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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fifth Meeting
Montreal, 29-31 July 1998

UNIDO WORK PROGRAMME AMENDMENTS

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee for US \$356,924 for work programme amendments as indicated in Table 1.

Table 1

UNIDO 1998 Work Programme Amendments and corresponding funding levels

Country	Activity/Project	Amount requested (US \$)	Amount recommended (US \$)
Democratic People's Republic of Korea	Non-Investment project. Promotion and information transfer of alternatives to the use of methyl bromide in the preparation of seedbeds for the cultivation of rice and maize (cereals)	152,350	Pending
Yugoslavia	Establishment of a National Ozone Unit	163,512	151,500
Sub-Total		315,862	151,500
Agency support costs	(13%)	41,062	19,695
Total		356,924	171,195

Democratic People's Republic of Korea

2. The Government of Democratic People's Republic of Korea submitted to the Executive Committee at its 24th Meeting (March 1998) a demonstration project on alternatives to the use of methyl bromide in the preparation of seedbeds for the cultivation of rice and maize at the Agrochemical Research Institute (ACRI), namely, use of chemicals in low doses, direct seeding and bio-fumigation, all in combination with an Integrated Pest Management (IPM) programme.

3. The Sub-Committee on Project Review noted that the use of methyl bromide in the Democratic People's Republic of Korea was not increasing and that the intention was to focus on crops of international significance that would affect the world community, and that corn and maize did not meet that criterion. It was suggested making available to the Democratic People's Republic of Korea a non-investment information transfer type of project. Based on this recommendation, the Executive Committee decided to defer the project proposal and, subject to submission of a letter by the Government regarding ratification of the Copenhagen Amendment, UNIDO could resubmit an alternative non-investment, information-transfer type of project (Decision 24/13).

4. Subsequently, UNIDO is submitting to the 25th Meeting a non-investment project on promotion and information transfer of alternatives to the use of methyl bromide in the preparation of seedbeds for the cultivation of rice and maize (cereals), at a cost of US \$152,350.

5. Through an official communication by the Secretariat-General of the National Coordinating Committee for Environment, the Government of the Democratic People's Republic of Korea has "scheduled to ratify the Copenhagen Amendment to the Montreal Protocol within August 1998".

6. The project is to create awareness of alternatives to the use of methyl bromide as a fumigant in the cereals sector, to disseminate information for at least two alternative methods to the use of methyl bromide (low dose chemicals and direct seeding in rice and maize seedbeds production). Through study tours, the Government would be able to examine alternatives used elsewhere, apply them to local conditions (field workshops), and disseminate the results within the rest of the country through seminars.

7. The Executive Committee may wish to consider this request in light of Decision 24/13.

Yugoslavia institutional strengthening

8. The Yugoslavia country programme submitted for consideration by the Executive Committee at its 25th Meeting (UNIDO/OzL.Pro/ExCom/25/65) includes a project for the establishment of an Ozone Secretariat within the Ministry for Science, Development and Environment (institutional strengthening). The Government of Yugoslavia is requesting a total of US \$163,512 for the implementation of this project.

9. The main responsibilities of the Ozone Secretariat would include: supervision of all ODS phase-out activities, updating the ODS consumption in the country on an annual basis and ensuring creation of a ODS data bank, establishment of an information programme and a public awareness campaign; preparation and introduction of legislative and administrative measures to support ODS phase out, including import licenses for ODS; monitoring and control of projects to phase out ODS consumption; servicing as a focal point for the Multilateral Fund, Montreal Protocol and the implementing agencies.

10. Based on current market prices of office equipment and software, the Fund Secretariat and UNIDO agreed to adjust the capital costs to US \$10,000.

11. The Fund Secretariat recommends approval of the amount of US \$151,500 and US \$19,695 support cost for institutional strengthening to be included in UNIDO's 1998 work programme.

PROJECT PROPOSAL No. 1

COUNTRY: FEDERAL REPUBLIC OF YUGOSLAVIA

NATIONAL CO-ORDINATING BODY: - FEDERAL MINISTRY FOR SCIENCE, DEVELOPMENT AND ENVIRONMENT

EXECUTING AGENCY: UNIDO

SECTORS COVERED: All sectors

ODS CONSUMPTION BY SECTORS COVERED: 918.60 ODP Tones in 1997

PROJECT DURATION: Three years

PROJECT IMPACT: Phase -out of ODS in accordance with the action plan entailed in the Country Programme for ODS phase-out in the FR Yugoslavia. Improved capacity of Government structures responsible for ODS phase-out and contribution by FR Yugoslavia to the protection of the ozone layer.

CONTRIBUTION OF THE GOVERNMENT: 147,300 US\$

REQUESTED MULTILATERAL FUND CONTRIBUTION: 165,000 US\$

Introduction

Federal Republic of Yugoslavia became a Party to the Montreal Protocol on 18 October 1990. The country classifies under the Montreal protocol as an Article 5 country.

An ODS Country Programme for the Federal Republic of Yugoslavia has been prepared under guidance of the Federal Ministry of Science, Development and Environment (FMSDE) which is the lead Government agency in ODS phase-out in Federal republic of Yugoslavia. It entails an Action Plan which will be implemented in close co-operation with other Governmental agencies, industries and NGO's involved in ODS phase-out. However, it will be necessary to establish specialized bodies to provide execution and follow-up of the ODS phase-out strategy as laid down in the Action Plan. The "Ozone Secretariate" acting as national focal point for ODS phase-out will be such specialized body.

Activities and Scope of the Project

The "Ozone Secretariat" shall attain the above mentioned objectives by undertaking several activities, comprising the following:

- supervise the overall ODS phase-out activities and progress in the Federal Republic of Yugoslavia;
- update the ODS Country Programme for the Federal Republic of Yugoslavia on an annual basis through the preparation of an Amendment describing any relevant information on the development of ODS consumption patterns in Federal Republic of Yugoslavia and the institutions set-up for ODS phase-out that has occurred subsequent to the preparation of the ODS Country Programme for the Federal Republic of Yugoslavia;
- monitor and collect ODS import/export data and ODS production and consumption data by individual enterprises;
- ensure the creation of an ODS data bank;
- ensure a liaison office for Governmental agencies involved in ODS phase-out;
- establish a large-scale information programme for public awareness regarding the importance of ozone layer preservation;
- take measures related to awareness during each stage of

- implementation of the ODS Country Programme for the Federal Republic of Yugoslavia;
- prepare and introduce legislative and administrative measures supporting ODS phase-out, including import licenses for ODS, sector specific bans on ODS use and sanctions upon enterprises not complying with the ODS phase-out schedules;
 - ensure the setting up a working group on applicable standards in relation to the international standards;
 - ensure the implementation of training programmes and follow-up on them;
 - handle environmental issues related to the implementation of the ODS replacement projects, in particular ensuring that the Federal Republic of Yugoslavia requirements for Environmental Impact Assessment are observed, and monitoring implementation of mitigation activities; monitor and control projects that accelerate ODS phase-out;
 - review sub-projects to ensure that they are consistent with national strategy defined in the ODS Country Programme for the Federal Republic of Yugoslavia and meet eligibility criteria for Projects financed by the Multilateral Fund;
 - coordinate the provisions of technical assistance to the enterprises;
 - communicate with the Montreal Protocol Executive Committee, the Secretariat and UNIDO acting as an implementing agency;
 - submit quarterly reports to UNIDO on progression project implementation, highlighting any problems, using formats to be provided in a Project Implementation Manual;
 - report to UNIDO any urgent implementation problem and all current and expected implementation bottlenecks, and
 - be responsible for effective use of funding obtained from Multilateral Fund.

Project Rationale

The "Ozone Secretariat" is envisaged to be the nucleus of the ODS management structure. In carrying out this assignment described above, it will need substantial human and material resources. Therefore, financial assistance is being requested from Multilateral Fund so that the Montreal Protocol can be respected. Plans are to create the "Ozone Secretariat" as soon as

the Multilateral Fund's Executive Committee has proved the sums required for this funding.

A budget for three year period has been proposed to cover the capital expenditure and operating costs of the "Ozone Secretariat". It should be noted that the Yugoslavia Government's contribution will almost equal that being requested through the Multilateral Fund.

Public Awareness

In the FR Yugoslavia, a large scale information programme for public awareness regarding the importance of ozone layer preservation is of utmost importance. This information campaign will include information dissemination concerning the progress of ODS phase-out, both world-wide and in the FR Yugoslavia as well as the issue of news letter on a regular basis and information leaflets informing on, among others, progress made at enterprise level with respect to ODS phase-out.

Furthermore, as the ODS Country Programme for the FR Yugoslavia and therein entailed Action Plan is being implemented, each stage will include awareness measures consisting of:

- Information on steps taken. This activity will be undertaken in close collaboration between the Government agencies, industries and NGO's involved in ODS phase-out by using the media and other means of information dissemination.
- An inventory and analysis of the difficulties encountered so as to find solutions and inform the parties concerned.
- Encouraging the production of goods containing non ODS thereby involving consumers in the protection of the ozone layer.

Monitoring Arrangements

The "Ozone Secretariat" will be responsible for developing and implementing an operational system for effectively monitoring ODS phase-out in accordance with the Action Plan.

The following monitoring arrangements will be implemented, when necessary, with the assistance from specialized FR Yugoslavia ODS consultants:

- Reporting on a regular basis on ODS consumption (types and amounts) broken down by user sectors;
- Reporting on a regular basis on progress in the implementation

of specific transformation process and other projects identified in the Action Plan;

- Collecting information that will become available from customs office in relation to the import of ODS and products containing ODS;
- Making independent and regular inspections and assessments in order to confirm reports and review and establish financial and technical support needs for those sectors, industries and enterprises affected by ODS phase-out.

Project Budget

The Federal Republic of Yugoslavia is prepared to contribute substantially to the establishment of "Ozone Secretariat", thereby emphasizing its strong commitment to ensure ODS phase out. The three year budget to be provided by the Government of the FR Yugoslavia amounts to US\$ 147,300

It will cover the following costs:

- Office space, public utilities (electricity, heat , etc.) and maintenance ;
- Furniture and basic office equipment ,
- Basic salaries for professionals and support staff;
- Transportation costs such as domestic travel costs and
- Domestic communication costs.

Table 1 provides a break-down of the budget provided by the FR Yugoslavia Government.

	Year 1	Year 2	Year 3	Total
1. Capital Expenditure				
Furniture (1)	4,000	0	0	4,000
Basic Office Equipment	2,000	0	0	2,000
International Telephone Connection	3,000	0	0	3,000
Sub-Total	9,000	0	0	9,000
2. Recurrent Expenses				
Professionals (2)	15,000	15,000	15,000	45,000
Support staff (3)	6,000	6,000	6,000	18,000
Sub-Total	21,000	21,000	21,000	63,000
3. Operating costs				
Office space	18,000	18,000	18,000	54,000
Public utilities(4)	600	600	600	1,800
Domestic travel costs	5,000	5,000	5,000	15,000

Domestic				
Communication costs	1,500	1,500	1,500	4,500
Sub-Total	25,100	25,100	25,100	75,300
4. Contingency (5)	4,959	4,959	4,959	14,877
Grand Total	49,100	49,100	49,100	147,300

Notes: 1. Tables , chairs, cupboards etc.; 2. 2 professionals; 3.1 secretary;

4. Electricity, heat, etc.; 5. calculated as 9% capital expenditure, recurrent expenses and operating costs.

The three-year budget requested from Multilateral Fund amounts to 165.000US\$.

It will cover the following costs:

- office equipment, including personal computers , printer and photocopier;
- personnel incentives;
- consultant budget;
- information programme and
- international communication costs.

Table 2 below provides a break-down of the budget requested from Multilateral Fund

	Year 1	Year 2	Year 3	Total
1. Capital Expenditure				
Personnel Computer	3,000	0	0	3,000
Modem Stabilizer	1,000	0	0	1,000
Switch, Cables, and				
Miscellaneous for PC	600	0	0	600
1 Laser Printer	1,500	0	0	1,500
Softwares	1,500	0	0	1,500
Photocopier	3,500	0	0	3,500
Communication Equipment	1,000	0	0	1,000
Installation costs				
	300	0	0	300
Sub -Total	12,400	0	0	12,400
2. Recurrent expenses				
Personnel incentives	18,000	18,000	20,000	56,000
Consultant Budget	10,000	7,500	5,000	22,500
Sub-Total	28,000	25,500	25,000	78,500
3. Operating costs				
Information Programme (1)	10,000	10,000	8,000	28,000
Local travel costs	5,000	2,500	2,500	10,000
International Communication				
Costs	4,000	4,000	4,000	12,000
Office Supplies	2,000	2,000	2,000	6,000
Servicing equipment	1,500	1,500	1,500	4,500
Sub-Total	22,500	20,000	18,000	60,500
4. Contingency (2)	5,032	3,640	3,440	12,112
Grand Total	67,932	49,140	46,440	163,512

Notes : 1. Including printing costs ; 2. calculated as 8% of capital expenditure, recurrent expenses and operating costs