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

Ninth Meeting
Montreal, 8–10 March 1993

1992 UNDP PROGRESS REPORT

This document includes:

- Comments from the Fund Secretariat
- 1992 UNDP Progress Report

**COMMENTS FROM THE FUND SECRETARIAT
ON THE 1992 UNDP PROGRESS REPORT**

1. Projects approved by the Executive Committee in October 1992 are yet to start. The delay in starting the activities has been attributed to late receipt of the approved funds, which were received at the end of December 1992. Generally implementation of activities approved in 1991 and early 1992 continued to incur delays. However most of those which have started are expected to be completed by the second or third quarter of 1993. Sector expert retainer contracts have been signed in four sectors: aerosol, foam, halon and solvent, to facilitate project implementation. Ten activities in ten countries have been completed. These include four training and two data collection activities, a pre-feasibility study, a project preparation, a country programme preparation and consultancy to assess technical assistance requirements.
2. In China where most of UNDP's activities are concentrated, implementation of most of the projects approved in February and June 1992 made little or no progress. Out of 15 projects approved in February 1992 six are yet to start and one is in the planning stage. However, project documents were signed in January 1993 for the two large demonstration projects in the solvent sector approved in June 1992 and implementation started. China's Country Programme was also completed and submitted. Study tours in ODS substitute production and non-ODS cleaning were organized for national experts to United States and Japanese enterprises respectively.
3. Most of UNDP's activities are feasibility studies and demonstration projects which could be considered as precursors to investment projects or which should provide information and/or tested technology for replication in phase-out projects, hence their expeditious implementation could expedite phase-out activities.
4. The progress report in the format presented, though concise, fails to indicate the current activities or actual status of implementation of the approved activities. Since the expected date of completion or duration of the activities are not indicated, it is difficult to determine delays or variances in the implementation schedule. This omission may have to be rectified in future reports to make the Progress Report more meaningful. No report was made on the procurement of 40 halon recycling machines for which US \$250,000 was approved in February 1992. The Principal Technical Advisor of UNDP, however, following discussion of the Progress Report at the Co-ordination Meeting held on 4-5 February 1993, offered to provide further details at the Ninth Meeting of the Executive Committee for information.
5. The Progress Report also fails to indicate the output or any possible follow-up activities where the activities have been completed. Since outputs, particularly in the case of feasibility studies and demonstration projects, should inform the implementation of similar activities in other areas and design of investment projects, it will be useful for such outputs to be indicated. For instance the "several investment projects formulated" in Egypt and how the unutilized US \$40,000 of the project preparation funds is to be used should have been indicated. In the case of training activities, it will be useful to indicate whether any manuals or similar aids, which would be used by other interested Parties, resulted.
6. No financial report was provided on the funds approved for UNDP's 1992 activities.

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6. No financial report was provided on the funds approved for UNDP's 1992 activities.

Secretariat's recommendations

The Secretariat recommends that the Executive Committee:

1. takes note of the 1992 Progress Report of the United Nations Development Programme;
2. endorses the comments made there-upon and requests UNDP to take account of these comments in preparing future progress reports;
3. requests UNDP to submit a financial report indicating *inter alia* cumulative funds received as at 31 December 1992, estimated and actual expenditures, accrued income on unutilized funds and planned disbursements.

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

(Ninth Meeting, 8 - 10 March 1993)

PROGRESS REPORT
OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME

CONTENTS

- I. Operational and Policy Issues: Major Developments**
- II. Status of UNDP Assisted Programmes**

I. OPERATIONAL AND POLICY ISSUES: MAJOR DEVELOPMENTS

1. The Fourth Meeting of the Parties to the Montreal Protocol took place in November 1992, Copenhagen, Denmark. UNDP was represented at the Open Ended Working Group of the Parties as well as at the Preparatory Meeting of the Parties which took place during 17-21 November 1992. UNDP was also represented at the Ministerial Meeting which took place during 23-25 November 1992. Discussions were held with Government representatives from several of the countries where UNDP has active work programmes. The discussions resulted in acceleration of UNDP's work programme implementation in several countries. In addition, several countries not yet Party to the Protocol but likely to ratify it in the coming months, approached UNDP to discuss potential technical assistance requirements.
2. Sector expert retainer terms of reference and retainer contracts had been finalized and signed for the following:
 - a) Aerosols: Mr. Geno Nardini
 - b) Foams: Mr. Bert Veenendaal
 - c) Halons: Mr. Erik Pedersen
 - d) Solvents: Mr. Clinton Norris
3. UNDP has held additional discussions with the World Bank regarding interagency coordination and cooperation, at the global level, at the regional level, at the country level and at the sectoral level. This has resulted in the improved effectiveness of UNDP activities covering improved project evaluation, project financial analysis, and interagency coordination in ongoing programmes.
4. UNDP, as lead agency for country programme development in China, has assisted the Government in the finalization of its Country Programme which will be presented to the Ninth Meeting of the Executive Committee. A UNDP mission to China during 11-15 January 1993 assisted the Government in this area and also preliminary discussions were held with concerned Ministries and NEPA on the potential 1993 UNDP activities in China. The World Bank has been working closely with UNDP and has played a key role in assisting the Government select priority investment projects.
5. UNDP has had detailed discussions with UNIDO and will be assisting them get started as an implementing agency.
6. UNDP has been collaborating closely with UNEP in several areas. In both Ghana and Kenya, UNEP will assist UNDP in the implementation of the refrigeration sector demonstration and training programmes. In the case of

Kenya, with Government approval, UNDP has amended its national refrigeration programme into a regional programme jointly supported by UNEP in order to foster cost-effectiveness and avoid duplication of activities. UNDP is developing its Montreal Protocol project/activity database so that relevant country and sector information can be transferred to UNEP's OzoneAction Information Database.

7. UNDP participated in and made a presentation at UNEP's Regional Workshop for Africa on the Montreal Protocol, which was held in Nairobi, Kenya, during 7-11 December 1992. Discussions were held with several Parties and Non-Parties on potential technical assistance available from the Multilateral Fund through UNDP.
8. Meetings were held with Government of India representatives during 21-24 December 1992 in New Delhi to discuss implementation arrangements for the institutional strengthening project for India already approved by the Executive Committee, as well as utilization of project preparation assistance funds also approved by the Executive Committee. The views of the Ministry of Environment and Forests, the Ministry of Industry, and the Ministry of Finance were solicited during the mission.
9. A multisectoral study tour for senior Chinese policy and sector managers followed the end-September 1992 International CFC and Halons Alternative Conference in Washington, D.C. The participants visited a number of companies and locations in the US which have successfully phased out use of ODS or who are producing either substitute materials or equipment which can be used for processing ODS substitutes. The impact of this tour was timed to coincide with the finalization of the China Country Programme so as to show technologies and demonstrate policy impacts.
10. Senior members of the solvents sector in China, accompanied by UNDP's solvents sector expert, toured several facilities in the USA to: (a) review CFC-free cleaning and no-clean alternatives for electronics, precision cleaning, and all other general cleaning applications; and (b) learn about various equipment manufacturers with intent to quickly partner with one or more so that various equipment needs in China for alternative processes can be rapidly met. The team also visited Japan and toured Toshiba facilities covering non-ODS cleaning technologies in the solvents sector since their components and some of their processes are currently in use in China. The results of the study tour have facilitated rapid action on the two solvents demonstration projects approved by the Executive Committee for which implementation started in January 1993.

11. Senior members of the foams sector in China, accompanied by UNDP's foams sector expert, toured eight manufacturing facilities in the USA each employing one or more ODS replacement technologies. The team assessed technologies allowing the elimination of the use of CFC-11 in the manufacture of flexible polyurethane foam (slabstock). In addition, they visited a technology center and a regulatory agency involved in the assessment of technologies. The team reviewed technologies covering methylene chloride, MCF, HCFCs, E-Max, Recovery/Recycling, Acetone, AB Technology, Rapid Cure, Waterlily {MDI}, and Vacuum foam.

II. STATUS OF UNDP-ASSISTED PROGRAMMES

12. UNDP's Work Programme activities increased significantly during the second half of 1992. One key reason was the greater interest and participation of recipient Governments in the implementation of approved Montreal Protocol work programmes, as well as greater involvement of UNDP field offices in Montreal Protocol project implementation.
13. The attached table summarizes the status of UNDP's work programme in each of the countries where it has ongoing programmes covering technical assistance, institutional strengthening and demonstration/investment projects.
14. At the Eighth Meeting of the Executive Committee in October 1992, a significantly large work programme for UNDP was approved by the Executive Committee. Unfortunately, however, the approved funds were received by UNDP only in end December 1992. Programming for these activities could therefore start only in January 1993 and therefore we will be able to report on these activities only at the 10th Meeting of the Executive Committee.

STATUS OF APPROVED UNDP WORK PROGRAMMES

(as of January 1993)

Category: TA = Tech. Assistance
IS = Inst. Strengthening
D/I = Demo/Invest. Project
CP = Country Programme

Country	Description of Work Programme	Budget (Category)*	Approved	Status
ARGENTINA	Country Programme Assistance	\$ 25,000 (CP)	6/91	World Bank lead agency for CP, coordinating with World Bank.
BANGLADESH	Reconnaissance Survey and Training	55,000 (TA)	6/91	Ongoing. Completion April 1993. After survey, CP formulation will follow
	CP Formulation	25,000 (CP)	2/92	Target end date: 3rd quarter 1993
BRAZIL	Prefeasibility study for commercializing portable CFC-12 recycling equipment	25,000 (TA)	2/92	Target end date: 2nd quarter 1993
CHILE	Demonstration programme for refrigeration sector technicians	25,000 (TA)	2/92	Target date: 2nd quarter 1993
CHINA	Technical assistance for demonstration of CFC-11 substitute technology in flexible polyurethane foam	70,000 (TA)	2/92	Ongoing. Study tour on flexible foams complete. Other TA ongoing.
	Technical assistance for demonstration of CFC-11 substitute technologies in rigid polyurethane foams	70,000 (TA)	2/92	To start 2nd quarter 1993.

Country	Description of Work Programme	Budget (category)*	Approved	Status
CHINA	Technical assistance for Guangdong aerosols investment project and investigation of non-ODS filling technology and LPG purification	75,000 (TA)	2/92	Activities underway. Target end date: 2nd quarter 1993.
"	Quality control testing on adoption of CFC-11 substitute technology in a production line for home refrigerators	65,000 (TA)	2/92	Specifications of equipment being finalized. Target end date: 3rd quarter 1993
"	Technical assistance for CFC-11 substitute technology in rigid polyurethane foam. Demonstration and TA for quality control testing for low-CFC formulation in domestic refrigeration.	70,000 (TA)	2/92	Implementation tied to World Bank investment project development. Target end date: 2nd quarters 1993
	Technical study on halons usage and application of halons substitutes.	40,000 (TA)	2/92	Planning underway. Target end date: April 1993.
"	Establishment of a training centre for centrifugal chillers and domestic refrigeration for service managers and technicians.	75,000 (TA)	2/92	Planning underway. Target end date: 2nd quarter 1993.
"	Feasibility study on the application of HFC-134a technology in MACs and CFC recycling	40,000 (TA)	2/92	Target end date: 3rd quarter 1993.

Country	Description of Work Programme	Budget (category)*	Approved	Status
CHINA	Establishment of an Information Clearing House at NEPA.	150,000 (TA)	2/92	Activities underway. Information Clearing House to be fully operational by mid-1993.
"	Preparatory study to phase-out CFC-113 in electronic cleaning in four production lines.	40,000 (TA)	2/92	Technical study tour complete. Project preparation underway by Chinese. Target end date: mid-1993.
	<u>Dalian precision parts cleaning line project.</u> The project includes the following activities: (i) identification of non-CFC cleaning system for "electronic gun" parts (ii) demonstration of process feasibility and (iii) promotion of new system among 20 precision metal parts manufacturers.	495,000 (D/I)	6/92	Ongoing. Project Document signed by Government and UNDP in January 1993. Implementation has started. Target end date: Dec. 1994.
"	<u>Dandong electronic tuner aqueous cleaning line.</u> The Project includes the following activities: (i) identification of an aqueous cleaning system and water soluble flux for electronic tuner production (ii) demonstration of the feasibility of the technology and (iii) promotion of new system among 10-20 electronic tuner manufacturers.	495,000 (D/I)	6/92	Ongoing. Project Document signed by Government and UNDP in January 1993. Implementation has started. Target end Date: Dec. 1994.

Country	Description of Work Programme	Budget (category)*	Approved	Status
CHINA	<u>Country Programme Preparation</u>	200,000 (CP)	2/92	Approved by Government in January 1993. To be presented at 9th Executive Committee Meeting.
"	Quality control testing for using CFC-12 substitute technology in refrigeration and rigid foams.	70,000 (TA)	2/92	In planning stage. Not yet operational. Target end date: 3rd quarter 1993.
COSTA RICA	<u>Reconnaissance Study</u>	20,000 (TA)	6/91	{ Complete. Approved at Eighth } { EC Meeting in October 1993 }
"	<u>CP Formulation</u>	25,000 (CP)	2/9	{ { }
"	<u>CP Implementation</u> a) using national service network; conservation recycling & training. Procure 25 recovery and 6 recycle units (b) Seminars/workshops in foams and solvents (c) Institutional Strengthening	393,400 (TA/IS)	10/92	Funds received end-Dec. 1993. Discussions underway with Government and UNDP Field Office on project implementation. Target start date: April 1993.
CUBA	<u>Country Programme preparation</u>	22,600 (CP)	10/92	Preparation underway. Data survey complete. CP formulation underway. Target date: 3rd quarter 1993.
ECUADOR	CFC refrigerant conversion and material handling programme.	100,000 (TA)	2/92	Being implemented in cooperation with the World Bank. Target end date: April 1993
EGYPT	Phase out CFC-11 in manufacture of flexible polyurethane foam at MISR Foam Factory.	497,000 (II)	10/92	Underway. UNDP Consultant met with MISR FOAM in January 1993 to finalize project implementation.

Country	Description of Work Programme	Budget (category)*	Approved	Status
EGYPT	Phaseout CFC-11 in Manufacture of molded polyurethane foams at Technopol	645,000 (II)	10/92	UNDP Consultant met with company in January 1993 to finalize implementation plans. Target date for installation is late 1993 with phaseout commencing 1994.
"	Phaseout CFC-11 at Taki Vita in manufacture of various polyurethane foams.	294,000 (II)	10/92	60% funded at 8th EC Meeting. Egypt requesting the remaining 40% due to passive multinational ownership at 9th EC Meeting. Implementation pending.
"	Phaseout CFC-12 at Koldair in water cooler manufacture.	272,000 (II)	10/92	Major cost component is operational. Approval of operating cost deferred at 8th EC meeting pending additional policy study. Implementation pending.
"	Project preparation assistance	100,000 (TA)	2/92	Two UNDP missions completed in 1992 and one in January 1993. Several investment projects formulated. Approx. \$40,000 remaining.
GHANA	Institutional Strengthening of Environment Protection Council	\$160,000 (IS)	10/92	Funds released end-Dec. 1992. Implementation planning stage.
"	ODS elimination in foams	\$ 85,000 (TA)	10/92	Implementation planning stage.
"	Technology transfer for CFC phaseout in flexible foams, including study tour, processing equipment, and safety audits.	\$ 85,000 (TA)	10/92	Implementation planning stage.
"	Refrigeration training programme for service technicians	\$ 99,900 (TA)	6/91	UNDP consultant mission in October 1992. Being implemented jointly with UNEP. Training programme to be operational by mid-1993.

Country	Description of Work Programme	Budget(category)*	Approved	Status
GHANA	Improved servicing and maintenance in refrigeration: (a) establish National Committee for improved refrigeration practices for training and certification (b) Technical assistance (c) Procurement of recycle equipment	328,000 (TA)	10/92	Funds received end-Dec 1992. Implementation planning stage.
INDIA	<u>Institutional Strengthening</u> The project is aimed at establishing the Ozone Cell, within the Ministry of Environment to assist the Government implement the action plan to comply with the provisions of the Montreal Protocol.	\$430,000 (IS)	10/92	Project implementation started. National Workshop on the Montreal Protocol for Indian Industry held during 28-29 January 1993. IS project implementation underway.
"	Assistance in project preparation in the aerosols, foams, refrigeration and fire extinguishing sectors.	113,000 (TA)	10/92	Government is to specify which projects are to be formulated.
INDONESIA	<u>Country Programme preparation</u>	226,000 (CP)	10/92	Discussed with Indonesia delegates at Copenhagen meeting. Finalization of details with Government and World Bank which is cooperating agency. Target start dated: February 1993.
IRAN	Study to determine ODS production and consumption of ODS	30,350 (TA)	6/92	Completed in mid-1992.

Country	Description of Work Programme	Budget (category)*	Approved	Status
IRAN	<u>Country Programme Preparation</u>	35,000 (CP)	2/92	Draft CP finalized. Revised CP to be submitted for 10th EC Meeting.
"	<u>Institutional Strengthening</u> Establishment of an Ozone Office and support the National Committee on Ozone Depleting Substances to implement the action plan under the Montreal Protocol.	\$200,200 (IS)	10/92	Funds received end December 1992. Project implementation under discussion. Target start date: March 1993.
"	Project preparation assistance in aerosols, fire extinguishing foams, solvents, refrigeration and MAC sectors.	113,000 (TA)	10/92	Funds received end December 1992. Government and UNDP discussing projects to be formulated. UNIDO involvement likely.
JORDAN	Technical assistance and pre-feasibility study in aerosols sector.	29,000 (TA)	6/91	Missions by UNDP consultants (Finland) completed this assignment in Jan-Feb. 1992.
KENYA	Demonstration and Training unit for maintenance and recharge of refrigeration and air conditioning equipment.	\$115,100 (TA)	6/91	UNDP Consultant mission in mid-November 1992. Has been transformed into a joint national/regional programme jointly implemented by UNDP and UNEP with Government approval.
"	<u>Country Programme Preparation.</u>	25,000 (CP)	2/92	CP formulation underway. Target end date: 3rd quarter 1993.
MALAYSIA	<u>Training in MAC sector</u> The project is aimed at training service mechanics in conservation, leakage control and recycling of CFC-12.	50,000 (TA)	6/91	Being implemented under overall World Bank MAC project in Malaysia. Funds to be transferred to World Bank.

Country	Description of Work Programme	Budget (category)*	Approved	Status
MEXICO	Halons inventory and proposals for revisions of existing standards.	25,000 (TA)	2/92	Implementation pending identification of qualified Spanish speaking sector expert acceptable to Government
"	Preparation of terms of reference for 11 investment projects identified in the CP.	\$ 50,000 (TA)	06/91	Ongoing. National Consultant assisting the Government draw up terms of reference for the projects.
NIGERIA	National seminar for industry and protection of the ozone layer	49,650 (TA)	6/91	Seminar took place 11-12 November 1992.
PHILIPPINES	Training programme in the refrigeration sector covering domestic refrigeration.	64,000 (TA)	6/91	Completed.
"	<u>Country Programme formulation</u>	45,000 (CP)	10/92	Ongoing. Target date for submission: 10th Executive Committee Meeting.
SRI LANKA	<u>Country Programme formulation</u>	35,000 (CP)	2/92	Ongoing. National Consulting firm undertaking ODS survey. CP to follow Target end date: 4th quarter 1993.
THAILAND	Training of Government technical staff	50,000 (TA)	2/92	Completed.
TRINIDAD & TOBAGO	Training of Government technical staff in aerosols sector	53,800 (CP)	6/91	As requested by Government, part of the funding will switch to CP preparation. TA component not yet utilized.
"	<u>Country Programme Preparation</u>	25,000 (CP)	2/92	Additional funds for CP preparation. Details being finalized. Target end date: 4th quarter 1993.

Country	Description of Work Programme	Budget (category)*	Approved	Status
URUGUAY	Consultant mission to assess technical assistance requirements.	13,050 (TA)	6/91	Completed.
"	<u>Country Programme Formulation</u>	27,000 (CP)	10/92	Ongoing. Regional consultant in Uruguay during January 1993. Target end date: 2nd quarter 1993.
VENUEZUELA	Technical assistance and training of servicing technicians in the refrigeration sector	30,000 (TA)	6/91	Completed.
	Institutional strengthening	100,000 (IS)	10/92	Implementation delayed pending approval by 9th EC of full IS proposal.
REGIONAL	Three low-CFC foam demonstration programmes in LA, ME/Africa and Asia	157,500 (TA)	2/92	To be implemented with the assistance of UNEP in 1993. Target completion date: 4th quarter 1993.
"	Two regional demonstration programmes in LA and ME	120,000 (TA)	2/92	To be implemented in collaboration with USEPA. Target completion date: 3rd quarter
"	Six regional demonstration programmes in commercial/ industrial refrigeration and centrifugal chillers.	240,000 (TA)	2/92	To be implemented in cooperation with UNEP in 1993. Target completion date: 4th quarter 1993.
GLOBAL	Global halons project	390,000 (TA)	10/92	Funds received end-Dec 1992. UNDP halons sector expert discussing implementation. Modalities with World Bank, USEPA and other interested agencies. Target start date: March 1993.
"	Global MAC project	360,000 (TA)	10/92	Funds received end-Dec 1992. Discussions underway with World Bank on programme implementation modalities. Target start date: April 1993.