United Nations
Environment
Programme

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/9/9
15 February 1993

ORIGINAL: ENGLISH

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

Ninth Meeting
Montreal, 8-10 March 1993

1993 UNDP WORK PROGRAMME

This document includes:

- Comments and recommendations from the Fund Secretariat
- 1993 UNDP Work Programme

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT ON 1993 UNDP WORK PROGRAMME

SECRETARIAT'S COMMENTS

1. The UNDP is requesting approval from the Executive Committee for its Work Programme for the 1993 calendar year.

2. The activities in the Work Programme submitted for funding were discussed at the inter-agency co-ordination meeting convened by the Fund Secretariat on 4-5 February 1993, and their costs agreed to following necessary clarifications and additional information provided by UNDP representatives as necessary. Where necessary and feasible the Secretariat also liaised with governments concerned for further clarification. The proposed projects are summarized in the Consolidated 1993 Work Programmes (UNEP/OzL.Pro/ExCom/9/8).

3. The estimated cost of the 1993 Work Programme is US $33,288,412. The Work Programme includes:

Projects under US $500,000	US $3,708,106
One project over US $500,000	1,460,000
1993 Project Pipeline	28,460,000
1993 Direct Programme Management Costs	626,000
Funding for Project Support Costs for Projects Approved as Amendments to 1992 Work Programme	518,076

4. The amount of US $3,708,106 is being requested as funding to undertake activities in 9 countries. These activities include country programme preparation, project preparation, institutional strengthening, surveys and workshops, as indicated in paragraph 5 below.

ACTIVITIES SUBMITTED FOR FUNDING REQUEST

5. The activities for which funds are being requested and amounts recommended by the Secretariat for approval are indicated in the Table below.

**Table 1: UNDP WORK PROGRAMME
ACTIVITIES AND CORRESPONDING FUNDING LEVELS**

Country	No.	Project	Amount requested US $	Amount Recommended for Approval US $
China	1.	Project preparation assistance	100,000	100,000
	2.	Investigation of production and consumption of methyl bromide	87,000	72,000
	3.	Survey and assessment of small CFC plants conversion possibilities	105,000	90,000
	4.	Testing for CFC substitute chemicals application	203,280	100,000
	5.	Institutional strengthening (a)	300,000	300,000
Egypt	6.	Additional funds for previously approved investment project for Taki-Vita Company (b)	293,500	58,500
	7.	Phase-out CFC-11 in moulded foam manufacturing at Misr Foams (c)	275,000	275,000
India	8.	Country programme preparation	200,000	200,000
Kenya	9.	Institutional strengthening	222,900	175,000
Malaysia	10.	Institutional strengthening	322,520	322,520
Nigeria	11.	Institutional strengthening	300,000	300,000
Philippines	12.	Additional funding for country programme preparation	39,820	0
Thailand	13.	Institutional strengthening	424,000	400,000
Venezuela	14.	Institutional strengthening (d)	229,192	229,192
	15.	Pilot programme in recovery and recycling of CFC-12 in domestic refrigeration	100,000	100,000
	16.	Workshops on conversion and installation of new non-ODS central air-conditioning systems	39,600	39,600
	17.	Workshops for recycling and banking of halons	26,800	26,800
	18.	Workshops for identification of projects in the refrigeration and air-conditioning sector	19,800	19,800
Sub-total			3,288,412	2,808,412
		Project support costs	419,694	365,094
TOTAL			3,708,106	3,173,506

(a) US $150,000 already approved (UNEP/OzL.Pro/ExCom/6/3). Total funding will amount to US $450,000

(b) US $294,000 already approved (UNEP/OzL.Pro/ExCom/9/29, para.87). Total funding will amount to US $352,500

(c) US $497,000 already approved for a project to phase-out CFC-11 in flexible polyurethane foam manufacturing (UNEP/OzL.Pro/ExCom/8/29, para. 87)

(d) US $100,000 already approved (UNEP/OzL.Pro/ExCom/8/29, para. 57). Total funding will amount US $329,192

General Comments

6. Following the joint reviews at the Co-ordination Meeting of activities being submitted under the UNDP 1993 Work Programme, any possible overlaps with or duplication of activities of other implementing agencies or ongoing activities would have been avoided. The types of activities and funding levels appropriate for their implementation have been discussed and agreed.

7. The total amount of US $3,038,369 including project support costs of US $229,957 was agreed for 18 activities in 9 countries.

Specific Comments on Activities Listed in Table 1

8. The following relate to activities listed in Table 1.

8.1 **Project No. 2: Investigation of Production and Consumption of Methyl Bromide**

Although Article 5 countries have until the year 2001 to start the phase-out of this chemical, the investigation could generate data which could provide input to ongoing assessments in view of China's high ODS consumption;

8.2 **Project No. 4: Testing for CFC Substitute Chemicals Application**

On the basis of technical review of the potential needs of the project, the amount of US $100,000 was recommended for approval;

8.3 **Project No. 6: Additional Funds for Previously Approved Investment Project for Taki-Vita Company (US $293,500)**

The amount of US $293,500 requested is made up of US $196,000 equivalent to 40% of capital cost attributed to foreign ownership in the company for which approval was earlier refused and US $97,500 for operational cost for two years.

This is a resubmission of a project first submitted at the Sixth Meeting of the Executive Committee for which US $1.5 million was approved for their further preparation together with three others. At the Eighth Meeting of the Executive Committee, the project was submitted for funding its incremental cost amounting to US $490,000. This did not include operational costs. US $294,000 equivalent to 60 per cent of the incremental costs was approved, since British Vita PLC is a minority share-holder in the company. The representative of Egypt indicated that although Taki-Vita was a joint venture, there was no agreement for technology transfer and hoped that it would be possible to produce a document that showed that the remaining 40 per cent should qualify for funding as eligible incremental cost.

The UNDP representative expressed the opinion that cases of passive investment with no technology transfer should qualify for 100 per cent financing.

Subsequently, the Secretariat received from the technical reviewers of the project Rappa Inc, a copy of a letter from Arthur Anderson & Co. SC, the auditors of British Vita, which confirmed that British Vita PLC:

- is a 40% shareholder in Taki-Vita SAE;
- does not receive royalties or other payments from Taki-Vita SAE; but
- does receive dividends and directors' fees and products supplied to Taki-Vita SAE from British Vita PLC's European operations;
- is not involved in rigid foam production in any of its operations.

The Secretariat comments on this issue are as follows:

- Based on the additional information provided above on the ownership status of the company, it is of the Secretariat's opinion that the 40% of the project cost was not eligible for funding in accordance with the approved criteria on financing of activities related to enterprises that are wholly or partly owned by transnational corporations. Thus the amount of US $196,000 requested is considered ineligible for funding as incremental cost.
- The UNDP technical review indicated that material cost increases might be temporary since prices may come down under competitive pressure. Considering other factors such as possible increase in sales prices, operational incremental cost of US $48,750 per year for two years (for a total amount of US $97,500) was recommended to be included in the project proposal. However, in accordance with the criteria on financing of activities related to enterprises that are wholly of partly owned by transnational corporations, 60 per cent of the operational cost equivalent to US $58,500 is eligible for funding.
- In addition, the technical report recommends that UNDP should monitor the effective raw material costs.

8.4 **Project No. 12: Additional Funding for Country Programme Preparation**

In view of the fact that the country programme has been completed (World Bank Progress Report UNEP/OzL.Pro/ExCom/9/7) the additional funding could not be justified. US $45,000 has been approved for this activity (UNEP/OzL.Pro/ExCom/8/29, para. 57). Also, funds were made available within the

1991 and 1992 World Bank Work Programmes for country programme and project preparation; ten investment projects and an institutional strengthening project are recommended for approval for the Philippines.

All these activities provide training for government and financial institutions.

Comments on UNDP's Request for Retroactive Financing of 13 Percent Project Support Costs for the Amendments to 1992 UNDP Work Programme Approved at the Eighth Meeting of the Executive Committee and Request for Work Programme Direct Management Costs

9. The BHEARI 50% reduced foam project (US $480,000) which was transferred from the World Bank to UNDP for implementation was one of a group of six projects for which US $9.0 million was approved for the World Bank at the Seventh Meeting (UNEP/OzL.Pro/ExCom/7/30, para. 60). Project support costs should come from the approved funds for the package. The rest of the project costs amounting to US $3,505,200 did not include project support costs which are equivalent to US $455,676.

10. The amount of US $626,000 requested for Work Programme Direct Management Costs is in addition to the 13% project support costs. Thus, the total amount for direct management costs and project support costs will be US $996,270 excluding project support costs for investment projects of over US $500,000 and the 1993 projects pipeline estimated at US $28.46 million.

11. The following shows an analysis of the project management and project support costs which UNDP could potentially receive in the 1993 calendar year.

Project support costs for 1993 Work Programme to be considered at the Ninth Meeting	US $365,094
Direct Programme Management Cost	626,000
Project Support Costs for 1993 Project Pipeline at 13% of US $28.46 million	3,699,800
Total for Direct Programme Management and Project Support Costs (1993)	4,690,894

12. Thus, the total direct management cost and project support cost for 1993 could be US $4,690,894 assuming that all the projects in the 1993 Pipeline Project are developed. This will be 14.1% of the total project costs for 1993. However, in real terms, for the activities to be approved at the Ninth Meeting, the total project support cost and the direct management cost will amount to US $991,094 which is 31.2% of the projects to be approved excluding one project over US $500,000 being submitted separately.

13. In 1992 calendar year, the amount of US $749,895 was approved for UNDP consisting of US $387,000 for project support costs and US $362,895 as Headquarters technical support costs. In addition, the amount of US $220,000 has been approved for the engagement of retainer experts in the aerosol, foam, solvent and halon sectors. Much of these funds, however, remains unutilized since most of the projects have not been developed. The Secretariat is not in a position to indicate the exact amount which remains unutilized since no financial statement has been submitted by UNDP.

SECRETARIAT'S RECOMMENDATIONS

The Secretariat recommends as follows:

1. To approve of US $3,173,506 for funding of activities under the 1993 UNDP Work Programme, including project support cost of US $365,094.

2. To take note of the UNDP Calender Year 1993 Project Pipeline estimated at US $28.46 million.

3. To consider the request of UNDP for the amount of US $626,000 to cover 1993 direct programme management costs in the light of Section VI of the 1993 Work Programme document (attached), the comments of the Secretariat above, and the relevant agreement between UNDP and the Executive Committee.

4. To approve the amount of US $455,676 as project support costs for projects approved at the Eighth Meeting of the Executive Committee as amendments to UNDP 1992 Work Programme.

EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND

FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

(Ninth Meeting, 8 - 10 March 1993, Montreal)

1993 WORK PROGRAMME OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

(6 February 1993)

I. INTRODUCTION

UNDP was significantly able to increase the pace of project and programme implementation under the Montreal Protocol over the last few months. Country specific activities in most of the 25 countries UNDP is active in had either been initiated, were progressing or had been completed. However, several of UNDP's regional technical training programmes have not yet been implemented. One reason for this was UNDP's role as lead agency in assisting the Government of China in the completion of its country programme; this activity taken up a significant proportion of UNDP staff time over the last three months. The imminent recruitment of a technical training specialist by UNDP will ensure that the technical training programmes are implemented speedily. UNDP is collaborating with UNEP in the implementation of these programmes.

UNDP will be implementing two global projects in collaboration with the World Bank. The first is the global halons project and the second is the global MAC project. For the halons project, UNDP will also be collaborating with USEPA and other interested bilaterals and UNDP's halons sector expert is discussing implementation modalities with these agencies. Modalities for the global MAC project are still to be finalized.

The funds approved by the Eighth Executive Committee Meeting in October 1992 for project and programme implementation by UNDP were unfortunately received by UNDP only in end-December 1992. This has not allowed sufficient time for finalization of agreements with Governments due to UNDP rules prohibiting any signed agreements prior to receipt of funds. UNDP will be implementing those approved activities in early 1993.

II. INCLUSION OF PROJECT SUPPORT COSTS FOR SEVERAL ITEMS OF THE AMENDED 1992 UNDP WORK PROGRAMME APPROVED AT THE EIGHTH MEETING OF THE EXECUTIVE COMMITTEE IN OCTOBER 1992

At its Eighth Meeting in October 1992, the Executive Committee approved amendments to UNDP's 1992 work programme. Several of these amendments covered projects/activities either transferred to UNDP by the World Bank or resulting from approval of projects contained in approved country programmes for UNDP implementation.

UNDP's financial review of the October 1992 amendment to the UNDP 1992 work programme has shown that several of these projects approved by the Executive Committee do not yet include provision for project support costs. A status list of the approved projects is as follows:

a) China: Transfer by the World Bank to UNDP of the BHEARI 50% reduced foam project for implementation ($480,000, excludes support costs)

b) Costa Rica: UNDP implementation of projects in the approved Country Programme ($393,400, excludes support costs)

c) Cuba: ODS reconnaissance study ($22,600, includes support costs).

d) Egypt: Additional funds for UNDP implementation of four investment projects ($308,000, no support costs were included for any of the four invstment projects).

e) Ghana: UNDP implementation of projects in the approved Country Programme ($573,000, excludes support costs).

f) Global Halons Project transferred from the World Bank to UNDP for implementation ($390,000 includes support costs).

g) Global MAC Project transferred from the World Bank to UNDP for implementation ($360,000 includes support costs).

h) India: Project preparation assistance ($113,000, includes support costs).

i) India: MP institutional strengthening ($430,600, excludes support costs).

j) Indonesia: Country programme preparation ($226,000 includes support costs)

k) <u>Iran</u>: Project preparation assistance ($113,000 includes support costs).

l) <u>Iran</u>: MP institutional strengthening ($200,200, excludes support costs).

m) <u>Philippines</u>: Country programme preparation ($45,000, includes support costs).

n) <u>Uruguay</u>: Country programme preparation ($27,000, includes support costs).

o) <u>Venezuela</u>: Advance for MP Institutional Strengthening ($100,000, excludes support costs).

It is requested that the Executive Committee at its Ninth Meeting approve the following support costs for those approved projects so that project implementation can start:

a)	China: BHEARI 50% reduced foam project	$ 62,400
b)	Costa Rica: UNDP implementation of CP projects	51,142
c)	Egypt: UNDP implementation of project preparation ($102,000) and four investment projects (sub-total ($1,706,000) for a total of $1,808,000.	235,040
d)	Ghana: UNDP implementation of CP projects	74,490
e)	India: MP institutional strengthening	55,978
f)	Iran: MP institutional strengthening	26,026
g)	Venezuela: Advance for MP institutional Strengthening	13,000
	Total	518,076

III. UNDP 1993 WORK PROGRAMME FOR PROJECTS UNDER $500,000 SUBMITTED FOR APPROVAL BY THE EXECUTIVE COMMITTEE AT ITS NINTH MEETING

The project write-ups for each project submitted for approval through the Fund Secretariat to the Executive Committee form part of this submission. In summary, the following projects with requested budgets have been submitted for approval and funding:

►1. CHINA: PROJECT PREPARATION ASSISTANCE ($100,000). Within the framework of its Country Programme, the Government of China has identified over 30 potential projects with an estimated budget of $17 million that it is assigning to UNDP for project implementation in 1993. This project provides for the necessary assistance (international and national experts, internal travel, and other project preparation costs) for the preparation of at least ten of these technical assistance, demonstration and investment projects. It will cover the refrigeration, foams, solvents and halons sectors.

►2. CHINA: INVESTIGATION OF PRODUCTION AND CONSUMPTION OF METHYL BROMIDE IN CHINA ($87,000). Detailed statistical information on the production and consumption of methyl bromide is not available in China. This project will investigate actual production, capacity, inventory of applications, types of consumers and local consumption. Alternatives to methyl bromide use will be reported on and meetings will be held to promote the substitution process.

►3. CHINA: SURVEY AND ASSESSMENT OF SMALL CFC PLANTS CONVERSION POSSIBILITIES ($105,000). Small CFC production plants are spread over 15 provinces and their CFC production is not documented. This project will investigate the actual number and production of these small town and village enterprises (TVEs) and will assess for each the path of conversion to non-CFCs.

►4. CHINA: TESTING FOR APPLICATIONS OF CFC SUBSTITUTE CHEMICALS IN THE REFRIGERATION SECTOR IN SOUTHERN CHINA ($203,280). The project objective is to provide small yet sufficient quantities of CFC substitute chemicals (HFC-134a, HCFC-123, HCFC-141b, Suva-MP Ternate blend) so that refrigeration manufacturers in Southern China can run efficiency, performance and reliability tests as well as evaluate refrigerator chiller designs using these substitute chemicals.

►5. CHINA: INSTITUTIONAL STRENGTHENING ($450,000) which, taking into account the $150,000 already provided for the information clearing house, leaves a net increase in funding requested of $300,000. (see full request)

►6. EGYPT: TAKI VITA COMPANY ($293,500). This is an addition to the previously approved investment project comprising $196,000 investment cost and $97,500 operating costs ($48,750/yr for 2 years) together totalling $293,500. (see documentation attached)

►7. EGYPT: PHASEOUT OF 28 TONNES OF CFC-11 FROM MOLDED FOAMS AT MISR FOAMS ($275,000). (see documentation attached)

►8. INDIA: COUNTRY PROGRAMME FORMULATION ($200,000). The Government of India, by letter dated 5 February 1993, informed UNDP that it had been selected as lead agency for country programme formulation. The requested funding will meet the costs of sector working groups, the Inter-Ministerial Committee, workshops/seminars, recruitment of national experts and essential international experts, operational and telecommunications charges, needed travel costs and miscellaneous expenses.

►9. KENYA: INSTITUTIONAL STRENGTHENING ($222,900). (see full request)

►10. MALAYSIA: INSTITUTIONAL STRENGTHENING ($322,520). (see full request)

►11. NIGERIA: INSTITUTIONAL STRENGTHENING ($300,000). (see full request)

►12. PHILIPPINES: ADDITIONAL FUNDING FOR COUNTRY PROGRAMME PREPARATION ($39,820). At its Eighth Meeting in October 1992, the Executive Committee approved only half ($45,000 including support costs) of the official Government request for country programme preparation. These funds have been expended. The Government urgently requests the remaining half of the funds ($39,820 + support costs = $45,000) so that the Country Programme can be finalized and presented to the Executive Committee at its Tenth Meeting.

►13. THAILAND: INSTITUTIONAL STRENGTHENING ($424,000). (see full request)

►14. VENEZUELA: INSTITUTIONAL STRENGTHENING ($329,192) which, taking into account the $100,000 received at the Eighth Executive Committee Meeting, leaves a net additional request of $229,192. (see full request)

►15. VENEZUELA: PILOT PROGRAMME IN RECOVERY AND RECYCLING OF CFC-12 IN DOMESTIC REFRIGERATION ($100,000). The project comprises ten workshops in nine cities to train 200 technicians in procedures for recovery and recycling of CFC-12 in domestic refrigeration and in use of recovery equipment systems. It will facilitate the elimination of 7.56 tonnes of CFC-12 emissions when these procedures spread throughout the country.

►16. VENEZUELA: WORKSHOPS ON CONVERSION AND INSTALLATION OF NEW CENTRAL AIRCONDITIONING SYSTEMS USING NON-ODS ($39,600). Six workshops in different cities will be conducted to motivate the conversion of 200 central airconditioning systems to use non-ODS substances and to facilitate project preparation.

►17. VENEZUELA: WORKSHOPS FOR RECYCLING AND BANKING OF HALONS ($26,800). Four workshops will be held in various cities to disseminate information on halons recycling and recovery and on the establishment of halons data banks. As a result, the import of halons will be reduced substantially for use in both portable equipment and fixed installations.

►18. VENEZUELA: WORKSHOPS FOR IDENTIFICATION OF PROJECTS IN THE REFRIGERATION AND AIRCONDITIONING SECTOR ($19,800). Two workshops directed at the identification of projects for the substitution of CFC-12 by HFC-134a as a refrigerant, and the reduction or elimination of CFC-11 in insulating panels in nationally produced domestic and commercial refrigerators.

Thus UNDP's 1993 Work Programme comprising projects and activities under $500,000 with the requested funding level for each project is as follows:

Country	No.	Project Title	Requested Project Cost (US $)
China	1.	Project preparation assistance	100,000
	2.	Survey of production & consumption of methyl bromide in China	87,000
	3.	Survey and assessment of small CFC plants conversion possibilities	105,000
	4.	Testing for applications of CFC substitutes chemicals in the refrigeration sector in Southern China.	203,280
	5.	Institutional Strengthening (additional cost)	300,000

Country	No.	Project Title	Requested Project Cost (US $)
Egypt	6.	Additional funds for previously approved investment project for Taki-Vita Company	293,500
	7.	Phaseout 28 tonnes of CFC-11 in molded foam manufacturing at Misr Foams	275,000
India	8.	Country programme formulation	200,000
Kenya	9.	Institutional strengthening	222,900
Malaysia	10.	Institutional strengthening	322,520
Nigeria	11.	Institutional strengthening	300,000
Philippines	12.	Additional funding for country programme preparation	39,820
Thailand	13.	Institutional strengthening	424,000
Venezuela	14.	Institutional strengthening (additional funding)	229,192
	15.	Pilot programme in recovery and recycling of CFC-12 in domestic refrigeration	100,000
	16.	Workshops on conversion and installation of new non-ODS central airconditioning systems	39,600
	17.	Workshops for recycling and banking of halons	26,800
	18.	Workshops for identification of projects in the refrigeration and airconditioning sector	19,800
		Sub-total	3,288,412
		Add project support costs	419,694
		TOTAL	3,708,106

IV. PROJECTS OVER $500,000 SUBMITTED FOR APPROVAL BY THE EXECUTIVE COMMITTEE AT ITS NINTH MEETING FOR UNDP IMPLEMENTATION

1. Egypt: Elimination of CFC-12 in the Manufacture of Extruded Polystyrene Foam at the Al-Sharif Plastics Factory ($1,460,000). The company is Egypt's largest manufacturer of extruded polystyrene foam sheeting which is used mainly for fast food service and packaging applications. CFC-12 is currently utilized in the production process as a blowing agent. Under this project, CFC-12 will be

replaced by butane and safety measures form a key part of the project. The project would reduce CFC-12 use by 75 tonnes per year based on estimated 1993 consumption.

SUMMARY

Country	No.	Project Title	Requested Project Cost (US $)
Egypt	1	Elimination of CFC-12 in the Manufacture of Extruded Polystyrene Foam at the Al-Sharif Plastics Factory	$1,460,000
		Sub-Total	1,460,000
		Add project support costs	189,800
		Total	1,649,800

V. UNDP CALENDAR YEAR 1993 PROJECT PIPELINE

A calendar year 1993 project pipeline of $28.46 million has been provisionally identified in the larger ODS consuming countries. At present the listing comprises 20 projects in 8 countries. They are as follows:

Country	No.	Project	Estimated Project Cost (US $)
Brazil	1.	Investment projects in foams	2,500,000
	2.	Technical assistance, demonstration and training in the halons sector	200,000
	3.	Investment projects in solvents	1,000,000
China	4.	Investment projects in foams	2,000,000
	5.	Technical assistance in foams	200,000
	6.	Investment projects in halons	2,000,000
	7.	Technical assistance in halons	700,000
	8.	Investment projects in refrigeration	2,300,000
	9.	Technical assistance in refrigeration	400,000
	10.	Demonstration projects in solvents	200,000
	11.	Investment projects in solvents	1,400,000
	12.	Technical assistance and demonstration in various sectors	1,500,000

Country	No.	Project	Estimated Project Cost (US $)
India	13.	Technical assistance in several sectors	300,000
Indonesia	14.	Investment projects in foams	1,000,000
Malaysia	15.	Investment projects in aerosol	1,660,000
	16.	Investment projects in refrigeration	900,000
	17.	Investment projects in solvents	9,700,000
Nigeria	18.	Technical assistance in halons	200,000
Philippines	19.	Technical assistance in halons	200,000
Thailand	20.	Technical assistance in halons	100,000
		Total	28,460,000

VI. UNDP'S DIRECT PROGRAMME MANAGEMENT COSTS IN 1993

UNDP has a dual role as both a funding agency for UN system programmes and activities, and as an implementing agency for Trust Fund activities that include UNDP's work programmes under the Multilateral Fund of the Montreal Protocol. Under its regulations, UNDP has to utilize the services of one of the UN Agencies, including its Office of Project Services to carry out the activities in connection with its role as an implementing agency under Trust Fund agreements. Thus project support costs go primarily to the UN agencies rather than to UNDP itself.

UNDP's direct technical and programme management costs cover overall programme management and coordination, policy and financial analysis and reporting, and technical co-ordination with the World Bank's OORG (Ozone Operations Research Group) on CFC replacement technology applications. Additionally these costs cover review and evaluation of UNDP-implemented training, demonstration and investment projects, as well as representation at meetings of the Executive Committee, Coordination Meetings and other essential travel. These direct costs cover both key UNDP headquarters services as well as UNDP Field Office support services. The latter are essential to both UNDP programme implementation and in-country coordination of implementing agency work programmes, since the UNDP Field Office in most cases also represents UNEP and UNIDO and liaises closely with the World Bank Field Offices where they exist.

For all of 1993, the minimum level of UNDP's direct programme management costs for UNDP headquarters and UNDP Field Offices is estimated at $626,000 disaggregated as follows:

a) UNDP headquarters programme manager, a senior specialist on CFC replacement technologies, a technical officer on project design, implementation and evaluation, a principal programme/administrative assistant and one secretary. These costs total $431,000.

b) UNDP Field Office direct programme management costs covering 25 countries at the present time and likely to double by end-1993 are estimated at $125,000.

c) Essential official travel costs at $50,000.

d) Miscellaneous costs including telecommunications, office supplies and related items totaling $20,000.

Whereas UNDP had requested and received support costs on its direct programme management costs in 1992 from the Multilateral Fund, no such request is being made this year. The detailed statements on income and expenditure for UNDP's 1992 work programme will be presented to the Executive Committee at its Tenth Meeting in mid-1993.

* * * * *

PROJECT OUTLINE

COUNTRY	:	CHINA
SECTOR COVERED	:	Methyl Bromide
SECTORAL ODS CONSUMPTION	:	Unknown
PROJECT TITLE	:	Investigation of Production and Consumption of Methyl Bromide in China
PROJECT DURATION	:	One year
PROJECT IMPACT	:	This project will provide the basic information on production and consumption of methyl bromide in China for a potential future phaseout programme.
PROPOSED BUDGET	:	US$87,000
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	National Environmental Protection Agency (NEPA)

PROJECT DESCRIPTION

Detailed statistical information on the production and consumption of methyl bromide in China is not available in China. Methyl bromide use in China has developed only recently and is continuing to expand. It is, therefore, essential to survey the present status of methyl bromide in order to develop a successful programme for controlling this ODS.

This project will investigate the actual production, capacity, number of producers, inventory of applications, consumers and local consumption. A final report and a proposal regarding alternatives to methyl bromide will be submitted to the two substantively concerned Ministries - the Ministry of Chemical Industry (MCI) and the Ministry of Agriculture (MOA).

The action plan is as follows: A survey team will be formed consisting of experts involved in methyl bromide production and applications. This team will design and implement the survey and will provide a detailed report including proposals on alternatives to methyl bromide use. Following the survey, MCI and MOA will organize regional meetings of producers and consumers to discuss the problems in phaseout of methyl bromide. The final survey report and phaseout meeting will be jointly organized by MCI and MOA. The schedule consists of the survey during May 1993-October 1993, meetings and workshops during November 1993-February 1994, and a final report in May 1994.

The budget of $92,000 includes the fees and internal travel expenses of the survey team ($25,000), development of the data reporting system ($15,000), costs of organizing the regional and national meetings/workshops ($30,000), communications and operational expenses ($13,000), and miscellaneous expenses ($4,000).

PROJECT OUTLINE

COUNTRY	: CHINA
SECTOR COVERED	: ODS Substitutes
PROJECT TITLE	: Survey and Assessment of Small CFC Plant Conversion Possibilities
PROJECT DURATION	: One year
PROJECT IMPACT	: This project will provide basic information on previously unknown CFC production in small CFC plants in small towns/villages so as to assist the Government plan for the timely phaseout of CFC production.
PROPOSED BUDGET	: US$105,000
IMPLEMENTING AGENCY	: UNDP
NATIONAL COORDINATING AGENCY	: National Environmental Protection Agency (NEPA)

PROJECT DESCRIPTION

Small CFC plants are spread widely in 15 provinces, from Canton to Liaoning and Jiangsu to Shanxi. These small plants have been almost independent of regulation by the Ministry of Chemical Industry (MCI) and their actual CFC production is not documented. The objective of this project is: (a) to investigate the actual number and present status of these CFC plants; and (b) to assess the path of conversion or shut down of this CFC production. The output would be a final survey report and a proposal on possible phaseout options presented to relevant Government ministries and departments.

A survey group consisting principally of experts from the chemical industry group who were involved in the preparation of the Country Programme will undertake the survey and produce the survey report including proposals on the various plants' CFC conversion options. After the survey, MCI will sponsor several regional and provincial meetings for these plant managers and local Government officials to clarify the Government strategy on the phaseout of CFC production, and to discuss available options. MCI will be assisted by the Zhejian Chemical Engineering Institute which will help the small producers select appropriate options, and will train plant statisticians in reporting actual CFC production/use data. The final report and proposals will be assessed in a meeting jointly with these plants, organized by MCI.

The schedule consists of the survey during May 1993-October 1993; meetings during from November 1993-February 1994 and a final report in May 1994.

The budget of $110,500 covers fees and travel expenses of the survey team ($30,000), development of the data reporting systems for the plants ($15,000), costs of organizing local and regional meetings and one national meeting ($30,000), communications and operational expenses ($20,000) and miscellaneous expenses/ contingencies ($10,000).

PROJECT OUTLINE

COUNTRY	: CHINA
SECTOR COVERED	: Refrigeration
PROJECT TITLE	: Testing for Applications of CFC Substitute Chemicals in the Refrigeration Sector in Southern China
PROJECT DURATION	: One year
PROJECT IMPACT	: This project will assist local manufacturers in the refrigeration sector in Southern China to accomplish their five-year CFC phaseout plan by using CFC substitute chemicals.
PROPOSED BUDGET	: US$203,280
IMPLEMENTING AGENCY	: UNDP
NATIONAL COORDINATING AGENCY	: National Environmental Protection Agency (NEPA)

PROJECT DESCRIPTION

Reporting to the Ministry of Commerce, Guangdong Chemicals Trading Co. is a major importer and seller of CFCs in China. The company is willing to promote application of CFC substitutes by assisting manufacturers in the refrigeration sector in Southern China in their CFC five-year phaseout plan. This project will cover 80% of all concerned manufacturers in Southern China, will promote 50% replacement of CFCs by these manufacturers, and will gradually reduce sales of CFCs and increase sales of CFC substitutes.

This project covers the central purchasing and disbursement of various refrigeration sector CFC substitute chemicals from several worldwide suppliers of these materials. Total quantities to be purchased in small lots will amount to 20 metric tonnes. The objective is to provide small but sufficient quantities of these substitute materials quickly and efficiently so that refrigeration manufacturers in Southern China can run efficiency, performance and reliability tests (e.g. checking for temperature and heat losses) as well as evaluate refrigerator chiller designs using substitute chemicals. As a first step this year (1993), certain CFC substitutes will be imported for tests and trial use by the manufacturers in Southern China.

The following prices effective Dec. 30, 1992 have been obtained from major suppliers of CFC substitutes:

a) <u>Du Pont Company</u>, U.S.A.

Suva-Cold-MP (HFC-134a)	$12.78/kg
Suva-MP (Ternate)	$11.65/kg
HCFC-123 (for CFC-11)	$ 4.62/kg

(The Ternate is a ready drop-in suitable for retrofitting existing systems, thus preventing the cost of early obsolescence).

b) <u>Allied-Signal Company</u>, U.S.A.
   HCFC-141b (for CFC-113) $5.35/kg

It is proposed that the following quantities (with relevant costs) be imported in 1993 totalling $203,280 so that the CFC replacement effort can start as soon as possible:

1) Suva-Cold-MP (HFC-134a), 5,000 kg. costing $63,900
2) Suva-MP (Ternate), 9,000 kg. costing $104,850
3) HCFC-123, 4,000 kg. costing $18,480
4) HCFC-141b, 3,000 kg. costing $16,050

PROJECT OUTLINE

COUNTRY	:	CHINA
SECTOR/AREA COVERED	:	All ODS consuming sectors
ODS CONSUMPTION	:	48,239 metric tonnes in 1991
PROJECT TITLE	:	Project preparation assistance
PROJECT DURATION	:	One year
PROJECT IMPACT	:	Preparation of technical assistance, demonstration and investment projects for submission to the Executive Committee for approval at its Tenth and and subsequent Meetings
PROPOSED BUDGET	:	US $100,000
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	National Environment Protection Agency (NEPA)

PROJECT DESCRIPTION

According to the draft Country Programme, 1991 ODS consumption in China was 48,239 metric tonnes with the following sectoral shares: foams (36.8%), refrigeration & airconditioning (26.7%), aerosols (17.8%), solvents (10.3%), and halons for fire extinguishing (8.4%). Calculations in the Country Programme have shown unconstrained ODS demand could reach 255,646 metric tonnes by year 2010.

The Government has identified over thirty potential projects with total budgets of $17 million that it intends to assign to UNDP for project implementation in 1993. Thus the preparation of technical assistance, demonstration and investment projects for submission by China to the Executive Committee for approval at its Tenth and subsequent Meetings would require provision for international expert assistance, national experts, other related project preparation support costs and necessary travel and perdiem within China for international and national experts.

Project preparation assistance would apply to the following sectors:

a) Refrigeration and airconditioning - up to 6 projects
b) Solvents - up to 4 projects
c) Foams - up to 4 projects
d) Halons - up to 5 projects with certain projects coming under UNDP's Global Halons Project.
e) Mobile air-conditioning - 1 project, which would be covered under UNDP's Global MAC Project.

The Government will indicate to UNDP the specific projects on which the above financial assistance is to be expended.

PROJECT OUTLINE

COUNTRY	:	INDIA
SECTOR/AREA COVERED	:	Country programme formulation
ODS CONSUMPTION	:	10,700 metric tonnes in 1991
PROJECT TITLE	:	Assistance in Country Programme Formulation
PROJECT DURATION	:	One year
PROJECT IMPACT	:	Preparation of the Country Programme for the Phaseout of Ozone Depleting Substances for presentation to the Multilateral Fund
PROPOSED BUDGET	:	US $200,000
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	Ministry of Environment and Forests (MOEF)

PROJECT DESCRIPTION

India ratified the London Amendment to the Montreal Protocol on 19 June 1992. A summary review of ODS consumption in India shows estimated consumption of 10,700 metric tonnes of ODS in 1991 with the following approximate sectoral shares: refrigeration & airconditioning (66%), solvents, foams, and aerosols combined (25%) and halons for fire extinguishing (9%). Preliminary calculations by the Government have shown unconstrained ODS demand could reach 124,640 metric tonnes by year 2010.

According to Montreal Protocol guidelines, it is essential that India initiate the process of country programme formulation and presentation so as to facilitate consideration and approval of investment projects. The Government has selected UNDP as lead agency for country programme preparation. UNDP would involve, as appropriate and with Government approval, the other three implementing agencies (UNEP, UNIDO, World Bank) for specific aspects of the country programme.

The requested funding will be expended to meet the costs of meetings of sector working groups and an Inter-Ministerial Committee, workshops/seminars, recruitment of national sectoral experts, the assistance of appropriate national consulting bodies to be responsible for analytic studies, qualified international experts for the provision of critical advice in sectoral technology analysis and in incremental and financial cost analysis, operational and telecommunications costs, needed travel costs, and miscellaneous expenses.

PROJECT OUTLINE

COUNTRY	:	Philippines
SECTOR/AREA COVERED	:	Country programme formulation
ODS CONSUMPTION	:	3,062 metric tonnes in 1990
PROJECT TITLE	:	Request for additional assistance for completion of the country programme
PROJECT DURATION	:	4 months
PROJECT IMPACT	:	Development of the country programme which is required by the Multilateral Fund
PROPOSED BUDGET	:	US $45,000 additional
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	Department of Environment and Natural Resources (DENR)

PROJECT DESCRIPTION

At the Eighth Meeting of the Executive Committee during 19-21 October 1992, at the request of the Philippines, UNDP had presented a proposal for country programme formulation amounting to $90,000.

The country programme formulation exercise has reviewed, updated and expanded the database. An ODS phaseout model has determined an optimum phaseout schedule. Workshops and consultative meetings with industry representatives have and are being held for strategy and project/policy formulation. An action programme has been drafted and is being discussed with industry. This strategy will also identify mechanisms to strengthen both government and industry capabilities in this area.

Of the requested funding of $90,000, only half ($45,000) was approved by the Executive Committee. UNDP stated in para 55 of the Report of the Eighth Meeting that $45,000 was inadequate funding for country programme formulation. While the Philippines country programme should be ready for presentation to the Tenth Meeting of the Executive Committee, since the previously authorized funding of $45,000 has already been expended, country programme preparation activities are grinding to a halt.

It is urgently requested that the Executive Committee approve the second half ($45,000) of the original request for $90,000 to facilitate completion of the country programme and presentation to its Tenth Meeting. The initial installment has gone towards studies and analysis and secretariat support (55%), sectoral consultations and sectoral and national working group meetings including travel (25%), and operational, telecommunications and miscellaneous expenses (15%). The same approximate percentages would apply for the components for the second half funding request. The Government counterpart contribution to country programme formulation amounts to $17,600 equivalent and covers government staff, office space, equipment, office supplies and local transportation.

The Philippines requests that the Executive Committee speedily approve the remaining $45,000 so that the Country Programme can be finalized.

PROJECT OUTLINE

COUNTRY	:	VENEZUELA
SECTOR COVERED	:	Refrigeration and Airconditioning
ODS CONSUMED IN SECTOR	:	3,083 tonnes of CFC-12 in 1992
TITLE OF PROJECT	:	Workshops for Identification of Projects in the Refrigeration and Airconditioning Sector
DURATION OF PROJECT	:	6 months
IMPACT OF PROJECT	:	Develop four projects to substitute CFC-12 by refrigerants such as HFC-134a and the reduction of CFC-11 in the panels of domestic/commercial refrigerators
PROPOSED BUDGET	:	US$19,800
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	FONDOIN

PROJECT DESCRIPTION

FONDOIN is working with VENACOR to implement during the first half of 1993, two workshops directed at the identification of projects for the substitution of CFC-12 with HFC-134a as a refrigerant; and the reduction or elimination of the consumption of CFC-11 in insulating panels in the national production of domestic and commercial refrigerators.

Participating in each workshop will be representatives of the industries which manufacture refrigerators and components, such as compressors. The workshops will include information on the Montreal Protocol, programmes of the Multilateral Fund, its implementing agencies and FONDOIN, and the available technologies using substances which are not harmful to the ozone layer. As a result of the workshops, it is intended that at least four projects will be generated for retrofit of the industries for the elimination of consumption of CFCs in the sector.

The proposed cost of $19,800 covers two workshops. The costs for each workshop comprise:

Travel/DSA for one foreign expert	US$3,500
Meeting room rent	US$1,800
Rental of audiovisual equipment and rooms	US$1,000
Interpreters	US$ 700
Reproduction of documents	US$ 500
Correspondence and advertising	US$ 300
Local personnel	US$1,200
Miscellaneous contingencies	US$ 900
TOTAL FOR EACH WORKSHOP	US$9,900

PROJECT OUTLINE

COUNTRY	:	VENEZUELA
SECTOR COVERED	:	Refrigeration and Airconditioning
ODS CONSUMED IN SECTOR	:	3,083 tonnes of CFC-12 in 1992
TITLE OF PROJECT	:	Pilot Programme in Recovery and Recycling of CFC-12 in Domestic Refrigeration.
DURATION OF PROJECT	:	One year
IMPACT OF PROJECT	:	Elimination of the annual emissions of 7.56 tonnes of CFC-12 in the maintenance and repair of domestic refrigerators. Obtain experience in the recovery and recycling of CFC-12 in domestic refrigerators before extention to other companies.
PROPOSED BUDGET	:	US$100,000
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	FONDOIN

PROJECT DESCRIPTION

MADOSA, the principal manufacturer of domestic refrigerators in Venezuela, has ten shops for maintenance and repair of these and other equipment, with a total of 200 technicians. The enterprise is willing to include the recovery and recycling of CFC-12 in its shops and in its servicing in homes. The recovered refrigerant will be placed in cylinders and sent to PRODUVEN, a local CFC manufacturer, for regeneration and reuse. It is estimated that average emissions of about 7.56 tonnes of CFC-12 will be eliminated.

The programme will comprise ten workshops in nine cities to train the 200 technicians in procedures for recovery and recycling, and use of 50 recovery equipment systems in all the districts covered by the enterprise. The experience obtained will be evaluated by FONDOIN to determine the practicality of extending it to other enterprises. The costs of the project are listed below:

Travel/meals for Instructors	US$ 6,250
Teaching Materials	US$ 2,500
Audiovisual Equipment Rental	US$ 3,000
Participants Lunch (200)	US$ 3,000
Local Personnel	US$ 6,250
Local Rentals	US$ 9,000
CFC recovery equipment (50)	US$ 46,000
Small carts (50)	US$ 7,500
CFC Cylinders (24)	US$ 7,500
Contingencies	US$ 9,000
Total	US$100,000

PROJECT OUTLINE

COUNTRY	:	VENEZUELA
SECTOR COVERED	:	Refrigeration and Airconditioning
ODS CONSUMED IN SECTOR	:	3,083 tonnes of CFC-12 in 1992
TITLE OF PROJECT	:	Workshops on Conversion and Installation of New non-ODS Central Airconditioning Systems
DURATION OF PROJECT	:	One year
IMPACT OF PROJECT	:	Generation of projects to reconvert 200 central airconditioning equipment systems. Elimination of potential new equipment using ODS.
PROPOSED BUDGET	:	US$39,600
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	FONDOIN

PROJECT DESCRIPTION

FONDOIN has agreed with AVIEM to carry out, in 1993, six workshops in different cities directed at various industries involved with central airconditioning system designs, with the purpose of motivating them to incorporate new equipment or retrofit existing equipment to use non-ODS substances.

The workshops will include information on the Montreal Protocol, the programmes of the Multilateral Fund, its implementing agencies and FONDOIN, and the available technologies for retrofitting and new central airconditioning equipment which do not use controlled substances. It is intended that, as a result of the workshops, projects will be generated for the retrofitting of some 200 central airconditioning systems and the elimination of the option of installing new equipment which operates with ODS.

The total cost for the six workshops is $39,600. The cost for each workshop will be $6,600 comprising:

Travel and meals	US$2,000
Meeting Facilities Rental	US$1,800
Equipment rental	US$ 300
Reproduction of documents	US$ 350
Press Releases and Correspondence	US$ 400
Local Personnel	US$1,150
Miscellaneous contingencies	US$ 600
Total for each Workshop	US$6,600

PROJECT OUTLINE

COUNTRY	:	VENEZUELA
SECTOR COVERED	:	Halons
ODS CONSUMED IN SECTOR	:	32 tonnes of halons in 1990
TITLE OF PROJECT	:	Workshops for Recycling and Banking of Halons.
DURATION OF PROJECT	:	One year
IMPACT OF PROJECT	:	Information dissemination on halons recycling and establishment of halon banks, and reduced import of halons as an option in portable equipment and fixed new installations.
PROPOSED BUDGET	:	US$26,800
IMPLEMENTING AGENCY	:	UNDP
NATIONAL COORDINATING AGENCY	:	FONDOIN

PROJECT DESCRIPTION

FONDOIN is working with ADESA and MARNRN to develop four workshops for 1993 in various cities. They are directed at enterprises and users of fire protection systems with the purpose of introducing the practices of recycling of halons, the establishment of halon banks and elimination of halons as an option, in both portable equipment as well as in fixed new installations.

The workshops will include information on the Montreal Protocol, the Multilateral Fund programmes, the work of the implementing agencies and FONDION, and the available alternative techniques for the conservation of halons and the reuse. As a result of the workshops, the recovery and recycling of halons and the establishment of halon banks will be increased and the import of these substances will be reduced substantially, and other alternatives already in existence or new substitutes for halons in portable equipment and fixed installations will be introduced.

The total project budget for the four workshops is $26,800 and the cost for each workshop will be $6,700 comprising:

Travel and meals	US$2,000
Local rental	US$1,800
Equipment rental	US$ 300
Reproduction of documents	US$ 450
Press releases and correspondence	US$ 350
Local Personnel	US$1,200
Miscellaneous	US$ 600
Total for each Workshop	US$6,700

国 家 环 境 保 护 局

NATIONAL ENVIRONMENTAL PROTECTION AGENCY

NO. 115. XIZHIMENNEI NANXIAOJIE
BEIJING 100035
THE PEOPLE'S REPUBLIC OF CHINA

TEL:6011193,6024553
TELEX:222359 NEPA CN
FAX:6011194

To: Dr. Omar El-Arini
Chief Officer, Multilateral Fund Secretariat,
Montreal, Canada
Fax: 514-282-0068

CC: Mr. Arthur Holcombe, Resident Representative
UNDP, Beijing, China

From: Wang Yangzu
Deputy Administrator,
NEPA
Fax: 861-8328013

15, Feb. 1993

Dear Dr. El-Arini:

Enclosed pleased find the "Institutional Strengthening Project" for approval by the Executive Committee at the Ninth Meeting during March 1993.

As you know, China is the biggest consumer of ODS in Developing Countries and the consumers in China are located in different provinces. So that the Institutional Strengthen Project is very important in implementation of ODS phase-out projects. Your support in matter is highly appreciated. Please take this letter as the formal request from China to you.

For your information, our new fax No. is 861-8328013, since your fax was received by our office only one hour ago.

With best regards.

Yours sincerely,

王扬祖

Wang Yangzu
Deputy Administrator
NEPA

INSTITUTIONAL STRENGTHENING SUPPORT FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL IN CHINA

I. GENERAL

1.	Title of Request:	Institutional Strengthening for China under the Multilateral Fund for the Implementation of the Montreal Protocol
2.	Name of Country:	CHINA
3.	Executing Agency:	National Environmental Protection Agency (NEPA)
4.	Implementing Agency:	UNDP
5.	GNP/Capita in US $ (1991)	$307.00
6.	Consumption of controlled substances:	48,239 metric tonnes ODS or 60,352 metric tonnes ODP equivalent in 1991

7. Consumption of controlled substance by sector:

Foams: 17,773 tonnes ODS; 17,773 tonnes ODP
Refrigeration: 12,869 tonnes ODS; 12,869 tonnes ODP
Halons: 4,050 tonnes ODS; 16,800 tonnes ODP
Aerosols: 8,600 tonnes ODS; 8,600 tonnes ODP
Solvents: 4,947 tonnes ODS; 4,310 tonnes ODP

8. Objectives:

The long term objective of the institutional strengthening project is to provide an effective institutional mechanism for coordinating, within the country, national and international efforts for the protection of the Ozone Layer. The immediate objective is to initiate and coordinate sectoral and national actions in China aimed at the speedy phaseout of ODS as specified in the China Country Programme for the Phaseout of Ozone Depleting Substances.

9. Scope of the Project:

The activities under the project would cover the entire country.

10. <u>Justification</u>

China qualifies as a Party operating under Paragraph 1 of Article 5 of the amended Montreal Protocol, having ratified the Vienna Convention for Ozone Layer Protection in September 1989 and the Montreal Protocol on Substances that Deplete the Ozone Layer in June 1991. China has drafted its Country Programme for the Phaseout of Ozone Depleting Substances in accordance with Protocol guidelines as contained in paragraph 10 of Appendix II of Annex IV to the Report of the Second Meeting of the Parties. This will enable China to adopt completely and effectively the control measures enumerated under the Protocol and to qualify for technical assistance and funding provided by the Multilateral Fund of the Protocol.

The China Country Programme, which is being presented to the Ninth Meeting of the Executive Committee of the Multilateral Fund, will demonstrate the process of implementation of a basic national policy for environmental protection and the Government's determination to implement provisions of the Protocol despite the difficult and complex economic and technical factors that China will face in programme implementation. China has developed a comprehensive and effective action plan for ODS phaseout, with projects specified by sector. Simultaneously, a set of policies and required institutional framework that the Government considers essential to support, direct and supervise the action plan so as fully operationalize the Country Programme have been developed. This framework will support, direct and supervise project and programme implementation as well as evaluate action plan results.

There are twenty controlled substances under the amended Protocol of which the following seven are commonly produced and used in China:

Annex A Group I: CFC-11, CFC-12, CFC-113
Annex A Group II: Halon-1211, Halon-1301
Annex B Group II: Carbon tetrachloride (CTC)
Annex B Group III: Methyl chloroform (TCE)

Table 1 shows China's production, consumption and imports of ODS in 1991 as well as their ODP equivalent. China's ODS consumption in 1991 was 48,239 tonnes, of which 62.8% was produced domestically and 37.2% was imported. In ODP terms, total consumption in 1991 was 60,352 tonnes of which 66.9% was produced domestically and 33.1% was imported.

Table 1
ODS/ODP Production, Consumption and Imports in 1991
(Metric tonnes)

ODS	CFC-11	CFC-12	CFC-113	H-1211	H-1301	CTC	TCE	TOTAL
ODS Production	3,100	21,900	800	3,500	10	249	737	30,296
ODS imports	13,130	1,112	2,861	500	40	0	300	17,943
ODS Consumption	16,230	23,012	3,661	4,000	50	249	1,037	48,239
ODS %age share	33.7	47.7	7.6	8.3	0.1	0.5	2.1	
ODP Value	1.0	1.0	1.07	4	16	1.08	0.12	
ODP Production	3,100	21,900	856	14,000	160	269	88	40,373
ODP Consumption	16,230	23,012	3,917	16,000	800	269	124	60,352
ODP %age Share	26.9	38.1	6.5	26.5	1.3	0.4	0.2	100
% Local Production	19.1	95.2	21.9	87.5	20	100	71.1	66.9

Table 2 shows 1991 ODS/ODP consumption by sector. In ODP terms, the foams sector is the largest user amounting for 29.5% of total consumption, followed by halons use at 27.8%, then refrigeration at 21.3%, then aerosols at 14.3% and finally solvents at 7.1%.

TABLE 2
ODS AND ODP CONSUMPTION BY SECTOR IN 1991
(Metric tonnes and percent)

	Foams	Refrigeration/AC	Fire Extinguishing	Aerosols	Solvents	Total
ODS	17,773	12,869	4,050	8,600	4,947	48,239
%	(36.8)	(26.7)	(8.4)	(17.8)	(10.3)	(100)
ODP	17,773	12,869	16,800	8,600	4,310	60,352
%	(29.4)	(21.3)	(27.8)	(14.3)	(7.1)	(100)

China is fully committed to the speedy phaseout of ODS as required under the Montreal Protocol. Recognizing the critical role institutional capabilities play in the proper and effective implementation of the Protocol, China has already set up the necessary machinery within its administrative structure to enable it to meet its obligations under the Protocol. However, given that China consumed over 60,000 metric tonnes of ODP equivalent in 1991, that ODS consumption is rising rapidly in most sectors and that unconstrained ODP demand by year 2010 could reach 320,000 metric tonnes, China requires support to build its institutional capabilities to enable it to directly supervise and monitor the ambitious ODS phaseout presented in its Country Programme which has a net incremental cost figure of around $1.43 billion for project implementation.

11. Beneficiaries of the Project:

(a) Industries and plants, large and small, using ODS in their manufacturing processes.

(b) The numerous refrigeration/airconditioning servicing outlets.

(c) The producers of various types of ODS in China.

(d) Importers of ODS and their distributors

(e) Local environmental pollution control bodies.

While NEPA (National Environmental Protection Agency) is the lead agency in China for the implementation of the Montreal Protocol, the other official organizations (Ministries, Departments, etc). which would be affected include the:

- Ministry of Commerce (MOC)
- Ministry of Light Industry (MLI)
- Ministry of Public Security (MPS)
- Ministry of Aerospace Industry (MAI)
- Ministry of Chemical Industry (MCI)
- Ministry of Machinery and Electronics Industry (MMEI)
- State Planning Commission (SPC)
- State Science and Technology Commission (SSTC)
- Ministry of Finance (MOF)
- Ministry of Foreign Affairs (MFA)
- Ministry of Foreign Economic Relations and Trade (MOFERT)
- General Administration of Customs, etc.

12. Capabilities of Beneficiaries

While several of the beneficiaries have the capabilities on their own to carry out ODS phaseout activities, there is an essential need for information dissemination and overall country programme management to ensure the cost-effective use of resources and maximize programme results.

II. STRUCTURE, MANAGEMENT AND ACTIVITIES

1.(i) The organization requiring institutional strengthening is an Agency of the Government of China with overall responsibility for environmental protection in China.

(ii) Main responsibilities of the Agency: The main responsibilities of the National Environmental Protection AGency (NEPA) are as follows:

- Formulation of comprehensive environmental protection policies, regulations and strategies for long-term development of environmental protection in China.

- Formulation of technical and economic policies, plans and standards for environmental management and natural resource conservation.

- Supervision of the implementation of environmental policies and environmental management and providing the needed coordination among various Ministries, sectors and local governments.

(iii) The National Environmental Protection Agency (NEPA) is responsible for the supervision of Country Programme implementation. This includes elaborating international cooperation projects, establishment of related regulations, evaluation of ODS production, import, export and consumption, and supervision of the collection and reporting of data on ODS production and consumption. NEPA acts as a focal point as assigned by the State Council to provide liaison and coordination among the substantive Ministries and industries. Under the leadership of the Administrator of NEPA, there are two departments within NEPA involved in this work. The Office of Foreign Affairs is responsible for international cooperation and exchange of information on environmental protection programme; it also manages general foreign affairs and reviews international cooperation projects. The Department of Pollution Management directs the drafting of pollution control regulations and technical and economic policies relating to water, air, solid waste, oceans, noise, etc.

(iv) In order to achieve the objectives of the ODS phaseout strategy in the Country Programme, assistance is needed in two areas within NEPA.

(a) Support for the Information Clearing-House
(b) Support for the Programme Management Office.

Both these units will report directly to the Deputy Administrator of NEPA who has overall supervisory responsibility for implementation of the China Country Programme for the Phaseout of Ozone Depleting Substances.

(v) <u>INFORMATION CLEARING HOUSE</u>:

This activity has already been approved and funded by the Executive Committee of the Multilateral Fund in 1992. In order to achieve the targets in the ODS phaseout programme as set out in the Country Programme, appropriate assistance must be provided by the collection and dissemination of timely information on data and technology options. The Information Clearing House has been set up within NEPA to do the following:

- Effective liaison, dissemination of information to support various programmes and activities and to create national awareness in order to encourage and enhance cooperation between local governments, industries and public.

- A data collection and reporting function. China is a huge country with thousands of industries using ODS ranging from township and village enterprises to large state-owned enterprises. These industries are scattered throughout the country rendering data collection difficult. This Information Clearing House is therefore essential in data collection and analysis activities.

- The Information Clearing House would maintain close contact with UNEP IE/PAC in order to receive technical information for dissemination within the country. This process should be equipped and computerized by E-mail to work as a routine mechanism for information exchange.

- This Information Clearing House will make an arrangement with UNEP IE/PAC to translate and publish "OzoneAction: into Chinese for dissemination within the country. It will also publish a "Chinese Ozone Action" newsletter to make information available to the public and domestic industries.

- The Information Clearing House would also exchange instruction with other Parties to the Protocol as well as information centres on ODS substitution.

(vi) PROGRAMME MANAGEMENT OFFICE

According to the ODS phaseout plan in the Country Programme, there will be over 170 projects for the phaseout of ODS production and consumption in China which include systems support, technology development, demonstration projects, technical transfer and shifting, extension and recovery/recycling. The net incremental costs being requested from the Multilateral Fund would amount to $1.43 billion for implementation of these ODS phaseout projects. All sectors would be involved as well as hundreds of ODS producing and ODS using enterprises in the aerosols, solvents, foams, refrigeration and fire-extinguishing sectors.

Since NEPA has been assigned the responsibility for supervision of implementation of China Country Programme, a unit has been established within NEPA called the Programme Management Office to supervise, coordinate and monitor the technical implementation of the ODS phaseout programme in China and to report to NEPA senior management on the progress of the ODS phaseout effort, and to submit the necessary input for NEPA's reports to fulfil China's obligations as a Party to the Protocol.

The specific responsibilities for the Programme Management Office would include:

- Working out the optimum annual programme implementation schedule based on the targets specified in the Country Programme.

- Supervision, financial analysis and monitoring and coordination of the work of the various Ministries/Industries working with implementing agencies assisting in the phaseout of ODS.

- Coordination of project implementation in the various sectors, identifying problem areas and recommending solutions.

- Verifying the results of the implemented projects and preparing progress and financial reports on the same for submission by NEPA to implementing agencies and to the Executive Committee as required.

IV. INPUTS

1. (a) Government

The Government will provide the following:

- The services of a senior NEPA official to supervise all Montreal Protocol-related activities in China who would be the Deputy Administrator of NEPA;

- Office space to accomodate all professional and support staff in both the Information Clearing House and in the Programme Management Unit.

- Counterpart staff comprising 3 professional and 4 support staff;

- Other necessary basic infrastructure.

(b) Multilateral Fund Inputs

1) Personnel (US$195,000)

- National Information Clearing House
  - Project manager
  - Senior data and information officer
  - Computer database management officer
  - Computer data operator
  - Secretary

- Programme Management Office
  - Programme manager
  - Senior programme evaluation officer
  - Technical evaluation officer
  - Financial accounting officer
  - Programme management assistant
  - Secretary

(2) Equipment (US$45,000)
Microcomputer systems and software and other equipment (photocopier, fax machine, typewriter) already provided to the Information Clearing House.

(3) Operational costs (Us$210,000)
including collection/processing/dissemination of information, local travel, telecommunications and postage charges, service charges (utilities), office supplies, maintenance of equipment, etc.

BUDGET

ESTIMATED COST OF INSTITUTIONAL STRENGTHENING IN CHINA

(Multilateral Fund Component in US$)

CAPITAL EXPENDITURE		Year 1	Year 2	Year 3
Microcomputer systems, software, fax machine, photocopier, typewriter, etc. already provided in 1992 to the Information Clearing House				
Total		$45,000		
RECURRENT EXPENDITURE				
1. PERSONNEL				
Professional Staff				
o Information Clearing House	3)			
o Programme Management Office	4)	50,000	50,000	50,000
Support Staff				
o Information Clearing House	2)			
o Programme Management Office	2)	15,000	15,000	15,000
2. OPERATIONAL COSTS including collection/processing/ dissemination of information local travel, telecommunications and postage charges, service charges (utilities), office supplies, maintenance of equipment, etc.		70,000	70,000	70,000
Subtotal recurrent expenditure		135,000	135,000	135,000
TOTAL		180,000	135,000	135,000

BUDGET SUMMARY OF THREE-EAR INSTITUTIONAL STRENGTHENING PROJECT

Year 1	:	$180,000
Year 2	:	$135,000
Year 3	:	$135,000
GRAND TOTAL		$450,000

Note: The Executive Committee of the Multilateral fund at its Sixth Meeting during 27-28 February 1992 in Montreal, approved $150,000 for the establishment of an Information Clearing House at NEPA. The amount above is included in the total institutional strengthening proposal. Thus the additional funding being requested for Institutional Strengthening is $300,000 only.

MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES

Telegrams: "Asili", Nairobi
Telephone: Nairobi 229261
When replying please quote

Ref. No. ....
and date

Please address your reply to:
The Permanent Secretary for
Environment and Natural
Resources.

KENCOM HOUSE
MOI AVENUE
P.O. Box 30126
NAIROBI

5th February 19 93

To Dr. Omar El-Arini
Chief Officer
Multilateral Fund Secretariat
Montreal Canada.
Fax No. 1-514-383-0068

Subject: Country Programme Formulation and Institutional Strengthening Under The Montreal protocol.

I have the honour to refer to the need for Kenya to receive support from your Secretariat for the purpose of putting into place the country programme, and hereby forward the above document on which we have received comments from UNDP New York.

This will make possible for Kenya to establish an ozone cell that will act as a focal point for all matters pertaining to the protection of the ozone layer as well as future coraborration with the international community in the compliance with the Montreal protocol.

I shall be most grateful if you would consider this proposal for funding during your March meeting.

I have made the relevant changes on pages four and six to reflect the comments from UNDP New York.

P.M. Mungai.
For: PERMANENT SECRETARY
<u>MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES</u>

Fax No. 338272 - Nairobi

C.C.

Mr. David Whaley,
Resident Representative,
UNDP - NAIROBI.

INSTITUTIONAL STRENGTHENING FOR THE PHASEOUT OF OZONE DEPLETING SUBSTANCES IN KENYA

Country:	KENYA
Project Title:	Institutional Strengthening for the Phaseout of Ozone Depleting Substances
ODP Consumption:	360 metric tonnes in 1989
Project Duration:	3 years
Project Impact:	Enhancement of the capabilities of the Government of Kenya to institutionally implement the provisions of the Montreal Protocol
Total Budget:	US$222,900
Implementing Agency:	UNDP
Coordinating National Agency:	National Environment Secretariat

BACKGROUND

Of the substances that are currently controlled underthe Montral protocol, Kenya imports CFC-11, CFC-12, Halon-1211 and Halon 1301. There are no records of the importation or use of CFC-113 in Kenya.

In addition there is also an import of methyl chloroform and carbon tetrachloride, which have also been included in the annex of the Montreal Protocol. Among the recently controlled substances, Kenya imports an unascertained large amount of methyl bromide.

Import of Ozone Depleting Substances into Kenya in 1989

ODS	(TONNES)
CFC-11	30
CFC-12	200
Halon-1211	3.5
Halon-1301	0.5
Methyl chloroform	120
Carbon tetrachloride	<5
Total	360

CONSUMPTION OF OZONE DEPLETING SUBSTANCES

The Country Programme formulation exercise for Kenya is underway with the assistance of UNDP. It can be anticipated that the CFC use in the refrigeration sector will decrease between 1993 and 1995; even so the refrigeration sector will still be the largest CFC user in the future.

The aerosols sector was the largest ODS user in 1989 consuming 150 tonnes per year. During 1990 this decreased by 120 tonnes. This was due to a switch from the use of CFCs to butane as a propellant for environmental and economic reasons. The forecast is that aerosols sector CFC consumption will decrease to 10 tonnes in 1993.

The use of CFCs in foam production in Kenya peaked in 1989 at 30 tonnes when quantities of CFCs were still used in the areas of flexible slabstock and molded cushion foams. There were some significant reductions in 1990 and further reductions in 1991 as CFC replacement technology was introduced to rigid polyurethane insulation manufacturers. It is expected that the 1992 consumption will be approximately 50% of the 1989 figure.

There is expected to be an overall decrease in the use of CFCs between 1991 and 1995. After 1995 the new internationally developed technologies using HCFCs or other techniques will infiltrate the market. The demand for CFCs in the years 1995 to 2000 will, therefore, be mainly for servicing old refrigeration equipment.

The use of halons is presently estimated to be 4 tonnes per year. The largest use is for the manufacture of fire extinguishers whose production has been growing rapidly in recent years. There is a potential for continuous growth. The expected price increase will probably set a limit to this in due course.

The use of methyl chloroform is estimated to be 110 tonnes a year. This could well continue to grow at the same rate as the economy as a whole. There are, however, indications of a change towards water-based degreasing. This as well as better housekeeping and other measures to record losses are likely to keep the consumption down.

PROJECT SUMMARY

1. Since no institutional mechanism exists in the country for organising Kenya's response to the amended Montreal Protocol, an Ozone Office has been established in December 1992 within the National Environment Secretariat (NES) to provide the needed coordinating mechanism. In addition, a technical interministerial sub-committee under the Interministerial Committee on Environment has also been established to formulate strategies, and to prepare and periodically evaluate action programmes for phasing out the ODS.

2. In view of the competing demands on the government's limited resources and budgetary constraints, support from the Multilateral Fund will be needed to ensure the effective functioning of the Ozone Office and the National Sub-Committee on Ozone Depleting Substances (NACODS).

Project Description

3. The National Environment Secretariat (NES) is the government body responsible for liaising with national and international bodies on environmental matters. The establishment of the National Committee on ODS and the Ozone Office will provide a dedicated institutional infrastructure for carrying out these roles and ensuring informed and effective implementation of actions to phasesout the ODS in Kenya.

4. The functions of NACODS will include the formulation of action programmes for the phaseout of the ODS review progress of their implementation and advise the government through the NES.

5. The functions of the Ozone Office include the following:

- to act as secretariat for the National Sub-Committee on ODS;
- to coordinate and facilitate activities related to the phaseout of the ODS;
- to monitor activities related to ODS use in Kenya and advise on Kenya's compliance with the provisions of the Montreal Protocol.
- to collect, collate, analyze and disseminate information on the ozone problem and related issues;
- to facilitate exchange of information with other Parties and organs established by the Protocol;
- to facilitate access of local entrepreneurs to relevant information, particularly the Ozonaction computerised information system, to relevant experts, specialists and technology transfer, and
- to participate in relevant meetings on ozone issues.

6. The Ozone Office will be run by two professional officers and two middle-level supporting staff with computing skills. Two local consultants (a legal officer and an economist will be engaged from time to time to assist in drafting the necessary economic analysis. The office will have access to the Public Relations Unit, and other technical divisions. One professional officer from the Public Relations Unit could assist the Office, if necessary, on a part-time basis.

Purpose of the Project

7. The main purpose of the project is to enhance the capability of the NES to coordinate the implementation of government actions developed to comply with the provisions of the Montreal Protocol.

Elements of the Project

8. The institutional framework to be developed under the project comprises:

- establishment of a National Sub-Committee on Ozone Depleting Substances (NACODS);
- establishment of a National Ozone Office and acquisition of requisite equipment for the office, and
- organization of public awareness campaigns

Project Organization and Management

9. The officer in charge of the Ozone Office will act as the Coordinator of the Country Programme activities and reports to the Director of NES who is the Chairman of NACODS. He will also act as Secretary to NACODS and ensure that quarterly reports on the progress of project implementation are prepared and distributed to members of NACODS and relevant agencies. The organization of theactivities of the Office and reporting procedures will follow procedures laid down for managing UNDP-sponsored projects in the country.

Project Costs

10. All project costs are incremental costs to be provided by the Multilateral Fund. The cost elements are presented in the Project Budget.

Benefits of the Project

11. Although the project does not lead to direct elimination of ODS, it will provide the means for achieving an expeditious ODS phaseout process in Kenya.

BUDGET

COST OF INSTITUTIONAL STRENGTHENING IN KENYA

(Multilateral Fund Assistance in US $)

A.	One-Time Set-Up Costs	1993	1994	1995	Total for 3 years
	Equipment:	$ 15,000	-	-	$ 15,000
	- microcomputer, accessories - modem - software - voltage stabilizer (UPS) - Telephone - Photocopier - Fax machine				

B.	Personnel	1993	1994	1995	Total for 3 years
	1 Coordinator	$15,000	15,000	15,000	45,000
	1 Prof. Staff	9,000	9,000	9,000	27,000
	2 Support Staff	12,000	12,000	12,000	36,000
	Legal Consultant (5 work-months)	5,000	5,000	5,000	15,000
	Economic Consultant (1 work-month)	2,000	2,000	2,000	6,000
	Sub-total	43,000	43,000	43,000	129,000

C.	Operational Costs	1993	1994	1995	Total for 3 years
	Operational Costs including clearing house functions, organization of NACODS task groups, official travel, utilities, telecommunications, public awareness programmes, etc	$20,000	20,000	20,000	$ 60,000
	Sub-total	20,000	20,000	20,000	60,000
	10% Contingency	6,300	6,300	6,300	18,900
	TOTAL BUDGET	$84,300	69,300	69,300	222,900

91/120/004/002
Jld.2(87)

30 November, 1992

Dr. Omar E. El-Arini
Chief Officer
Interim Multilateral Fund
1800 McGill College Ave
27th. Floor, Montreal
QUEBEC
CANADA H3A 356

Fax no: (514) 282-0068

Dear Dr.

Proposal For Institutional Strengthening (IS) in Relation to the Projects on Reduction of Ozone-Depleting Substances (ODS)

In response to your fax of 12 September 1992 regarding the above-mentioned subject, I have the pleasure to forward to you the attached preliminary response to your comments and latest revised proposal for IS.

2. I hereby request that the proposal for IS in relation to the Projects on Reduction of ODS be considered for inclusion in the agenda of the Ninth EXCOM Meeting in Montreal on 24-26 February 1993.

Please accept our apologies for the delay in our reply.

Thank you for your kind attention and cooperation.

Yours sincerely,

(MS WAN RAMLAH HJ WAN IBRAHIM)
for the Director General of Environment,
Malaysia

INSTITUTIONAL STRENGTHENING FOR THE PHASEOUT
OF OZONE DEPLETING SUBSTANCES IN MALAYSIA

Country:	MALAYSIA
Project Title:	Institutional Strengthening (IS) in Relation to the Project on Reduction of Ozone Depleting Substances (ODS)
GNP/Capita in US$	$2500 (1991)
Implementing Agency:	UNDP
National Coordinating Agency:	Department of Environment (DOE)
Total Budget	US$322,520

Background

Consumption of Controlled Substances

Malaysia's calculated weighted consumption of CFCs and Halons in 1990 was 4,193.60 MT which amounted to a per capita consumption of 0.25 kg. Out of these, 1,381 MT of CFC-12 was consumed followed by 1,244.20 MT and 1,005.8 MT of CFC-113 and CFC-11 respectively. The detailed breakdown of ODS consumption is shown in Table I.

Consumption of Controlled Substances by Sector

ODS usage by industrial sectors in 1990 showed that the refrigerant and airconditioning industry was the largest user accounting for 56.24% of the total followed by the electronic and semiconductor industries which amounted to 26.46%. The other users were the foam (7.68%), aerosols (4.68%) and halons (4.43%) industries. Table II shows the details of ODS usage by major industrial sector for the period 1986-1990.

Objectives

Long Term Objective

The operational objective of Institutional Strengthening (IS) is to monitor provision of financial assistance and technical assistance to the Government to carry out the projects in accordance with the recommended ODS phaseout strategy and action plan in Malaysia's Country Programme (CP).

The overall objective is to assist the Department of Environment (DOE) and industry to effectively and efficiently phaseout ODS through the adoption of policy, technological and monitoring measures in compliance with the provisions of the Montreal Protocol (MP).

Short Term Objective

1. to strengthen implementation capacity within DOE to facilitate expeditious implementation of the projects to reduce ODS;

2. to provide a national institutional mechanism for coordinating national and international efforts for the protection of the ozone layer;

3. to plan and effect the reduction and control of import/export of ODS;

4. to establish an exchange for the dissemination of information and to promote activities for ODS phaseout;

5. to audit and monitor the implementation of ODS phaseout projects; and

6. to administer the Application Permit (AP) System for ODS usage control.

Scope of the Project

The detailed projects for ODS phaseout has been developed on the basis of the key recommendation made in Malaysia's CP. These proposed project activities will provide the Malaysian Government with financial and technical resources to carry out the implementation of ODS reduction projects. The first two projects approved by the Executive Committee (EXCOM) of the Multilateral Fund (MF) under the Montreal Protocol were the Mobile Airconditioning (MAC) and Halon Recycling Projects. Malaysia will also be seeking financial support from the EXCOM to carry out the programmes mentioned in the CP and activities of the other projects. The scope of the Institutional Strengthening Project is to provide the necessary policy direction, data collection and evaluation, public awareness and financial monitoring control needed for implementation of the Country Programme.

Justification

DOE is the national centre for coordinating, monitoring and implementing all MP activities including ODS phaseout project under the CP.

The World Bank mission to Malaysia, during 10-20 October 1991 had observed that the institutional weakness of DOE imposes a limitation on its ability to speedily and effectively implement as well as monitor the approved projects. DOE is presently very under-staffed. The Department is responsible not only for matters relating to the Montreal Protocol, but also all matters relating to environment. IS support will greatly relieve this shortage and help to speed up the implementation of the projects related to ODS phaseout.

Beneficiaries of the Project

The IS will help the Government implement an accelerated ODS phaseout programme. This component of the project will set into place the development of a central coordinating system with key management personnel.

Structure and Management

DOE under the Ministry of Science, Technology and the Environment currently has the responsibility to coordinate, supervise and monitor the ODS phaseout programme in compliance with the provisions of the MP. DOE is responsible for the administration as well as monitoring and enforcement of national legislation, namely the Environmental Quality Act (EQA) of 1974 and its subsidiary regulations. Under the current DOE organisational structure, there is no provision nor allocation for the management of MP - related activities. The officer given the responsibility to implement the provisions of the MP is indeed a borrowed one, responsible for activities related to IRPTC, the London Guidelines and Chemicals management.

Since 1986, the responsibility of dealing with activities related to the MP was only a "part time job" undertaken by one professional supervised by the Director General (DG) and Deputy Director General. DOE is hard pressed by the ever growing work load including the rapid growth of ODS-related matters while the central agencies are reluctant to increase allocation to DOE. It will require additional manpower to meet the added responsibilities under an ODS phaseout programme. IS assistance is therefore required for the setting up of a specific unit in DOE that will be responsible for policy and data issues as well as monitoring the implementation of ODS reduction projects in Malaysia.

The main responsibilities of this Unit will be as follows:

i) liaison between Government and industries;

ii secretariat to Working groups, Technical Working Groups, National Technical Committee, National Steering Committee;

iii) development of an ODS reduction and phaseout action plan based on the CP;

iv) development and preparation of legal and administrative measures for effecting the reduction and phaseout of controlled substances;

v) development and preparation of non-legal measures, codes of practices suitable for adoption by all controlled substances users and organizations;

vi) implementation, monitoring, review, and adjustment of activities and programmes from time to time.

vii) approve and enforce a controlled substance import control system as well as (CFC/Halon) use and authorisation;

viii) national focal point for the UNEP Ozone Secretariat and the Multilateral Fund Secretariat;

ix) collection, collaboration and ratification of CFC/Halon consumption data; and

x) central reporting authority on CFC/Halon projects funded by the Multilateral Fund.

The Staff Strength:

The unit would comprise 2 professional staff members and 3 supporting staff or assistants (including a computer programmer). The Director General of DOE will be responsible for the overall management of the staff of this unit.

ACTIVITIES

The main duties of this Unit will be as follows:

i) to coordinate activities in the country relating to ODS issues and MP;

ii) to review, assess, evaluate and monitor the progress of ODS phaseout;

iii) to facilitate policy action on ozone-related issues;

iv) to create public awareness and coordinate training activities among ODS users;

v) to carry out the exchange and dissemination of information with other parties of the MP;

vi) to collect, process and evaluate information and data on the consumption of ODS;

vii) to prepare reports and assessment of the implementation of Malaysia's CP;

viii) to provide a link between the Government agencies and international organisations;

ix) to organize and conduct clearing house functions on new and emerging ODS-free technologies;

x) to carry out auditing and financial reports; and

xi) to coordinate with UNEP's OZONACTION Pilot project with regards to a computer link in the dissemination of information from UNEP on ODS phase-out activities.

INPUTS

Infrastructure and Capital Expenditure

Office space is required to accommodate the function of this unit. The facilities and office equipment required are:

Items	No. of Units
Personal computers (disk drive, monitor, printer and software)	2 sets
Modem	1
Electric typewriter	1
Personnel	
i) Professional staff	2
ii) Supporting Staff/Computer Programmer	3
iii) Consultant (as required)	1

COST

Total cost required for the 3 year period is estimated at US322,520.00 including a consultant required for 3 work months each year.

OUTPUTS

The expected outcomes of the IS project are as follows:

1. The acceleration of ODS phaseout project implementation;

2. Policy direction and coordination of national ODS phaseout efforts as well as reliance on a data base to monitor Malaysia's compliance with the provisions of the MP; and

3. The promotion of public awareness and understanding on ODS and related issues.

V. BUDGET

Budget estimated and contribution on annual basis over a three-year period

Subject Matter		Unit	Estimated Cost (US$) First Year	Second Year	Third Year
1.	COUNTRY CONTRIBUTION (CURRENT)				
1.1	Office space (sharing)	1			
1.2	Tables	1			
1.3	Chairs	2			
1.4	Fax machine	1			
1.5	Telephone (sharing)	1			
1.6	Partition (panel)	10			
1.7	Photocopier	1			
	Total I		-	-	-
2.	FUNDING EXPECTED				
2.1	Personal computer		12,000.00	-	-
	- disk drive	2			
	- monitor	2			
	- printer	1			
	- software	4			
	- modem	1			
2.2	Other expenditure			-	-
	- electrical typewriter	1	1,000.00		
	- MISC	-			
	Total II		13,000.00	-	-
2.3	Personnel				
2.3.1	Professional staff	2	27,600.00	27,600.00	27,600.00
2.3.2	Supporting staff/ Computer Programmer	3	19,800.00	19,800.00	19,800.00
2.3.3	Consultant (as required/ 3 man month)	1	6,000.00	6,000.00	6,000.00
	Total III		53,400.00	53,400.00	53,400.00
2.4	Operational cost		40,000.00	40,000.00	40,000.00
	Total IV		40,000.00	40,000.00	40,000.00
	Total V (I+II+III+IV)		106,400.00	93,400.00	93,400.00
	Contingency (10%)		10,640.00	9,340.00	9,340.00
3.	TOTAL COST		117,040.00	102,740.00	102,740.00

Nature and Level of Appointment of Various Personnel.

Personnel	Number	Type/ rank	Qualification	Main Responsibilities (Brief)
Professional				
Staff I	1	Manager	Engineering	Overall supervision, project strategy, development/ implementation, Coordination, policy making
Staff II	1	Deputy Manager	Science/ Engineering/ Economics	Project documentation, strategies, public liaison/ information implementation, Monitoring, training, financial analysis, import/ export control,
Supporting				
Staff I	1	Assistant I cum Computer Programmer/ EDP Manager	Science/ Engineering/ Economist/ Computer Studies	Publicity, data/ information, assessment, analysis, all data retrieval/ preparation
Staff II	1	Assistant II	Science/ Engineering/ Economist	Checking, monitoring, review, financial management/ auditing
Staff III	1	Computer Opr. Stenographer/ Clerk	High School	Keying in data Clerical duties
Consultant	1	Advisor	Science/ Engineering/ Economist	

Malaysia Institutional Strengthening: ODS Reduction Implementing Structure Organisation

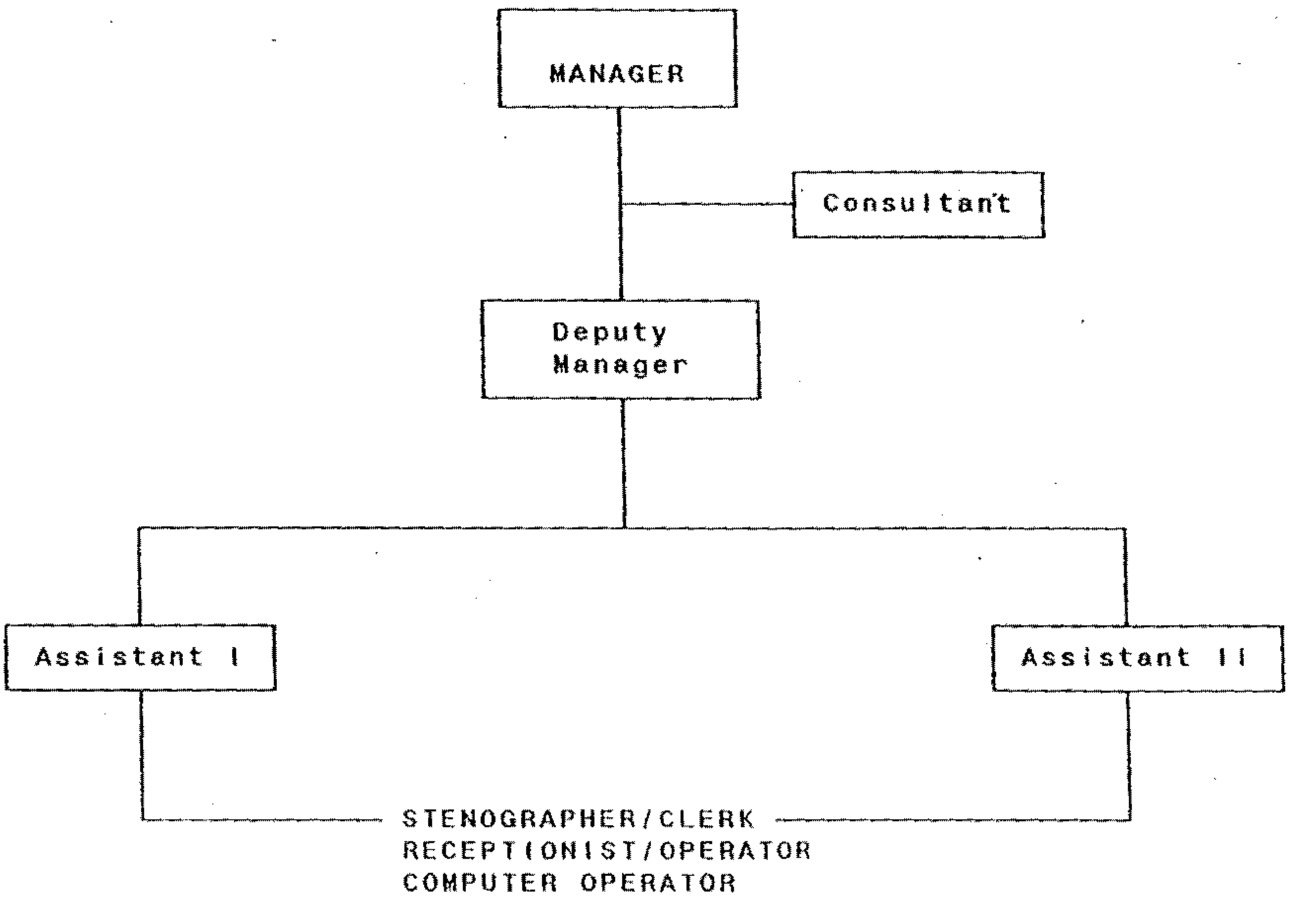

Table I

MALAYSIA: Consumption Data of CFCs and Halons Controlled by the Montreal Protocol, 1985-1990

Year / Substance	ODP	Past Supply (Metric Tonne)											
		1985		1986[1]		1987		1988		1989[2]		1990[3]	
		ACT.	ODP	ACT.	ODP	ACT.	ODP	ACT.	ODP	ACT.	ODP	ACT.	ODP
ANNEX A													
GROUP I													
CFC 11	1.0	363	363	576	576	810	810	998	998	834	834	1005.8	1005.8
12	1.0	456	456	1064	1064	1358	1358	1645	1645	1470	1470	1381.2	1381.2
113	0.8	119	95	684	547	876	701	1216	973	1381	1104	1244.2	995.4
114	1.0	2	2	3	3	35	35	53	53	30	30	-	-
115	0.6	-	-	-	-	1	0.6	-	-	5.5	3.3	1.8	1.8
CFC Consumption	-	940	916	2327	2190	3080	2904.6	3912	3669	3720.5	3441.3	3634.2	3384.2
GROUP II													
Halon 1211	3	71	213	150	450	198	594	270	810	246	738	221.3	663.9
1301	10	56	560	120	1200	101	1010	38	380	60	600	13.3	133.0
2402	6	-	-	-	-	-	-	-	-	-	-	2.1	12.6
Halon Consumption	-	127	773	270	1650	299	1604	308	1190	306	1338	236.7	809.5
Total Consumption	-	1067	1689	2597	3840	3379	4508.6	4220	4859	4026.5	4779.3	3870.9	4193.6
KgPerCapita[4]	-	-	0.10	-	0.24	-	0.27	-	0.29	-	0.29	-	0.25

Note:

1 These inputs were based on the 1986 data supplied by 8 suppliers in Malaysia

2 These inputs were based on the 1989 data supplied by 15 suppliers in Malaysia

3 These data totally accounted for the year 1990 through the implementation of the Customs Act (1967): Customs Duties (Amendment) Order 1989

4 Based on the population of Malaysia, 16.2 million in 1986

5 1986, 1989 and 1990 official data sent to UNEP

Table II

MALAYSIA: Consumption of CFCs and Halon By Use and Application, 1985-1990

APPLICATION (USER SECTOR)	SUBSTANCE	CONSUMPTION (Metric Tonne) 1985	1986	1987	1988	1989	1990 (Percentage)
Solvent Cleaning	CFC 113	119.4	620.8	875.2	1216.1	1351.9	1244.20 (23.24)
	MTC	2.7	9.1	34.2	38.6	54.3	172.10 (—3.22)
Foam	CFC 11,115,114	125.0	199.0	275.6	432.1	464.2	411.00 (7.68)
Refrigeration & Car Air-Conditioning	CFC 12	751.2	1608.3	1962.3	2440.4	2630.6	1381.20 (25.80)
	HCFC 22	443.5	686.8	910.3	1098.9	1296.0	1309.30 (24.46)
	CFC 11	110.0	235.0	220.0	272.0	300.0	320.00 (5.98)
Aerosol	CFC 11,115	154.0	368.6	410.0	449.2	290.3	250.40 (4.68)
Others	CFC 11,12,115	32.0	24.5	70.3	67.8	50.2	28.00 (0.52)
Fire Fighting	HALON	125.2	175.6	200.8	243.6	342.3	236.70 (4.43)
Total ODS							5352.90

OFFICE OF THE

FEDERAL ENVIRONMENTAL PROTECTION AGENCY

THE PRESIDENCY, ABUJA

P. M. B. 12620, LAGOS

TELEX

TELEFAX

TELEPHONE

OUR REF FEPA/PE/124/Vol.I/ 53.

YOUR REF

DATE 5th February, 1993

DEPARTMENT OF CHIEF EXECUTIVE.

Dr. Omar El-Arini,
Chief Officer,
Multilateral Fund Secretariat,
Montreal,
Canada.

Fax: 1-514-282-0068.

Re: Institutional Strengthening Project for Nigeria.

I am directed to forward the formal request on the above-named project for your kind consideration and further necessary action.

2. Thank you and please accept the assurance of our highest consideration.

C.A. Owolabi (Mrs)
For: Director/Chief Executive.

REQUEST FOR INSTITUTIONAL STRENGTHENING SUPPORT FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL IN NIGERIA

I. GENERAL

1. Title of Request: Institutional Strengthening Support for the Implementation of the Montreal Protocol.

2. Name of Country: Nigeria.

3. Executing Agency: Federal Environmental Protection Agency (FEPA).

4. Implementing Agency: UNDP

5. GNP/Capital in US$ (1988): $290.00

6. Consumption of controlled substances: 4,000 metric tonnes ODP equivalent (1991).

7. Consumption of controlled substance by sector:
   - Aerosols -
   - Refrigeration (and air conditioning) -
   - Foams -
   - Solvents -
   - Halons -

8. Objectives:

The long term objective of our institutional strengthening project is to provide an enduring and effective institutional mechanism for coordinating, within the country, national and international efforts for the protection of the Ozone Layer. The immediate objective is to initiate and promote actions aimed at the speedy phaseout of ODS in Nigeria.

9. Scope of the Project:

The activities under the project would cover the entire country.

10. Justification:

Nigeria is highly committed to the speedy phaseout of ODS as provided under the Montreal Protocol. Recognising the important role institutional capabilities play in the proper and effective implementation of the Protocol, Nigeria is currently making efforts to set up the necessary machinery within our administrative structure to enable us to meet our obligations under the Protocol. However, due to the poor state of the economy, the increasing strain and competing demands on available resources, and the complexity and highly dynamic nature of ODS substitute technologies, Nigeria requires support to build its institutional capabilities in this area.

11. Beneficiaries of the Project:

(a) Industries using ODS (small and large, indigenous private on franchise, and foreign private).

(b) The numerous refrigeration/airconditioning servicing outlets.

(c) Importers of ODS and their distributors.

(d) Other Parties and organs established by the Protocol.

Organisations that would be affected include the Ministry of Industry, the Ministry of Finance, the Department of Customs and Excise, the Food and Drug Administration, the Pharmaceutical Board, and the Meteorological Department (MET).

12. Capabilities of Beneficiaries

Many of the beneficiaries have got no capabilities of and on their own to carry out ODS phaseout activities. They therefore need both technical and financial support to effectively participate in ODS phaseout and/or CFC recovery and recycling activities.

II. STRUCTURE AND MANAGEMENT

1. (i) The organisation requiring institutional strengthening has been in existence since December 1988. It is an agency of the Federal Government.

(ii) Main Responsibilities of the Agency: The Federal Environmental Protection Agency (FEPA) is the national body responsible for initiating environmental policy measures and research to protect the environment and promote the development and use of environmentally benign technology. FEPA's function among others include:

(a) setting and enforcing ambient and emission standards for air, water, and noise pollution;
(b) controlling substances which may affect the stratosphere, especially the Ozone Layer;
(c) preventing or controlling discharges to the air, water or soil of harmful quantities of any hazardous substances.

(iii) The Federal Environmental Protection Agency is the sole organization in Nigeria responsible for the implementation of the Montreal Protocol in the country.

(iv) Assistance required is for the setting up and running of the National Ozone Office (NOO), which is to be a Unit within FEPA.

(v) The National Ozone Office shall have the responsibility of coordinating all ODS phaseout activities in the country and its responsibility shall include:

(a) gathering and processing of local data to fulfil the national information exchange obligations as a Party to the Montreal Protocol;
(b) exchanging of relevant information with similar offices in other countries and with global information centres in ODS substitution;
(c) disseminating, to local end-users and intermediary organisations, information on the ODS substitution processes received from UN specialized bodies and international research centres;
(d) acting as Secretariat to the National Advisory Ozone Committee, which is a Committee of the Director/Chief Executive of FEPA that advises on matters relating to the protection of the Ozone Layer generally;
(e) promoting action in and monitoring of ODS phaseout projects;

(vi) The proposed National Ozone Office within FEPA would be responsible solely for the implementation of the provisions of the Montreal Protocol in Nigeria.

(vii) Not Applicable.

(viii) Staff strength: The National Ozone Office should have a staff strength of ten (10), four (4) of which shall be paid for by Nigeria.

(ix) Relationship of the National Ozone Office (NOO) to FEPA: The National Ozone Office shall function under the International Affairs Division of the Planning and Evaluation Department of the Federal Environmental Protection Agency (Fig.1). The Office shall serve as Secretariat to the National Advisory Ozone Committee. This is a committee of the Director/Chief Executive of FEPA, and is made up of experts that advise the Chief Executive on matters relating to the implementation of the requirements of the Vienna Convention for the protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer.

(x) The Project Manager (Coordinator) of the Unit has supervisory responsibility for the management of the Unit. He reports to the General Manager in charge of international Affairs in the Agency, who in turn reports to the Director/Chief Executive of FEPA (Fig.1).

2. The Unit is to be newly established and is to be solely responsible for the implementation of the Montreal Protocol in Nigeria.

The Federal Environmental Protection Agency (FEPA) will be responsible for the Unit.

3. There is no other National Coordinating Committee or similar Organization which oversees the implementation of the Montreal Protocol in Nigeria.

III. ACTIVITIES

The National Ozone Office is to:

(a) collect and process local data and information on the consumption of ODS in the country;

(b) disseminate information on ODS to the public;

(c) exchange relevant information with other Parties of the Montreal Protocol and global information centres on ODS substitution;

(d) create awareness among relevant sectors and users of ODS;

(e) promote appropriate ODS phaseout actions and activities in the country;

(f) monitor and evaluate progress of implementation of the ODS phaseout actions;

(g) act as Secretariat to the National Advisory Ozone Committee;

(h) facilitate coordination of activities in the country for the ODS phaseout;

(i) facilitate action on Ozone-related issues by policy makers; and

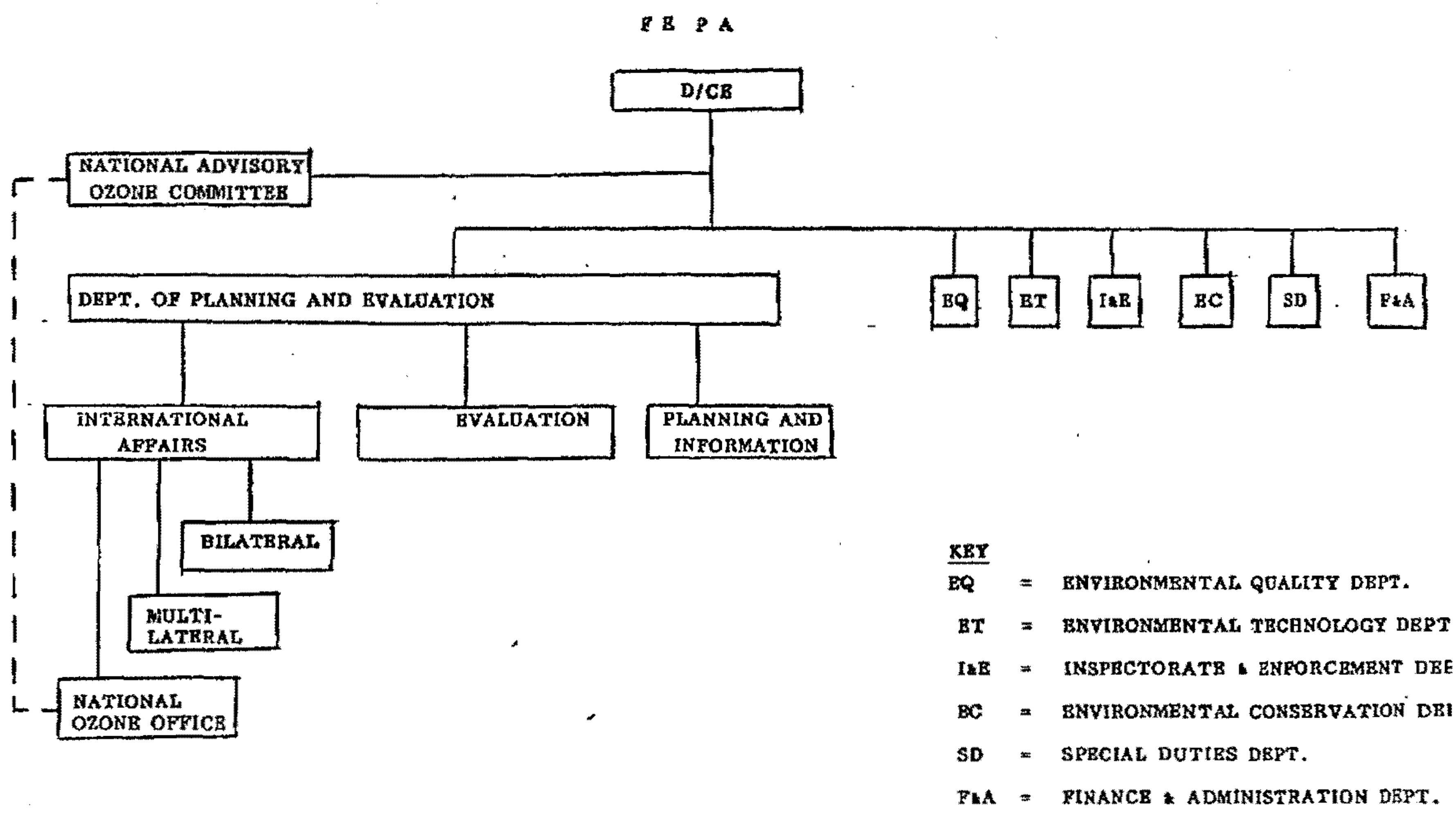

FIG. 1: THE RELATIONSHIP OF THE NATIONAL OZONE OFFICE WITH THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY (FEPA).

(j) provide liaison between the government and responsible international organizations such as Multilateral Fund Secretariat, UNDP, UNEP, UNIDO, World Bank, etc.

IV INPUTS

1. (a) Infrastructure

Office accommodation, Furniture, Fridges, Airconditioners and vehicles. This will all come out of the Government.

(b) Personnel

(i) Professional Staff: Three (3) in number comprising:

- Project Manager (of Assistant General Manager rank);
- Chemical engineer (of Chief Environmental Scientist rank);
- Economist/Computer Analyst (of Chief Environmental Scientist rank)

(ii) Supporting Staff: Three (3) in number.

- Computer Operator/Secretary (of Senior Computer Operator rank).
- Secretary (Grade III)
- Administrative Assistant (Grade II)

(iii) Consultant: With specialization in -

- Refrigeration/Refrigerant Gases
- Use of Hydrocarbons as aerosol propellants.

(iv) the country is to provide 3 drivers and a messenger.

(c) Equipment:

- 486 Desktop microcomputer system
- Laser Jet Printer
- Computer Accessories/Peripherals (UPS, step-down transformer, modem, stabilizers)
- Computer Software (DBase, spreadsheet, Word perfect, statistical packages)
- Photocopier
- Electronic Typewriter
- FAX Machine

(d) Consumable Office supplies:

- Stationery
- Computer Printer cartridges and Photocopier toner
- Ribbons, etc.

(e) Insurance Fees:

2. Support is being sought for the cost of:

(i) Personnel (six staff)
(ii) Microcomputer equipment
(iii) Office supplies
(iv) Collection/collation/dissemination of information
(v) Telecommunication charges
(vi) Miscellaneous Service Charges
(vii) Insurance
(viii) Equipment maintenance

(ix) Official travels.

2a Nature and level of appointment of staff

Professional Staff:

(1) Project Manager (Coordinator)

The Project Manager (Coordinator) shall report to the General Manager in-charge of International Environmental Affairs in the Agency.

The project manager shall coordinate all national activities relating to national and international efforts for the protection of the Ozone Layer and actions aimed at ODS phaseout in the country, which among others shall include:

(i) taking charge of the day-to day running of the national ozone office

(ii) evolving and developing appropriate structures for collecting and disseminating of local data and information on ODS;

(iii) facilitating and ensuring the exchange of relevant information with similar national ozone offices in other countries, the global information centres on ODS substitution and UNEP's Ozone-Action data base, and disseminating to local end-users and relevant organizations information received from UN specialised agencies and other sources, on the ODS phaseout process;

(iv) serving as secretary to the National Advisory Ozone Committee

(v) monitoring the implementation of the National Action Plan for ODS phaseout, promoting cooperation between industry and government bodies for the achievement of the Plan's objectives, and reporting progress made to the Multilateral Fund Secretariat through the Director and Chief Executive of FEPA.

(vi) facilitating and ensuring the access of local entrepreneurs to relevant experts and consultants;

(vii) submitting to UNDP on an annual basis, and through the Director/Chief Executive of FEPA, audited accounts of expenditure on the National Office's Operations

(viii) supervising subordinate staff.

(2) Chemical Engineer

The Chemical Engineer shall report directly to the Project Manager (Coordinator)

(i) assisting the Project Manager in the development and implementation of programmes on national efforts for the protection of the ozone layer and actions aimed at ODS phaseout country.

(ii) advising the Project Manager (Coordinator) on the chemical and engineering aspects of programmes and actions aimed at

ODS phase-out in the country;

(iii) supervising subordinate staff;

(iv) any other duties that may be given to him by the Project Manager (Coordinator) in line with national efforts to implement the Montreal Protocol.

(3) Economist/Computer Analyst

The Economist/Computer Analyst shall report directly to the Project Manager (Coordinator).

The duties shall include:

(i) assisting the Project Manager (Coordinator) in the development and implementation of programmes on national efforts for the protection of the Ozone Layer and actions aimed at ODS phaseout in the country;

(ii) advising the Project Manager (Coordinator) on the economic aspects of programmes and actions aimed at ODS phase-out in the country;

(iii) taking charge of the operations of the office's computer and data management processes;

(iv) supervising subordinate staff;

(v) any other duties that may be given to him by the Project Manager (Coordinator) in line with national efforts to implement the Montreal Protocol.

SUPPORTING STAFF

(4) Computer Operator/Secretary

Shall be charged with operating the mcrocomputer system as well as provide secretarial services for the Project Manager (Coordinator).

(5) Secretary

Shall provide secretarial services for the Chemical Engineer and the Economist/Computer Analyst.

(6) Administrative Assistant

Shall perform supportive administrative duties, and be responsible for operating the photocopier and FAX machine.

VI OUTPUTS

It is expected that the proposed Institutional Strengthening Project would greatly enhance Nigeria's national capability to deal with the complexity of ODS phase-out. It is expected that the project -- through an efficient system of information dissemination -- would lead to a reduction in the consumption of the controlled substances and their substitution with proven ozone friendly ones.

BUDGET

ESTIMATED COST OF INSTITUTIONAL STRENGTHENING IN NIGERIA

(Multilateral Fund Component in US$)

CAPITAL EXPENDITURE		Year 1
a. 486 Desktop computer	1	5,000
b. Laser Jet Printer	1	2,000
c. Accessories (UPS, Step-down stabilizer)	1	2,500
d. Software	-	2,500
e. Photocopier	1	5,000
f. Electronic typewriter		2,500
g. Fax Machine	1	1,250
Total		21,250

RECURRENT EXPENDITURE

1. Personnel	No.	Year 1	Year 2	Year 3
Professional Staff				
- Project Manager	1	7,816.76	8,227.80	8,638.84
- Chemical engineer	1	7,340.68	7,721.36	8,102.04
- Economist/Computer Analyst	1	7,340.68	7,721.36	8,102.04
		22,498.12	23,670.52	24,842.92
Supporting Staff				
- Computer Operator/ Secretary	1	4,527.87	4,600.46	4,636.76
- Secretary	1	3,248.83	3,460.27	3,487.99
- Admin. Assistant	1	3,248.83	3,460.27	3,487.99
		11,025.53	11,521.00	11,612.74
Sub-Total		33,523.65	35,191.52	36,455.66
2. OPERATIONAL COSTS				
- Collection/collation/ dissemination of info		20,000.00	21,000.00	22,000.00
- Local travel		8,000.00	8,125.00	8,250.00
- Telecommunications charges (Telephone, fax, Courier ordinary postage)		6,150.00	6,200.00	6,250.00
- Misc. Service charges e.g. electricity, water and other charges		3,000.00	3,000.00	3,000.00
- Insurance		3,250.00	3,000.00	3,000.00
- Office Supplies		7,450.00	7,550.00	7,700.00
- Maintenance of Equipment		2.050.00	2,250.00	2,450.00
Sub-total		49,900.00	51,125.00	52,400.00
Total (2.1 and 2.2)		83,423.65	86,316.52	88,855.66
Contingencies (10%)		9,742.36	8,631.65	8,885.56
GRAND TOTAL		107,166.01	94,948.17	97,741.22

BUDGET (CON'TD)

ESTIMATED COST OF INSTITUTIONAL STRENGTHENING IN NIGERIA

(Country Contribution in US $ Equivalent)

Item	Qty	Year 1	Year 2	Year 3
CAPITAL EXPENDITURE				
a. Office accommodation		100,000		
b. Office furniture		12,350		
c. Airconditioners/Fridges		11,000		
d. Project vehicles	3	74,000		
RECURRENT EXPENDITURE				
e. Drivers & Messengers	4	2,811.18	2,847.48	2,883.78
Totals		200,161.18	2,847.48	2,883.78

ESTIMATED COST OF INSTITUTIONAL STRENGTHENING IN NIGERIA

INCLUDING BOTH COUNTRY CONTRIBUTION AND EXPECTED MULTILATERAL FUNDING

Funding components	Year 1	Year 2	Year 3	TOTAL
1. Country contribution	200,161.10	2,847.48	2,883.78	205,892.44
2. Multilateral Fund	107,166.01	94,948.17	97,741.22	299,855.40
TOTAL	307,327.19	97,795.00	100,625.00	505,747.84

FONDOIN

FONDO VENEZOLANO DE RECONVERSION INDUSTRIAL Y TECNOLOGICA

T E L E F A X

FOR: Dr. Omar El-Arini, Chief Officer, Secretariat of the Multilateral Fund for the Implementation of the Montreal Protocol

FROM: Dr. Eduardo López, President of FONDOIN, Representative of Venezuela to the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

SUBJECT: Request for Institutional Strengthening

DATE: 13 January 1993

Dear Dr. El-Arini:

I am pleased to submit to you a revised version of the request by Venezuela for institutional strengthening wich replaces the proposal sent to you on 13 November 1992.

As you can see, the total amount requested is less than US$ 500,000 for a period of three years. To arrive at this amount, some costs were revised and all items with a possibility for future financing were transferred to other resources, although we are not sure of obtaining these funds from other sources. The important factor is to secure at least the basic costs for 1993, so that we may start the FONDOIN operations as soon as possible, even on a limited scale.

This, of course, is not the best option, since FONDOIN will have to spend time and considerable efforts to identify and secure other financial sources. On the other hand, some implementing agencies and local institutions could consider that FONDOIN is not capable to undertake, under this scheme, some of its proposed activities. However, we have also to consider that FONDOIN should develop, in the medium-term, the capacity to assure the continuation of its operations efficiently.

The total amount of US$ 329,192 (of wich US$ 100,000 has already been allocated) represents the minimum amount from the Multilateral Fund that we consider essential to cover the deficient institutional capabilities in Venezuela under severe fiscal restrictions. Special attention was given to calculations wich are based on the current situation, and after precise consultations that provided sufficient elements to evaluate the case concretely. All figures represent current average costs and, for some cases, minimum cost were provided from different suppliers. The personnel expenditures were reduced to include only three persons. During its third year

FONDOIN: UNA FUNDACION PARA LA PROTECCION DE LA CAPA DE OZONO Y EL MEDIO AMBIENTE
Teléfono y Telefax (provisional): (58-2) 519684

of operation, other expenditures will be fully covered from other sources except those for travel fares and traveling expenses for missions within the country.

The request of US$ 229,192 in addition to the US$ 100,000 already provided, will be presented within UNDP Work Programme in the March meeting of the Executive Committee, wich we hope will be aproved without any serious objection.

Thanking you for the co-operation provided by the Secretariat in reviewing the proposal, I am at your disposal for any additional information you might require.

I take this opportunity to express my sincere wishes for a successful 1993 and the best success for your institution, yourself and your staff.

Sincerely yours,

Eduardo Frei

RESUME OF

INSTITUTIONAL STRENGTHENING PROJECT

IN VENEZUELA

INSTITUTIONAL STRENGTHENING PROJECT PROPOSAL IN VENEZUELA

1. The Government of Venezuela, by a Presidential Decree of 16 October 1992, established the Venezuelan Fund for Industrial and Technical Conversion (FONDOIN).

Objectives

2. The objectives of the foundation are:

   i) to implement industrial and commercial conversion activities to facilitate the effective management and/or elimination of substances that impact the environment;

   ii) to find inert-substitute substances; and

   iii) to assist in securing financial resources for implementing these activities.

3. FONDOIN ODS elimination activities will focus on the following areas:

   i) Development of global and sectorial programmes and formulation of policies to reduce and phase-out ODS;

   ii) Preparation of project proposals;

   iii) Seminars, workshops and training sessions; and

   iv) Serve as the focal point for the implementation of the Montreal Protocol.

Staff

4. FONDOIN will be staffed by six professionals and four supporting personnel. Only the salaries for the President, Executive Assistance and Administrative Manager will be covered by the Multilateral Fund.

Expected results

5. FONDOIN is a fully operational body; its achievements will be evaluated in terms of reduction in the amount of ODS produced and consumed. Activities implemented by FONDOIN will result in an accelerated ODS elimination process in Venezuela, phasing-out controlled substances by the year 2000.

6. During its first year, FONDOIN will concentrate on high ODS consumption areas, such as mobile air conditioning, reducing ODS emissions to the atmosphere and accelerating technology conversion. The following results are expected: elimination of 25% to 30% of CFC-12 consumed; suspend the installation of central ODS-based air conditioning units; substitute 20% of existing CFC-units with HFC-134a or other non-ODS based units; phase-out of 75% of the CFC-12 used in the foam sector; recycle of halon-1211 and establishment of a National Halon

Bank; and completion of the technical and economical feasibility studies for the construction of an HFC-134a production plant to replace the existent CFC-11 and CFC-12 plant.

7. During its second year, FONDOIN proposes replacement of CFC-12 MAC units with HFC-134a units; phase-out of halon-1211 by substituting all fire extinguishers; 40% to 50% reduction in the area protected with halon-1301 systems; and phase-out of CFC-12 in the foam sector.

8. FONDOIN activities will produce a multiplier effect through encouraging initiatives among ODS users. Some results have been accomplished through this policy, in which industrial associations, particularly in the refrigeration, air conditioning and fire extinguisher sectors, have incorporated the ozone layer protection in their work programmes and are organizing workshops and seminars aimed at incorporating alternative technologies. Furthermore, some enterprises have indicated their willingness to partially cover FONDOIN expenditures.

9. FONDOIN activities, in particular its work with ODS users and multilateral agencies, will make it a highly-qualified independent body that could present recommendations on policies and regulations to governmental authorities. It is also envisaged that FONDOIN will accumulate enough experience that could make it capable to undertake actions on other areas of the environment, as established in its Constituency Decree, once financial mechanisms are set-up to address them.

Budget

10. The operational budget of FONDOIN should be obtained from the following sources:

i) The Multilateral Fund and other bilateral or multilateral sources;

ii) Donations and contributions; and

iii) Assets and remunerations received from various sources.

11. The total budget of FONDOIN for the period 1993-1995 is estimated at $1,397,243 of which $329,192 has been requested from the Multilateral Fund.

I.	Installation costs (capital expenditure)	
	. Equipment	$ 14,870
II.	Recurrent expenditures	
	. Personnel	$208,000
	. Operational costs	$ 86,500
III.	Contingencies	$ 19,022

12. The Eighth Meeting of the Executive Committee approved of $100,000 for institutional strengthening in Venezuela. Funds were allocated to UNDP as the lead implementing agency designated by the Government of Venezuela.

INSTITUTIONAL STRENGTHENING PROJECT IN VENEZUELA

	Description	Cost per year (US$) 1993	1994	1995	TOTAL
I.	**INSTALLATION COSTS**				
	Telefax machine	800			800
	Computer equipment	6,000			6,000
	Software	2,000			2,000
	Word processors	1,500			1,500
	Desk-size photocopier	2,000			2,000
	Binding machine	530			530
	Paper cutter	200			200
	High-volume stapler	100			100
	Over-head projector	1,600			1,600
	Screen	140			140
	Subtotal 1	14,870			14,870
II.	**OPERATIONAL COSTS**				
1.	PERSONNEL COSTS				
	President	36,000	36,000	36,000	108,000
	Executive Assistance	9,600	9,600	9,600	28,800
	Administration Manager	24,000	24,000	24,000	72,000
	Subtotal 2	69,600	69,600	69,600	208,800
2.	OTHER EXPENDITURES				
	DSA and air fares	8,500	8,500	8,000	25,000
	Publicity	9,960			9,960
	Electricity	4,440			4,440
	Telephone calls and mail	11,100	11,100		22,200
	Materials and supplies	24,900			24,900
	Subtotal 3	58,900	19,600	8,000	86,500
	TOTAL	143,370	89,200	77,600	310,170
	Contingency				19,022
	GRAND TOTAL				329,192