	COUNTRY	TITLE and NATURE OF PROJECT	2003 ESTIMATED PROJECT VALUE (US\$)	2004 ESTIMATED PROJECT VALUE (US\$)	2005 ESTIMATED PROJECT VALUE (US\$)	ODS phase- out (tonnes)
Refrig	Global	<u>Systems for reclaiming refrigerants</u> Preparation of Handbook/Case studies, to be used as an information tool at workshops connected with Regional network meetings. It will include the information based on industry operated systems for reclamation of refrigerants. Many countries have recognized such need in order to phase-out the demand for new CFCs. Interlinked phase-out measures should also be included in the project. Implementation in cooperation with UNEPs information clearing house and network activities.	70,000			N.A
Solvents	Thailand	As identified in the National CFC Phase-Out Plan prepared by the World Bank, assist the government of Thailand to develop a phase out strategy for CTC and remaining uses of TCA.	-	*)	*)	
Solvents	Malaysia	As identified in the National CFC Phase-Out Plan prepared by the World Bank, assist the government of Malaysia to develop a phase out strategy for CTC and TCA.	-	*)	*)	
Refrig.	Malaysia	As part of the implementation of the National CFC Phase-Out Plan prepared by the World Bank, assist the government of Malaysia with issues related to the phase out of refrigerants in the MAC sector.	-	*)	*)	
Total			395,641	229,789	58,200	

*) Swedish assistance has to be discussed further with WB, Thailand and Malaysia before project values for the Swedish projects could be estimated. The WB would adjust approved programme funds allocated for the National CFC Phase-out Plans for Thailand and Malaysia when and if the WB sub-contracted Sweden for CTC/TCA strategies and MAC technical assistance projects. The funds would then be credited against Sweden's contribution to the Multilateral Fund.
