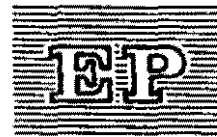




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Executive Committee of
the Multilateral Fund for the
Implementation of the Montreal Protocol

Eleventh Meeting
Bangkok, 10-12 November 1993

UNDP PROGRESS REPORT

This document includes:

- (a) Comments and recommendations from the Fund Secretariat
- (b) UNDP Progress Report

**COMMENTS FROM THE FUND SECRETARIAT ON
THE UNDP PROGRESS REPORT**

1. There has been appreciable progress in all the areas of activity of UNDP, namely:

Country programme preparation;
Technical Assistance;
Institutional strengthening;
Demonstration projects; and
Investment projects.

2. Out of twelve country programmes for which UNDP has been responsible eight have been completed (seven of which have already been approved). Three of the remaining four country programmes are scheduled to be submitted to the 12th Meeting, while one is scheduled to be submitted to the 13th Meeting.

3. Preparation of country programmes in Bangladesh for which funds were approved in June 1991 and February 1992 and in Sri Lanka for which funds were approved in February 1992 appears to have met with some difficulties. Special effort may be needed to ensure that the completion of the country programmes meets the deadline set by UNDP and the countries.

4. Nearly forty technical assistance activities in fifteen countries involving technology assessment missions (study tours), training, workshops and seminars have been completed. About twelve of such technology assessment missions to American, European and Japanese industries and a foam project in Egypt have been organized for a number of experts in China in the aerosol, foam, halon use, refrigeration and solvent sectors. Workshops, seminars, national conferences and sector-specific training have been supported in several countries including Ecuador, India, Indonesia, Malaysia, Nigeria, Philippines, Thailand and Venezuela. Only in Trinidad and Tobago, where funds for training were approved in June 1991, has there been long delay in completing the training activity. The Progress Report however does not clarify the role of CARIRI, which has been engaged for the country programme preparation, in the implementation of the training activity.

5. With regard to completed workshops and technology assessment missions, UNDP could devise a procedure, possibly as part of the relevant project document that would ensure that reports of such activities are made available through it to the Fund Secretariat and other implementing agencies who might benefit from the information

6. UNDP is responsible for institutional strengthening in fourteen countries. Since institutional strengthening is a three-year project, UNDP has chosen to transfer the approved funds to the beneficiary countries on a yearly basis. So far agreements have been signed with twelve countries and funds corresponding to their first year's budgets transferred to them. Arrangements with the other two countries are proceeding for transfer of the necessary funds. Thus US \$1,223,824 equivalent to 30.3 per cent of the total approved amount of US \$4,042,952 for the fourteen countries has been transferred.

7. Funds for project preparation assistance amounting to US 450,000 have been approved for UNDP at different times for investment project preparation in six countries - China, Egypt, India, Iran, Malaysia and Thailand. This activity has shown considerable results, particularly in China and Egypt where preparation of 14 investment projects worth more than US \$5.7 million, including seven in the foam sector, have been completed and approved. Eighteen other projects are reported to have been completed in these countries for submission to the Eleventh Meeting.

8. Progress has also been made in the implementation of the investment projects which UNDP has assisted. Notable progress has been made, particularly in the implementation of the eight investment projects in Egypt. One foam project to phase-out 121 tonnes of CFC-11 is due to be commissioned in November 1993 while of the other projects equipment is either being installed, or procurement completed or in progress. UNDP expects that in about 6-18 months (i.e. from April to December 1994) after approval of the projects by the Executive Committee almost all of the 347 tonnes per year of CFC-11 and CFC-12 to be phased-out, mainly in the foam sector, would actually be phased-out.

9. UNDP's operational machinery for project delivery under the Multilateral Fund has been substantially strengthened with the engagement of sector experts in all the sectors and the important sub-sectors such as mobile air conditioning and refrigeration sector training and a more active role of the Office of Project Services (OPS). The Montreal Protocol Unit has also been strengthened with the addition of professional and support staff and the assistance of part time staff from other relevant sections of UNDP.

10. Two other developments are worthy of note, namely;

- the development of computer software for monitoring project activities which is expected to be operational in the first quarter of 1994. UNDP could use the system to collate data and particularly collate the proceedings or outcomes of numerous workshops and technology assessment missions which it supports. Such information would be of interest to all Article 5 Parties as well as the implementing agencies when taking decisions on the phase-out process.
- the strengthening of capabilities of UNDP Field Offices to assist all the implementing agencies in project and programme implementation at the national level. The potential for UNDP Field Offices to facilitate project development and implementation in the ODS phase-out process, particularly in the countries which have approved country programmes which could guide project selection and development could be significant.

11. UNDP has as at 27 September disbursed approximately US \$6.8 million of about US \$18.2 million allocated to it so far, i.e. about 37 per cent of funds allocated to it. When this figure is adjusted to take account of the mode of transfer of institutional strengthening funds (See paragraph 4 above), i.e. if the full institutional strengthening funds were disbursed to the beneficiary countries, then about 53 per cent of funds allocated to it would have been committed.

12. Thus far UNDP's activities have been in 24 of the 77 (as at 31 August) Article 5 countries with about US \$10 million of the US \$16 million so far allocated to it concentrated on activities in two countries. The regional distribution of UNDP's activities is as follows:

<u>Region</u>	<u>No of Countries</u>	<u>Total Fund Allocation</u> <u>US \$ million</u>
Africa	4	5.28
Asia and the Pacific	10	8.58
Europe	0	0
Latin America and the Caribbean	10	2.16
TOTAL	24	16.02

13. Having the largest network of country offices with established channels of communication to governments, UNDP's efforts to involve its Field Offices in assisting implementing agencies would be a positive development that could help move the phase-out process if the modalities for the involvement of the Field Offices could be defined and made known to the Executive Committee and the implementing agencies.

RECOMMENDATIONS

1. To take note of the actions taken by UNDP to accelerate its project delivery; and
2. To encourage it to endeavour to extend its activities to other Article 5 countries within the limits of its capabilities.

**EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL**

(Eleventh Meeting, 10-12 November 1993, Bangkok)

PROGRESS REPORT

OF THE

UNITED NATIONS DEVELOPMENT PROGRAMME

CONTENTS

- A. Operational and Policy Developments
- B. Financial Summary as of September 1993
- C. Status of Approved UNDP Work Programmes

A. OPERATIONAL AND POLICY DEVELOPMENTS

UNDP is pleased to report that the speed of project implementation is accelerating. As can be seen from the attached 20-page "Status of Approved UNDP Work Programmes under the Montreal Protocol", several technical assistance and training projects as well as country programme preparation activities have been completed. A number of demonstration and investment projects are in the start-up or commissioning phase, with ODS reduction expected to start between 6-18 months from the date of project approval. UNDP has thus geared up to meet both the needs of its existing work programme and the growing needs of countries that will request its assistance.

Two additional sector experts and an additional administrative assistant are joining UNDP's Montreal Protocol Unit so as to accelerate project and programme delivery. In the refrigeration sector, Mr. Stuart Kelly has been recruited and has already started his first assignment which is to assist in implementation of the Indonesia refrigeration sector workshop as an integral component in the preparation of its Country Programme for which UNDP is lead agency. Formerly with ICI Chemicals and Polymers, he has worked in most Southeast Asian countries where he is well known to both government and industry. Recruitment of the mobile airconditioning sector expert, Mr. Joseph DiFonzo, is being finalized. He was formerly with General Motors, responsible for design and manufacture of HVAC and engine cooling components. An additional administrative assistant, Mr. Jesse Reyes, has also joined to help handle the increasing administrative workload.

UNDP is utilizing both its sectoral experts as well as other experts from its roster for country programme preparation, training courses, demonstration programmes and investment project preparation. A computerized roster of consultants qualified for Montreal Protocol related activities and who have been either used or identified by UNDP is nearing completion; this would be used for UNDP internal purposes as well as shared with other implementing agencies.

Computer software programmes are being developed to monitor project activities. The input of initial data into this system is a time-consuming process but will in the long run assist UNDP further accelerate and monitor project implementation. It is expected to be fully operational in first quarter 1994.

Several UNDP Field Offices have also strengthened their capabilities to assist implementing agencies in project and programme implementation at the national level. For non-UNDP implemented projects, UNDP Field Offices will work out implementation arrangements directly with the concerned agency.

UNDP's Montreal Protocol Unit

The organizational unit within UNDP which has supervisory responsibility for all Montreal Protocol related matters is the Environment and Natural Resources Group (ENR), headed by Mr. Luis Gomez-Echeverri (Colombia). Within ENR is the Montreal Protocol Unit (MPU) which is responsible for substantive programme design, management and evaluation. MPU staff comprise:

- Mr. Frank Pinto (India), Principal Technical Adviser, and Chief, MPU/ENR, handles overall management and coordination and the Asia/Pacific region.
- Mr. Jacques van Engel (Belgium), Environment Specialist, MPU, covers Latin America and the Caribbean, Africa (excluding Egypt) and regional programmes.
- Mr. Ichita Yamamoto (Japan), Programme Officer, MPU, covers Egypt and the Middle East.
- Ms. Cecilia Corpus (Philippines), Principal Programme and Administrative Assistant, MPU, covers administrative/programming matters in all regions and also serves as deputy for the Asia/Pacific region.
- Mr. Jessie Reyes, MPU Administrative Assistant.

The following sector specialists have retainer expert contracts with UNDP and are responsible for the design, technical implementation, monitoring and evaluation of UNDP projects and programmes in their fields of specialization:

- Mr. Clinton Norris (USA), President, The Norris Group (Environmental and Business Consultancy). UNDP expert in CFC replacement technologies, policies, country programmes and the solvents sector.
- Mr. Bert Veenendaal (Netherlands), Principal, Rappa Inc. (Environmental Consultants). UNDP foams sector expert.
- Mr. Erik Pedersen (Denmark), Director, Fire Protection Department, Danish Institute of Fire Technology, Copenhagen. UNDP halons sector expert.
- Mr. Geno Nardini (USA/Mexico), Manager, Instituto Mexico de Aerosoles, Mexico City, Mexico. UNDP aerosols sector expert.
- Mr. Stuart Kelly (UK), formerly manager with ICI Chemicals and Polymers. UNDP's refrigeration sector expert.
- Ms. Jacqueline Levister (USA), GAIA International Environmental Consultants, Washington, D.C. Formerly technology transfer consultant (refrigeration) with USEPA. UNDP refrigeration sector training specialist.
- Mr. Joseph DiFonzo (USA), formerly with General Motors. Recruitment being processed as UNDP MAC sector expert.

The following UNDP staff work part-time on Montreal Protocol related matters: (a) Ms. Shiao-Yuen Hu-Fazzi, Chief, Programme Support Unit, and Finance Officer, GEF/ENR; and (b) Mr. Paul Chan, Principal Finance/Administrative Assistant, GEF/ENR.

The principal executing agency for UNDP in the implementation of its projects is the Office of Project Services (OPS). The Programme Officer responsible for implementation of projects under the Montreal Protocol projects is Ms. Laurance Reno. OPS has accelerated its implementation procedures and works closely with the Montreal Protocol Unit and with the sector experts.

HIGHLIGHTS

BRAZIL

Arrangements are being discussed for a regional (Latin America) UNDP demonstration programme on low-CFC foam technology to be held in Sao Paulo during second-half November 1993.

CHINA

- a) During a mission in July 1993, UNDP/OPS with the assistance of UNDP's foams sector expert initiated implementation of the foam sector investment project in Tianjin. During this mission, several additional foam sector project proposals were discussed. Two foam sector projects were finalized in time for presentation at the 11th ExCom meeting, and others will be submitted for approval at the 12th ExCom meeting.
- b) UNDP has shipped twenty halons recycling machines to China and as part of its collaboration with USEPA on the global halons project has jointly sponsored halons recycling and recovery workshops in Hangzhou and Guangzhou in August 1993. The workshops were successful in training of Chinese technical staff on the operation of the Halon-1211 recycling/recovery machines.

EGYPT

- a) A mission during 13-17 September was completed by OPS, UNDP's foams sector expert and a process consultant. The implementation process for two foams sector investment projects approved at the 10th ExCom (MOBICA, OLYMPIC) was started. The

implementation status of the six other investment projects was reviewed and decisions taken when there was an opportunity to speed-up the implementation process. The process consultant from the foams sector in Malaysia (Jumaya Industries) assisted Interfood, Arab Packaging and Al-Sharif Companies respectively in developing detailed project specifications and budget estimates.

- b) Five foam sector investment project submissions were reviewed and prepared for presentation to the 11th ExCom Meeting.
- c) Arrangements were discussed and finalized for a regional (Middle East/Africa) UNDP demonstration programme on low-CFC foam technology to be held in Cairo during 2-4 November 1993.
- d) Arrangements were also discussed for a regional (Middle East/Africa) UNDP workshop and demonstration programme on halons to be held in Cairo during 6-8 November 1993.

INDIA

- a) UNDP was lead multilateral agency for CP preparation, working closely with the Ozone Cell, Ministry of Environment and Forests (MOEF) and the Tata Energy Research Institute (national lead agency). In June, a mission by UNDP consultants Norris (policy/strategy), Pedersen (halons), Veenendaal (foams), Madinabeitia (refrigeration), Nardini (aerosols) and Ahmadzai (solvents), along with UNIDO representative (Gurkok), worked with government and industry representatives to develop detailed sectoral strategies for ODS phaseout. Issues discussed included ODS consumption, growth, technology options, ODS phaseout timing, policy and sectoral strategy, and projects needed to implement a phaseout strategy.
- b) Two national CP preparation workshops were held, the first during 14-16 July and the second during 18-20 August 1993. The UNDP sector experts worked with their respective sectoral groups. Messrs. Pinto and Norris also worked closely with the Ozone Cell/MOEF and TERI in the consolidation of sectoral plans into a national plan. Issues on timing, technology, projects, and small scale industries were addressed. Prof. Tang (China) provided valuable guidance during the first workshop. World Bank staff discussed project guidelines and contributed to many of the sessions.
- c) Following the conclusion of the second National Workshop, the Government of India prepared the final CP which was processed and officially approved on 6 September 1993 for presentation at the 11th ExCom meeting in November 1993.
- d) During the June-August CP preparation process, several projects were identified and project drafts formulated. UNDP has submitted eight foams sector projects to the Government for approval, prepared following discussions by UNDP's foams sector expert with company representatives. A national foams sector expert has been recruited to assist in the preparation and submission of foam sector projects. It is expected that the eight foam sector projects would be ready for presentation to the 12th ExCom in early 1994.

INDONESIA

- a) UNDP is lead agency for CP preparation, working with the Ministry of Environment. Following an initial mission in April 1993, a detailed mission during 18-24 July resulted in development of a detailed work plan and time schedule for CP preparation, including formation of sectoral groups, selection of international and national experts and budgetary allocations. A Memorandum of Understanding between the Government and UNDP was approved.
- b) The national sectoral workshops were held during 23-27 August in Jakarta. UNDP sectoral experts in aerosols, foams, halons and solvents joined with representatives of government and industry to develop sectoral strategies for ODS phaseout. The cooperation of our World Bank colleagues in presenting essential information on projects is gratefully acknowledged.

- c) The National Country Programme Preparation Workshop will be held during 25-29 October 1993 in Jakarta. The Government has determined that the CP will be presented to the 12th ExCom Meeting in early 1994.

MALAYSIA

A mission to Malaysia by a UNDP consultant in July 1993 resulted in discussions and project development to facilitate ODS phaseout in the foams and solvents sectors. UNDP has also retained the services of Westech Company in Malaysia for project preparation and follow-up. Three foams sector projects and three solvents sector projects have been finalized and have been submitted for approval to the 11th ExCom meeting.

THAILAND

- a) As a result of UNDP expert missions to Thailand in the aerosols, foams and halons sectors, several potential projects have been discussed. A foam sector project has been finalized and is being submitted for approval at the 11th ExCom meeting. Other projects are under discussion.
- b) UNDP is finalizing arrangements for an Asian Regional Foams Workshop and Demonstration Programme to be held in December 1993 in Bangkok.

INTERAGENCY COOPERATION

During the mission planning stages for the CP workshops in India and Indonesia, UNDP coordinated closely with the World Bank in project identification and development. This enabled cost-effective use of those consultants who were involved in both CP and project preparation activities, especially through the reduction of travel costs for international experts. Briefing meetings were held with UNIDO in Indonesia, to keep them informed regarding CP preparation activities. Close contact is being maintained with UNEP especially on country programme preparation for small ODS users and in data and information flows.

UNDP/USEPA COLLABORATION IN THE HALONS SECTOR

Activities under the global halons project have progressed considerably since the last ExCom Meeting. USEPA, with UNDP assistance, launched several missions following the April 1993 halon-1211 workshop in Beijing. Two missions were completed in Latin America (Panama and Uruguay) to discuss halon management programmes. As a result of these missions, UNDP has provided each country a halons-1211 recovery/recharge machine. In September, a team comprising USEPA and FRC (the equipment manufacturer), with the assistance of UNDP, completed two additional halon-1211 recovery/recharge demonstration programmes in China (Hangzhou and Guangzhou). Twenty machines in total will be shipped to China under this programme.

CALCULATION OF INTEREST ON UNDP'S MONTREAL PROTOCOL TRUST FUND

The interest income reported in UNDP's Montreal Protocol Trust Fund account presented at the 10th ExCom was \$25,937, which constituted interest accrued on 1991 income only. The interest income for 1991 and 1992 combined on UNDP's Montreal Protocol Trust Fund account is \$176,914 and will be so reported to the Treasurer.

FINANCIAL SUMMARY

UNDP'S WORK PROGRAMME UNDER THE MONTREAL PROTOCOL

(AS OF 27 SEPTEMBER 1993)

COUNTRY/ REGION	MULTILATERAL FUND ALLOCATIONS	CUMULATIVE DISBURSEMENTS/ OBLIGATIONS	REMAINING BALANCE
ARGENTINA	25,000		25,000
BANGLADESH	80,000	43,850	36,150
BRAZIL	428,100	149,665	278,435
CHILE	25,000	25,000	0
CHINA	5,518,700	994,204	4,524,496
COSTA RICA	433,400	171,939	261,461
CUBA	194,600	91,000	103,600
ECUADOR	140,000	96,080	43,920
EGYPT	4,139,500	1,937,440	2,202,060
GHANA	578,200	65,200	513,000
INDIA	730,000	426,970	303,030
INDONESIA	514,780	228,767	286,013
IRAN	315,550	156,350	159,200
JORDAN	41,000	41,000	0
KENYA	209,852	24,382	185,470
MALAYSIA	698,331	411,265	287,066
MEXICO	75,000	79,500	(4,500)
NIGERIA	349,650	137,623	212,027
PHILIPPINES	148,820	147,117	1,703
SRI LANKA	35,000	35,000	0
THAILAND	500,000	211,597	288,403
TRINIDAD & TOBAGO	78,800	51,877	26,923
URUGUAY	213,050	34,530	178,520
VENEZUELA	545,392	167,447	377,945
SUBTOTAL	16,017,725	5,727,803	10,289,922
REGIONAL	435,547	144,247	291,300
GLOBAL	1,568,717	739,715	829,002
	2,004,264	883,962	1,120,302
PROGRAMME MANAGEMENT	160,911	160,911	0
TOTAL	18,182,900	6,772,676	11,410,224