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

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Montreal, 18-22 November 1991

PROCEDURES FOR (PRESENTATION) OF COUNTRY PROGRAMMES AND PROJECT PROPOSALS TO THE EXECUTIVE COMMITTEE

All three implementing agencies have included preparation of country programmes for Article 5 countries. Also some of these countries have indicated that they will prepare themselves their country programmes. In one case, a country programme was prepared through bilateral co-operation. In order to standardize all country programmes, the Fund Secretariat has prepared detailed standard format for an idealized country programme. If approved by the Executive Committee, it can be used as the basis for preparation of a country programme, thus obviating the need to develop terms of reference for country programmes in each of Article 5 countries.

The document is subdivided into four main sections: I. Introductory part, II. Format and Content of a Country Programme, III. Country Programme Evaluation Criteria, and IV. Country Programme Cover Sheet. Sections I and II describe the procedure and guidelines for the preparation and presentation of a country programme. Sections III and IV are intended for the use of the Fund Secretariat.

I. INTRODUCTORY PART

1. INTRODUCTION

This paper explains the purpose of the Country Programme to the governments of Parties operating under paragraph 1 of Article 5 of the Montreal Protocol on Substances that deplete the Ozone Layer (that is a developing country with an annual consumption of the substances in Annex A of less than 0.3kg per capita) .

2. THE INTERIM MULTILATERAL FUND

The Montreal Protocol (as amended in June 1990) provides at Article 10 for a financial mechanism to assist "Article 5 countries" to comply with the control measures of the Protocol. Currently, this has been implemented as the Interim Multilateral Fund to operate for a period of three years to December 1993.

3. ASSISTANCE FROM THE FUND

The Interim Multilateral Fund provides assistance to Article 5 countries in the form of technical assistance, grants or loans, or in-kind assistance from donor countries, to meet the incremental costs of complying with the Protocol. "Incremental costs" are explained in Annex IV, Appendix I of the report of the second meeting of the Parties to the Protocol.

4. THE COUNTRY PROGRAMME

As a first step towards obtaining assistance from the Fund, the party is invited to submit a "Country Programme" to the Fund's Executive Committee in accordance with paragraph 10(g) of Appendix II of Annex IV to the Report of the Second Meeting of the Parties. However, individual projects proposed prior to the submission of a Country Programme will qualify for assistance if consistent with the project eligibility criteria approved by the Executive Committee.

The Country Programme presents a commitment by the government to take appropriate actions to ensure compliance with the control measures of the Protocol. A standard contents list is available and is provided to Parties as guidance in preparing their country programmes.

The key features of the Country Programme are:

- the action plan;
- a statement of the government's commitment to implement the Action Plan, and to monitor the extent of its success in complying with the Protocol;
- an indication of the projects for which the government is likely to seek assistance from the Fund.

The Protocol recognises that the circumstances of Article 5 countries, and the priorities of governments, vary. In the Country Programme, the government should seek to state clearly its relevant policies and priorities, and its Action Plan will be expected to be consistent with these.

The Country Programme should demonstrate that the chosen Action Plan is cost-effective. It is therefore necessary to estimate the incremental costs which will be incurred by the country in complying with the Protocol.

5. USE OF THE COUNTRY PROGRAMME

The Country Programme provides the basis on which the Fund can give assistance to the country.

Applications for assistance with specific projects, should be made to the Fund Secretariat and/or the Implementing Agencies and should be consistent with the actions and projects identified in the Country Programme. The approval of projects where the value of the assistance applied for exceeds US\$ 500,000 is the responsibility of the Executive Committee.

Governments should monitor the progress being made in reducing ODS consumption in line with their plans set out in the Country Programme, and should periodically review the effectiveness of the measures being taken. If it becomes necessary to change the Action Plan in order to maintain progress, an up-dated Country Programme should be submitted to the Fund Secretariat for further consideration by the Executive Committee.

II. FORMAT AND CONTENT OF A COUNTRY PROGRAMME

Transmittal Letter

Executive Summary

1. INTRODUCTION

- 1.1 Purpose
- 1.2 Status
- 1.3 Assistance Received

2. CURRENT SITUATION

- 2.1 Current and Forecast Consumption of ODSs
- 2.2 Industry Structure
- 2.3 Institutional Framework
- 2.4 Policy Framework
- 2.5 Government and Industry Responses to the Protocol

3. IMPLEMENTING PHASE OUT

- 3.1 Strategy Statement by Government
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- 3.3 Roles in Implementing the Strategy
- 3.4 Timetable and Consumption Implications
- 3.5 Budget and Financing Programme
- 3.6 Monitoring Arrangements

Transmittal Letter

Address to:

Secretariat of the Interim Multilateral Fund for
the Implementation of the Montreal Protocol.

For the attention of: Chief Officer

Contents should include:

- the identity of the Country and the lead Government Agency submitting the Country Programme;
- the country's position under the Montreal Protocol (eg the country is a Party to the Protocol and is operating under paragraph 1 of Article 5);
- a statement of government's commitment to implementing the actions contained in the Country Programme in order to comply with the Protocol, explaining where this commitment is recorded;
- a statement of government's intention to monitor compliance with the Protocol, to take further or different actions if necessary, to update the Country Programme accordingly, and to submit this to the Fund's Executive Committee.

COUNTRY PROGRAMME

1. INTRODUCTION

1.1 Purpose

Record the purpose of the Country Programme including:

- it is a reflection of the commitment of the government to achieve compliance with the obligations as a party to the Protocol;
- it records and presents the information and analysis from which the Action Plan in the Country Programme has been developed;
- it provides the framework within which assistance from the Fund is provided. Applications to the Fund for assistance with specific projects should demonstrate the project's consistency with the Country Programme;
- it provides the basis for monitoring the extent to which the Action Plan is being followed and its effectiveness in reducing the consumption of Ozone Depleting Substances as planned in the Country Programme.

1.2

Status

Describe the status of the Country Programme.

This could cover:

- which organisation or agency took the lead in preparing it;
- which entity or forum in government approved the Country Programme and agreed to implement it, quoting the approval wording;
- costs of preparation of the Country Programme;
- whether the country study exists and is incorporated into the country programme.

1.3 Assistance Received

Record in this section the sources and the nature of all assistance received in preparing the Country Programme.

Sources of assistance include:

- the Fund's Implementing Agencies (UNEP, UNDP and the World Bank, others;)
- companies and industry groupings;
- non-governmental organisations;
- government departments and agencies;
- bilateral, multilateral and regional sources.

Table 4.1 Consumption in 1991 broken down by substance and source

Source Tonnes	Production	Imports	Exports	Consumption	Ozone Depleting Potential	Consumption in ODP tonnes
Substance						
Annex A Group 1					1.0	
CFC11					1.0	
CFC12					0.8	
CFC113					0.6	
CFC114						
CFC115						
Subtotal						
Annex A Group 2					3.0	
Halon 1211					10.0	
Halon 1301					not known	
Halon 2402						
Subtotal						
Annex B Group 1					1.0	
CFC13					1.0	
CFC111					1.0	
CFC112					1.0	
CFC113					0.8	
CFC114					1.0	
CFC115					0.6	
CFC211					1.0	
CFC212					1.0	
CFC213					1.0	
CFC214					1.0	
CFC215					1.0	
CFC216					1.0	
CFC217					1.0	
Subtotal						
Annex B Group 2					1.1	
Carbon Tetrachloride						
Annex B Group 3					0.1	
1,1,1-trichloroethane						
Consumption (Tonnes)					Total (ODP tonnes)	

2. CURRENT SITUATION

2.1 Current and Forecast Consumption of ODSs

2.1.1 Current Consumption

Provide data or estimates of the current (1991 if possible) consumption of each ODS, in tonnes, analyzed by substance, and analyzed for each substance by source and by user sector. If possible, the attached tables should be used to present these data. The following must be covered:

- all controlled substances, namely:
 - Annex A Group 1: CFCs 11, 12, 113, 114, 115;
 - Annex A Group 2: Halons 1211, 1301, 2402;
 - Annex B Group 1: CFCs 13, 111, 112, 211, 212, 213, 214, 215, 216, 217;
 - Annex B Group 2: Carbon tetrachloride;
 - Annex B Group 3: 1, 1, 1-trichloroethane (methylchloroform)
- all sources, namely;
 - production;
 - imports;
 - exports

Use Table 2.1.

■ all uses, including:

- **refrigeration** (domestic refrigerant, industrial refrigerant, and refrigerants for water coolers, bottle and walk-in coolers, ice candy machines, cold storage units);
- **air conditioning** (including room a/c, packaged a/c, central a/c - reciprocating and centrifugal, mobile a/c - for cars, buses, vans, trains, ships);
- **foams** (flexible polyurethane, rigid polyurethane, phenolic foam, polyolefinic foam, polystyrene);
- **aerosols** (inhaled pharmaceuticals, bottle aerosols, can aerosols);
- **cleaning** (vapour degreasing for electronics, computer hard disks, metals, and metal dip cleaning);
- **fire fighting** (portable units, fixed flooding units);
- **process solvents** (pesticides, pharmaceuticals, industrial paint manufacture);

Use Table 2.2.

■ all applications, including:

- in recharging existing products;
- in chemical or manufacturing processes;
- as feedstock.

Use Table 2.2 as shown in example.

- all recovered and recycled ODSs:
 - by product type or application.

Include in Table 2.2 below totals for consumption.

Accurate data may not be available for all categories of consumption or use, in which case estimates should be given.

Identify the source of the figures (for example customs records, trade association, industry estimate).

2.1.2 Forecast Consumption

Provide forecasts of the use of each substance in tonnes, and in tonnes X ODP, by product type or industrial user sector, on the following assumptions:

- no attempt is made to comply with the Protocol; and
- unconstrained quantities of controlled substances continue to be available from existing sources, at current prices.

For each substance the forecast should cover the period till 2010-2015 when the Protocol requires consumption to have been phased out.

Provide an explanation of the forecasting technique used (eg extrapolation) or the source of the forecast (eg refrigerator manufacturers). Forecasts should be checked for realism against other information (eg market penetration implied, per capita usage rate implied).

Summarize the forecasts for each of the four groups of controlled substances, in tonnes x ODP. Graphs should be used where possible.

Table 2.2: Consumption in 1991 broken down by use and application

User sector/use	Substance	Application	Consumption tonnes
EXAMPLE			
Refrigeration			
Domestic	CFC12	used in recharging	150
		used in domestically manufactured products	100
Total tonnes			

2.2 Industry Structure

Provide an outline of the structure and ownership of the industries producing, importing and using ODSs:

■ Production:

- company name;
- ownership (eg private, public, subsidiary of group, government, multinational);
- substances produced;
- capacities (tonnes per year);
- current annual production in tonnes by substance;
- analysis of production by use or sector or direct export;
- feedstock sources (local or imported, common ownership or independent).

■ Importers of ODSs as chemicals: ()

- current annual imports, in tonnes, by substance;
- identity of producers or suppliers or country of origin;
- identity of customers or user sectors.

■ Users (including servicing workshops):

- substance;
- nature of use (eg foam blowing, recharging fridges);
- name of company;
- ownership;

- current annual use;
- brief description of manufacturing facilities;
- brief description of service sector.

Not all of the information will be readily available, and in some cases only generic descriptions of the structure of an industrial subsector will be able to be provided (for example, many small firms in the unorganised sector).

2.3 Institutional Framework

Describe the institutional arrangements relevant to implementing the commitment to phase out of consumption of ODSs, including:

- the government departments and agencies, non-governmental organisations, industry/trade association, and consumer groups involved;
- the role and responsibilities of each.

2.4 Policy Framework

Describe the relevant policy framework within which the phase-out of ODSs will be managed. This should specifically address the question of whether government policy normally relies on, for example, fiscal policies, command and control methods or voluntary agreements to promote changes such as phasing out ODSs, how successful these have been in the past, and whether it is considered necessary and appropriate to maintain consistency with these policies. Specify current laws and regulations available to empower actions, and identify any additional laws and regulations required.

Outline any relevant policies relating to industrial development, including:

- ownership of companies in particular sectors of the economy;
- sectoral preferences for indigenous production/manufacturing as opposed to imports;
- the powers held by government to implement these policies.

2.5 Government and Industry Responses to the Protocol

Describe significant actions already taken by government or by the production and user industries in response to the Protocol, including:

- dates of signing and of ratifying the Protocol;
- laws or regulations introduced to confirm ratification of the Protocol;
- actions by government to cause consumption to reduce (eg ban on use of ODSs in aerosols);
- organisations set up to deal with Protocol issues;
- assistance requested and provided by Implementing Agencies;
- publicity and awareness campaigns;
- actions by industry to introduce substitutes and alternatives (for example, negotiation of supplies of substitute or alternative substances and of necessary technologies). Where costs are known to have been incurred by Government departments and agencies, or by industry, describe the nature of the costs incurred and an estimate of the amount.

3. IMPLEMENTING PHASE OUT

3.1 Strategy Statement by Government

Provide a clear statement of the strategic objectives and constraints on which the preferred Action Plan (Section 3.2 following) is based. This may include:

- minimising the country's consumption of ODSs;
- reliance on existing legal framework;
- continuing fulfilment of the demand for products currently made with or using ODSs;
- compliance with the Protocol limits on consumption;
- minimum economic cost to the country of phasing out;
- continuing consistency with industrial development policies.

This list is not exhaustive and not all the points may be appropriate to a country.

Present the phase-out schedule for each group of substances, giving the planned consumption by year, in tonnes X ODP, and the year when zero consumption is achieved. Graphical presentation is preferred.

Figures 3.1 - 3.5 illustrate, in graphical form, the protocol phase-out profiles for each group of substances. Figure 3.6 gives an example of a completed phase-out schedule for Annex A Group 1 substances (CFCs) showing planned consumption lower than the Protocol profile.

3.2 Action Plan

3.2.1 Government Actions

Identify all the actions government intends to initiate in order to implement the phasing out of ODSs. These actions will be consistent with the strategy described in Section 3.1.

For each action, specify its intended or expected effect on the use of ODSs and/or on the demand for products made with or containing ODSs. Effects should be described quantitatively, and relevant evidence of industry and consumer responses to similar actions by government should be given, if available.

Examples of possible actions by government include:

- administrative bans or consumption limits imposed on specific substances or uses;
- bans or quotas on imports, using import licences or permits, applying to specific substances, groups of substances, or uses;
- taxes and levies on imports, production or uses of specific substances, to affect market prices and market preferences;
- grants or loans to support investment in producing or using substitutes and alternatives;
- training and awareness campaigns;
- voluntary agreements with companies or industry groups under which they commit to change to substitutes and alternatives without further action by government.

Government may also choose to take no explicit actions if convinced that supply constraints will force users to eliminate their use of ODSs, and that potential suppliers of substitutes and alternatives, and of necessary technology will support users in changing over.

3.2.2 Projects

Describe in order of priority each identifiable project which is being, or is expected to be, undertaken within producer and user industries in response to the government's commitment to phase out consumption of ODSs. For each identified project, provide:

- the company and site, or the industry sector in the case of a project affecting the whole sector;
- a brief description of the purpose and nature of the project;

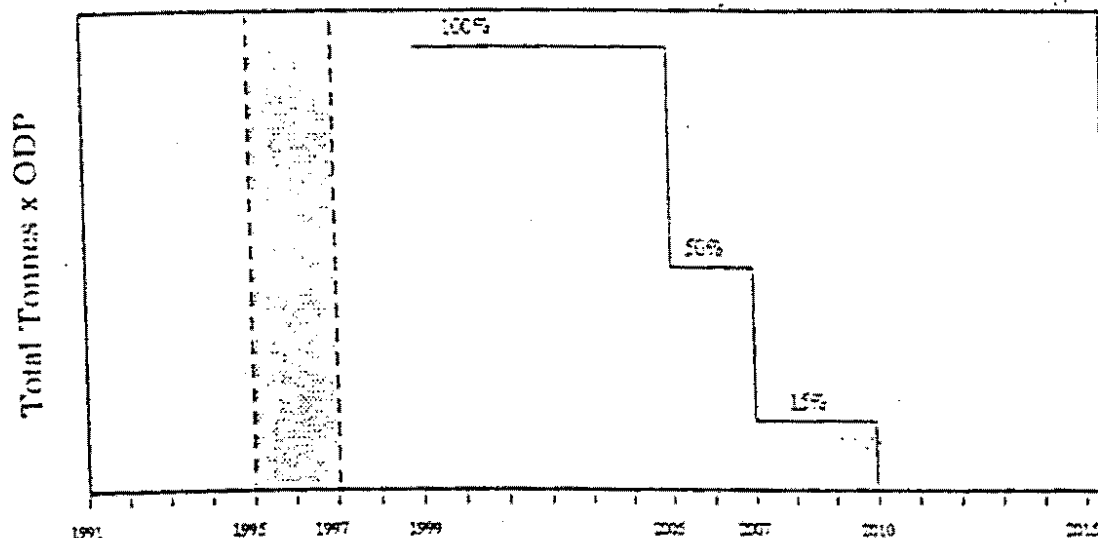
- the planned or actual start date;
- the source of any required design, advice, licence or other technical input to the project from outside the company or industry sector;
- the benefit of the project, expressed if possible in tonnes of controlled substance not consumed;
- the incremental cost of the project;
- the extent to which the company or industry sector has been consulted on the project and has agreed to it.

A more detailed description for projects for the initial three-year period should be provided.

Figure 3.1

Protocol Phase-Out Profile

CFCs in ANNEX A Group I



Percentages are based on average consumption in the years 1995 to 1997
Dates apply to countries operating under Paragraph 1 of Article 5

Figure 3.2

Protocol Phase-Out Profile

HALONS in ANNEX A Group II

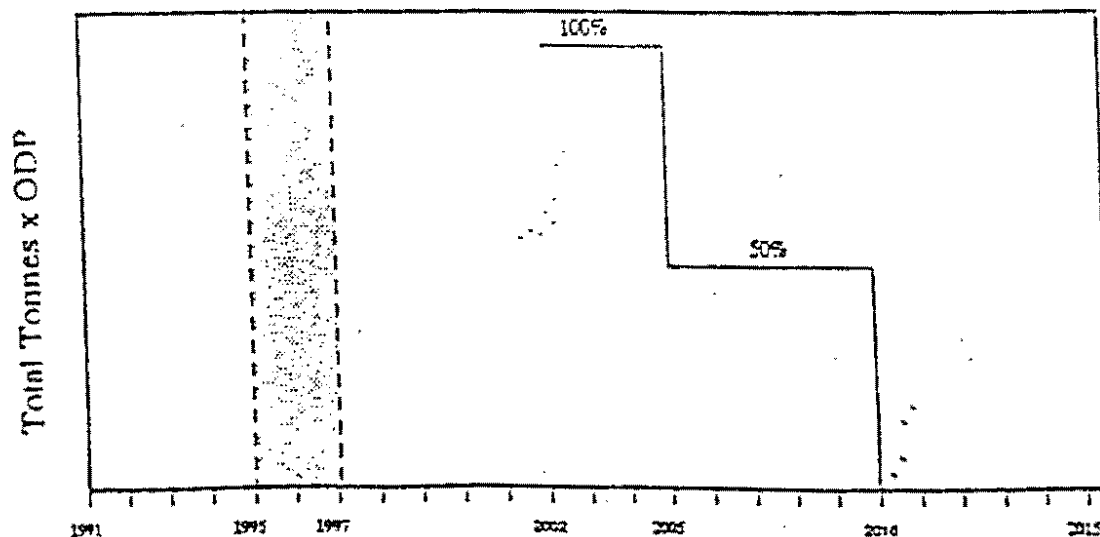
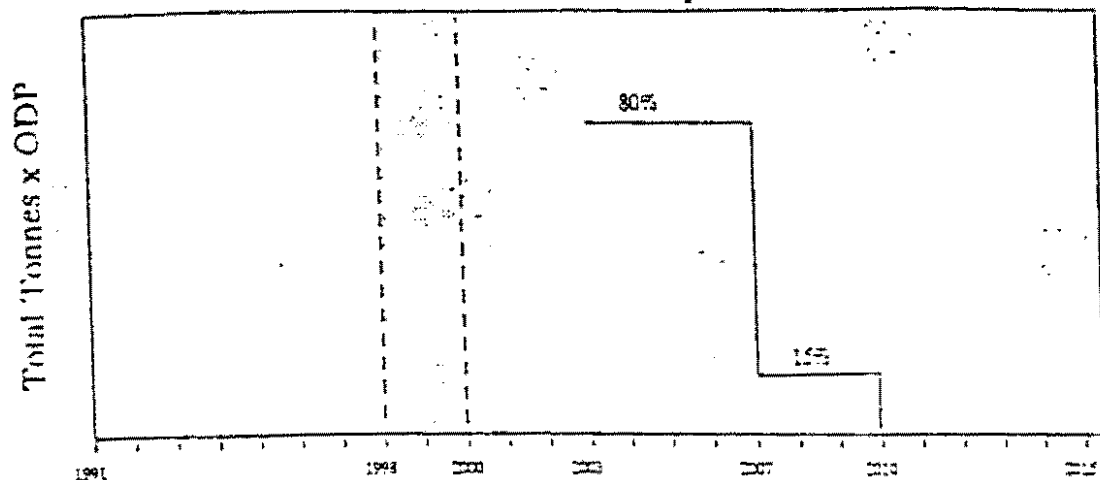


Figure 3.3

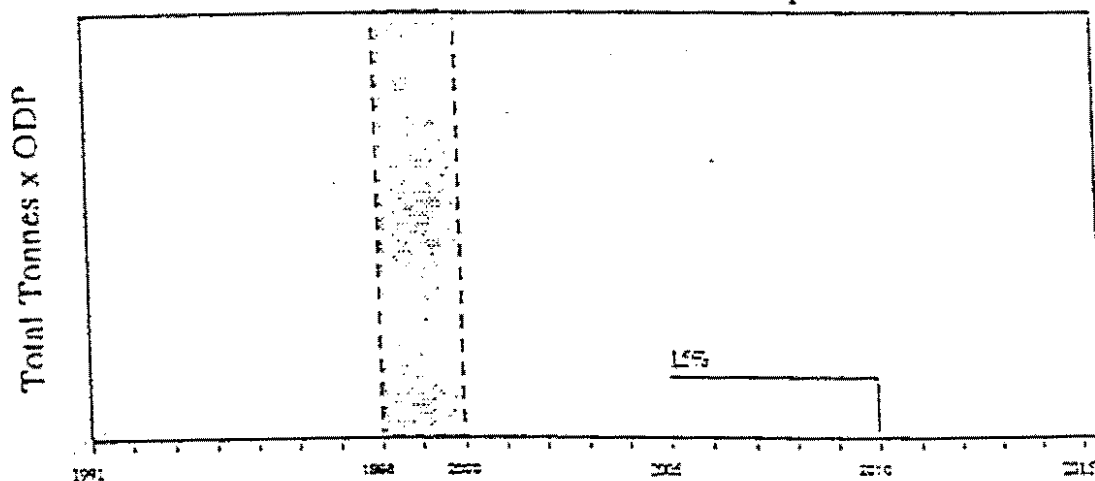
Protocol Phase-Out Profile CFCs in ANNEX B Group I



Percentages are based on average consumption in the years 1998 to 2000
Dates apply to countries operating under Paragraph 1 of Article 5

Figure 3.4

Protocol Phase-Out Profile Carbon Tetrachloride in ANNEX B Group II



Percentages are based on average consumption in the years 1998 to 2000
Dates apply to countries operating under Paragraph 1 of Article 5

Figure 3.5

Protocol Phase-Out Profile 1,1,1 - Trichloroethane (Methyl Chloroform) in ANNEX B Group III

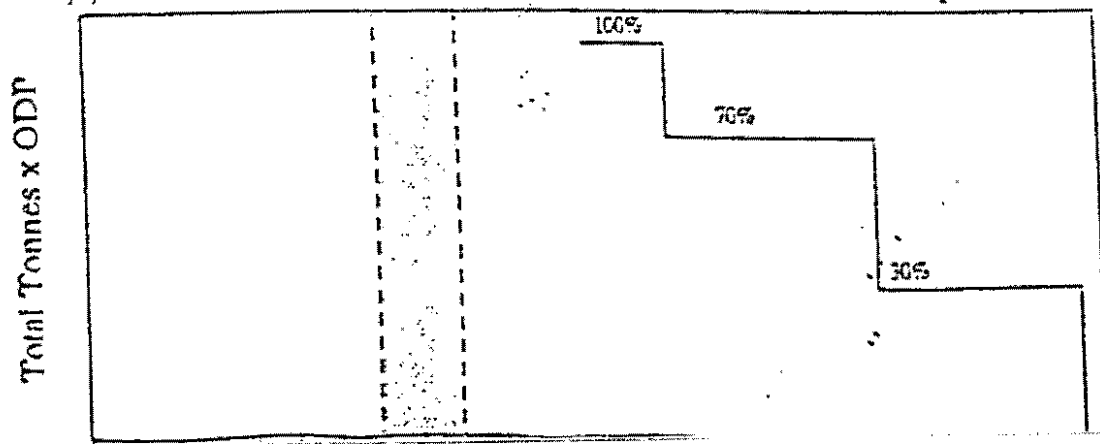
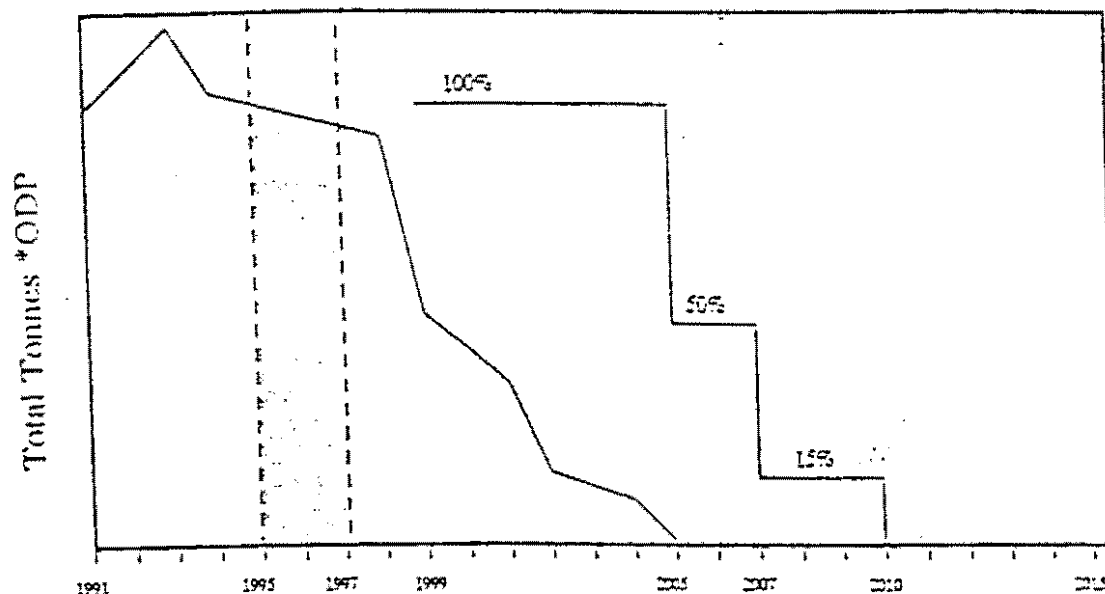


Figure 3.6

Example Phase-Out Schedule

CFCs in ANNEX A Group I



Percentages are based on average consumption in the years 1995 to 1997
Dates apply to countries operating under Paragraph 1 of Article 5

3.3 Roles in Implementing the Strategy

Identify the lead agency (national) that will take responsibility for implementation of the country programme. Also identify all the important organisations who will contribute to the implementation of the strategy (eg government departments, industry associations, Implementing Agencies of the Fund). This may include identification of any financial intermediary who will handle funding from the Multilateral Fund within the country. Assistance expected from bilateral and in-kind sources could also be included.

3.4 Timetable and Consumption Implications

For each group of ODSs, present in graphical form:

- the total forecast consumption, from section 2.1.1, in tonnes X ODP;
- the total planned consumption in tonnes x ODP;
- the Protocol's limits on consumption.

State the estimated total incremental cost to the country of the planned phase out.

3.5 Budget and Financing Programme

Provide an estimate of the net costs to be incurred by government in implementing the Action Plan. Figures should be provided for each year until phase-out is forecast to be achieved. Totals for each year should be analyzed into:

- revenue costs incurred by government analyzed by, for example, administration, training, tax collection;
- grant and loan assistance being sought from Fund (net of capital and interest payments), analyzed by company or industry sector, and with an indication of the purpose of each grant or loan;
- the financial and in kind support to be provided from other sources (bilateral, regional, own).

Where government expects to receive increased tax or duty revenue, as a result of new or increased taxes, these receipts should be included.

3.5.1 Project funding priorities

List projects (in order of priority) to be undertaken within industry for which it is intended to make application to the Interim Multilateral Fund for assistance. For each project, provide:

- company or industry sector;
- description and purpose of the project;
- start year;
- an estimate of the amount of assistance to be sought from the Fund;
- whether the project has been agreed with an Executing Agency of the Fund (give the identity) and whether it is included in the agency's work programme;
- the reduction in the amount of each specific substance which will result from the project (this is not applicable to all projects).

Where it is intended or agreed that assistance will be obtained from bilateral sources and/or in kind rather than in cash, the source, and the amount or the form of assistance should be given.

[Applications for assistance with specific projects should be made to the Implementing Agencies of the Fund through the Fund Secretariat].

3.6 Monitoring Arrangements

Describe the government's proposals for:

- monitoring the annual consumption of ODSs in the country and the extent to which consumption is less than Protocol limits;
- monitoring the effectiveness of government actions in achieving their intended results;
- monitoring the implementation of projects identified in the Action Plan.

These proposals may include:

- reporting by customs of the quantities of ODSS at the point of import;
- arrangements with industry groups and trade associations that they should operate recording and reporting systems;
- direct arrangements with major suppliers and their agents on reports quantities supplied, planned and actual supply of substitutes, and user sectors;
- direct arrangements with user sectors to report quantities used, planned and actual use of substitutes and alternatives and planned phase-out dates.

This section should also describe government's proposals for reporting progress being made to the Fund.

III. COUNTRY PROGRAMME EVALUATION CRITERIA

III. COUNTRY PROGRAMME EVALUATION CRITERIA

The following criteria will assist the Fund Secretariat in its evaluation of country programmes:

1. COMPLETENESS

The purpose of this section is to establish that the Country Programme is complete. There are two questions:

- does the Country Programme include all the necessary elements?
- is each element dealt with adequately, or are satisfactory explanations provided for omissions?

(A check list of contents should be used)

2. PERFORMANCE

The purpose of this section is to establish the overall effectiveness of the country programme in reducing and eliminating ODS consumption.

All consumption figures are in tonnes X ODP. The attached table provides for all necessary performance information:

- the most recent year's figures for actual (or estimated) consumption (column A);
- the planned total consumption until phase-out is achieved, where "planned" refers to the figures presented in the phase-out schedules in the country programme (column B);
- the year in which phase-out of the consumption of all substances in the group is achieved (column C);

Consumption (tonnes x ODP)

	Actual Annual, in 19__	Planned Total to phase-out	Planned year of phase-out
	A	B	C
Group Substances			
Annex A			
Group 1: CFCs			
Group 2: Halons			
Annex B			
Group 1: CFCs			
Group 2: carbon tetrachloride			
Group 3: 1,1,1- trichloroethane (methyl chloroform)			
Totals			

Total incremental cost of phase-out :
 Total incremental cost of phase-out/total of col A:

All the above measures are given for all five Groups from Annexes A and B. In addition, totals are required for column A (current annual consumption) and column B (total consumption to phase out).

The form also asks for the total incremental cost to the country of implementing the Country programme. This is then divided by the total of column A (current annual consumption) to give an estimate of the economic cost effectiveness of the Country Programme as:

- incremental cost per tonne X ODP/ODS consumption eliminated.

3. ACTION PLAN

This section is intended to allow the likely effectiveness of the Country Programme Action Plan to be assessed.

3.1 Government Actions

The table below summarizes Government's intended actions. For each action, the year in which it is taken, or started in the case of a continuing action, should be given, followed by a brief description of the action, and a statement of its intended effect.

Each action should be considered in the context of its intended effect and of any evidence of similar previous actions by government, in order to reach a judgement as to whether:

- the proposed actions appear to be adequate, both individually and in total;

First Year	Description of Action	Intended Effect

Commentary: - discuss whether actions appear to be adequate
 - are actions consistent with government policies?

3.2 Projects

The table below allows brief details of all identified projects to be summarized.

The table requires the first year of the project to be entered, followed by a brief description and the sector affected. This could be the production or user (manufacturing) sector. The table then requires the project incremental cost to be given (that is, the amount for which application could be made to the fund for assistance. Where assistance will be sought other than as grant or loan, for example technical or in-kind assistance, this should be noted.

The next column requires an estimate of the reduction in ODS consumption (in tonnes X ODP) resulting from the project. This figure is the annual consumption at current or most recent rates which will be avoided as a result of carrying out the project.

The final column allows the cost effectiveness of each project to be presented as:

- project incremental cost/reduction in ODS consumption.

The numerator and denominator are taken from the previous two columns. The lower the number the more cost effective the project.

In addition, it is appropriate to note which if any projects are for demonstration purposes, with replication potential elsewhere, and also whether any projects have a regional significance beyond the country boundary.

First Year	Description of Project	Sector Affected	Project Incremental	ODS Reduction (tonnes X ODP)	Project Cost ODS Reduction

- Commentary:
- observations on \$/tonne ratios
 - are any projects for demonstration purposes?
 - do any projects have regional significance?

IV. COUNTRY PROGRAMME COVER SHEET

IV. Country Programme Cover Sheet

Country _____ Date Received _____

Lead National Agency _____ Period Covered by _____

Lead Implementation Agency _____ Country Program _____

1. Phase Out Schedule

Substances	Current Consumption (tonnes x ODP) in _____ (year)	Planned total consumption till phase-out (tonnes x ODP)	Planned year phase-out of
CFC 11 CFC 12 CFC 113 Halon 1211 Halon 1301 CTC MC			
Total			

2. Government Action Plan

Year(s)	Description of action	Sector (if any)	Intended effect	Estimated Costs

3. Project Summary

Year(s)	Type of project	Project Description	Project Cost	Incremental cost	Participating Implementing Agencies (if any)	Tonnes x ODP Phased Out

Project types include: pre - investment, training, workshops, information transfer, capital.

4. Costs

Cost of Activities and Projects in Country Programme \$US

Estimated cost of complete phase out

\$US

Estimated cost effectiveness

\$US

per tonne
x ODP

5. Comments