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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fiftieth Meeting
New Delhi, 6-10 November 2006

BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
Additional support for regional strategy for 11 Article 5 countries in the Pacific	Australia
Terminal phase-out management plan for CFCs in Burkina Faso (first tranche)	Canada
Project preparation for a national phase-out plan in Chile	Canada
Terminal phase-out management plan for Annex A Group I substances in Uruguay (first tranche)	Canada
Project preparation for a terminal ODS phase-out management plan in Ethiopia	France
Project preparation for a terminal ODS phase-out management plan in Uganda	France
Extension of the institutional strengthening project in Angola (phase II)	Germany
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2007 work programme in India	Germany
Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture in Kenya (third tranche)	Germany
Terminal CFC phase-out management plan in Lesotho (third tranche)	Germany
Implementation of an ODS terminal phase-out management plan in Mauritius (third tranche)	Germany
Terminal phase-out management plan for CFCs in Namibia (second tranche)	Germany
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2007 work programme in India	Switzerland

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. It also indicates the cross-references to other meeting documents where a discussion on the bilateral request can be found. Cross-referenced documents are addressed in other agenda items.

2. Of the following five requests for funding that are addressed in this document, all except the project preparation request for Ethiopia are recommended for blanket approval:

- Additional support for regional strategy for 11 Article 5 countries in the Pacific (Australia)
- Project preparation for a national phase-out plan in Chile (Canada)
- Project preparation for a terminal ODS phase-out management plan in Ethiopia (France)
- Project preparation for a terminal ODS phase-out management plan in Uganda (France)
- Extension of the institutional strengthening project in Angola (phase II) (Germany)

3. All bilateral requests except those from Germany are within the 20 per cent allocation of contributions for bilateral agencies in 2006. Germany has already received approval for annual tranches of multi-year agreements that have fully utilized its 2006 allocation and some of its 2007 allocation. At its 48th Meeting, the Executive Committee decided to inform the Meeting of the Parties that, with the approvals at the 48th Meeting, Germany had exceeded 20 per cent of its contribution for 2006 (decision 48/19 (b)). At its 49th Meeting, the Executive Committee agreed to continue informing the Meeting of the Parties of cases where bilateral cooperation exceeded 20 per cent of its 2006 contribution in the current replenishment period, in particular where they relate to commitments for existing multi-year agreements (decision 49/19 (a)).

Introduction

4. A total of 13 requests amounting to US \$1,871,210 (including multi-year agreements) for bilateral cooperation were received by the Secretariat for approval at the 50th Meeting. This document presents, by bilateral agency, those projects that are before the Executive Committee for its consideration.

5. 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)

Bilateral Agency	Total Amount Requested (US \$)	Number of Projects
Australia	129,950	1
Canada	326,005	3
France	67,800	2
Germany	943,887	6
Switzerland	414,868	1
TOTAL	1,882,510	13

REQUEST FROM THE GOVERNMENT OF AUSTRALIA

Introduction

6. Table 2 presents a summary of Australia's request for bilateral co-operation. The value of this request does not exceed 20 per cent of Australia's contribution for 2006 (US \$532,028).

Table 2

SUBMISSION FROM THE GOVERNMENT OF AUSTRALIA AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Additional support for regional strategy for 11 Article 5 countries in the Pacific	Region: Asia and the Pacific	115,000	115,000
Agency Fee		14,950	14,950
TOTAL		129,950	129,950

REGION: ASP: Additional support for regional strategy for 11 Article 5 (US \$115,000)

Project description

7. On behalf of the 11 countries in the Pacific Islands, the Government of Australia is submitting a proposal for additional support to complete the implementation of the Regional Strategy to comply with the Montreal Protocol (PIC strategy) at the level of funding of US \$115,000 plus support costs of US \$14,950 for one year only.

8. The project's objective will be to strengthen the capacity of the PICs for sustained compliance with the Montreal Protocol by providing regional assistance through SPREP that will coordinate with the countries to ensure the proper functioning of the national infrastructure necessary to achieve ODS phase out in these countries.

9. The Government of Australia submits this project in order to provide assistance to these countries to meet their phase out requirements under the PIC strategy.

Secretariat's comments

10. The Regional Strategy to comply with the Montreal Protocol (PIC Strategy) was approved by the Executive Committee at its 36th Meeting (decision 36/27), and subsequently expanded at the 44th Meeting to include three more countries, covering a total of 11 Pacific island countries as part of this strategy.

11. At the 49th Meeting, institutional strengthening renewals for five countries that are part of the PIC strategy was approved by the Executive Committee for one year on an exceptional basis, and requested UNEP and Australia to, *inter alia*, "if relevant, to submit the following no later

than the 51st Meeting: (i) a comprehensive report on the implementation of the Pacific Island Countries strategy to date covering all the countries concerned; and (ii) an integrated proposal detailing any potential extension of assistance under the Multilateral Fund to all the countries covered by the Pacific Island Countries strategy, including all the institutional strengthening projects, in the light of relevant Executive Committee decisions and guidelines. The proposal should also include other projects that might be submitted under bilateral assistance” (decision 49/22).

12. UNEP and the Government of Australia submitted a report to the Secretariat which provided comprehensive details on the current status of the implementation of the PIC strategy. It highlighted among others, the following challenges:

- (a) Most countries in the region already have draft legislation, however the pace of progress in enacting regulations to ensure the sustainability of phase-out has been slower than anticipated due to a generic lack of capacity, overlaid by specific national circumstances.
- (b) As the PICs are spread over a vast area and the distances amongst islands are great, there are very limited resources for UNEP and SPREP staff to travel to countries experiencing unexpected delays or difficulties in order to provide support.
- (c) That the strategy clearly underestimated the time and effort required to implement the activities for phase out, especially the establishment of legislation. This has had consequential effects in terms of the level of support required for the NCC staff to continue to maintain the profile for establishment of ODS regulations, and for project costs.

13. The Secretariat expressed its appreciation to both Australia and UNEP on a very comprehensive and useful report. It highlighted the difficulties faced by the countries in the Pacific in meeting their Montreal Protocol control measures. In discussion with Australia, the Secretariat sought clarification from Australia on how this new assistance, which will take the form of an additional staff members in SPREP, will provide the impetus needed by the countries when similar activities had already previously been provided. Australia clarified that with the addition of a permanent person in SPREP, this will allow for more country visits and enable direct assistance to these countries.

14. The Secretariat also reiterated the need for the project to look at a more practical approach for the PICs within a regional perspective, for instance in the areas of trade and actively promoting the use of alternatives. Following further discussion, Australia agreed to include elements of these into the activities of the project.

Secretariat’s recommendations

15. In view of the above comments, the Secretariat requests the Executive Committee to consider approving this project at a funding level of US \$115,000 for one year only.

REQUEST FROM THE GOVERNMENT OF CANADA

Introduction

16. Table 3 presents a summary of Canada's request for bilateral co-operation. The value of these requests, plus the US \$33,900 approved at the 48th Meeting and US \$47,460 approved at the 49th Meeting, does not exceed 20 per cent of Canada's contribution for 2006 (US \$940,073).

Table 3

SUBMISSION FROM THE GOVERNMENT OF CANADA AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Terminal phase-out management plan for CFCs (first tranche)	Burkina Faso	98,500	(1)
Project preparation for a national phase-out plan	Chile	30,000	30,000
Terminal phase-out management plan for Annex A Group I substances (first tranche)	Uruguay	160,000	(2)
Agency Fee		37,505	3,900
TOTAL		326,005	33,900

(1) Under UNEP/OzL.Pro/ExCom/50/26

(2) Under UNEP/OzL.Pro/ExCom/50/51

BURKINA FASO: Terminal phase-out management plan for CFCs (first tranche) (US \$98,500)

17. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/26.

CHILE: Project preparation for a national phase-out plan (US \$30,000)

Project Description

18. On behalf of the Government of Chile, Canada is submitting a request for funds to prepare a national CFC phase out plan (NPP). The preparation of this plan will focus on CFC consumption in the refrigeration servicing sector and will build upon the progress achieved under Chile's RMP.

Secretariat's Comments

19. The Secretariat noted that the 2005 CFC consumption of Chile as reported under Article 7 is 230.78 ODP tonnes which is already below 50 per cent of their baseline of 828.73 ODP tonnes. The RMP for Chile was approved at the 35th Meeting for implementation jointly by Canada and UNEP. As of December 2005, activities under the RMP are still reported as ongoing according to the progress reports submitted by both agencies. Chile's legislation was adopted only in January 2006.

Secretariat's Recommendations

20. The Fund Secretariat recommends blanket approval of the project preparation request at the level of funding shown in Table 3 above, on the condition that the endorsement letter from Chile is received at the time of discussion of the Executive Committee.

URUGUAY: Terminal phase-out management plan for Annex A Group I substances (first tranche) (US \$160,000)

21. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/51.

REQUESTS FROM THE GOVERNMENT OF FRANCE

Introduction

22. Table 4 presents a summary of France's requests for bilateral co-operation. The value of these requests, plus the US \$406,800 approved at the 48th Meeting and US \$641,500 approved at the 49th Meeting, does not exceed 20 per cent of France's contribution for 2006 (US \$2,015,159).

Table 4

SUBMISSION FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Project preparation for a terminal ODS phase-out management plan	Ethiopia	30,000	Pending
Project preparation for a terminal ODS phase-out management plan	Uganda	30,000	30,000
Agency Fee		7,800	3,900
TOTAL		67,800	Pending

ETHIOPIA: Project preparation for a terminal ODS phase-out management plan (US \$30,000)

Project description

23. On behalf of the Government of Ethiopia, the Government of France has submitted for consideration by the Executive Committee at its 50th Meeting a request for funding for the preparation of a terminal phase-out management plan (TPMP) for Ethiopia. The request has been submitted in accordance with decision 45/54 (on TPMPs for LVC countries).

Secretariat's comments

24. The Secretariat noted that the 2005 CFC consumption of 15 ODP tonnes reported by the Government of Ethiopia under Article 7 of the Montreal Protocol was already below the maximum allowable consumption for that year (i.e. 16.92 ODP tonnes).

25. In reviewing the proposal, the Secretariat noted with concern that the Government of Ethiopia has not yet approved an ODS regulations that would allow for the establishment of stringent controls on ODS imports. In this regard, the Secretariat was informed that the draft regulations are at an advanced stage and that at present, the country is trying to approve its Environment Act under which ODS regulations would be approved. The delay in approval of the Environment Act has resulted in the delay in the approval of the ODS regulations.

26. The Secretariat also noted that Ethiopia is one of the very few Article 5 countries that have not ratified any of the amendments to the Montreal Protocol. Through its decision 40/35, the Executive Committee decided "to require from Parties an official commitment in writing to ratify the London Amendment to the Montreal Protocol before funding could be approved for

their projects”. However, at the time of preparing this document, the relevant letter from the Government of Ethiopia had not been received.

Secretariat’s recommendation

27. Pending the submission of the letter by the Government of Ethiopia stating its commitment to ratify the London Amendment to the Montreal Protocol.

UGANDA: Project preparation for a terminal ODS phase-out management plan (US \$30,000)

Project description

28. On behalf of the Government of Uganda, the Government of France has submitted for consideration by the Executive Committee at its 50th Meeting a request for funding for the preparation of a terminal phase-out management plan (TPMP) for Uganda. The request has been submitted in accordance with decision 45/54 (on TPMPs for LVC countries).

Secretariat’s comments

29. The Secretariat noted that the 2005 CFC consumption of 0.23 ODP tonnes reported by the Government of Uganda under Article 7 of the Montreal Protocol was already below the maximum allowable consumption for 2007 (i.e., 1.926 ODP tonnes). The CFC baseline for compliance is 12.843 ODP tonnes.

Secretariat’s recommendation

30. The Fund Secretariat recommends blanket approval of the project preparation request at the level of funding shown in Table 4 above.

REQUESTS FROM THE GOVERNMENT OF GERMANY

Introduction

31. Table 5 presents a summary of Germany's request for bilateral co-operation. Germany has submitted six projects amounting to US \$943,887 (including agency fees) to this Meeting for the Executive Committee's approval. As mentioned above, Germany has already fully utilized its 20 per cent bilateral allocation for 2006 (US \$2,894,744). US \$946,611 has been assigned for bilateral cooperation for 2007. The requested amount (US \$357,500) plus the amount already assigned to 2007 (US \$946,611) does not exceed Germany's 20 per cent allocation for 2007.

Table 5

SUBMISSION FROM THE GOVERNMENT OF GERMANY AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Extension of the institutional strengthening project (phase II)	Angola	134,400	134,400
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2007 work programme	India	436,200	(1)
Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (third tranche)	Kenya	114,898	(2)
Terminal CFC phase-out management plan (third tranche)	Lesotho	17,300	(3)
Implementation of an ODS terminal phase-out management plan (third tranche)	Mauritius	40,000	(4)
Terminal phase-out management plan for CFCs (second tranche)	Namibia	92,500	(5)
Agency Fee		108,589	17,472
TOTAL		943,887	151,420

(1) Under UNEP/OzL.Pro/ExCom/50/33

(2) Under UNEP/OzL.Pro/ExCom/50/36

(3) Under UNEP/OzL.Pro/ExCom/50/39

(4) Under UNEP/OzL.Pro/ExCom/50/41

(5) Under UNEP/OzL.Pro/ExCom/50/44

Secretariat's recommendation

32. Pursuant to decision 49/19 (a), the Executive Committee may wish to inform the Parties of the level of bilateral contributions assigned to Germany's contribution for 2007 during 2006.

ANGOLA: Extension of the institutional strengthening project (phase II) (US \$134,400)

Project description

33. The description of the institutional strengthening project for the above country is presented in Annex I to this document.

Secretariat's comments

34. Beside CFCs Angola does not consume any other ODS currently controlled under the Protocol. Its CFC baseline consumption is 114.82, while its reported 2005 consumption was 52 ODP tonnes. Therefore Angola is in compliance with the 50 per cent CFC consumption reduction for 2005. Angola consumed about 7 ODP tonnes of HCFC in the refrigeration sector.

Fund Secretariat's recommendation

35. The Fund Secretariat recommends blanket approval of the above project at the level of funding shown in Table 5. The Executive Committee may wish to express to the Government of the above country the comments which appear in Annex II to this document.

INDIA: National CFC consumption phase-out plan focusing on the refrigeration service sector: 2007 work programme (US \$436,200)

36. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/33.

KENYA: Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (third tranche) (US \$114,898)

37. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/36.

LESOTHO: Terminal CFC phase-out management plan (third tranche) (US \$17,300)

38. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/39.

MAURITIUS: Implementation of an ODS terminal phase-out management plan (third tranche) (US \$40,000)

39. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/41.

NAMIBIA: Terminal phase-out management plan for CFCs (second tranche) (US \$92,500)

40. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/44.

REQUESTS FROM THE GOVERNMENT OF SWITZERLAND

Introduction

41. Table 6 presents a summary of Switzerland's request for bilateral co-operation. The value of this request does not exceed 20 per cent of Switzerland's contribution for 2006 (US \$400,024).

Table 6

**SUBMISSION FROM THE GOVERNMENT OF SWITZERLAND AND
RECOMMENDATION**

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2007 work programme	India	367,140	(1)
Agency Fee		47,728	
TOTAL		414,868	

(1) Under UNEP/OzL.Pro/ExCom/50/33

INDIA: National CFC consumption phase-out plan focusing on the refrigeration service sector: 2007 work programme (US \$367,140)

42. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/50/33.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Angola: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	Germany
Amount previously approved for institutional strengthening (US \$):	
Phase I: November 2002	213,300
Total	213,300
Amount requested for renewal (Phase II) (US \$):	134,400
Amount recommended for approval for Phase II (US \$)	134,400
Agency support costs (US \$)	17,472
Total cost of institutional strengthening Phase II to the Multilateral Fund (US \$)	151,820
Equivalent amount of CFC phase-out due to institutional strengthening Phase II at US \$12.1/kg (ODP tonnes)	Not Applicable
Date of approval of country programme	November 2002
ODS consumption reported in country programme (2001), (ODP tonnes)	120.7
Latest reported ODS consumption (2005) (ODP tonnes)	59.2
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	114.8
(b) Annex A Group II (Halons) (Average 1995-1997)	0.0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	0.0
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0.0
(e) Annex E (Methyl bromide) (Average 1995-1998)	0.0
Latest consumption of controlled substances (ODP tonnes) (2005):	
(a) Annex A Group I (CFCs)	52.0
(b) Annex A Group II (Halons)	0.0
(c) Annex B Group II (Carbon tetrachloride)	0.0
(d) Annex B Group III (Methyl chloroform)	0.0
(e) Annex C Group I (HCFCs)	7.2
(f) Annex E (Methyl bromide)	0.0
Amount approved for projects (US \$)	1,095,830
Amount disbursed (as at April 2006) (US \$):	479,200
ODS to be phased out (ODP tonnes)	103
ODS phased out (as at April 2006) (ODP tonnes)	51

Summary of activities and funds approved by the Executive Committee:

		US \$
(a)	Investment projects	787,000
(b)	Institutional strengthening	241,030
	Project preparation, technical assistance, training and other non-investment projects	67,800
	Total:	1,095,830

Progress report

1. The implementation of the first phase of the institutional strengthening project in Angola (approved at the 38th Meeting in November 2002) started rather slowly. This was mainly due to a restructuring process, which took place during the period 2003 - 2004. (The then *Ministry of*

Fisheries and Environment was restructured, and the National Ozone Unit of Angola was integrated into the *Directorate of Environment* within the newly created *Ministry of Urbanism and Environment*). Consequently it took some time for the creation of appropriate structures within the Ministry. As an important step in this context, the integration of the Director of Environment into the National Ozone Unit, as “General Coordinator of the National Ozone Unit” (next to the Focal Point for the Ozone and Executive Coordinator of the NOU) needs to be mentioned. This step created a stronger linkage and a better understanding within the Ministry with regard to the tasks and responsibilities of Angola’s NOU.

2. As a result, the implementation of the institutional strengthening project gained significant momentum during the period 2004 - 2005. Today the Angolan NOU is in full compliance with its basic tasks, such as the collection, compiling and reporting of ODS-related data etc. Furthermore the Angolan NOU achieved some progress with regard to the implementation of the phase-out projects as part of its RMP. By the end of this year (2006) the NOU will have conducted six training courses for trainers and technicians in good refrigeration practices in various parts of the country.

3. With regard to awareness raising the NOU launched various Public Awareness Campaigns during the year, both in Luanda and in the Provinces. These activities included workshops and presentations to the regional stakeholders (representatives of the Provincial Government, members of the local business sector) as well as the International Ozone Day celebrations. Pamphlets, posters and an “Angolan Version” of the *Ozzy-Ozone cartoon* have been printed for this purpose. Due to these activities the Angolan NOU and its projects for the protection of the Ozone Layer are well recognized within the Angolan Government and by the public.

4. At this stage the NOU is strongly working on the finalization of a draft for National Legislation and Regulations for the control of ODS. For this purpose a group of legal consultants have been contracted. It has been agreed that the final draft of the Legislation will be presented to the Minister before the end of 2006, in order to be approved and put in force during the first half of 2007.

Plan of action

5. For the 2nd phase of the institutional strengthening project the Angolan NOU identified the following main activities:

- (a) In line with preparation of the draft National Legislation and Regulations, the NOU is preparing the Customs training as part of its RMP. Initial contacts have already been established with the Customs Office in Luanda, the first training course is expected to take place in the first half of 2007;
- (b) The NOU will focus on the implementation of the Incentive project for end users as part of the RMP. Initial steps towards identification of relevant companies and enterprises have already been undertaken;
- (c) With the conclusion of the training courses (expected at the end of 2007) the NOU will also focus on the implementation of the Recovery and Recycling project, as part of the RMP. Intensive discussions on how to approach this sub-

project have already taken place and will continue during the coming months; and

- (d) To continue with the formation of inter-ministerial support groups at the provincial level. Consisting of representatives of the provincial government and the public sector. The purpose of these groups is to assist the NOU at the provincial level in its basic tasks, such as data collection, awareness rising, preparation of training courses, etc.

Annex II**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL
OF INSTITUTIONAL STRENGTHENING PROJECT
SUBMITTED TO THE 50TH MEETING***Angola*

“The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Angola and notes with appreciation the fact that the 2005 ODS consumption data reported to the Ozone Secretariat showed consumption levels that were lower than the country’s maximum allowable consumption in 2005. In its submission, Angola reported a number of initiatives to facilitate and promote the phase-out of consumption of CFCs in Angola, including ministerial restructuring to properly place the NOU in the government machinery to enhance its effectiveness, creation of public awareness of ozone issues through workshops and presentations both at the national and provincial levels and preparation of draft legislation which is expected to come into force in 2007 to enable effective implementation of the approved RMP. For the next two years, Angola indicates that it will continue with its RMP implementation with training of Customs officers, implementation of the incentive and recovery and recycling programmes and organize support groups. The Executive Committee greatly appreciates the effort of Angola to reduce its CFC consumption and is hopeful that the planned activities will meet with outstanding success and accelerate the completion of the country’s phase-out of its CFC consumption.”