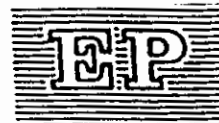




United Nations Environment Programme



Distr.
LIMITED



UNEP/OzL.Pro/ExCom/12/14/Corr.1
8 March 1994

ORIGINAL: ENGLISH

Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Twelfth Meeting
Montreal, 28-30 March 1994

Corrigendum

1994 UNEP WORK PROGRAMME

This document is being issued to **replace** the comments and recommendations of the Fund Secretariat.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

COMMENTS

1. UNEP is requesting approval from the Executive Committee for its proposed 1994 Work Programme.

2. The Work Programme has the following main components:

- Information exchange;
- Training and networking;
- International Recycled Halon Bank Management Information Clearing-house;
- Country programme preparation.

3. The cost of the activities for the 1994 year is estimated at US \$3,359,693 including US \$386,513 programme support cost. The breakdown is as follows:

• Information exchange	US \$1,230,000
• Training	330,000
• Networking activities	444,000
• Country programme preparation	400,000
• International Recycled Halon Bank Management Information Clearing-house	100,000
• Advisory and experts group meetings	200,000
• Travel	100,000
• Institutional strengthening in Fiji and Maldives ¹	169,180
Sub-total	2,973,180
13% programme support costs	386,513
TOTAL	3,359,693

NOTE:

1. Institutional Strengthening projects for Fiji (US \$113,080) and Maldives (US \$56,100) that have been submitted directly to the Fund Secretariat for UNEP implementation are included in the above table. Comments on the projects are included in the Comments on the UNEP Work Programme.

4. The proposed Work Programme provides detailed description of UNEP's activities in 1994.

5. The comments are based on the information provided in the proposed 1994 UNEP Work Programme, discussions at the Planning Meeting held at the Fund Secretariat on 7 January 1994, the UNEP Advisory Group meeting, and exchanges between the Fund Secretariat and UNEP IE/PAC, and reflect some of the issues which could not be resolved at these levels.

6. While the Fund Secretariat is in agreement with the general purpose and intent of the Work Programme, it is of the opinion that some aspects of the Programme might require further consideration and possible adjustments of their costs. For some of the activities costs have escalated while for others, actions remain pending although additional funding is being requested

7. The activities that might need reconsideration or adjustment include:

- Outreach of conferences/workshops	US \$ 75,000
- Information dissemination	US \$ 380,000
- Prepare case studies	US \$ 100,000
- Regional Data Collection Systems Workshops for Africa	US \$ 150,000
- Workshop on management of a national ODS phase-out information clearing house	US \$ 50,000
- ODSNET/LA	US \$ 264,000
- ODSNET/AF	US \$ 180,000
- Meeting of Consultants	<u>US \$ 70,000</u>
TOTAL	US \$1,269,000

The cost of the activity - Continue and improve sectoral data collection (US \$215,000) could also be reviewed following approval of the Work Programme as it appears to be high.

SECRETARIAT'S RECOMMENDATIONS

8. Hence, the Secretariat recommends as follows:

- a) To approve the 1994 UNEP Work Programme on the understanding that UNEP will review and where necessary adjust the costs of the activities taking account of the Secretariat's comments and the Executive Committee's deliberations.
- b) To approve the amount of US \$1,535,000 and US \$199,550 support costs for the 1994 UNEP Work Programme pending resubmission of the revised Work Programme;
- c) To approve the amount of US \$65,890 and US \$8,570 support costs for institutional strengthening in Fiji; and
- d) To approve the amount of US \$41,250 and US \$5,360 support costs for institutional strengthening in Maldives.

BASIS FOR SECRETARIAT'S RECOMMENDATIONS

9. The following provides the basis for the above recommendations.

10. The issues of major concern have been the information exchange, and networking components of the Work Programme, the cost of which have increased by 55 per cent and 180 per cent respectively over the cost of 1993 Work Programme.

11. Table 1 provides some comparison between the 1993 Work Programme and the proposed 1994 Work Programme.

TABLE 1

UNEP 1993 AND 1994 WORK PROGRAMMES

1993 UNEP WORK PROGRAMME			PROPOSED 1994 UNEP WORK PROGRAMME		
Activity	Cost US \$	Remarks	Activity	Cost US \$	Remarks
Information Exchange	805,000		Information Exchange	1,230,000	55% overall increase
<u>Maintenance of existing activities:</u>		Catalogue of ODS-free technologies being quality reviewed	<u>Ongoing:</u>		Increase of 48%. No indication of expected output given that "Sectoral Catalogues" are under preparation, cost may be high.
1. Continue data collection in four sectors	145,000		1. Continue and improve sectoral data collection	215,000	
2. Data collection in solvent sectors (updating OZONET)	60,000	No indication of output	2. Maintain query/response service	60,000	Newly introduced budget item. Used to be a component of query response, outreach activities and dissemination of technical brochures, manuals and other documents, etc.
3. Maintenance of OzonAction library	30,000		3. Publish/disseminate OzonAction Newsletter	150,000	
4. Compiling and formatting the information on case studies from developed countries and projects approved by Executive Committee including their technology summaries	65,000	Additional US \$100,000 is requested in 1994 Work Programme for similar activity	4. Continue to update and upload on-line and diskette versions	100,000	Appears to be a newly introduced budget item. No indication of utility of on-line version in Article 5 countries since no output from pilot project. Cost may be high.
<u>Maintenance of information dissemination</u>			5. Continue to conduct outreach of conferences/workshops	75,000	Newly introduced budget item. Activity involves primarily travel cost of UNEP Personnel. However US \$100,000 is allocated for travel. May constitute double counting.
5. Publication/dissemination of OzonAction Newsletter (four issues)	130,000				

1993 UNEP WORK PROGRAMME			PROPOSED 1994 UNEP WORK PROGRAMME		
Activity	Cost US \$	Remarks	Activity	Cost US \$	Remarks
6. Pilot project for Article 5 countries	35,000	No discernible output	<u>Information dissemination:</u>		
7. Query response, outreach activities and dissemination of technical brochures manuals and other documents	150,000		6. Dissemination of sector-specific information collected by the clearinghouse to developing countries	380,000	When items 2,5 and 6 are taken together and compared with item 7 of the 1993 Work Programme, there is a 240 per cent increase
<u>New information exchange activities:</u>			<u>New activities:</u>		
8. International Halon bank clearinghouse	100,000		7. Quality reviews of new catalogues	50,000	
9. Develop information kit. Preparation of a standard information kit to help countries develop their own information campaigns on ozone issues. Includes typical press releases, information brochures, slides, video, posters, etc. based on material already created by developed countries	90,000	No indication of output	8. Prepare case studies - developed and developing countries	100,000	Although indicated as "new activity" similar activity was approved in 1993 for US \$65,000. Activity was not initiated
Networking:			9. Prepare information papers/fact sheets	60,000	
10. Support to regional network Latin America/Caribbean Region (ODSONET/LA)	130,000	Activity not implemented. Implementation mid-1994 and third quarter 1994	Networking		
11. Support to networking activity	30,000		10. Regional network for Latin America/Caribbean (ODSONET/LA)	264,000	Expenditure includes costs of: - 2 workshops each per year (possibly 4 in Africa) - Network liaison consultants for each region - Network Manager - Preparatory meetings and other undefined ongoing activities.
			11. Regional network for Africa (ODSONET/AF)	180,000	

Ineligible Activities

12. The following activities (total cost US \$539,000) may not be eligible for funding:

- (a) Outreach of Conferences/Workshops (US \$75,000): The cost would constitute double counting;
- (b) Regional Data Collection Systems Workshops for Africa (US \$150,000): The objective of these workshops is to assist the countries in designing and establishing an ODS data collection and monitoring system. All Parties to the Protocol are bound by Article 7 to report data to the Secretariat of the Montreal Protocol. Nonetheless, the Fund is assisting each Article 5 country, through the process of preparation of its country programme, to collect comprehensive data which form the basis for data reporting and future updates. Hence, this activity is ineligible for funding from the Multilateral Fund resources.
- (c) Workshops on Management of National ODS Phase-out Information Clearinghouse (US \$50,000): The cost would constitute double counting as the activity relates to information clearinghouse in China for which US \$150,000 has already been approved under UNDP's Work Programme.
- (d) ODSONET/LA (US \$264,000): The funds requested do not apply to the year to which the activity relates. Funds requested in the 1993 Work Programme will be utilized only in May 1994 and the third quarter of 1994. Thus approval would lead to accumulation of idle funds. UNEP indicated in its fax of 24 February 1994 to the Fund Secretariat in response to the Secretariat's comments as follows:

"With regard to the workshops for the ODS Officers in the Latin American region, the budget assumes the first workshop for each of the two sub-networks to be paid by the 1993 budget. The budget for 1994 included a second major workshop for the south American region in February-March 1995, with a smaller follow-up meeting four to six months later. As the first workshop for Central America will take place only in the third quarter of 1994, the second workshop for Central America will not take place within the time frame of the 1994 budget."

Activities Requiring Review

- (a) Information Dissemination (US \$380,000)

13. This would require review of the elements of the activity and costs. When all aspects of the information dissemination i.e. query-response service, OzonAction Newsletter, on-line/diskette, outreach and "information dissemination" are taken together, the activity amounts to a total of US \$765,000. UNEP would have to reexamine the information dissemination component of its activity on the premise that its primary responsibility under the Financial Mechanism is to the Article 5 Parties and given the availability or potential availability of nodal points - the National Ozone Offices supported by the Fund. For instance, there is need to evaluate:

- the relative utilities of the on-line and diskette versions of the OAIC based on available infrastructure in the Article 5 countries;

- the extent to which periodicals, manuals, reports, etc would be disseminated to Parties and would be bulk-mailed for dissemination at various conferences and workshops, given that the National Ozone units are intended to be used as points of dissemination relying on infrastructure provided through institutional strengthening; and
- the cost of dissemination of information relative to the actual output of the OzonAction publications ;

(b) Networking - ODSNET/LA (US \$264,000) ODSNET/AF (US \$180,000)

14. Notwithstanding the comments and recommendation made in paragraph 12 (d) above, the following general comments are made on the networking activities.

15. Where there is no existing infrastructure for interaction to facilitate exchange of expertise among developing countries and between developing and developed countries (who have expertise to share), networking might be a useful tool for regional cooperation in the transfer of generic technologies. By contrast, the Montreal Protocol has laid down an elaborate infrastructure, namely the Meetings of the Parties, Open-ended Working Groups, Expert Technical Groups, the Multilateral Fund and its financial support for national action plans through Country Programmes, institutional strengthening and international implementing agencies to provide specific technical assistance to developing countries. The mix of all these elements provide an elaborate infrastructure for moving the ODS phase-out as well as providing opportunities for interaction.

16. The background information on this activity provided in the Work Programme claims, in reference to the "institutional strengthening projects and the National Ozone units" that "experience shows that, without additional assistance, these National Ozone Units and their ODS Officers would not be as efficient as desired." This negates the role and impact of implementing agencies in moving the phase-out process. On the other hand, based on the pace of implementation of the approved networking project it is apparent that the establishment of functional networks in the two regions for which funds are being requested would lag behind the implementation of individual country programmes and phase-out projects.

17. At the proposed cost of implementation (US \$424,000 for Latin America for two years and US \$180,000 for Africa for one year) the cost to the Fund would be over US \$15,000 per country in Latin America and the Caribbean over the two year period and over US \$6,000 per country in Africa.

18. The network is supposed to require full-time Regional Network Liaison Consultants at UNEP Regional Offices, and Network Managers appropriated in all the network activities paid by the Fund from the Networking budget. These are additional institutional strengthening commitments that the Fund Secretariat could not find justification for. Unless the networking is accomplished with minimum cost and in a manner that would not incur additional administrative costs to the Fund, the cost effectiveness and utility of the activity would continue to be questioned.

19. If the concept of the networking is endorsed, then as recommended in paragraph 12 (d) no new funding be approved for the ODSNET/LA until funds approved in the 1993 Work Programme are utilized. The funding for ODSNET/AF should be reviewed.

Other Activities

(a) Prepare Case Studies Developed and Developing Countries (US \$100,000)

20. The amount of US \$65,000 was approved for a similar activity in the 1993 Work Programme. UNEP indicated that in view of the fact that most projects in Article 5 countries are still in the initial stages of implementation, it intends to work on case studies from developed countries as well as developing countries where phase-out has taken place without the assistance of the Fund. Since for the developed countries, e.g., USA, Sweden, information could be obtained from the national agencies at relatively low cost, the 154 per cent increase in this cost item does not appear to be justified. The Secretariat does not recommend approval of the new funding of US \$100,000 for this activity.

(b) Meeting of Consultants (US \$70,000)

21. The participation of Consultants of the other three implementing agencies responsible for investment projects is critical in this activity. Hence it should be deferred pending discussion with all the Fund's implementing agencies and interested bilateral donors to determine the modality and develop pertinent terms of reference.

COMMENTS ON INSTITUTIONAL STRENGTHENING PROPOSALS**FIJI**

Amount requested: US \$113,080

Amount recommended: US \$65,890 Support costs: US \$ 8,570

Background

Total Consumption (1991): 51 tonnes ODP

Major sectors: Refrigeration 68%, foam 18%, solvent 12%.

Scope of Industrial Activity: Main activities include refrigeration servicing (estimated 15 refrigeration and 20 mobile air conditioning service shops), 1 flexible foam manufacture, 3 boat building and 5 garment enterprises. Others include 11 ODS importing/distributing companies

Comments

The activity on design of Ozone friendly logo may not be cost-effective considering the limited scope of industrial activities and since almost all ODS containing products are imported. The refrigerant recycling activity should be considered together with the projects on chillers, central air conditioning and commercial air conditioning.

Recommendation

Considering the level of activity, the amount of US \$65,890 is recommended for approval. This is made up of

Equipment:	US \$ 5,000
Personnel (one Officer):	US \$28,500
Operational Cost (including Public Awareness)	US \$26,400
Contingency	US <u>\$ 5,990</u>
TOTAL	US <u>\$65,890</u>

MALDIVES

Amount requested: US \$56,100

Amount recommended: US \$41,250 Support costs: US \$ 5,360

Background

Total Consumption (1991): 5 tonnes ODP

Main activity: Servicing of refrigeration equipment and air conditioners, mainly mobile air conditioners (estimated population 400 (1991)).

Largest ODS end users: Hotels and resorts (70), some of which import their own refrigeration equipment and service them.

Comment

Considering the level of consumption and the nature of activities in Maldives the ODS Desk could play a catalytic role in the ODS Phase-out.

Recommendation

The amount of US \$41,250 is recommended for approval. This is made up of

Equipment:	US \$ 4,500
Personnel:	US \$ 6,000
Operational Cost (including	
Public Awareness	US \$27,000
Contingency	<u>US \$ 3,750</u>
TOTAL	<u>US \$41,250</u>