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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-eighth Meeting  
Montreal, 3-7 April 2006

**BILATERAL COOPERATION**

The Fund Secretariat received the following requests for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
Project preparation of a TPMP in Saint Lucia	Canada
Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (French component)	France
National phase-out plan (2nd tranche) in Afghanistan	Germany
National CFC phase-out plan in Brazil: fourth tranche	Germany
National CFC phase-out plan in Iran : 2006 annual implementation programme	Germany
Extension of institutional strengthening project (phase III) in Papua New Guinea	Germany
Terminal phase-out management plan for ODS (2nd phase) in Papua New Guinea	Germany
Project preparation for the terminal phase-out management plan in Seychelles	Germany
Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (German component)	Germany
Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (Japanese component)	Japan

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

**Note on the Organization of the Document**

1. This document provides an assessment of whether bilateral agencies' requests are eligible in light of the maximum level of bilateral cooperation available for the year 2006, taking into account decision 25/13 that allows bilateral agencies to specify the year of contribution for their activities during the triennium if they submit a business plan.
2. The document also indicates the cross-references to other meeting documents where a discussion of the bilateral request can be found. Cross-referenced documents are addressed in other agenda items.
3. Five requests for funding are addressed in this document, one of which is recommended for blanket approval:
  - Project preparation for a TPMP in Saint Lucia, to be implemented by Canada.
4. All bilateral requests except those from Germany are within the 20 per cent allocation of contributions for bilateral agencies in 2006 and/or from 2003 to 2005, as applicable.
5. The policy issue regarding the use of the 20 per cent bilateral contribution arising from the Germany's project funding requests is addressed in the document "Bilateral agencies business plans for the years 2006-2008" (UNEP/OzL.Pro/ExCom/48/7). The projects submitted by the Government of Germany are listed for individual consideration in the document "Overview of issues identified during project review" (UNEP/OzL.Pro/ExCom/48/19).

**Introduction**

6. A total of 10 requests amounting to US \$5,313,233 (including multi-year agreements) for bilateral cooperation were received by the Secretariat for approval at the 48<sup>th</sup> Meeting. This document presents, by bilateral agency, those projects that are before the Executive Committee for its consideration.
7. Table 1 provides a summary of the value and number of requests by bilateral agency.

Table 1

**VALUE AND NUMBER OF PROJECTS FOR BILATERAL COOPERATION, BY BILATERAL AGENCY (Including Agency Fees)**

<b>Bilateral Agency</b>	<b>Total Amount Requested (US \$)</b>	<b>Number of Projects</b>
Canada	33,900	1
France	406,800	1
Germany	4,081,533	7
Japan	791,000	1
<b>TOTAL</b>	<b>5,313,233</b>	<b>10</b>

## REQUEST FROM THE GOVERNMENT OF CANADA

### Introduction

8. Table 2 presents a summary of Canada's request for bilateral co-operation. The value of this request does not exceed 20 percent of Canada's contribution for 2006 (US \$940,073).

Table 2

### SUBMISSION FROM THE GOVERNMENT OF CANADA AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Project preparation of a TPMP	Saint Lucia	30,000	30,000
Agency Fee		3,900	3,900
TOTAL		33,900	33,900

#### **SAINT LUCIA: Project preparation of a TPMP (US \$30,000)**

#### **Project description**

9. On behalf of the Government of Saint Lucia, the Government of Canada has submitted a request for funding for the preparation of a terminal phase-out management plan (TPMP) for Saint Lucia, for consideration by the Executive Committee at its 48<sup>th</sup> Meeting. The request has been submitted in accordance with decision 45/54 (on TPMP for LVC countries).

10. The Government of Canada is currently implementing the RMP update for Saint Lucia (approved at the 41<sup>st</sup> Meeting of the Executive Committee). Refrigeration technician training began in May 2005 and is to be completed by April 2006. Two shipments of recovery and recycling equipment were supplied in March 2005 and distributed to servicing workshops. All the proposed activities in the RMP update project are scheduled to be completed by the end of the first semester of 2006.

#### **Secretariat's comments**

11. In reviewing the request for the preparation of the TPMP for Saint Lucia, the Secretariat noted the results so far achieved in phasing-out CFCs, i.e., from a calculated baseline of 8.3 ODP tonnes to 0.8 ODP tonnes in 2004, which is below the 2007 allowable consumption level of 1.24 ODP tonnes. The Secretariat also noted that on 24 August 1999, Saint Lucia ratified the Montreal Amendment to the Montreal Protocol and had notified the Ozone Secretariat that it had established a licensing system (Article 4B, paragraph 4, of the Montreal Protocol).

12. The Government of Saint Lucia has been made aware of all relevant decisions of the Executive Committee, in particular decision 45/54.

**Secretariat's recommendation**

13. The Fund Secretariat recommends blanket approval of the activities at the level of funding shown in Table 2 above, with the proviso that in developing and subsequently implementing the TPMP, Canada be requested to take into account decision 47/10(e) regarding the inclusion in the licensing systems of import controls for methyl bromide, CTC and/or TCA, as well as CFCs.

## REQUEST FROM THE GOVERNMENT OF FRANCE

### Introduction

14. Table 3 presents a summary of France's request for bilateral cooperation. France has submitted a chiller demonstration project for the African region for approval at the 48<sup>th</sup> Meeting, pursuant to decision 46/33(b)(vii) which stated that "resources remaining unspent after approval of the [chiller] proposals submitted to the 47<sup>th</sup> Meeting of the Executive Committee should remain as uncommitted obligations from the 2005 business plan." Therefore, the costs of this request are to be offset against France's bilateral contributions in the 2003-2005 triennium. The value of this request, plus the US \$5,067,809 approved during the 2003-2005 triennium does not exceed 20 percent of France's contribution for 2003-2005 (US \$7,511,213) pursuant to decision 25/23. France submitted business plans for each year of the last triennium and has also submitted the 2006 business plan to this Meeting.

Table 3

### SUBMISSION FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (French component)	African region	360,000	(1)
Agency Fee		46,800	
TOTAL		406,800	

(1) Under UNEP/OzL.Pro/ExCom/48/25

**AFRICAN REGION: Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (French component) (US \$360,000)**

15. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/48/25.

## REQUESTS FROM THE GOVERNMENT OF GERMANY

### Introduction

16. Table 4 presents a summary of Germany's requests for bilateral co-operation. Germany has submitted 7 projects amounting to US \$4,081,533 (including agency fees) to this Meeting for the Executive Committee's approval. The level of funds requested by Germany exceeds 20 percent of its contribution for 2006 (US \$2,894,744). For this reason, requests for Germany are listed for individual consideration.

Table 4

### SUBMISSION FROM THE GOVERNMENT OF GERMANY AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
National phase-out plan (2nd tranche)	Afghanistan	642,368	Pending
National CFC phase-out plan: fourth tranche	Brazil	1,543,600	Pending
National CFC phase-out plan: 2006 annual implementation programme	Iran	1,007,124	(1)
Extension of institutional strengthening project (phase III)	Papua New Guinea	60,000	Pending
Terminal phase-out management plan for ODS (2nd phase)	Papua New Guinea	220,000	(2)
Project preparation for the terminal phase-out management plan	Seychelles	20,000	Pending
Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (German component)	African region	192,500	(3)
Agency Fee		395,941	
TOTAL		4,081,533	

(1) Under UNEP/OzL.Pro/ExCom/48/33

(2) Under UNEP/OzL.Pro/ExCom/48/36

(3) Under UNEP/OzL.Pro/ExCom/48/25

### Allocating more than 20 per cent of an annual contribution for bilateral activities

17. The issue of over-commitment of funds in Germany's business plan is discussed in the relevant document (UNEP/OzL.Pro/ExCom/48/7). The specific issue in the context of the requests for funding is whether a bilateral agency can exceed 20 per cent of its annual contributions.

18. Bilateral contributions are calculated as a percentage of pledged contributions and pledged contributions are assessed and due on an annual basis. Therefore, it has been the operating practice of the Fund Secretariat since 1992 to specify if bilateral contributions have exceeded 20 per cent of the annual contribution, since contributions are only considered on an

annual basis and not on a triennial basis. In order to determine the current level of contributions, the Parties adopted:

“The scale of contributions for the Multilateral Fund based on a replenishment of US \$133,466,667 for 2006, US \$133,466,667 for 2007 and US \$133,466,666 for 2008, etc.” (decision XVII/40, para. 2).

19. This would indicate that contributions are determined on an annual basis. Also, pursuant to paragraph 7 of decision XI/6, a due date is specified for annual contributions as follows:

“[...] in order to ensure the efficient and effective operation of the Multilateral Fund, Parties should strive to pay their contributions as early in the calendar year as possible and no later than 1 June of each year. Parties unable to make their contributions by 1 June should notify the Treasurer as to when during the calendar or fiscal year their payment will be made, but contributing Parties should strive to pay their contributions no later than 1 November of that year.” (decision XI/6, para. 7 which is also referenced in para. 3 of decision XVII/40 on the 2006 to 2008 Replenishment of the Multilateral Fund)

20. By allowing a bilateral contribution to be re-assigned from a future year to an earlier one, the Executive Committee would be allowing an advanced payment of a bilateral contribution. The Executive Committee may not have the authority to approve such payments without a new decision of the Parties, since the decision establishing the percentage of funding for bilateral cooperation was determined by the Parties in decision II/8.

21. Moreover, the Committee would be advancing a bilateral contribution whether or not cash or an encashable promissory note payment was made regarding a future year. Bilateral contributions could have a negative impact on the cash flow of the Fund when cash contributions are reduced by the value of the bilateral activity or if promissory notes cannot be fully cashed in the year for which they are due.

### **Categories of submissions to the 48<sup>th</sup> Meeting**

22. The submission from the Government of Germany to the 48<sup>th</sup> Meeting contains requests to this meeting that can be grouped into three categories: annual tranches of approved multi-year agreements; institutional strengthening requests; and requests for the project preparation of a new activity that is required for compliance by the three-year ODS phase-out model.

23. The commitments to annual tranches represent funding already agreed by the Executive Committee to be provided to the relevant country. In this respect, the Committee has already agreed to enable the bilateral programme of Germany to fulfil the requirements of the agreements, bearing in mind that these agreements were undertaken in advance of the determination of the level of the 2006 to 2008 replenishment of the Fund. Therefore, the Executive Committee may wish to fulfil these commitments while informing the Meeting of the Parties of its decision to draw upon more than 20 per cent of Germany’s annual contribution to the Multilateral Fund for 2006.

24. Institutional strengthening also represents a commitment of the Executive Committee as per decision 35/57. However, unlike annual tranches of multi-year agreements, this funding is not used by the bilateral agency to implement the project, but is effectively a transfer to the national ozone unit (NOU) that could be effected by any implementing agency if requested by the country. The agency fee associated with the institutional strengthening is available to the bilateral or multilateral implementing agency and could be used for additional capacity building if not used for the administration of the project. However, as the request has been submitted on behalf of Papua New Guinea, the Executive Committee may wish to agree to provide the funds for this request and so inform the Parties of its decision.

25. The third category of requests is represented by the project preparation to develop a terminal ODS phase-out management plan (TPMP) for Seychelles. The purpose of project preparation is to enable an implementing agency to prepare a project for approval and implementation. Since Germany does not have sufficient resources remaining in its bilateral allocation for the 2006 to 2008 triennium, the Executive Committee may wish to consider if Germany should prepare a project that, without transferring its commitments for approved annual tranches of multi-year agreements to the next triennium or to other implementing agencies, it cannot implement.

#### **AFGHANISTAN: National phase-out plan (2<sup>nd</sup> tranche) (US \$642,368)**

##### **Project description**

26. On behalf of the Government of Afghanistan, the Government of Germany has submitted a request amounting to US \$642,368 plus agency support costs of US \$83,508 for the second tranche of the national phase-out plan for Afghanistan for consideration by the Executive Committee at its 48<sup>th</sup> Meeting. This will represent the final payment by the Multilateral Fund for the complete phase-out of Annex A Group I and Annex B Group II substances in Afghanistan.

27. At its 47<sup>th</sup> Meeting, the Executive Committee approved in principle the national phase-out plan for Afghanistan, at the amount of US \$1,065,806 plus agency support costs of US \$138,555 for the Government of Germany and UNEP. The Committee also approved the agreement between the Government of Afghanistan and the Executive Committee specifying the agreed conditions for the implementation of the phase-out plan and also funding for the first tranche of the plan at the amount of US \$118,438 plus support costs of US \$15,397 for the Government of Germany and US \$305,000, plus support costs of US \$39,650 for UNEP (Decision 47/40).

##### **Secretariat's comments**

28. The Secretariat noted that the request for the second and final tranche of the national phase-out plan for Afghanistan is in accordance with the agreement between the Government of Afghanistan and the Executive Committee approved at the 47<sup>th</sup> Meeting. Although all of the conditions for approval of the second tranche of the national phase-out plan for Afghanistan have been met, this request is submitted for individual consideration, since the Executive Committee's

decision will need to take into account the outcome of its deliberations on the bilateral funding issue.

29. Upon a request by the Secretariat, UNEP (as the lead implementing agency) indicated that since the approval of the Afghanistan phase-out plan, several activities have already commenced, specifically: the memorandum of understanding between the Government of Afghanistan and UNEP for the institutional strengthening project has been signed and the first funding tranche has been released; the terms of reference for hiring a national consultant have been developed and are being discussed with the Ozone Officer; a joint mission by the Government of Germany and UNEP in order to finalize the plan of action for implementing the project has been organized for the week of 19 March 2006; and the memorandum of understanding for transfer of funding to the Government of Afghanistan under the phase-out plan is currently under review by relevant authorities in the country.

### **Secretariat's recommendation**

30. Subject to the Executive Committee's conclusions on the policy issue arising from the Government of Germany's submissions, the Executive Committee could consider approving the second tranche of the national phase-out plan for Afghanistan at the level of funding shown in Table 4 above.

### **BRAZIL: National CFC phase-out plan: fourth tranche (US \$1,543,600)**

#### **Project description**

31. The national CFC phase-out plan (NCP) for Brazil was approved in July 2002 at the 37<sup>th</sup> Meeting of Executive Committee, at a total level of funding of US \$26.7 million. With the support of this plan, the Government of Brazil intends to achieve complete phase out of its CFC consumption by 2010, starting at a consumption level of 8,280 ODP tonnes in 2002.

32. The Plan is being implemented with the assistance of UNDP as lead implementing agency and the Government of Germany as co-operating agency for the service technician and customs officer training programmes. At the 45<sup>th</sup> and 47<sup>th</sup> Meetings, the requests for the third and fourth tranches were only related to UNDP. A total of US \$6,826,400 plus support costs of US \$584,776 was approved for UNDP to continue its part as the lead agency in this phase-out plan. The corresponding tranches for the Government of Germany were in both cases not requested, on the basis of an agreement between the Governments of Brazil and Germany that these tranches could be approved at the first meeting in 2006. The third tranche amounts to US \$1,300,000 plus agency support costs of US \$117,000; while the fourth tranche amounts to US \$243,600 plus support costs of US \$21,924.

33. On behalf of the Government of Brazil, UNDP requests, for the Government of Germany, approval of the German portion of the third and fourth tranches for the Brazil NCP, at a total of US \$1,543,600 plus support cost US \$138,924. The conditions placed on the third and fourth tranches regarding performance and its verification have been fulfilled, as demonstrated by the respective decisions of the Executive Committee.

### **Secretariat's comments**

34. The Secretariat noted that the request for Germany's share of the third and fourth tranches of the NCPP for Brazil is in accordance with the agreement between the Government of Brazil and the Executive Committee approved at the 37<sup>th</sup> Meeting as well as with the tranche approvals for UNDP at the 45<sup>th</sup> and 47<sup>th</sup> Meetings.

35. It should be noted that this annual tranche was delayed from the 2003 to 2005 triennium because Germany did not have sufficient funds in its 20 per cent allocation for the 2003 to 2005 triennium to fulfill its commitment to the multi-year agreement between the Executive Committee and Brazil.

36. Although all of the conditions for approval of the third and fourth tranches of the NCPP for Brazil have been met, this request is submitted for individual consideration, since the Executive Committee's decision will need to take into account the outcome of its deliberations on the bilateral funding issue.

### **Secretariat's recommendation**

37. Subject to the Executive Committee's conclusions on the policy issue arising from the Government of Germany's submissions, the Executive Committee could consider approving the fourth tranche of the national CFC phase-out plan for Brazil at the level of funding shown in Table 4 above.

### **IRAN: National CFC phase-out plan: 2006 annual implementation programme (US \$1,007,124)**

38. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/48/33.

### **PAPUA NEW GUINEA: Extension of institutional strengthening project (phase III) (US \$60,000)**

#### **Project description**

39. The description of the renewal of the institutional strengthening project is presented in Annex I to this document.

### **Secretariat's comments**

40. Although all of the conditions for approval of the extension of institutional strengthening project (phase III) have been met, this request is submitted for individual consideration since the Executive Committee's decision will need to take into account the outcome of its deliberations on the bilateral funding issue.

### **Secretariat's recommendations**

41. Subject to the Executive Committee's conclusions on the policy issue arising from the Government of Germany's submissions, the Executive Committee could consider approving the extension of institutional strengthening project (phase III) in Papua New Guinea at the level of funding shown in Table 4 above. The Executive Committee may wish to express to the Government of Papua New Guinea the comments which appear below:

“The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request of Papua New Guinea and notes with appreciation that the Government has as of January 2004 taken legislative measures which have helped curb the country's ODS consumption. The Executive Committee also notes important steps taken by the Government, such as public awareness activities and the management of import quotas in conformity with its TPMP targets, as a result of which Papua New Guinea appears to have achieved the 2005 50% CFC consumption reduction target ahead of schedule in 2004. The Executive Committee is encouraged by this achievement and is hopeful that the objectives set out in the next phase of the institutional strengthening project, including ratification of the Montreal and Beijing Amendments, and continued implementation of the TPMP, will be achieved with outstanding success, and that the Government of Papua New Guinea will realize its principal objective of reducing CFC consumption much below the 2007 reduction target of 85% established by the Montreal Protocol.”

#### **PAPUA NEW GUINEA: Terminal phase-out management plan for ODS (2nd phase) (US \$220,000)**

42. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/48/36.

#### **SEYCHELLES: Project preparation for the terminal phase-out management plan (US \$20,000)**

### **Project description**

43. On behalf of the Government of Seychelles, the Government of Germany has submitted a request for funding for the preparation of a terminal phase-out management plan (TPMP) for Seychelles, for consideration by the Executive Committee at its 48<sup>th</sup> Meeting. The request has been submitted in accordance with decision 45/54 (on TPMP for LVC countries).

### **Secretariat's comments**

44. In reviewing the request for the preparation of the TPMP for Seychelles, the Secretariat noted the results so far achieved in phasing-out CFCs, i.e., from a calculated baseline of 2.80 ODP tonnes to 0.04 ODP tonnes in 2004, which is below the 2007 allowable consumption level of 0.42 ODP tonnes. The Secretariat also noted that legislation for controlling imports of CFCs and CFC-based equipment is already in place and enforced through the Environment Protection

Regulations 2000 and the Trades Tax Notice 2000. There is also a total ban on the other controlled substances, mainly methyl bromide, CTC and TCA.

45. The Government of Seychelles has been made aware of all relevant decisions of the Executive Committee, in particular decisions 45/54 and 47/10(e).

46. The total funding sought by the Government of Germany for submissions to the 48<sup>th</sup> Meeting exceeds 20 per cent of Germany's contributions for the year 2006. Although all of the conditions for approval of this project preparation have been met, this request is submitted for individual consideration, since the Executive Committee's decision will need to take into account the outcome of its deliberations on the bilateral funding issue.

#### **Secretariat's recommendation**

47. Subject to the Executive Committee's conclusions on the policy issue arising from the Government of Germany's submissions, the Executive Committee could consider approving the request for preparation of the TPMP for Seychelles at the level of funding shown in Table 4 above.

**AFRICAN REGION: Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (German component) (US \$192,500)**

48. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/48/25.

## REQUEST FROM THE GOVERNMENT OF JAPAN

### Introduction

49. Table 5 presents a summary of Japan's request for bilateral co-operation. Japan has submitted a chiller demonstration project for the African region for approval at the 48<sup>th</sup> Meeting, pursuant to decision 46/33(b)(vii) which stated that "resources remaining unspent after approval of the [chiller] proposals submitted to the 47<sup>th</sup> Meeting of the Executive Committee should remain as uncommitted obligations from the 2005 business plan." Therefore, the costs of this request are to be offset against Japan's bilateral contributions in the 2003-2005 triennium. The value of this request, plus the US \$11,077,987 approved during the 2003-2005 triennium does not exceed 20 percent of Japan's contribution for 2003-2005 (US \$20,856,000) or of its total bilateral contributions for the 2003-2005 triennium pursuant to decision 25/13. Japan submitted business plans for each year of the last triennium and has also submitted the 2006 business plan to this Meeting.

Table 5

### SUBMISSION FROM THE GOVERNMENT OF JAPAN AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (Japanese component)	African region	700,000	(1)
Agency Fee		91,000	
TOTAL		791,000	

(1) Under UNEP/OzL.Pro/ExCom/48/25

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**AFRICAN REGION: Strategic demonstration project for accelerated conversion of CFC chillers in 7 African Countries (Cameroon, Egypt, Namibia, Nigeria Malawi, Senegal and Sudan) (Japanese component) (US \$700,000)**

50. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/48/25.



## Annex I

## INSTITUTIONAL STRENGTHENING PROJECT PROPOSAL

## Papua New Guinea: Renewal of institutional strengthening

<b>Summary of the Project and Country Profile</b>		
Implementing Agency:		Germany
Amount originally approved:	Phase I: May 1996 (US \$)	45,800
	Phase II: Dec. 2003 (US \$)	39,693
	<b>Total</b>	<b>85,493</b>
Amount requested for renewal (Phase III) (US \$):		60,000
Amount recommended for approval (Phase III) (US \$)		60,000
Agency support costs (US \$)		7,800
Total cost of institutional strengthening Phase III to the Multilateral Fund		67,800
Date of approval of country programme		May 1996
Date of approval of country programme update (if applicable)		--
Total ODS consumption reported in country programme (1994), (ODP tonnes)		56.2
Latest reported total ODS consumption (2004) (ODP tonnes)		20.81
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		36.26
(b) Annex A Group II (Halons) (Average 1995-1997)		0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		0
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		0
(e) Annex E (Methyl bromide) (Average 1995-1998)		0.33
Latest consumption of controlled substances (2004) (ODP tonnes):		
(a) Annex A Group I (CFCs)		17.02
(b) Annex A Group II (Halons)		0
(c) Annex B Group II (Carbon tetrachloride)		0
(d) Annex B Group III (Methyl chloroform)		0
(e) Annex C Group I (HCFCs)		3.79
(f) Annex E (Methyl bromide)		0
Amount approved for projects(as at December 2004) (US \$)		749,707
Amount disbursed (as at December 2004) (US \$):		231,489
ODS to be phased out (ODP tonnes)		30.8
ODS phased out (as at December 2004) (ODP tonnes)		0

## Summary of activities and funds approved by the Executive Committee:

		<u>US \$</u>
(a)	Country programme preparation	45,200
(b)	Project preparation	67,800
(c)	Training	-
(d)	Technical assistance (including institutional strengthening)	96,607
(e)	Investment projects	539,700
	<b>Total</b>	<b>749,707</b>

Progress Report

51. In January 2004 the Environment Act 2000 and its requirement for ODS import permits came into force. This proved a turning point in Papua New Guinea's efforts in meeting its ODS reduction targets as established under the terminal phase-out management plan (TPMP). The importers were issued the necessary quotas based on TPMP targets. Thus during the period of Phase 2 of the institutional strengthening project ending in December 2005 the imports of ODS have been well within the TPMP reduction targets ensuring the country's ongoing compliance.

52. In addition to maintaining the data base on import permits and quotas, the National Ozone Unit (NOU) developed promotional materials for the first time exclusively on ozone issues. These included leaflets, posters, banners, caps etc, which were distributed during ozone day celebrations as well as during training activities organised by the NOU. Ozone depletion issues were further discussed through newspaper articles and radio talk shows and interviews.

53. An important role of the NOU is also to coordinate the activities being conducted under the TPMP and to ensure that the NOU is taking centre stage in encouraging phase-out of ODS use in the country.

Plan of Action

54. The focus of the ISP Phase 3 is to ensure that the 4.5 ODP tonnes consumption reduction target of the (TPMP) is met. One of the issues pending from the last phase is the ban on imports of ODS-based equipment which should be finalized by Cabinet in 2006. In addition to the allocation of quotas and import permits, the NOU would broaden its awareness campaign to more activities involving local schools. Relevant materials would need to be developed for this purpose. Also, general awareness creation activities will continue during this phase of the project including radio shows and newspaper articles on ozone depletion related issues. Ozone documents developed under the TPMP project will be translated into two local languages to increase coverage. The NOU will also be involved with the on-going assistance with the coordination and implementation of TPMP activities to ensure that the second phase of the TPMP is completed successfully.

55. The ratification of the Beijing and Montreal Amendments is still pending. The NOU is preparing the necessary documents for submission to Cabinet and it is hoped that the ratification process will be completed by end of 2006.

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