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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fifth Meeting
Bangkok, 14-18 July 2008

PROJECT PROPOSAL: NEPAL

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

Phase-out

- Terminal phase-out management plan (second tranche) UNEP and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Nepal

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNDP, UNEP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2007	
CFC: 0	CTC: 0.1	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2007		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffina	Total Sector Consumption
				Manufacturing	Service					QPS	Non QPS		
CFC													0.
CTC													0.
Halons													0.
Methyl Bromide													0.
TCA													0.

(IV) PROJECT DATA			2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	4.1	4.1	4.1	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	4.1	4.1	4.	0.	
Project Costs (US\$)	UNDP	Project Costs	75,000.	25,000.			100,000.
		Support Costs	6,750.	2,250.			9,000.
	UNEP	Project Costs	35,000.	35,000.			70,000.
		Support Costs	4,550.	4,550.			9,100.
Total Funds Approved in Principle (US\$)		Project Costs	110,000.	60,000.			170,000.
		Support Costs	11,300.	6,800.			18,100.
Total Funds Released by the ExCom (US\$)		Project Costs	110,000.	0.			110,000.
		Support Costs	11,300.	0.			11,300.
Total Funds Requested for Current Year (US\$)		Project Costs		60,000.			60,000.
		Support Costs		6,800.			6,800.

(V) SECRETARIAT'S RECOMMENDATION:	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Nepal, UNEP as the lead implementing agency has submitted to the 55th Meeting of the Executive Committee a progress report on the implementation of the first work programme of the terminal phase-out management plan for CFCs (TPMP). UNEP has also submitted a request for funding for the second work programme at a total cost of US \$35,000 plus agency support costs of US \$4,550 for UNEP and US \$25,000 plus agency support costs of US \$2,250 for UNDP.

Background

2. The TPMP for Nepal was approved in principle at the amount of US \$170,000 plus agency support costs of US \$9,100 for UNEP and US \$9,000 for the UNDP by the Executive Committee at its 52nd Meeting, to completely phase out CFC consumption in the country by 2009. At the same meeting, the Executive Committee approved US \$35,000, plus agency support costs of US \$4,550 for UNEP and US \$75,000 plus agency support cost of US \$6,750 for UNDP for the implementation of the first work programme.

Progress report on the implementation of the first work programme

3. The main activities implemented since the approval of the TPMP were the completion of two refrigeration workshops in January and May 2008, one train the trainers course for refrigeration technicians for HC retrofitting, and another training course in good practices and refrigeration. The project was also involved in a Green Customs workshop, and dialogues and discussions with various stakeholders have been initiated, as well as some awareness raising activities.

4. At the end of 2007, a balance of US \$90,000 was available for 2008.

Plan of action for the second work programme

5. The Government of Nepal commits to implementing a number of activities under the second work programme of the TPMP. These include the implementation of the final batch of training for refrigeration technicians and customs officers, the full implementation of the end-user retrofit and equipment programme as well as public awareness and information dissemination to stakeholders. Monitoring and management of these activities is also covered in the TPMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. Nepal does not import new CFCs because there is a current stockpile (seized import) in the country which was a result of excess import in one year. In 2007, Nepal released 4.0 ODP tonnes from the seized CFCs as per the agreement. From January to April 2008, 1.0 ODP tonnes was distributed to the domestic market, and the NOU plans to release not more than 4.0 ODP tonnes by 31 December 2008. CFC imports will be strictly forbidden in 2008.

7. Upon a request for clarification on why the technical assistance component was not yet initiated, UNEP as the lead implementing agency indicated that there were delays in getting the project document for the equipment programme signed, which as of this writing has not been finalised yet and therefore there is no obligation in respect of this component. UNEP also advised that the equipment specification was already agreed with the stakeholders and that procurement can proceed once this administrative hurdle is completed. The Secretariat notes that part of the equipment component was to supply equipment and tools to the service technicians and workshops as well as to the training centres. This is very closely linked to the training component, yet no equipment has been provided so far during this first phase, yet the training has already been organised and implemented. The Secretariat therefore notes that there seems to be a lack of coordination in the implementation of the various components, and is concerned that this will affect the sustainability of the TPMP implementation.

8. For the second tranche of the TPMP, the Government of Nepal is requesting US \$60,000 for implementation of the remaining training activities including the logistical arrangements for training courses, as well as the procurement of the remaining equipment planned for this tranche. The Secretariat requested UNEP to include in this annual implementation plan the carry over activities from the previous tranche and state how these will be implemented. At the time of writing this document, UNEP had not provided an updated plan that includes this information.

9. Taking into account the information provided by UNEP and the data in the multi-year tables, which showed the low levels of disbursement and outputs, the Secretariat advised UNEP that, despite its best efforts, Nepal had not met the targets for its first tranche, and asked UNEP to defer this request to the 56th Meeting. This would allow time for the outstanding activities to be implemented, and disbursement to be increased. UNEP justified that since the country is experiencing a momentum in its implementation, deferring the tranche even for a few months may delay some activities.

RECOMMENDATION

10. In consideration of the above, the Fund Secretariat cannot recommend the approval of this second tranche, and the Executive Committee may wish to defer the request to the 56th Meeting to enable the country to meet its targets related to the first tranche on outputs and disbursement.
