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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-ninth Meeting
Beijing, 24-26 November 1999

1999 UNDP WORK PROGRAMME AMENDMENTS

COMMENTS AND RECOMMENDENDATIONS FROM THE FUND SECRETARIAT

1. UNDP is requesting approval from the Executive Committee for US $793,820 for 1999 work programme amendments with agency support costs of US $103,197.

Table 1

UNDP 1999 Work Programme Amendments

Country	Activity/Project	Amount Requested US $	Amount Recommended US $
Argentina	Renewal of the institutional strengthening (Phase 2)	239,700	239,700
Bangladesh	Renewal of the institutional strengthening (Phase 2)	100,000	100,000
India	Technical assistance for safety and technical programme to assist SMEs manufacturing aerosol products (phase I)	201,000	Pending
India	Technical assistance for revision, preparation and introduction of National Fire Codes / Standards for use of halon alternative technologies in India	150,000	88,000
Sri Lanka	Renewal of institutional strengthening (Phase 3)	103,120	103,120
Sub-Total:		793,820	530,820
Agency Support costs:		103,197	69,007
Total:		897,017	599,827

Argentina: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved (US $)	359,500
Amount requested for renewal (US $):	239,700
Date of approval of country programme	July 1994
ODS consumption reported in country programme (1992), (ODP Tonnes) ODS production reported in country programme (1992), (ODP Tonnes)	4,402 1,432
Latest reported ODS consumption (1998) (ODP tonnes)* Latest reported ODS production (1998) (ODP tonnes)	4,390 547
Baseline (1995-1997) (ODP tonnes)	5,062
Amount approved (as of July 1999) (US $)	36,233,020
Amount disbursed (as at December 1998) (US $)	4,613,505
ODS to be phased out (tonnes ODP)	2,546
ODS phased out (as at December 1998) (tonnes ODP)**	779

* Including essential aerosol uses (160 tonnes), sterilization (400 tonnes) and methyl bromide (536 tonnes)

** UNDP informed the Secretariat that by end of 1999, a total of 1,447 ODP tonnes will be phased out.

2. The following activities have been approved and funded by the Executive Committee:

		US $
(a)	Country programme preparation	144,718
(b)	Project preparation	1,439,207
(c)	Technical assistance and training	877,116
(d)	Demonstration projects	925,150
(e)	Investment projects	32,487,329
	Total:	35,873,520

Progress Report

3. The main achievements reported in the progress report include: preparation, submission and follow-up of 53 investment projects, 2 demonstration projects, and a pilot project for training in good practices in refrigeration; elaboration of the administrative framework; ratification of the Copenhagen amendment; identification of new enterprises that use ODS and updates on sectoral ODS consumption; submission of production, import/export and consumption data to the Ozone Secretariat; strengthening the institutional links with government, industry, academics, NGOs and the Fund Secretariat and implementing agencies; organization of 5 workshops; establishment of halon and methyl bromide consultative groups; public awareness campaigns including painting competitions for children, Ozone Day celebrations in Ushuaia, brochures, distribution of information material; liaison with OPROZ to create list of interested persons in the search for alternatives to methyl bromide; development and enacting of regulatory measures; formulation and implementation of national environment policy; and a proposal for environment regulation.

Plan of action:

4. The Action Plan for the next period includes: creating awareness in the halon, solvents and refrigeration service users; setting up quotas to control importation/exportation of ODS; evaluation of policy on action plan; enforcement of the regulatory norms; creation of the complementary regulation to avoid illegal traffic of ODSs, cross-checking information between countries in order to discuss the mechanisms necessary for the prevention and detection of illegal traffic; keeping the ODS database updated for sectoral ODS consumption; implementation of awareness programmes and communicational programmes through newspapers, radio and television; distribution of brochures and international publications on ozone related issues to encourage people to purchase ODS-free products; creation of a national system based on incentives to promote the reduction of emissions and the recycling/destruction of equipment containing ODS; creation of new regulatory norms in order to anticipate the phaseout of methyl bromide by the year 2007; and create awareness in the service sector for distribution of information within industries and to service technicians.

Fund Secretariat's recommendations

5. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in Table 1 above.

Bangladesh: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved (US $):	150,000
Amount requested for renewal (US $):	100,000
Date of approval of country programme	September 1994
ODS consumption reported in country programme (1994), (ODP Tonnes)	233.2
Latest reported ODS consumption (1997) (ODP tonnes)	840.9
Baseline (1995-1997) (ODP tonnes)	724.3
Amount approved (as of July 1999) (US $)	596,770
Amount disbursed (as at December 1998) (US $)	412,436
ODS to be phased out (tonnes ODP)	124
ODS phased out (as at December 1998) (tonnes ODP)	0

6. The following activities have been approved and funded by the Executive Committee:

		US $
(a)	Country programme preparation	25,000
(b)	Project preparation	45,000
(c)	Technical assistance	53,850
(d)	Investment projects	322,920
	Total:	446,770

Progress Report

7. The main achievements reported in the progress report include: monitoring activities related to ODS use in the country; survey and reports on the consumption of controlled substances; coding system for all ODS stipulated in the control; planning and formulation of appropriate economic and tariff policies; formulation of a legal framework to monitor and control the import, use and phase-out of ODS; creation of nation-wide awareness campaigns on ozone layer issues through broadcast media, newspaper supplements, videos, brochures and holding of celebrations for International Ozone Days for 1996, 1997 and 1998; holding of seminars/workshops on legal, economic instruments to ban the use of non-ODS technologies; implementation of a training programme for policy makers, journalists, NGOs and associations (14 January 1999) and a workshop for good service practices in refrigeration and air conditioning for servicing technicians (17-18 January 1999); eight refrigeration companies received assistance from the Fund for their conversion to non-ODS technologies; emissions from refrigeration and air-conditioner servicing decreased from 21% in 1994 to 10% in 1997; and about 61% total ODS will be phased out once conversion to CFC-free technology in the manufacture of aerosol products at ACI Ltd., is completed (in first quarter of 2000).

8. In July 1995, the Executive Committee approved an investment project for the ACI Ltd., aerosol plant, with a capacity of 8 million cans/year. At that time, the production was under-utilised, thus, the CFC consumption was only 123.6 tonnes. In 1995, the company increased the production of aerosol mosquito repellent which raised the consumption of CFCs to 562 tonnes. UNDP has indicated that the project will be completed in the first quarter of 2000 with a total elimination of 561 tonnes of CFCs at no additional cost to the Multilateral Fund.

Plan of action:

9. The Plan of Action for the next period includes: review of current policy on ODS import, and issuance of ODS import permits; enactment of ODS Act, introduction of harmonized system for coding; observation of International Ozone Day; completion of the aerosol sector phaseout project; reporting of data on ODS import and consumption to the Ozone Secretariat, in-service training for technicians and policy makers; holding of a Fair for ODS free appliances; coordination of activities for the preparation of new projects; launching awareness campaigns among the general public; and assistance to Government delegates with necessary information during participation in different international meetings and workshops in relation to the Montreal Protocol.

Fund Secretariat's recommendations

10. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in Table 1 above.

India: Technical assistance for safety and technical programme to assist SMEs manufacturing aerosol products (phase I)

11. The project will ensure a safe use of hydrocarbon propellant (HAP) at 50 small and medium-sized aerosol manufacturing plants. It is stated in the project that enterprises are reluctant to shift from CFCs to HAPs because: (i) unavailability of high quality HAPs in the country, (ii) market concerns, and (iii) many enterprises have no knowledge about safety requirements related to the use of HAPs. The project will set-up a safety and technical assistance programme that will include plant safety audits, a training programme, and information awareness directed to 50 enterprises. In a second phase (not included in this project proposal), this exercise will be repeated for the remaining aerosol SME plants.

12. The Secretariat questioned the eligibility of the project in the light of the following considerations: (i) the aerosol fillers covered under the project are still using CFC propellant in which case implementation of safety programmes to handle flammable substances in the plant will fail; (ii) the enterprises are currently reluctant to shift from CFC to HAPs (HAPs are not yet available; enterprises are concerned about losing market shares due to poor quality products or light weight cans); (iii) there are still many enterprises filling with CFC propellant (in 1998, 878 tonnes of CFCs was used in the aerosol sector); (iv) there is a risk that companies which have begun to switch from CFCs to HAPs could switch back; (v) implementation of the project will take 3 years; by that time, some of the enterprises might be closed (bearing in mind their small size, strong competition and market forces); (vi) for those enterprises that will convert to HAPs, a training programme on safety related issues will have to be provided, irrespective of the previous training programme provided through this technical assistance programme.

13. UNDP indicated that the total CFC consumption in the 50 aerosol enterprises covered under the technical assistance programme is approximately 250 tonnes. The aerosols technical assistance project, if approved, will result in the conversion of 25 enterprises with a total CFC consumption of 125 tonnes at no additional cost to the Multilateral Fund (the list of these enterprises is being prepared by UNDP). Also, UNDP agreed to adjust the cost of the project from US $201,000 to US $155,000

14. The Executive Committee might wish to consider this request based on the above considerations.

India: Technical assistance for revision, preparation and introduction of National Fire Codes / Standards for use of halon alternative technologies in India

15. The purpose of the project is to implement an overall revision of applicable national fire codes and related Indian fire equipment standards. The revision, together with the preparation of New Standards, would provide support to the introduction and management of halon alternative technologies in India. According to the project document, "this particular project will not contribute to the elimination of any ODS however, it will have a direct influence in ensuring the phase-out of halons is sustained and it is also a key part of the halon sector strategy for India".

16. The project would assess the extent of the national fire codes and fire equipment standards in the country and select, revise, prepare, publish and introduce standards for new halon replacement technologies. This will be done through:

- The establishment of a steering committee composed of government and industry, hire an international consultant;

- The development of 10 standards including inter alia standards for HFCs and HCFCs;

- The purchase of standards from Australia, and the United Kingdom, and the United States of America and assembling technical manuals; and,

- The dissemination of the results through three workshops and publications.

17. The project includes the costs of an international technical advisor, a national co-ordinator, local travel, steering committee meeting member travel costs, legal costs and fees, printing and publishing, and the three workshops.

18. The above mentioned project was included in India's Halon phase-out strategy that was presented to the 28th Meeting in document UNEP/OzL.Pro/ExCom/28/49 at an indicative cost of US $50,000. UNDP indicated that the results of the project could be a benchmark for use by other developing countries.

19. UNDP's original submission that had the written endorsement of the Government of India was for US $88,000. UNDP's halon consultant prepared this budget. Subsequently, the Government of India requested UNDP to redesign the project at a revised budget of US $150,000. Following a review of the project costs, it was determined that the priorities mentioned by the Government of India can be adequately covered by the original project budget of US $88,000.

20. The Fund Secretariat recommends approval of this request at a level of US $88,000 with US $11,440 in support costs.

Sri Lanka: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved (US $):	154,680
Amount approved (first renewal) (US $):	103,120
Amount requested for renewal (US $):	103,120
Date of approval of country programme	March 1994
ODS consumption reported in country programme (1994), (ODP Tonnes)	231.4
Latest reported ODS consumption (1997) (ODP tonnes)	809.46
Baseline (1995-1997) (ODP tonnes)	302
Amount approved (as of July 1999) (US $)	843,308
Amount disbursed (as at December 1998) (US $)	1,221,313
ODS to be phased out (tonnes ODP)	60.5
ODS phased out (as at December 1998) (tonnes ODP)	9

21. The following activities have been approved and funded by the Executive Committee:

		US $
(a)	Country programme preparation	35,000
(b)	Project preparation	75,000
(c)	Technical assistance	352,400
(d)	Demonstration projects	310,200
(e)	Investment projects	812,906
	Total:	1,585,506

Progress Report

22. The main achievements reported in the progress report include: implementation of projects in the manufacturing sector, propellant technology, recovery and recycling and elimination of methyl bromide in tea nurseries; facilitation to implementing agencies' project formulation missions reporting ODS consumption data as per Montreal Protocol obligations; training of technicians in air-conditioning and refrigeration including the use of hydrocarbons as a drop-in for refrigerants, training instructors attached to Government/private sector technical colleges; awareness campaign on ozone issues, including children's painting competition to the general public, scientists, industrialists and school children; publication of an ozone newsletter, educational material for children on ODS and newspaper articles; hiring of short-term national consultants engaged in ODS surveys.

Plan of action:

23. The Plan of Action for the next period includes: project formulation on refrigeration management plan, formulation of the project for the elimination of CTC and methyl chloroform in the activated carbon and apparel industry; complete phase out of CFCs in the refrigeration manufacturing sector; training the trainers in good practices in refrigeration; progress report on the monitoring of methyl bromide in tea plantations; training of Customs' officers in the controls of ODS imports, introducing legislative measures and/or tax codes to control their import implementing awareness programmes; publishing of information materials, formulation of a project on halon banking and retrofitting of chillers; development of a strategy for the

elimination of CFC-based metered dose inhalers; attendance at the ODS Officers regional networking meetings; and assistance to implementing agencies in project formulation and project implementation activities.

Fund Secretariat's recommendations

24. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in Table 1 above.