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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

UNDP WORK PROGRAMME AMENDMENTS

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. UNDP is requesting approval from the Executive Committee for US 1,055,345 for work programme amendments as indicated in Table 1.

Table 1

UNDP 1998 Work Programme Amendments and corresponding funding levels

Country	Activity/Project	Amount requested (US \$)	Amount recommended (US \$)
Kenya	Renewal of institutional strengthening	116,667	pending
Mexico	Renewal of institutional strengthening	190,000	190,000
Sri Lanka	Project preparation request for development of a methyl bromide alternative demonstration project in tea estates	25,000	25,000
Thailand	Renewal of institutional strengthening	266,667	266,667
Uruguay	Renewal of institutional strengthening	116,000	116,000
Venezuela	Renewal of institutional strengthening	219,600	219,600
Sub-Total		933,934	817,267
Agency support costs (13%)		121,411	106,245
Total		1,055,345	923,512

Institutional strengthening

2. Five requests for renewal of institutional strengthening projects (for a 2-year period each) have been submitted by the Governments of Kenya, Mexico, Thailand, Uruguay and Venezuela. The requests follow the Executive Committee's decisions on renewal of institutional strengthening projects (Decisions 19/29 and 24/23). The five requests were accompanied by comprehensive progress reports and detailed action plans.

3. A summary of the progress report and the plan of action for the next two-year period for each of the five institutional strengthening requests are presented below:

Kenya renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	US \$175,000 (Mar 93-Mar 96)
Amount requested for renewal:	US \$116,667 (Jul 98- Jul 2000)
Date of approval of country programme	July 1994
ODS consumption reported in country programme (1993), (ODP Tonnes)	129.5
Latest reported ODS consumption (1996) (ODP tonnes)	410.5
Amount approved for projects (US \$)	US \$1,804,817
Amount disbursed (as at December 1997) (US \$)	US \$495,153
ODS to be phased out (tonnes ODP)	217
ODS phased out (as at December 1997) (tonnes ODP)	0

Progress Report

4. The following non-investment activities have been approved and funded by the Executive Committee:

		US \$
(a)	Demonstration and training unit for maintenance and recharge of refrigeration and air conditioning equipment, June 1991	9,852
(b)	Country programme preparation, February 1992	22,730
(c)	Support to a national workshop on refrigeration, June 1993	115,000
TOTAL:		147,582

5. The main achievements reported in the progress report include the holding of lectures, seminars, workshops and round table discussions with research institutions, universities, NGOs and international research organizations. Ozone Day Celebrations were carried out, to sensitize the public on the state of the ozone layer, two methyl bromide workshops with participants drawn from Uganda, Malawi and Kenya and representatives of various ministries, farmers and several parastatals were conducted. Global activities to protect the ozone layer were exhibited at the Kenya Ozone Office, and round table discussions were held on sustainable alternatives to methyl bromide in commodity fumigation.

6. The Fund Secretariat received an official notification from UNIDO indicating that investment projects have been hampered by the fact that the equipment delivered has not received clearance by the Customs authorities in Kenya. Subsequently, the Secretariat sent an official communication to the Ministry of Environment and Conservation on this issue. (At the time of writing, no response had been received from the Government).

Plan of Action (July 1998 - July 2000)

7. The action plan for the next period includes awareness raising on the freeze on CFCs and methyl bromide, capacity building for customs and regulatory bodies, implementation of demonstration projects on alternatives to methyl bromide and preparation of brochures; production of newsletters related to methyl bromide and CFCs, monitoring of investment projects on solvents and reporting on halon banking; training for technicians and development of training manuals for good practices in refrigeration. Enforcement of ODS regulations within the framework of the Environment Management Bill are planned, completion of data collection for 1998 for submission to the Ozone Secretariat, and awareness campaigns for adoption of ozone friendly alternative technologies, and a restriction on equipment using ODS.

Mexico renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP & USA
Amount originally approved (USA)	US \$350,000 (Jun 92 - Jun 95)
Second extension: (UNDP)	US \$95,000 (Jul 95 - Dec 96)
Third extension: (UNDP)	US \$190,000 (Oct 96 - Oct 98)
Amount requested for renewal: (UNDP)	US \$190,000 (Nov 88 - Oct 2000)
Date of approval of country programme	February 1992
ODS consumption reported in country programme (1989, (ODP Tonnes)	10,184.0
Latest reported ODS consumption (1996) (ODP tonnes)	6168.1
Latest reported ODS production (1996) (ODP tonnes)	365.5
Amount approved for projects (US \$)	US \$26,446,949
Amount disbursed (as at December 1997) (US \$)	US \$13,790,159
ODS to be phased out (tonnes ODP)	2,789
ODS phased out (as at December 1997) (tonnes ODP)	1,378

Progress Report

8. The following non-investment activities have been approved and funded by the Executive Committee:

		US \$
(a)	Country programme preparation, February 1992	36,061
(b)	Assistance to country programme and investment projects preparation, October 1992	28,000
(c)	Safety programme in aerosol plant and recycling training and demonstration project in MACs, June 1991	180,000
(d)	Training of Quimobasicos personnel in the use of CFC recovery and recycling equipment, November 1991	252,246
(e)	Mexican solvents programme to reduce CFC-113 and methyl chloroform, October 1992	360,000

		US \$
(f)	Chiller hands-on training, October 1992	81,000
(g)	Cancun chiller workshop, July 1994	9,000
TOTAL:		946,307

9. The main achievements reported in the progress report include development of a tracking system for production and imports of ODS; coordination with industry and implementing agencies during project preparation and implementation phases, conduct training activities, and updating of the country programme.

Plan of Action (November 1998 - October 2000)

10. The action plan for the next period includes implementation of demonstration projects in methyl bromide, legislation to ban imports of domestic and commercial refrigeration equipment using CFCs, establishing consumption of CFCs for 1999 in accordance with the freeze obligation; identifying further projects in commercial refrigeration and rigid polyurethane foam producers; establishment of a programme for the refrigeration sector; implementation of a formal licensing system and structuring activities and programmes for SMEs.

Thailand renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	US \$400,000 (Mar 93 - Mar 96)
Amount requested for renewal:	US \$266,667 (Nov 98 - Oct 2000)
Date of approval of country programme	November 1993
ODS consumption reported in country programme (1991), (ODP Tonnes)	8,893.1
Latest reported ODS consumption (1996) (ODP tonnes)	6,750.7
Amount approved for projects (US \$)	US \$29,431,522
Amount disbursed (as at December 1997) (US \$)	US \$15,236,525
ODS to be phased out (tonnes ODP)	3,219
ODS phased out (as at December 1997) (tonnes ODP)	615

Progress Report

11. The following non-investment activities have been approved and funded by the Executive Committee:

		US \$
(a)	Training of Government technical staff, June 1991	50,000
(b)	Country programme preparation June 1991	30,909
TOTAL:		80,909

12. The main achievements reported in the progress report include setting up of a national Committee requiring all importers to obtain licenses before importing controlled chemicals, ban on new industrial establishments/expansion using ODS; halting of import licenses to companies

that import controlled chemicals; establishment of 8 working groups to develop specific action plans to phase out ODS. Manufacturers of compressors in the domestic and commercial sectors have converted to non-ODS technologies; ODS solvent cleaning has been banned since 1992; and the Government has also carried out seminars and workshops to educate the public.

Plan of Action (November 1998 - October 2000)

13. The action plan for the following two years includes the formulation and development of new investment projects, updating of sector ODS consumption data, follow-up on MAC demonstration project and a demonstration project on alternatives to methyl bromide in grain storage, carrying out of the halon management plans, revision of the country programme, and a continuation of work on public awareness activities through conferences, seminars and mass media publicity.

Uruguay renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved	US \$202,800 (Jun 93 - Dec 96)
Second approval:	US \$116,000 (Oct 96 - Oct 98)
Amount requested for renewal:	US \$116,000 (Oct 98 - Sep 2000)
Date of approval of country programme	June 1993
ODS consumption reported in country programme (1992), (ODP Tonnes)	314.1
Latest reported ODS consumption (1996) (ODP tonnes)	187.1
Amount approved for projects (US \$)	US \$3,109,358
Amount disbursed (as at December 1997) (US \$)	US \$2,019,795
ODS to be phased out (tonnes ODP)	177
ODS phased out (as at December 1997) (tonnes ODP)	103

Progress Report

14. The following non-investment activities have been approved and funded by the Executive Committee:

	US \$
(a) Recovery and recycling of CFC-12 in maintenance workshops for industrial refrigeration equipment, November 1995	87,647
(b) Technical assistance in halon-1211 management, July 1994	8,000
(c) Conservation and demonstration programme for domestic and commercial refrigeration and installation, March 1994	175,000
(d) Total aerosol sector phaseout project (technical assistance), November 1995	54,000
(e) Consultant mission to assess technical assistance requirement, June 1991	14,042
(f) Market survey to develop a country-wise scheme to phase out remaining ODS, May 1997	23,000
(g) Country programme preparation, October 1992	25,444
(h) Training in the halon sector, December 1994	10,000
TOTAL:	397,133

15. The main achievements reported in the progress report include participation in meetings of the Montreal Protocol and the Vienna Convention, steps for the approval of laws by parliament, setting up of the Ozone Government Technical Commission, participation in international training sessions and workshops, organization of technical training workshops, dissemination of information through the media and publicity, visits and lectures by consultants and representatives of implementing agencies, analysis of halon capacity with the assistance of technicians from USEPA, and national execution of projects including supervision and replacement of equipment.

Plan of Action (October 1998 - September 2000)

16. The proposed activities for the next two years include economic incentives for companies and legal and political measures to reinforce application of the programme and a more accelerated phaseout schedule. Implementation of a demonstration project on alternatives to methyl bromide; continuation of public awareness and information dissemination activities.

Venezuela renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved	US \$329,192 (Mar 93 - Dec 95)
Second approval:	US \$109,800 (Jul 95 - Dec 96)
Third approval:	US \$219,600 (Oct 96 - Oct 98)
Amount requested for renewal:	US \$219,600 (Jan 99 - Dec 2000)
Date of approval of country programme	July 1995
ODS consumption reported in country programme (1994), (ODP Tonnes)	3,194.1
Latest reported ODS consumption (1996) (ODP tonnes)	3,129.1
Latest reported ODS production (1996) (ODP tonnes)	4,412.8
Amount approved for projects (US \$)	US \$17,395,591
Amount disbursed (as at December 1997) (US \$)	US \$9,673,468
ODS to be phased out (tonnes ODP)	910
ODS phased out (as at December 1997) (tonnes ODP)	410

Progress Report

17. The following non-investment activities have been approved and funded by the Executive Committee:

	US \$
(a) Technical assistance and training of servicing technicians in the refrigeration sector, June 1991	19,020
(b) Country programme preparation, February 1992	101,631
(c) Finalization of the country programme, November 1993	12,000
(d) Assistance in country programme preparation, October 1992	43,000
(e) Workshops on conversion and installation of new central air conditioning systems using non-	13,200

		US \$
	ODS, March 1993	
(f)	Workshops for the recycling and banking of halons, March 1993	23,100
(g)	Training in all ODS sectors in Venezuelan military, December 1994	40,000
TOTAL:		251,951

18. The achievements reported in the progress report include, *inter alia*, conclusion of preparation for several projects, supervision of 19 projects under implementation, approval by the Ministry of Environment of restrictions to imports of ODSs; start-up of refrigerant reclamation, training of refrigeration technicians and awareness raising campaigns in MACs.

Plan of Action (January 1999 - December 2000)

19. The action plan for the following period includes the conclusion of 17 projects, presentation of at least 12 new investment projects, supervision of 23 projects under implementation, identification of projects in remaining plants in refrigeration and foams, commencement of phaseout of solvents and methyl bromide, preparation of strategy and a project in the Production sector, implementation and evaluation of strategy for the 1999 freeze; development of regulations and controls, training, design of certification system for technicians; awareness campaigns and revision and updating of the country programme.

Recommendation

20. The Fund Secretariat recommends approval of the following institutional strengthening projects together with agency support costs in the amount indicated below:

Country	Project Title	Project Cost US \$	13% support Cost US \$	Total US \$
Mexico	Renewal of institutional strengthening	190,000	24,700	214,700
Thailand	Renewal of institutional strengthening	266,667	34,667	301,334
Uruguay	Renewal of institutional strengthening	116,000	15,080	131,080
Venezuela	Renewal of institutional strengthening	219,600	28,548	248,140

21. The Executive Committee might wish to consider whether approval should be given for the institutional strengthening project for Kenya (US \$116,667, plus US \$15,167 support costs) taking into account that the issue regarding clearance through Customs for equipment funded by the Multilateral Fund has not yet been resolved.

Methyl Bromide

22. The Fund Secretariat recommends approval of the project preparation request for development of a methyl bromide alternative demonstration project in tea estates for Sri Lanka, with a cost of US \$25,000 plus 13% support costs of US \$3,200.