



**United Nations
Environment
Programme**



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/26/10
10 October 1998

ORIGINAL: ENGLISH

Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol
Twenty-sixth Meeting
Cairo, 11-13 November 1998

DRAFT UNEP 1999 BUSINESS PLAN

UNEP 1999 BUSINESS PLAN

UNEP's OzonAction Programme is an enabling programme that helps Article 5 countries strengthen their capacities to meet their commitments under the Montreal Protocol by providing need-based support services to National Ozone Units (NOUs). UNEP, through the NOUs, also provides services to other key target groups such as industry (including small and medium-sized enterprises), industry associations, and the public. The programme supports and complements the activities of UNDP, UNIDO, the World Bank and Bilateral Agencies.

UNEP's activities fall into the following main categories:

- “Clearinghouse” activities consisting of global information exchange and regional Networking of NOUs;
- Preparation of Country Programmes (CPs) and Refrigerant Management Plans (RMPs) and Institutional Strengthening projects (IS), mainly for low-volume consuming countries (LVCs); and
- Country-specific support activities specified in the CPs and approved by the Executive Committee (e.g. national training projects) as well as regional activities (e.g. development of regional training programmes and strategies).

During the last two years, the OzonAction Programme has used these activities to support several major initiatives, including:

- Support low-volume consuming countries (LVCs) that do not have major investment projects to establish policy frameworks to support the implementation of the Montreal Protocol;
- Increased assistance to NOUs to improve the regularity and quality of data reporting and monitoring; and
- Targeted support to help Article 5 countries to meet their 1999 freeze commitments, including an on-going assessment of their ability meet the freeze.

I. Multilateral Fund Targets

A. Three Year Business Plan

Non-investment projects, including the strengthening of support activities (e.g. the clearinghouse function, and development and enforcement of national policies required to implement investment projects), will continue to play an important role in meeting

the 1999 freeze in Article 5 countries for Annex A CFCs, and in supporting the subsequent freeze targets of 2002 for halons and methyl bromide.

UNEP's Technology and Economic Assessment Panel (TEAP) in its Study on Replenishment of Multilateral Fund for 1997-1999 identified non-investment projects as essential activities for the successful implementation of the Montreal Protocol.¹ Additionally, the Executive Committee has decided to consider the possible increase in the importance of non-investment projects.²

The Three-Year Rolling Business Plan of the Multilateral Fund (1997-1999) has indicated the allocation of US\$ 48 million for all non-investment activities, which includes agency work programmes, UNEP's "clearinghouse" programme, CPs, IS projects, training, and administration.³

The Parties at their Ninth Meeting decided that, in addition to the previous US\$ 10 million agreed upon at the Eighth Meeting, a further US\$ 25 million per year will be made available in 1998 and 1999 to facilitate the early actions towards enabling compliance with the agreed control measures on methyl bromide.⁴ These activities will include, *inter alia*, non-investment projects related to identifying, evaluating, adopting and demonstrating methyl bromide alternatives and promoting information exchange on these issues.

Resource Allocation

Up to December 1997, approximately sixty-seven percent (67%) of all UNEP's activities had been completed, resulting in a disbursement ratio of approximately sixty-six percent (66%).⁵ As of August 1998, UNEP has completed CPs for 66 countries and initiated IS projects in 58 countries.

Clearinghouse Activities

¹ June 1996 TEAP Report, *passim* including pgs. 43, 58, 64.

² Decision 22/11.

³ ExCom Decision 22/11.

⁴ Meeting of the Parties Decision IX/5.

⁵ "Disbursement ratio" is the total of funds disbursed as a percentage of funds approved. This is calculated for all approved activities, both completed and ongoing. More recent figures will be available in the Progress Report for 1998.

For 1997-1999, the "clearinghouse" allocation is estimated at US\$ 12 million, i.e. the same level as indicated in the Three-Year Rolling Business Plan (1994-1996). The Executive Committee has decided that the clearinghouse activities shall henceforth be divided into two categories: recurring and non-recurring.⁶

Activities Other than Clearinghouse

Apart from the clearinghouse activities mentioned above, country-specific activities including CPs, IS projects, national training activities and RMPs will continue to form part of UNEP's Business Plan. A new activity, assistance for the development of national and regional halon management strategies, will be undertaken during 1999.

In addition to prior approvals in 1997 and 1998, UNEP anticipates receiving requests for assistance in preparing 3 new CPs (incorporating RMPs) and 9 new IS projects in 1999. The total cost for these activities is expected to be US\$ 502,000. Additionally, in 1999 UNEP will develop 10 individual RMPs for a total cost of US\$ 300,000, following requests received from countries.

The cost of replenishment of IS projects over this period is estimated to be US\$ 1,433,000.

Country-specific and regional support activities in 1999 are estimated at US\$ 1,475,000.

Developing countries that are Party to the Montreal Protocol, but which have not yet received assistance under the Multilateral Fund will be contacted by the appropriate Regional Network Coordinator to initiate assistance to enable them to meet their obligations under the Protocol.⁷

Within both its clearinghouse and non-clearinghouse activities, UNEP will continue to work with Bilateral Agencies to assist in the design and implementation of their projects.

Methyl Bromide

Under its 1998 Business Plan, UNEP's methyl bromide activities have focused on non-investment activities traditionally within UNEP's mandate such as information exchange, training, and skill building. To assist Article 5 countries with meeting their obligation to freeze methyl bromide consumption in 2002, UNEP will extend these activities during 1999 to support methyl bromide demonstration projects undertaken by other Implementing Agencies and Bilateral Agencies by disseminating the results to broader audiences within countries and regions. These dissemination activities will help promote wider adoption of proven alternatives. UNEP will also work to assist Article 5 countries in policy development to prevent the growth in consumption of methyl

⁶ Following Executive Committee Decision 21/14, on-going activities within information exchange (namely the collection of sectoral data from worldwide sources; updated OAIC diskette version; dissemination of information materials; direct query response service; maintenance of contact database of experts and mailing list of OzonAction programme publications; halon bank management clearinghouse services; publication of the OzonAction newsletter and special supplements) and Networking are classified as recurring. All other activities are considered non-recurring and thus considered based on individual proposals submitted by UNEP.

⁷ As of 11 September, these are: Laos (PDR), Liberia, Libya, Micronesia, Suriname, Tonga (Republic of).

bromide in new applications and encourage the adoption of alternatives to phase out its use. In 1999, UNEP will submit to the Executive Committee for its consideration projects totaling US\$ 1.38 million for such support to Article 5 countries.

B. Special Initiatives

In the context of the growing importance of non-investment projects, the priority assigned by the Executive Committee to assisting LVCs, the need to assist Article 5 countries with meeting their 1999 freeze target for CFCs and the 2002 freeze targets for halons and methyl bromide, as well as other commitments under the Protocol, UNEP's focus in 1999 will be to:

- **Help Article 5 countries develop national halon management strategies to address their projected critical-use needs for halons as required to meet the 2002 target.**
- **Continue to help Article 5 countries meet their information and training needs in the methyl bromide sector, especially identifying, evaluating, adapting, and demonstrating methyl bromide alternative technologies and policies. (Decision of the Parties IX/1 and IX/2).**
- **Within the framework of the overall approach to assist LVCs (Decision VII/25(d) of the Parties, ExCom Decisions 19/30 and 20/4), continue to provide support for the development and implementation of RMPs.**
- **Follow up, as required, on the outcome of the Workshop on the Review of RMP Guidelines and Implementation (ExCom Decision 25/25).**
- **Continue to provide support to national initiatives for policy-setting and compliance, including monitoring through the licensing of import and export of ODS (Decisions of the Parties IX/17 and IX/23).**
- **Within the purview of CP and IS projects, and using information materials developed as part of UNEP's 1998 Work Programme, continue to support timely and reliable data reporting by Article 5 countries (Decision of the Parties IX/23);**
- **Follow up on existing voluntary pledges by industry to support the 1999 freeze goals (Decision of the Parties IV/5) and extend this concept to address the 2002 freeze targets for halons and methyl bromide.**
- **Continue to support the implementation of domestic policies of the Article 5 countries to help them to meet their obligations under the Protocol, including the 1999 freeze for Annex A CFCs, 2002 freeze for halons and methyl bromide, as well as subsequent obligations.**
- **Support several internal and external initiatives through the recurring**

clearinghouse function, including:

- continue to assist with the collection of national chemical prices via the Networks of ODS Officers and other appropriate means.
- continue to collect and disseminate policy case studies related to meeting the 1999 freeze, and extend this activity to address the 2002 freeze for halons and methyl bromide;
- continue to assist with data reporting to establish the 1999 freeze baselines in Network countries, and expand this activity to address the 2002 freeze baselines for halons and methyl bromide;
- identify problems in countries related to the 2002 halon and methyl bromide freezes;
- implement the "Policy Mentor Programme" initiated in 1998 to promote direct consultation on policy setting and enforcement between Article 5 NOUs and their peers in developed countries.

- Work closely with the other Implementing Agencies and bilateral agencies to ensure the broad dissemination of the results of methyl bromide demonstration projects; and
- Assist the Multilateral Fund Secretariat through the Regional Networks of ODS Officers to expedite reliable responses from NOUs on assessing Article 5 countries' ability to meet the 1999 freeze and subsequent obligations.

Following the decisions that will be taken during the 10th Meeting of the Parties, UNEP may propose additional special initiatives and projects to support Article 5 countries during 1999.

II. Planned Business Activities (1999)

A. Funded Activities

UNEP has a high completion rate of its activities (67% of its clearinghouse activities up to December 1998 have been completed). In 1999, UNEP will focus on completion of its remaining activities, specifically CP formulation.

With regard to CP preparation and IS projects, 9 on-going CPs are expected to be completed by 1999, 58 IS projects would continue to be implemented during 1999, and 9 new IS projects are expected to be approved.

B. Programme Development

The recurring clearinghouse activities will be at US\$ 2,335,000 in 1999 (i.e. less than 4% above the 1998 level). The level for non-recurring clearinghouse activities will be at the level of US\$ 1.53 million, of which US\$ 1.23 million is in the methyl bromide sector. CP and RMP preparation and IS projects will be at the level of US\$ 2,235,000.

Country-specific and regional support activities will be at the level of US\$ 1,475,000. Travel and Ad-hoc and Advisory Group meetings will be at the level of US\$150,000 (i.e. the same level as in 1998).

Apart from the recurring activities of information exchange and Networking, non-recurring clearinghouse activities will include:

- Continue to support capacity enhancement of NOU staff through technical publications and handbooks, sub-sector-specific information materials, and information workshops to assist the transition away from ODS;
- Expand and improve delivery of OzonAction publications and other existing electronic information available from other sources to National Ozone Units via the World Wide Web, and promote increased use of the Internet to assist governments and industry in meeting the Montreal Protocol targets;
- Facilitating corporate leadership initiatives to support Montreal Protocol objectives in Article 5 countries;
- Assist implementation of strategies for LVC countries to meet the 1999 freeze targets for CFCs and the 2002 freeze targets for halons and methyl bromide;
- Update and expand existing policy support documents (e.g. Regulations to Control ODS); and
- Assist Article 5 countries to control growth in new uses of methyl bromide through a policy dialogue and assistance for policy development.

Total costs for the non-recurring clearinghouse activities in 1999 will be US\$ 1.40 million, of which methyl bromide activities account for US\$ 1.18 million.

Regarding CP and RMP preparation and IS projects, the following activities are foreseen during 1999:

- Submit 9 completed CPs to the Executive Committee for approval (funds for the formulation of these CPs have already been approved).⁸ Once these CPs are approved, UNEP expects to assist those countries with the implementation of their IS projects;
- Support for renewals of 19 existing IS projects⁹;

⁸ Congo (Democratic Republic of), Grenada, Kiribati, Marshall Islands, Mongolia, Myanmar, Solomon Islands, Vanuatu, Yemen.

⁹ Algeria, Benin, Croatia, Dominican Republic, Fiji, Guatemala, Guinea, Jamaica, Mauritius, Morocco, Namibia, Panama,

- **Monitor the implementation of 58 IS projects already approved;**
- **Continue to analyze ongoing IS projects to streamline activities undertaken in various sectors, compile the results and improve our guidance and assistance to countries (especially related to the 1999 and 2002 freeze targets);**

**Peru,
Sudan,
Swaziland,
Syria,
Vietnam,
Zambia,
Zimbabwe.**

- 21 new requests for preparation of CPs are expected in 1999 from the remaining non-Party developing countries¹⁰;
- Continue to monitor the implementation of 15 previously approved RMPs, and implement the training components.¹¹ Five of these RMPs will be submitted to the 26th Meeting of the Executive Committee for its consideration;¹²
- Continue to develop individual RMPs for 15 countries¹³ and 1 regional RMP encompassing 14 countries¹⁴; and
- Develop individual RMPs for 12 additional countries.¹⁵

Total costs for CP, RMP and IS projects in 1999 will be US\$ 2,235,000.

Requests that may arise during 1999 for assistance in updating CPs, are not taken into account in the above costs. Such project proposals would be presented to the Executive Committee during 1999 for consideration above and beyond UNEP's approved 1999 Work Programme.

¹⁰ As of 11 September, these are the following developing countries not yet Party to the Montreal Protocol: Afghanistan, Albania, Angola, Armenia, Bhutan, Cambodia, Cape Verde, Djibouti, Equatorial Guinea, Eritrea, Guinea Bissau, Haiti, Iraq, Kyrgyzstan, Nauru, Oman, Palau, Rwanda, Sao Tome & Principe, Sierra Leone, Somalia.

¹¹ Antigua & Barbuda, Bahamas, Burundi, Dominica, Dominican Republic, El Salvador, Gabon, Georgia, Guyana, Moldova, Nepal, Nicaragua, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago.

¹² Antigua & Barbuda, Burundi, Dominica, Gabon, Nepal.

¹³ Bolivia, Burkina Faso, Fiji, Gambia, Guinea, Guatemala, Jamaica, Mali, Panama, Papua New Guinea, Peru, Senegal, Syria, Uruguay, Vietnam.

¹⁴ Developed in cooperation with GTZ, this regional project will cover: Botswana, Kenya, Ethiopia, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe.

¹⁵ Belize, Benin, Comoros, Central African Republic, Congo (Brazzaville), Grenada, Mongolia, Morocco, Nepal Sri Lanka, Togo, Yemen.