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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-second Meeting  
Montreal, 23-27 July 2007

**PROJECT PROPOSAL: BHUTAN**

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Phase-out

- Terminal phase-out management plan

UNEP and UNDP

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.

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS  
BHUTAN**

**PROJECT TITLE****BILATERAL/IMPLEMENTING AGENCY**

Terminal phase-out management plan	UNEP and UNDP
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**SUB-PROJECT TITLES**

(a) Policy enforcement	UNEP
(b) Refrigeration training and certification	UNEP
(c) Technical assistance to the servicing sector	UNDP
(d) Retrofit of industrial equipment and recovery and reclamation of CFCs	UNDP
(e) PMU & monitoring	UNEP

<b>NATIONAL CO-ORDINATING AGENCY:</b>	National Ozone Unit, National Environment Commission
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**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF APRIL 2007)**

CFC	0.1		
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**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2006, AS OF JUNE 2007)**

ODS	Aerosol	Foam	Ref. Mfg.	Ref. Servicing	Solvents	Process agent	Fumigant
CFC-12				0.06			

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	n/a
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**CURRENT YEAR BUSINESS PLAN:** Total funding US \$116,000 for UNEP and US \$110,000 for UNDP: total phase-out 0 ODP tonnes.

<b>PROJECT DATA</b>		2007	2008	2009	2010	Total
<b>CFCs (ODP tonnes)</b>	Montreal Protocol limit	0.03	0.03	0.03	0.0	n/a
	Annual consumption limit	0.03	0.03	0.03	0.0	n/a
	Annual phase-out from ongoing projects	0.0	0.0	0.0	0.0	n/a
	Annual phase-out newly addressed	0.0	0.0	0.03	0.0	0.06
	Annual unfunded phase-out	0.0	0.0	0.0	0.0	n/a
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		0.03	0.0	0.03	0.0	0.06
Total ODS consumption to be phased-in (HCFCs)						
<b>Final project costs (US \$):</b>						
Funding for Lead IA: UNEP		40,000	-	-	-	40,000
Funding for Cooperating IA: UNDP		35,000	-	-	-	35,000
<b>Total project funding</b>		75,000	-	-	-	75,000
<b>Final support costs (US \$):</b>						
Support cost for Lead IA: UNEP		5,200	-	-	-	5,200
Support cost for Cooperating IA: UNDP		3,150	-	-	-	3,150
<b>Total support costs</b>		8,350	-	-	-	8,350
<b>TOTAL COST TO MULTILATERAL FUND (US \$)</b>		83,350	-	-	-	83,350
Final project cost effectiveness (US \$/kg)						n/a

**FUNDING REQUEST:** Approval of funding for the first tranche (2007) as indicated above.

<b>SECRETARIAT'S RECOMMENDATION</b>	For blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of Bhutan UNEP, as the lead implementing agency, has submitted a terminal CFC phase-out management plan (TPMP) for consideration by the Executive Committee at its 52nd Meeting. The project will also be implemented with assistance from UNDP.

2. The total cost of the Bhutan TPMP as originally submitted is US \$135,000 plus agency support costs of US \$9,880 for UNEP and US \$5,310 for UNDP. The project proposes the complete phase-out of CFCs by the end of 2009. Bhutan's baseline is 200 ODP kilogrammes of CFC, and has reported 2005 consumption to be 72 ODP kilogrammes, which is already 64 percent less than the identified baseline.

### Background

3. In regard to the phase-out of CFCs in the refrigeration-servicing sector, the Executive Committee at its 45th Meeting (UNEP/OzL.Pro/ExCom/45/22), approved the RMP for Bhutan with total funding of US \$90,000 with the following elements: training programmes for refrigeration service technicians (US \$20,000), training programmes for customs officers (US \$25,000) and a technical assistance programme in the refrigeration servicing sector (US \$45,000). These projects have been implemented successfully and have assisted the country in meeting the 50 percent target under the Montreal Protocol.

4. Implementation of the activities in the refrigeration servicing sector resulted in the training of 39 refrigeration service technicians in good refrigeration servicing practices, two technicians in retrofitting, and the distribution of five ODS identifiers. Thirteen (13) industries and 150 refrigeration units (i.e. domestic refrigeration, commercial and mobile air conditioning units) were retrofitted, and approximately 50 ODP kilogrammes of CFCs were reclaimed.

5. A number of awareness raising activities were also implemented using additional funds provided to Bhutan from UNEP CAP's regional awareness component. These included an awareness workshop for 45 stakeholders, translation of Ozzy Ozone into the local language and broadcasting this on national television and the celebration of International Ozone Day.

### Policy and legislation

6. After its ratification of the Montreal Protocol in August 2004, the Government of Bhutan promulgated its ODS licensing system in August 2005. In advance of the full enforcement of this licensing system, the Government issued a notification banning the import of ODS as an interim measure while the country programme/refrigerant management plan was being developed. The current ozone regulations in Bhutan provide the legal framework for ODSs phase-out, and require that CFC-based equipment and ODS being imported have a license before these can be brought into the country. This regulation was last revised in November 2005.

Refrigeration-servicing sector

7. Of the total 72 kilogrammes of CFCs used in the refrigeration servicing sector in 2005, 17 ODP kg were used for servicing domestic refrigerators, 35 ODP kilogrammes for commercial refrigeration systems, 4 ODP kilogrammes for industrial refrigeration and 16 ODP kilogrammes for MAC units.

8. There are fifteen servicing establishments in the country, each with one to three service technicians. For industrial refrigeration installations, there are about 12 in-house technicians for servicing specifically this type of equipment. A total of 39 technicians were trained under the RMP, four of these were trained as trainers.

9. The current prices of refrigerants per kg are: US \$13.95 for CFC 12, US \$13.95 for HFC 134a, and between US \$13.95 to US\$15.12 for HCFC-22.

10. The total population of ODS-based domestic refrigeration equipment is estimated at about 28,971 units as at January 2005. However, from January 2005, Bhutan has banned the import of all ODS based refrigeration into the country.

11. The commercial refrigeration sub-sector is made up of chest freezers and visi coolers. These coolers are supplied by large multinational soft drink companies whose policy includes importing non-CFC equipment. Chest freezers are used in supermarkets and food shops. As of January 2005, the population of ODS based chest freezers was estimated at about 1,047 units, with a larger number concentrated in the southern bordering districts. Commercial refrigeration equipment is serviced either by transporting it to bordering districts in India, or with non-ODS refrigerant, mainly hydrocarbons in Bhutan.

12. The industrial refrigeration sector is limited to cooling and refrigeration equipment in food processing industries. There are no large installations for CFC based central air conditioning equipment in the country due to the cool weather conditions. There are 15 industries identified with industrial refrigeration equipment that require servicing. Thirteen of these have already been retrofitted under the RMP. The remaining two will be covered in the current TPMP.

13. There is also some use of mobile air conditioning (MAC) equipment in Bhutan, which is very limited due to the prevalent cool weather. Its use is also mostly concentrated in the Southern districts and only during the summer months. Estimates show that there are approximately 3,200 vehicles with CFC MAC in the country, although service demand is low due to little use. Very often, these cars are also driven to India for servicing.

Activities proposed in the TPMP

14. The following activities are proposed to be implemented through the TPMP project:

- (a) Refresher training of refrigeration technicians;
- (b) Policy, regulatory and institutional support;
- (c) Capacity building for ODS phase out in MDIs and CTC;

- (d) An equipment support scheme;
- (e) An incentive Programme for retrofitting of CFC based refrigeration and air-conditioning equipment and for MACs;
- (f) End-user conversion for two remaining CFC-based equipment;
- (g) Technical assistance for the investment component; and
- (h) Project implementation and monitoring.

15. The Government of Bhutan plans the complete phase-out of CFCs by 1 January 2010. A detailed work plan for 2007 has been submitted with the TPMP proposal.

## **SECRETARIAT'S COMMENTS AND RECOMMENDATION**

### **COMMENTS**

16. During the review of the TPMP, the Secretariat noted that:

- (a) A significant amount of the CFCs consumed in Bhutan is supplied through India; moreover, the majority of CFCs that are being used in Bhutan are provided by a company located in India. Since the borders are open to India and the economic activities of Bhutan are concentrated around the border towns, the demand for CFCs in Bhutan is fulfilled through service and technical support from Indian border towns. This situation not only prevails for ODS, but also for several other products and services used in Bhutan;
- (b) In reference to the above observation, Bhutan now has a very strong regulatory framework, and has been able to implement a licensing system that currently controls the trade of ODS and ODS-using products from early 2005. The TPMP states that the ban on ODS containing equipment is fully operational in Bhutan from early 2005. It is also noted that most new refrigeration equipment coming into the country is now ODS-free;
- (c) Except for 2 installations, all of the industrial refrigeration equipment in Bhutan has been retrofitted under the technical assistance component of the RMP, and most new installations are based on HCFC-22 or non-ODS alternatives;
- (d) It is also noted that around 50 kilogrammes of CFC 12 were recovered from the retrofitted equipment. It appears that this is double the amount allowed for Bhutan under the Montreal Protocol of 25 kilogrammes from 2007, taking into account the 85 percent reduction measure. Likewise, the document further observes that it is possible to recover a further 70-80 kilogrammes of CFCs from existing equipment during servicing and/or retrofitting. This amount would provide sufficient stock for further servicing during the last remaining three years before complete phase out of CFCs in 2010; and

- (e) As mentioned above, a large percentage (25 percent) of most refrigeration equipment in Bhutan continues to be serviced in India. Despite this, a significant number of refrigeration service technicians have been trained in the country under the RMP, and the Royal Bhutan Institute of Technology (RBIT) has been provided with training manuals and the opportunity for future training sessions. Any refresher training course should be easily implemented through the institute.

17. Based on the above, the Secretariat discussed with UNEP and UNDP the technical issues related to the current levels of CFC consumption in Bhutan by type of equipment, the status of the recovery and recycling equipment that was purchased through the RMP, issues related to the technical viability of an incentive programme, and the potential for retrofitting remaining industrial refrigeration equipment. Issues related to support activities in the areas of training and policy were also discussed and clarified. These have been subsequently addressed and incorporated in the final project proposal.

18. UNEP and UNDP considered the Secretariat's suggestions and adjusted the sub-project components of the TPMP accordingly. The final amount agreed for the TPMP is US \$75,000 plus support costs at the amount US \$8,350.

#### Agreement

19. The Government of Bhutan submitted a draft agreement between the Government and the Executive Committee with the conditions for the complete phase-out of CFCs in Bhutan, which is contained in Annex I to the present document.

#### **RECOMMENDATION**

20. The Secretariat recommends blanket approval of the terminal phase-out management plan for Bhutan. The Executive Committee may wish to:

- (a) Approve, in principle, the terminal phase-out management plan for Bhutan, at the total amount of US \$75,000 (US\$40,000 for UNEP and US\$35,000 for UNDP) plus agency support costs of US \$5,200 for UNEP and US \$3,150 for UNDP;
- (b) Approve the draft agreement between Bhutan and the Executive Committee for the implementation of the terminal phase-out management plan as contained in Annex I to this document;
- (c) Urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan; and

- (d) Approve the terminal phase-out management plan at the funding levels shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	Terminal phase-out management plan	40,000	5,200	UNEP
(b)	Terminal phase-out management plan	35,000	3,150	UNDP



## Annex I

### **DRAFT AGREEMENT BETWEEN BHUTAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of Bhutan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2 A (the “Targets, and Funding”) in this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 9 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set

out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval

Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA (and the Cooperating IA) to facilitate implementation of this Agreement. In particular, it will provide the Lead IA (and the Cooperating IA) with access to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex-A	Group-I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### APPENDIX 2-A: THE TARGETS, AND FUNDING

		2007	2008	2009	2010	Total
CFCs	1 Montreal Protocol reduction schedule (ODP tonnes)	0.03	0.03	0.03	0.0	n/a
	2 Max. allowable total consumption of CFCs (ODP tonnes)	0.03	0.03	0.03	0.0	n/a
	3 Reduction from on-going projects (ODP tonnes)	0.0	0.0	0.0	0.0	n/a
	4 New reduction under plan (ODP tonnes)	0.03	0.0	0.03	0.0	0.06
	5 Unfunded reductions (ODP tonnes)	0.0	0.0	0.0	0.0	n/a
	6 Total annual reduction (ODP tonnes)	0.03	0.0	0.03	0.0	0.06
	7 Lead IA agreed funding (US \$)	40,000	-	-	-	40,000
	8 Cooperating IA agreed funding (US \$)	35,000	-	-	-	35,000
	9 Total agreed funding (US \$)	75,000	-	-	-	75,000
	10 Lead IA support costs (US \$)	5,200	-	-	-	5,200
	11 Cooperating IA support costs (US \$)	3,150	-	-	-	3,150
	12 Total agreed support costs (US \$)	8,350	-	-	-	8,350
	13 Grand total agreed funding (US \$)	83,350	-	-	-	83,350

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding will be considered for approval at the second meeting of the year of the Annual Implementation Programme.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME**

**1. Data**

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

**3. Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) – (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity:  
Objective:  
Target Group:  
Impact:

5. **Government Action**

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned expenditures (US \$)
Total	

7. **Administrative Fees**

**APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

Monitoring

1. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects under implementation in the country. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Bhutan Bureau of Standards and Metrology) with assistance from UNDP and UNEP Regional Offices in Bangkok.

2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Bhutan for related auditing. Based on discussion with the Lead IA, Bhutan should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5-A. In case the Executive Committee selects Bhutan consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

**APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist Bhutan in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.



BHUTANAnnex II

(1) PROJECT TITLE: Terminal phase-out management plan

(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS: Not applicable for first tranche

## (3) ARTICLE 7 DATA (ODP TONNES)

Substances	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CFC	0.2	0.1	0.2	0.2	0.0	0.0	0.0	-	-	-	0.1	0.1
CTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0	0.0
Halons	0.3	0.0	0.0	0.8	0.0	0.0	0.0	-	-	-	0.0	0.0
MBR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0	0.0
TCA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	0.0	0.0

Source: A7 Data from the Ozone Secretariat

## (4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)

Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco Fluffing	Total
				Manufacturing	Servicing					QPS	Non-QPS		
CFC					0.06								0.06
CTC													0.0
Halons													0.0
MBR													0.0
TCA													0.0

Source: Country Programme Data

## (5) PHASE-OUT (ODP TONNES)

Substances	Calendar year	2003	2004	2005	2006	2007	2008	2009	Total	Decision
CFC	Maximum Allowable Consumption (Agreement; per substance if valid)					0.03	0.03	0.03		
	Compliance Action Target (MOP)									N/A
	Reduction Under Plan					0.03	0.00	0.03	0.06	
	Remaining Phase-Out to be Achieved									

Source: Agreement, Inventory, Progress Report, MOP Report, Project Document (Annual Plan) and Verification Reports.

## (6a) PROJECT COSTS (US\$)

Calendar year	2003	2004	2005	2006	2007	2008	2009	Total
<b>UN Agency</b>								
<b>UNEP</b>								
Funding as per Agreement					40,000	0	0	40,000
Disbursement as per Annual Plan					0	0	0	0
<b>UNDP</b>								
Funding as per Agreement					35,000	0	0	35,000
Disbursement as per Annual Plan					0	0	0	0
[Comments]								

Source: Agreement, Inventory, Progress Reports and Project Document (Annual Plan)

## (6b) SUBMISSION SCHEDULES (planned and actual)

Submission year as per agreement	2003	2004	2005	2006	2007	2008	2009
<b>UNEP and UNDP</b>							
Planned submission as per Agreement					Jul-07		
Tranche Number					1		

Source: Agreement, Inventory and Final ExCom Report Decisions

**(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS**

	2005 Country Programme
<b>Establishing general guidelines to control import (production and export) of ODS</b>	
ODS Import/Export licensing or permit system in place of bulk ODSs	Yes
Regulatory procedures for ODS data collection and reporting in place	Yes
Requiring permits for import or sale of bulk ODSs	Yes
Quota system in place for import of bulk ODSs	Yes
<b>Banning import or sale of bulk quantities of:</b>	
CFCs	Yes
Halons	No
Other ODSs (CTC, TCA, methyl bromide)	Yes
<b>Banning import or sale of:</b>	
Used domestic refrigerators or freezers using CFC	Yes
MAC systems using CFC	Yes
Air conditioners and chillers using CFC	Yes
CFC-containing aerosols except for metered dose inhalers	N/A
Use of CFC in production of some or all types of foam	N/A
<b>Enforcement of ODS import controls</b>	
Registration of ODS importers	Yes
<b>Qualitative assessment of the operation of RMP</b>	
The ODS import licensing scheme functions	Very Well
The CFC recovery and recycling programme functions	N/A

Source: Country Programme and Verification Report

**(8) IMPLEMENTATION DETAILS: Not applicable for first tranche**

**(9) Annual plan submitted compared to overall plan**

	Activities		Budget		Explanations
	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]	
<b>Policy Enforcement</b>			20,000		
Update ODS legislation	1				
Supply of 2 identifiers	2				
Training of Customs officers	30				
Border dialogue with India	1				
<b>Refrigeration Training and certification</b>					Cumulative funds approved for policy & RAC training (including RBIT equipment support)
Training program for 20 technicians	20				
Eqpmt. Supply to RBIT	1				
Training to MAC technicians	10				
<b>Technical Assistance to the Servicing Sector</b>			35,000		
15 servicing kits to RAC service agencies	15				
Training component	15				
<b>Retrofit of industrial equipment and recovery and reclamation of CFCs</b>					Included in Equipment assistance to technicians as a cumulative number
2 industrial equipment retrofit	10				
2 Mini reclamation centres	1				
Training component	1				
<b>Solvent Phase-Out Project (TCA, CTC)</b>					Reallocation of total funds approved in consultation with NOU
Training	1				
<b>PMU &amp; Monitoring</b>	1		20,000		
<b>Unforeseen Activities</b>					

**(10) REQUESTED FUNDS**

	Impact in ODP tonnes	Project cost (US\$)	Support cost (US\$)	Total
UNEP		40,000	5,200	45,200
UNDP	0.06	35,000	3,150	38,150
Total	0.06	75,000	8,350	83,350

**(11) SECRETARIAT'S RECOMMENDATION: FOR BLANKET APPROVAL**