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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

Introduction

1. This document consists of the following sections:
 - (a) An analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 62nd Meeting;
 - (b) Policy issues identified during the project review process;
 - (c) Projects and activities submitted for blanket approval; and
 - (d) Investment projects for individual consideration.

Projects and activities submitted by bilateral and implementing agencies

2. Bilateral and implementing agencies submitted 145 funding requests for new multi-year agreements, tranches of approved multi-year agreements and projects and activities, amounting to US \$740,710,665, including agency support costs where applicable. The submission included:

- (a) Seventeen HPMPs for low-volume consuming (LVC) countries and 9 HPMPs for non-LVC countries;
- (b) Sectoral HCFC phase-out plans (outside a complete HPMP) from 5 countries (China, Dominican Republic, Philippines, Sudan and Turkey);
- (c) Stand-alone HCFC phase-out investment projects for 11 countries and 8 HCFC demonstration projects in 2 countries;
- (d) Pilot ODS destruction projects in 3 countries, and CFC phase-out activities for two countries;
- (e) Twenty-seven renewals of institutional strengthening projects, 8 work programme amendments, the core units of UNDP, UNIDO and the World Bank, and the UNEP Compliance Assistance Programme (CAP).

3. Following the project review process, 33 projects and activities totalling US \$4,350,761 including support costs are recommended for blanket approval; 83 projects and activities totalling US \$691,084,067 including support costs (of which US \$192,318,437 is requested at the 62nd Meeting) are being forwarded for individual consideration by the Executive Committee; and 26 projects and activities totalling US \$19,649,044 were withdrawn by the relevant agencies. Three projects totalling US \$1,704,100 are not submitted to the consideration by the Executive Committee in view of policy issues identified during project review.

4. At the time of preparing this document, projects in China, Indonesia and the Islamic Republic of Iran were still under discussion with the relevant implementing agencies. If no agreement on the funding level has been reached two weeks in advance of the 62nd Meeting, the projects will be deferred to a future Meeting as required under decision 20/15.¹

¹ “That no project proposals should be submitted to the Executive Committee until agreement had been reached between the Implementing Agency and the Secretariat on the cost of items of capital equipment and the operating costs required to implement the project. Where no agreement had been achieved, the underlying basis of the disagreement should be presented to the Executive Committee for consideration prior to consideration of the project”.

Project review process

5. Anticipating the submission to the 62nd Meeting of a high number of HPMPs, sector phase-out plans and stand-alone phase-out projects, and in order to facilitate the work of the Executive Committee, the Secretariat has undertaken the following actions since the 61st Meeting:

- (a) Developed a guide² to assist and facilitate the process of drafting HPMPs, particularly for those Article 5 countries where most or all HCFCs are used in the refrigeration servicing sector and where there is a relatively small HCFC-based manufacturing sector, and provided it to relevant bilateral and implementing agencies for their consideration (the Secretariat notes that the guide was used by the agencies);
- (b) Convened an interagency coordination meeting in September 2010 (after the deadline for submission of HPMPs and investment projects over US \$5 million) to discuss major relevant issues that were identified based on a preliminary review of the documents submitted;
- (c) Reviewed all of the HPMPs, sector phase-out plans, and stand-alone investment projects submitted outside the HPMP. During the project review process, the Secretariat attempted to reduce the number of policy issues that would need to be addressed by the Executive Committee. However, due to the inherent complexity of some projects/sector plans, as well as the Fund's limited experience in phasing out HCFCs in the air-conditioning sub-sector in particular and, to a lesser extent, in the extruded polystyrene (XPS) foam sub-sector, several important policy issues were identified, as described in the following section of the document.

6. During the project review process, the Secretariat encountered particular challenges associated with: the description of the baseline equipment in sector phase-out plans; the selection of flammable alternative technologies as replacement for HCFCs; and the selection of only one alternative technology for all the enterprises included in a sector phase-out plan. Furthermore, the Secretariat did not forward to the Executive Committee four stand-alone foam projects using HCFC-141b imported pre-blended polyols. The Secretariat is briefly presenting these issues for information to the Executive Committee.

Baseline equipment in sector phase-out plans

7. One of the issues encountered was related to the description of the baseline equipment in sector plans covering upward of 30 enterprises. In several Article 5 countries, the manufacturing sector consists of only one or a few relatively large enterprises producing a limited number of HCFC-based products. In these cases, it is commonly understood that the baseline equipment and the industrial process for each enterprise is described in detail to assess the incremental costs of the conversion. However, in several other countries, the manufacturing sector consists of a larger number of enterprises producing a wide range of different HCFC-based products, often located throughout the country. From this large amount of companies, a sub-set is proposed for conversion during stage I of the HPMP. Agencies and the Secretariat initially had different approaches on the level of detail to be reported.

8. During the phase-out of CFCs, a decade of individual phase-out projects paved the way for the subsequent concept of umbrella plans, followed by sector plans and national phase-out plans. The sector plans came about when the size (in terms of ODS phase-out) of the individual enterprise did not justify a separate conversion project, and non-investment activities increasingly became the predominant

² The guide was developed from the Fund's extensive experience in the preparation of country programmes, stand-alone project proposals, sector phase-out plans and national phase-out plans. It takes into account all policies and decisions of the Multilateral Fund, with special emphasis on decisions adopted subsequent to the accelerated phase-out schedule agreed by the Parties.

component of the funding requests. The resulting sector plans often dealt with several thousand enterprises. The preceding phase of stand-alone investment projects resulted in a relatively uniform enterprise structure, since all medium and large enterprises, as well as enterprises with non-Article 5 country ownership, had already been converted. Since the sector structure was both uniform and, essentially, well known, and local cost and implementation conditions for conversions had been refined in numerous investment projects, a generalized approach should be used consistent with the principle of determination of incremental cost.

9. The HPMP project submissions for a number of countries followed the same concept of a generalized approach. However, the sectors covered have never been addressed, and comprise a very diverse set of enterprises, production methods and products. As the comments provided in various project documents show, it is not easily possible to generalize issues such as size of the operation, baseline equipment or ownership without introducing, as a minimum, significant uncertainties into the cost assessment. For example:

- (a) The agency and the Secretariat proposed two different methods of calculating the eligibility of enterprises in terms of foreign ownership, both carefully taking into account the same base data. However, the different approaches lead to a difference in eligibility for stage 1 of more than 10 per cent, with an proportional cost variation;
- (b) The incremental costs of phase-out activities were calculated on the basis of a “typical” or “average” production line.
 - (i) This calculation includes necessary equipment for the sector or a specified range of HCFC consumption (i.e., consumption below 5 tonnes, between 5 and 25 tonnes or between 25 and 75 tonnes);
 - (ii) The selection of what is typical or average is, even with the best intentions, largely arbitrary and, by definition, cannot be transparent. Inaccuracies increase as diversity within the sector increases. Several agencies noticed this issue and tried to take it into account by sub-dividing the sector further into groups of different enterprise sizes; however, this is an attempt to address the symptoms, not the cause, and the resulting quality once again depends on the diversity in the sub-group created;
 - (iii) The calculation of cost for each model was in several cases based on the perceived need for production of ODS-free products, but did not take into account how much of the existing equipment might be used or converted; the lack of specific data or experience makes it very difficult to take the existing equipment into account. The impact on the conversion costs per line is potentially very significant; and
 - (iv) The number of production lines to be converted was in some cases determined by dividing the consumption to be phased out by the consumption of the typical production line. This does not take into account effects such as the fact that the largest production lines are often the first to be converted, i.e. that fewer production lines would have to be converted, at least in stage I. In one case, the difference is about 30% fewer lines to be converted.

10. This generalized approach has an inherent logic in terms of project preparation, as the surveys generated detailed data about many companies. However, the data was not sufficient enough to allow the preparation of typical project proposals. That being said, the generalized approach makes it possible to identify the enterprises that are to receive support during implementation, which has a number of

advantages in terms of timing as well as for the implementation itself. However, the Secretariat was not in a position to assess the incremental costs of the projects based on the information provided.

11. In order to facilitate the review of sector plans covering a large number of enterprises to be submitted in the future, the Secretariat will propose a minimum set of required information that must be included in submissions, *inter alia*: the names of the enterprises, date of their establishment, levels of HCFC consumption, equipment in the baseline, ownership component, level of export to non-Article 5 countries, and a brief description of the industrial process (this information could be presented in tabular form). The Secretariat assumes that it will be possible, through discussions with the agencies, to arrive at a level of information that makes it possible to assess the project and its eligible incremental cost, without causing an undue increase in project preparation efforts, taking into account the size of the sector and the number of enterprises to be converted.

Selection of flammable alternative technologies

12. In reviewing the project proposals to phase-out HCFCs particularly in the foam sector submitted to the 62nd Meeting, hydrocarbon-based technologies were the preferred choice of most enterprises, irrespective of the size of the enterprise. Only two Article 5 countries selected methyl formate to replace HCFC-141 as a foam blowing agent. At the interagency coordination meeting and during the project review process, the Secretariat expressed concern regarding the selection of a flammable alternative technology. While hydrocarbon-based foam blowing technology is very well established, widely used throughout the world, and cost-effective in the long term, its flammability must be given due consideration during selection, especially by small and medium sized enterprises (SMEs). It is also important to keep in mind that, with eligible funding determined by the cost-effectiveness threshold (i.e., US \$9.79/kg for rigid foam using a low-GWP alternative), introducing a flammable technology in enterprises with low levels of HCFC consumption would result in additional counterpart contributions reaching, in some cases, from 75 to more than 90 per cent of the total cost.

13. Therefore, due consideration must be given to all internal and external factors specific to each enterprise to allow for the introduction of a flammable process. Given the limited time available to meet the 2013 and 2015 control measures, and in order to avoid any delay in project implementation, the Secretariat will propose to bilateral and implementing agencies to include in project proposals the a minimum amount of information for each enterprise that has selected a flammable alternative technology, including local and/or national regulations governing the use of flammable substances; the feasibility of enterprises to operate in their current location post conversion converting and assurances that they will be able to install the equipment required for the conversion within the project implementation timeframe; information on the economic sustainability and ability of the enterprise to safely introduce and operate a flammable technology; and assurances that the counterpart contributions are in place, in cases where counterpart contributions are needed to ensure implementation.

Stand-alone foam projects using HCFC-141b imported pre-blended polyols

14. UNDP and UNIDO submitted to the 62nd Meeting four stand-alone project proposals to phase out HCFC-141b in imported pre-blended polyol systems used by foam manufacturing plants in the Dominican Republic, Ecuador, Guatemala and Swaziland. In light of decision 61/47,³ and considering that the amount of HCFC-141b used in these enterprises would not assist the countries concerned in

³ At its 61st Meeting, the Executive Committee discussed the issue of enterprises using HCFC-141b in imported pre-blended polyols, which had not been counted as consumption under Article 7. The Executive Committee decided, *inter alia*, to request countries seeking assistance from the Fund to include in their overarching strategy for their HPMPs an indicative list of all the foam enterprises established prior to 21 September 2007 that used imported polyol systems, and to include in their HPMPs a sector plan for the complete phase-out of the use of HCFC-141b in imported pre-blended polyol systems, covering the cost and funding schedule, taking into account that the share of imported polyol within the HPMP might need support under a schedule beyond 2015 (decision 61/47).

reducing their reported levels of HCFC consumption, the Secretariat requested the implementing agencies to resubmit the projects together with the HPMPs of the relevant countries. The implementing agencies agreed to submit the project proposals in the context of the HPMPs.

Policy issues identified during project review

15. During the project review process, the Secretariat identified the following policy issues:
- (a) Project proposals with policy issues not submitted to the 62nd Meeting;
 - (b) Project preparation requests for ODS disposal activities in LVC countries;
 - (c) HCFC consumption over the 10 per cent baseline;
 - (d) High levels of recorded HCFC consumption in submitted HPMPs for LVCs;
 - (e) Prioritization of HCFCs;
 - (f) Cost-effectiveness threshold for rigid insulation refrigeration foam sub-sector;
 - (g) Sub-sector on the assembly of refrigeration equipment in addition to refrigeration manufacturing and service sectors; and
 - (h) Funding of institutional strengthening projects as part of an HPMP.

Project proposals with policy issues not submitted to the 62nd Meeting

16. The following three project proposals were submitted for consideration by the Executive Committee at its 62nd Meeting. During the project review process the Secretariat was unable to resolve all policy issues and reach an agreement on the funding level, and therefore requested the relevant agencies to defer the proposals to a future meeting. Given these circumstances, and in light of decision 17/18,⁴ the Executive Committee is invited to address the policy issues associated with these projects as described below:

- (a) Complete phase-out of the use of methyl bromide (MB) in Jordan (accelerated phase-out);
- (b) Phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico; and
- (c) Demonstration project on HCFC management and phase-out in the refrigeration servicing sector in China.

Complete phase-out of the use of methyl bromide (MB) in Jordan (Government of Germany)

⁴ The Executive Committee decided that, in addition to not reviewing the full project documents for clearly approvable projects in advance of its meetings, the Executive Committee would not see country-specific project documentation for projects that raise new policy issues, unless the Secretariat and all the implementing agencies can work out a consensus agreement on how to deal with the policy issue for the proposed project and all future projects that are similarly situated. In the event that such consensus is reached, the Secretariat should send out any related project documents, the project recommendation, and a short policy paper that identifies the issues and includes a recommended course of action. If, on the other hand, the Secretariat and the implementing agencies are unable to reach consensus, only a policy paper and, if it exists, a project cover sheet for the project in which the issue arises should be sent to Executive Committee members and observers to allow for consideration of the issue.

17. The project proposal is to accelerate the phase-out of MB in Jordan by two years (1 January 2013), for which the Government of Germany on behalf of the Government of Jordan is requesting additional funding of US \$610,000 plus agency support cost of US \$76,110. At its 29th Meeting, the Executive Committee approved an investment project for the total phase-out of MB use in soil fumigation (by 1 January 2015) in Jordan at a total level of funding of US \$3,063,000 (excluding agency support costs), according to conditions stipulated in the agreement between the Government and the Executive Committee (decision 29/34).

18. In an effort to maintain the momentum of the on-going MB phase-out project, the Ministry of Environment has determined that an early complete phase out of MB is an appropriate strategy to deal with the current trends in the agricultural sector in the country. With some additional support from the Multilateral Fund, the Government would accelerate the phase out of MB to achieve a ban by the end of 2012 instead of the end of 2014. The additional support would be required to intensify phase-out activities leading to a further stepwise reduction of MB consumption during the next two years.

19. The request for additional funding was reviewed in light of the agreement between the Government and the Executive Committee, as well as the 2010-2014 consolidated business plan noted by the Executive Committee at its 61st Meeting. The Secretariat pointed out that paragraph (e) of the agreement stipulates that “Jordan agrees that the funds being agreed in principle by the Executive Committee at its twenty-ninth Meeting for complete cessation of the use of methyl bromide for non-quarantine and pre-shipment uses is the total funding that will be available to it to enable its full compliance with the obligations it is assuming, as well as the obligations it currently has or may in the future assume under the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for any further activities related to the phase-out of methyl bromide. It is also understood that Jordan and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund-related funding for the accomplishment of the total phase-out of methyl bromide in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for farmer compensation and all technical assistance including training”.

20. The Secretariat also pointed out that using the flexibility clause of the agreement (paragraph d), the balance of US \$663,150 (excluding agency support costs) available could be used to demonstrate alternative technologies for fresh dates, provided that the Government phases out controlled uses of MB by 1 January 2015.

21. Based on the stipulations in the agreement, the Secretariat was unable to recommend approval of additional funding for the accelerated phase-out of MB, and requested the withdrawal of the project. Responding to this request, the Government of Germany reiterated the request from the Government of Jordan to consider approving additional funding. In case of limited availability of funds during the 2009-2011 triennium, the Government of Jordan could agree, after receiving approval for its request in principle, to postpone actual funding of the early phase-out into the year 2012. Through this arrangement, the Government of Jordan could start implementing additional activities using the current funding, provided the required additional funding would be made available later to accomplish the additional activities.

22. In light of the above comments, the Executive Committee might wish to consider whether or not it wishes to provide additional funding (and when), for the implementation of the investment project for the total phase-out of MB use in soil fumigation in Jordan.

Phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico (UNIDO)

23. Decision 60/44 provides guidance regarding the duration of incremental operating costs (IOC) in the refrigeration, air conditioning and foam sectors, which represent most uses of HCFC globally. However, the decision provides that the eligibility of incremental capital and operating costs for HCFC phase-out projects in the aerosol, fire extinguisher and solvent sectors will be considered on a case-by-case basis.

24. On behalf of the Government of Mexico, UNIDO submitted a proposal for the phase-out of 130.7 metric tons (11.1 ODP tonnes) of HCFC 22 and HCFC 141b use in aerosol products at Silimex, the largest aerosol manufacturer in Mexico. Of the total funding requested for the project (US \$1,108,404), US \$841,984 (76 per cent) was for operating costs calculated over a four-year period. The Secretariat undertook the review of the project, but a final agreement could not be reached within the time limits. UNIDO and the Secretariat both believe that agreement can be reached, and propose to submit this project to the 63rd Meeting of the Executive Committee.

25. Independently of the review process, the policy issue of the duration of IOC for the aerosol sector was identified. The Secretariat is of the opinion that decision 60/45 implies that a one-year duration of IOC was intended in general, but agrees with UNIDO that this interpretation needs to be confirmed by the Executive Committee.

26. The Executive Committee might wish to consider:

- (a) Whether the incremental operating costs (IOC) for the aerosol sector are to be determined based on a one-year or a four-year duration, or any other duration; and
- (b) Requesting that the project proposal for the phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico be resubmitted to the 63rd Meeting, on the understanding that all technical issues will have been resolved and the level of funding will have been agreed between the Secretariat and UNIDO.

Demonstration project on HCFC management and phase-out in the refrigeration servicing sector in China (UNEP/Japan)

27. The demonstration project on HCFC management and phase-out in the refrigeration servicing sector in China was submitted by UNEP on behalf of the Governments of China and Japan at a funding level of US \$900,000 plus agency support costs.

28. With the assistance of UNEP and the Government of Japan, and in consultation with the servicing industry in China, the Ministry of Environmental Protection is developing the HCFC phase-out management plan for the servicing sector, which will be submitted to the 63rd Meeting. Local governments are a key partner and play an important role in building China's servicing management system. Shenzhen city has been selected to carry out a demonstration project to explore policy and technical approaches on managing the servicing sector and reducing HCFC consumption.

29. The Secretariat informed UNEP that decision 54/39 established the general requirements for an HPMP, as well as the exception to allow countries to choose to implement investment projects in advance of completion of the HPMP. Decision 55/43 invited the submission of project proposals to the Secretariat for aerosols, fire extinguishers and solvents sectors as well as projects related to the HCFC phase-out in the foam, refrigeration and air conditioning sectors. This was further specified in the same decision to refer to demonstration projects for the conversion of HCFCs to low-GWP technologies in the refrigeration and air conditioning sub-sectors. Project submissions outside of an HPMP for uses other than those defined in these decisions have not been foreseen.

30. The Secretariat informed UNEP and the Government of Japan that there is no basis for the submission of HCFC activities in the refrigeration servicing sector when the HPMP has not been completed and submitted to the consideration by the Executive Committee, and repeatedly requested that the project be withdrawn. Upon writing of this document, the Secretariat has not received a note of withdrawal.

Project preparation requests for ODS disposal activities in LVC countries

31. At its 60th Meeting, the Executive Committee decided in decision 60/5(i) to “request the bilateral and implementing agencies at the 61st Meeting to suggest a level of funding for ODS activities in low-volume-consuming (LVC) countries in light of decision XXI/2 of the Twenty-first Meeting of the Parties”. Based on this decision, projects on ODS disposal for LVC countries were maintained in the business plans of the agencies, which were noted at the 61st Meeting. This decision was made in the context of decision XXI/2 of the Meeting of the Parties where the Executive Committee was requested to “...consider the costs of a one-time window within its current destruction activities to address the export and environmentally sound disposal of assembled banks of ozone-depleting substances in low-volume-consuming countries that are not usable in the Party of origin”. In line with this, UNEP submitted two requests for project preparation of regional ODS disposal activities for the Southeast Asia and the Pacific (SEAP) and the Latin America and the Caribbean (LAC) regions. These projects were maintained in UNEP’s business plan pursuant to the above decision.

32. In reviewing the project preparation requests for ODS disposal activities in LVC countries submitted by UNEP, the Secretariat noted that the currently existing guidelines for ODS disposal projects are those contained in decision 58/19 that set out guidelines and criteria for pilot demonstration projects and do not consider regional ODS disposal projects for LVCs. The Secretariat therefore reviewed the submissions based on existing guidelines for project preparation, and took into account the basic principles of decision 58/19. The Secretariat further noted that the costs requested by UNEP for both projects were considered very high compared to similar project preparation requests submitted and approved in the past. It also noted that the intended project resulting from the project preparation exercise was not very clear about how it related specifically to LVCs and their specific concerns.

33. The Secretariat noted that while the submissions were reviewed based on current available guidelines, there is as yet no guidance from the Executive Committee on the kind and type of activities that could be covered under the funding window for ODS disposal activities in LVCs. On this basis, the Secretariat is unable to make a recommendation for funding the requested project preparation funds.

34. The Executive Committee may consider whether it wishes to provide additional guidance to bilateral and implementing agencies and request the Secretariat to prepare a paper on the submission criteria for the funding window for ODS disposal activities for low-volume-consuming countries, and to defer consideration of the project proposals until such guidelines have been agreed.

HCFC consumption over the 10 per cent baseline

35. All of the non-LVC countries that submitted HCFC phase-out activities to the 62nd Meeting considered that an amount of HCFCs, additional to that calculated as 10 per cent of the baseline, would need to be phased out to meet the 2013 and 2015 control targets. This additional amount was associated with a growth in HCFC consumption, varying between 10 and 30 per cent, that was expected to result from forecasted 2010-2012 economic growth. As a result, the total amount of HCFCs to be phased out during stage 1 of the HPMPs submitted to the 62nd Meeting is over 4,000 ODP tonnes, as compared to 1,715 ODP tonnes in the consolidated business plan (Table 1). Similarly, the total funding associated with

the HPMPs and sector plans amounts to nearly US \$657 million⁵ as compared to US \$251 million in the consolidated business plan, or US \$490 million in the 2009-2011 triennium.

Table 1. Comparisons of HCFC baselines estimated in HPMPs and in the revised 2010-2014 business plan

Country	HCFC (ODP tonnes)						
	Baseline BP	10 per cent baseline	Baseline HPMP	10 per cent baseline	HCFC-2012	Total reduction	Difference
Chile	105.6	10.6	109.3	10.9			
China	17,762.1	1,776.2	19,100.0	1,910.0	20,567.0	3,377.0	(1,600.8)
Colombia*	236.5	23.7	223.4	22.3	287.7	86.7	(63.1)
Indonesia	344.1	34.4	402.2	40.2	502.7	140.7	(106.3)
Islamic Rep. of Iran	303.6	30.4	380.6	38.1	478.3	135.8	(105.4)
Nigeria	342.1	34.2	407.7	40.8	538.1	171.2	(137.0)
Pakistan*	218.9	21.9	246.6	24.7	285.1	63.2	(41.3)
Venezuela (Bolivarian Rep. of)**	170.9	17.1	211.6	21.2	246.2	55.8	(38.7)
Total	19,483.8	1,948.4	21,081.3	2,108.1	22,905.1	4,030.4	(2,092.5)

* The Committee has already approved projects with more tonnage than required for the 10 per cent baseline reduction.

** The HPMP was subsequently deferred.

36. At its 61st Meeting, the Executive Committee noted the Multilateral Fund's revised consolidated business plan for the years 2010-2014 and decided, *inter alia*, to consider, at its 62nd Meeting, the issue of financing activities to meet the 2013 freeze target at future Executive Committee meetings as part of the project approval process (decision 61/5(b)). The implementing agencies have proposed to address the financing requirements to meet the freeze by using more than the 10 per cent funding eligibility to achieve the 10 per cent reduction for 2015. Countries requesting funding beyond 10 per cent of their estimated baselines are proposing to use some of their funding eligibility to achieve future control measure reductions (the 2020 reduction) in order to offset some expected growth that may occur after the baseline years of 2009 and 2010, and before the 2013 freeze. HPMP submissions to the 62nd Meeting include annual tranche funding after the 2010-2014 planning period in order to minimize the negative impact on the expected level of funding. The Executive Committee has already committed to funding in principle after the 2012-2014 replenishment.

37. In the light of decision 60/5(b), the Executive Committee may wish to consider requests for funding beyond the 10 per cent funding eligibility on a case-by-case basis through funding tranches after the 2012-2014 triennium.

Accelerated phase-out of HCFCs beyond 2020 for LVCs and increase in HPMP funding

38. Decision 60/44 contains the agreed the criteria for funding HCFC phase-out in the consumption sector in Article 5 countries. Under this decision, the Executive Committee agreed that funding for HCFC phase-out in countries with HCFC consumption of no more than 360 metric ton in the refrigeration servicing sector, could be proposed for Stage I of the HPMP to meet either the 10 per cent reduction in HCFC consumption in 2015 or, if the country wishes, up to the 35 per cent reduction in 2020. At the same meeting, the Executive Committee also agreed in decision 60/15 that projects that accelerated the phase-out of consumption of HCFCs could be considered on a case-by-case basis for low-volume-consuming (LVC) countries that had a strong national level of commitment in place to support accelerated phase-out.

⁵ The total amount submitted to the 62nd Meeting totaled US \$682 million plus US \$58 million agency support costs.

39. UNEP and UNDP submitted HPMPs to the 61st Meeting for three countries, requesting funding for the full phase-out of HCFC consumption at an accelerated pace, meeting complete phase-out either in 2020 (Bhutan) or 2025 (Nepal and Sri Lanka, both with a five-year service tail). UNDP also submitted the HPMP for Kyrgyzstan, which proposed an accelerated phase-out during stage I to meet the 2020 reduction measures in 2017 (this HPMP was subsequently withdrawn). All four HPMPs were submitted in line with decision 60/15 above. The proposed accelerated schedules showed that the countries would achieve phase-out earlier than required under the Montreal Protocol. In view of this acceleration in the phase out, all four countries requested funding beyond that provided in decision 60/44 to meet the 2020 targets. The agencies indicated that the additional funding is being sought because the countries require more assistance in order to complete activities to meet the earlier phase-out targets, and would serve as an incentive for phasing out sooner.

40. In reviewing these HPMPs, the Secretariat took into consideration the paragraphs in decision 60/44 on LVC countries, and noted that there is no provision for funding beyond 2020. In order to assist in the review of the funding levels, it used as a reference the calculations made by the Secretariat contained in Annex II of UNEP/OzL.Pro/ExCom/60/46 in order to determine a possible level of funding that these countries may be entitled to for complete phase-out based on the calculated baselines/starting points. In reviewing whether all four countries displayed a strong national commitment to supporting accelerated phase-out, it noted that, unlike a previous HPMP approved by the Executive Committee where the country had a strong national policy to promote carbon neutrality to support accelerated HCFC phase-out, the four countries did not have a similar mechanism in place, although each had provided a written commitment from the national Government to support the accelerated proposal.

41. The Executive Committee may wish to consider whether HPMPs addressing an accelerated phase-out of HCFCs and submitted in line with decision 60/15 for consideration on a case-by-case basis are entitled to funding in addition to that provided in decision 60/44 and, if so, by how much.

High levels of recorded HCFC consumption in submitted HPMPs for LVCs

42. Based on the review of HPMPs for LVC countries submitted to the 62nd Meeting, the Secretariat noted that a number of countries showed large increases in HCFC consumption, especially for the 2007-2009 period. While growth in HCFC consumption in most countries was reasonable, in some cases the increases were from zero consumption to consumption of more than 360 metric ton, with some showing growth of more than 200 percent. This resulted in some countries moving from the LVC category to the non-LVC category (Burkina Faso, Chad, Gabon, and Togo). These increases, particularly during the baseline year of 2009, resulted in a demonstrated growth in 2010 consumption, which shifted the estimated baseline upwards.

43. In reviewing these HPMPs, the Secretariat brought these increases to the attention of the lead agencies responsible for implementation, and requested clarification on why consumption patterns had changed drastically for this period. Explanations included: underestimation of prior years' data; the absence of a prior survey, making earlier data unrealistic; the lack of actual customs records, and the possibility that the country was building a stockpile. In discussions with UNEP, the Secretariat also urged it to use the growth estimate used to calculate HCFC consumption agreed for the adjusted 2010-2014 business plans (i.e. 8 per cent), wherever possible, in order to establish a more level playing field in the calculation for the 2010 estimated consumption. This was done for the countries listed in the paragraph above but did not lower the estimated baselines, as actual 2009 consumption reported under Article 7 was already high.

44. For those countries whose consumption exceeded 360 metric ton, the eligible funding would thus be calculated at US \$4.50/kg of HCFC consumption in the refrigeration servicing sector only, and funding would be provided only for meeting the freeze and targets for 2015 (10 per cent reduction). As the lead agency for many of the LVC countries, UNEP indicated to the Secretariat that the above-mentioned

African countries that have shown very high increases choose to continue to be considered LVC countries and agreed to a starting point for funding of 360 metric ton in order to receive funding as such, while acknowledging that their compliance targets would be based on their baseline and not on the starting point.

45. The Executive Committee may wish to consider:

- (a) Whether to agree to the request of these countries whose estimated baseline consumption exceeded 360 metric ton to continue to be treated as LVC countries and calculate funding using decision 60/44 (f)(xii) up to 2020, on the understanding that no additional funding will be provided to the country for the consumption over 360 metric ton; or
- (b) Whether to reiterate decision 60/44 and consider countries whose calculated baseline consumption exceeded 360 metric ton as non-LVC countries and provide funding at US \$4.50/kg and up to 2015 only.

Prioritization of HCFCs

46. Through decision 59/11, the Executive Committee requested bilateral and implementing agencies to submit, as a priority, HCFC-141b phase-out projects to enable compliance with the 2013 and 2015 control measures in accordance with paragraph 11(a) of decision XIX/6. The Executive Committee also decided to consider projects for HCFCs with ODP lower than HCFC-141b, where national circumstances and priorities required their submission in order to comply with the 2013 and 2015 control measures.

47. Although phasing out HCFC-141b would allow countries to meet the 2015 HCFC compliance target, most of the HPMPs for non-LVC countries submitted to the 62nd Meeting included activities for phasing out HCFC-22 and/or HCFC-142b. Projects for phasing out HCFC-22 used in the manufacturing of refrigeration equipment were submitted for China, Indonesia, the Islamic Republic of Iran and Nigeria. Projects for phasing out HCFC-22/HCFC-142b used as a blowing agent in the manufacturing of extruded polystyrene (XPS) foam were submitted for China, Saudi Arabia and Turkey.

48. The main reason for the submission of projects to phase out HCFC-22 consumption in the refrigeration manufacturing sector was to curb growth in consumption at an early stage, and reduce future demand for HCFC-22 for servicing. The reasons for submitting projects to phase out HCFC-22/HCFC-142b in XPS foam varied from country to country, and included: the need to phase out HCFC consumption in all manufacturing sectors simultaneously (China); national regulations banning the use of HCFCs for foam applications by 1 January 2013 (Saudi Arabia and Turkey) and the initiative undertaken by the national industry to start the phase-out process (Turkey).

49. In considering this issue, the Executive Committee might wish to note that the average life-time of HCFC-22-based refrigeration equipment is from 10 to 20 years (depending on the type of the equipment). It can be expected that during its lifetime, between 100 and 200 per cent of the charge of HCFC-22 refrigerant will be used for servicing the equipment. Therefore, early interventions in reducing the production of HCFC-22-based refrigeration equipment could have an impact on future demand for HCFC-22 for servicing.

50. Additionally, several HPMPs for non-LVC countries (Colombia, Islamic Republic of Iran, Nigeria and Pakistan) included activities to address HCFC consumption in the servicing sector. Pursuant to decision 60/44(f)(xv), non-LVC countries should first address consumption in the manufacturing sector to meet the reduction steps in 2013 and 2015. The explanation provided for the submission of servicing sector requests was the need to reduce HCFC consumption in a sector whose constant growth could offset the amount of HCFCs phased out through investment projects, thus creating a potential risk of non-compliance. Addressing growth in this sector through regulations alone would not be sufficient. There is

also the need to keep the infrastructure established during the phase-out of CFCs operational, such as the training and certification programme for technicians and customs officers, and the operation of recovery/recycling schemes.

51. In regard to the phase-out of HCFC-22/HCFC-142b used in the manufacturing of XPS, the Executive Committee might wish to note as follows:

- (a) Although in metric tons the cost-effectiveness threshold for this sector is similar to that of HCFC-141b (when using low global warming potential (GWP) alternatives); cost-effectiveness is cut in half when the phase-out is measured in ODP tonnes (for each ODP tonne of HCFC-141b phased out, only 0.5 ODP tonne of HCFC-22/HCFC-142b would be phased out at the same cost);
- (b) XPS foams are produced in a relatively small number of Article 5 countries, as the technology is complex. For various reasons, this sector has experienced rapid growth over the last several years, with the associated increase in HCFC consumption. However, for the purpose of the Multilateral Fund, the growth in this sector (as in any other manufacturing sector) has been capped to the enterprises that were established before the cut-off date of 21 September 2007. Therefore, the only growth in HCFC consumption that would need to be addressed by the Fund would be the growth associated with an increase in output from already established capacity.

52. Noting that project proposals for HCFCs with ODP lower than HCFC-141b could be considered where national circumstances and priorities required their submission in order to comply with the 2013 and 2015 control measures, the Executive Committee might wish to:

- (a) Request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the manufacturing of refrigeration equipment, to assess the total future amount of HCFC-22 that could potentially be required for servicing the equipment as requested under decision 59/11;
- (b) Request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the refrigeration servicing sector, to clearly demonstrate how the proposed activities will reduce the growth rate in the servicing sector and contribute to meeting the reduction steps in 2013 and 2015;
- (c) Consider projects for the phase-out of HCFC-22/HCFC-142b used for the manufacturing of extruded polystyrene (XPS) with cost-effectiveness values below US \$4.50/kg (i.e., similar to the refrigeration servicing sector for non-LVC countries) and/or when it is clearly demonstrated they would be required to comply with the 2013 and 2015 control measures, and to consider all other XPS foam projects after 2014.

Cost-effectiveness threshold for rigid insulation refrigeration foam sub-sector

53. At its 60th Meeting, the Executive Committee decided that projects for the phase-out of HCFCs used by domestic refrigeration enterprises should be considered under the foam sector as rigid insulation refrigeration foam. The Executive Committee also decided to establish the cost-effectiveness threshold for that sub-sector at a future Meeting, once sufficient information had been gathered from the review of HCFC phase-out projects as stand-alone projects and/or as components of HCFC phase-out management plans (decision 60/13).

54. Projects for the phase-out of HCFCs used by domestic refrigeration enterprises were submitted for Algeria, Bangladesh, China, Egypt, Indonesia, the Islamic Republic of Iran, Morocco, Philippines, Sri

Lanka and Sudan. Except for the projects in Algeria and Morocco, total costs for the projects were based on a cost-effectiveness threshold of US \$9.79/kg, according to the threshold of US \$7.83/kg for the rigid foam sub-sector plus an additional 25 per cent provided for projects, when needed, for the introduction of low-GWP alternatives (in accordance with decision 60/44(f)(iv)).

55. The cost-effectiveness values of the projects for Algeria and Morocco as submitted were US \$22.07/kg and US \$16.80/kg respectively. However, after the projects were reviewed in terms of eligible incremental costs, their cost-effectiveness values were below the US \$9.79/kg threshold.

56. The Executive Committee might wish to consider setting the cost-effectiveness threshold for rigid insulation refrigeration foam at US \$9.79/kg when using low-GWP alternatives.

Sub-sector on the assembly of refrigeration equipment in addition to refrigeration manufacturing and service sectors

57. A number of HPMPs for LVC countries contained activities which were subsumed in the document within a sub-sector plan for refrigeration equipment assembly, installation and charging, requiring technical assistance with the associated funding over and above the level allowed in decision 60/44. In other HPMPs, it appears that the related activities have been subsumed as part of the servicing sector.

58. At the 31st Meeting, the Executive Committee agreed on guidelines for the definition of the sub-sector for assembly, installation and charging of refrigeration equipment and the calculation of incremental operating cost as part of decision 31/45. These guidelines were prepared to differentiate between this subsector and that of refrigeration manufacturing. There was at that time no need to establish a similar distinction to the refrigeration service sector, and such a distinction is not provided by the guidelines.

59. In the meantime, the service sector and the activities in this sector have been better understood, and funding levels for it have been established. This process, in conjunction with the accelerated phase-out of HCFC decided by the 19th Meeting of the Parties, has led to a need to establish a distinction between this sub-sector and the service sector, to ascertain whether and to what degree the Executive Committee wishes to fund activities in the sub-sector vis-a-vis activities in the service sector.

60. The name of the sub-sector is not suggesting a clear delineation. In particular the word "assembly" without further qualification covers a wide range of possible industrial activities - virtually every industrial process resulting in a mechanical product, but also almost every craftsmen activity consists to some degree of assembly of pre-manufactured parts. The Secretariat would like to provide three examples of activities which might fall under the term "assembly":

- (a) The Executive Committee has already approved a number of conversions in the air-conditioning sector where the manufacturers buy kits, assemble and charge them. This was considered manufacturing, although principally "assembly" would also be a correct term;
- (b) In the air-conditioning sector, it is very common to have the concept of a split unit. A split unit consists of an outdoor part (containing *inter alia* compressor and condenser, i.e., a heat exchanger) and an indoor part (containing *inter alia* an expansion device and the evaporator i.e. another heat exchanger). The units are assembled, connected, and either ready-to-charge or already pre-charged. The installer has to connect the indoor with the outdoor unit. This installation is very low key work, and requires in many cases less knowhow and equipment than service work. The refrigerant specific work and tools of the installer in these cases are minimum;

- (c) In the commercial refrigeration sector, a somewhat similar concept can frequently be found. A “condensing unit”, similar to the outdoor unit for the air-conditioner, is bought. A small manufacturer produces a cabinet which is generic in the sense that it contains an evaporator coil which will work with almost every refrigerant. The manufacturer will have his expertise in adapting to the specific wishes of his customer in terms of design of the unit, but the unit itself is typically not technology specific. The manufacturer or associated companies often install the equipment by connecting a condensing unit to the cabinet. While the needs for know-how and tools are larger than for installing split air conditioners, it is still the same level prevalent in the service sector. Also although the tools are to some degree technology specific (e.g. leak detectors), the situation is the same as in the service sector.

61. The above examples illustrate that companies assembling, installing and charging refrigeration equipment might be grouped by the degree to which they have undertaken technology specific investments into equipment, development and training of personnel. Where these investments are in the order of what is typical for the service sector, it is proposed that the enterprises are subsumed in service sector activities, and no funding is provided beyond that defined in decision 60/44. Where the agency can demonstrate upon submission that the level of HCFC technology specific investments into equipment, development or training of personnel exceed significantly the level prevalent in the servicing sector, the Secretariat proposes that funding should be provided beyond the levels foreseen for the service sector. The Secretariat would further like to suggest that the remaining provisions related to the sub-sector, such as the distinction with the refrigeration manufacturing sector and the funding of only incremental capital cost continue to be applicable (i.e., this will not need a specific decision).

62. The Executive Committee might wish to consider to request bilateral and implementing agencies when submitting projects in the installation, assembling and charging sub-sector, to demonstrate that each enterprise addressed in the sub-sector has invested in equipment, development of products or training of personnel specific to HCFC technology which exceeds significantly the level prevalent in the service sector, and that the activities foreseen for these enterprises represent incremental costs.

Funding of institutional strengthening projects as part of an HPMP

63. At the 59th Meeting, the Executive Committee decided “that Article 5 Parties had the flexibility to submit requests for institutional strengthening funding either as part of their HCFC phase-out management plans or separately, as they so chose”. Bhutan and Turkmenistan submitted to the 62nd Meeting their HPMPs to include the funding for institutional strengthening (IS) commencing after the current approval period, in line with decision 59/17. In their HPMP submissions, both countries included the IS funding, which will be agreed in principle for several years in advance, as part of the HPMP funding to be approved in a number of tranches. With the IS being part of the HPMP, as in the case of the HPMP for Macedonia approved under decision 60/38, it should be subject to the conditions of a performance-based agreement. The integration of the IS into the HPMP also implies that the country will effectively not have an individual IS project recorded as such from the time of approval of the HPMP.

64. In reviewing the HPMPs, the Secretariat noted that in the case of Turkmenistan, the country agreed to include the IS as part of the performance-based agreement, thereby agreeing that future tranche requests will be provided only after meeting the targets associated with it. It also agreed that any delays in delivery of these obligations may result in tranche funding delays which could include IS funds. However, in the case of Bhutan, while the concept of integrating the IS into the HPMP was clearly understood and accepted, there was no agreement on the principle that IS funding could be affected by delays in meeting targets for the future tranches. The implementing agency argued that since IS funds are for capacity building, these allocations should not be added to the performance targets in the HPMP required for tranche approvals, but should have separate targets similar to those required for IS renewals. The view was also expressed that the multiyear agreements (MYA) should have a specific clause

exempting IS from these conditions, and from any penalty clause that may be imposed if such obligations required for tranche releases are not met.

65. The agency further argued that decision 59/17 does not specifically mention that IS should be part of the MYA if the countries choose to include this in the HPMP. It also reiterated that the inclusion of this capacity-building funding into the larger HPMP supports one of the options proposed during the review of options for future IS funding that there should be a re-balancing of the IS and project management unit (PMU) funds in the HPMP. Bhutan therefore wishes to exercise the option of integrating IS into the HPMP without affecting future IS funding to be received under the HPMP tranches. The agency also reiterated that for Bhutan, the HPMP does not include a provision for a PMU, which will be managed using the IS funds. This is not the same for Turkmenistan, where PMU funds have been allocated in the HPMP.

66. The Executive Committee may wish to consider whether:

- (a) To reiterate that the inclusion of IS funding into the HPMP in line with decision 59/17 makes it subject to the performance based-targets under the multiyear agreement covering the HPMP and all the conditions required for future tranche funding; OR
- (b) To maintain the IS funding in the HPMP if countries so choose, but exempt it from the conditions of the MYA, meaning that funding for IS will not be interrupted despite performance targets not being met by the country.

Projects and activities submitted for blanket approval

67. Annex I to this document, lists 33 projects and activities amounting to US \$4,350,761 which are recommended for blanket approval. The approval of these projects by the Executive Committee covers relevant conditions or provisions included in the corresponding project evaluation sheets, as well as the approval of implementation programmes associated with the relevant tranches of multi-year projects.

Investment projects for individual consideration

68. A total of 83 projects and activities amounting to US \$691,084,067 after the review by the Secretariat, are proposed for individual consideration. The issues associated with non-investment projects are presented in the relevant work programme amendments of the implementing agencies (UNEP/OzL.Pro/ExCom/62/12 for UNDP; UNEP/OzL.Pro/ExCom/62/13 for UNEP; UNEP/OzL.Pro/ExCom/62/15 for the World Bank, UNEP/OzL.Pro/ExCom/62/16 for UNEP Compliance Assistance Programme, and UNEP/OzL.Pro/ExCom/62/17 for the 2011 core unit costs for UNDP, UNIDO and the World Bank).

69. To facilitate the consideration by the Executive Committee of the projects submitted for individual consideration, the Secretariat has classified the projects by sector, and has grouped projects according to the issues, as shown in Tables 2 to 6 below.

Table 2. Non-HCFC investment projects submitted for individual consideration

Country	Project	Agency	ExCom	Issue
Methyl bromide				
Iraq	Technical assistance for alternatives to methyl bromide	UNIDO	62/37	Technical and cost-related issues have been satisfactorily addressed
Pilot ODS disposal projects				
Cuba	Pilot demonstration project on ODS waste management and disposal	UNDP	62/28	Technical and cost-related issues have been satisfactorily addressed

Country	Project	Agency	ExCom	Issue
Ghana	Pilot demonstration project on ODS waste management and disposal	UNDP	62/32	Technical and cost-related issues have been satisfactorily addressed
Production sector				
India	Accelerated CFC Production Phase-out (second tranche)	World Bank	62/34	Export of CFCs

Table 3. HCFC stand-alone projects submitted for individual consideration

Country	Project	Agency	ExCom	Issue
Foam sector				
Algeria	Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Cristor	UNIDO	62/18	Technical and cost-related issues have been satisfactorily addressed
Bangladesh	Conversion from HCFC-141b to cyclopentane technology in manufacturing refrigeration equipment insulation foam at Walton Hi-Tech Industries Limited	UNDP	62/20	Technical and cost-related issues have been satisfactorily addressed
Egypt	Phase-out of HCFC-141b in eight foam enterprises	UNDP/ UNIDO	62/30	Technical and cost-related issues have been satisfactorily addressed
Morocco	Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Manar	UNIDO	62/41	Technical and cost-related issues have been satisfactorily addressed
Philippines	Sector plan to phase out HCFC-141b in the foam sector	UNIDO/ Japan	62/45	Costs issue still under discussion
Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of extruded polystyrene panel at Line #2 in Arabian Chemical Company and at Al-Watania Plastics	UNIDO/ Japan	62/46	Technical and cost-related issues have been satisfactorily addressed
Sudan	Umbrella project for the phase-out of HCFC-141b from the polyurethane (PU) rigid foam production in the manufacturing of domestic refrigerators, commercial refrigerators and PU insulated composite panels	UNIDO	62/49	Technical and cost-related issues have been satisfactorily addressed
Turkey	Umbrella project for the phase-out of HCFC-141b from the polyurethane (PU) rigid foam production in the manufacturing of PU insulated sandwich panels and phase-out of HCFC-142b and HCFC-22 in the manufacture of extruded polystyrene boardstock	UNIDO	62/52	Technical and cost-related issues have been satisfactorily addressed
Refrigeration sector				
Syrian Arab Republic	Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment and rigid polyurethane insulation panels at Al Hafez Group	UNIDO	62/50	Technical and cost-related issues have been satisfactorily addressed

Table 4. HPMPs for LVC countries submitted for individual consideration

Country	Project	Agency	ExCom	Issue
HPMPs with no outstanding issues				
Armenia	HCFC phase-out management plan (stage I)	UNDP/ UNEP	62/19	All issues have been satisfactorily addressed
Belize	HCFC phase-out management plan (stage I)	UNDP/ UNEP	62/21	All issues have been satisfactorily addressed
Dominica	HCFC phase-out management plan (stage I)	UNEP	62/29	All issues have been satisfactorily addressed
Grenada	HCFC phase-out management plan (stage I)	UNEP	62/33	All issues have been satisfactorily addressed
Madagascar	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/38	All issues have been satisfactorily addressed
Malawi	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/39	All issues have been satisfactorily addressed
Serbia	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/47	All issues have been satisfactorily addressed
Turkmenistan	HCFC phase-out management plan (stage I)	UNIDO	62/53	All issues have been satisfactorily addressed
HPMPs with high levels of consumption and requests for LVC status				
Burkina Faso	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/23	High levels of HCFC consumption. All other issues have been satisfactorily addressed
Chad	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/25	High levels of HCFC consumption. All other issues have been satisfactorily addressed
Gabon	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/31	High levels of HCFC consumption. All other issues have been satisfactorily addressed
Togo	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/51	High levels of HCFC consumption. All other issues have been satisfactorily addressed
HPMPs with other policy issues				
Bhutan	HCFC phase-out management plan (first tranche)	UNDP/ UNEP	62/22	Accelerated HCFC phase-out and request for additional funding; IS project as a component of the HPMP; additional funding for the assembly subsector
Nepal	HCFC phase-out management plan (first tranche)	UNDP/ UNEP	62/42	Accelerated HCFC phase-out and request for additional funding
Sri Lanka	HCFC phase-out management plan (first tranche)	UNDP/ UNEP	62/48	Accelerated HCFC phase-out and request for additional funding; IS project as a component of the HPMP

Table 5. HPMPs for non-LVC countries submitted for individual consideration

Country	Project	Agency	ExCom	Issue
HPMPs with no outstanding issues				
Colombia	HCFC phase-out management plan (stage I, first tranche)	UNDP/ UNEP	62/27	Technical and cost-related issues have been satisfactorily addressed
Indonesia	HCFC phase-out management plan (stage I, first tranche)	UNDP/ UNIDO/ World Bank	62/35	Technical and costs issues still under discussion (pending)
Islamic Republic of Iran	HCFC phase-out management plan (stage I, first tranche)	UNDP/ UNEP/ UNIDO/ Germany	62/36	Technical and costs issues still under discussion (pending)
Nigeria	HCFC phase-out management plan (stage I, first tranche) and demonstration project to validate the trans-critical CO ₂ refrigeration technology for application to ice-block makers at Austin Laz.	UNDP/ UNIDO/ Japan	62/43	Technical and cost-related issues have been satisfactorily addressed
Pakistan	HCFC phase-out management plan (stage I, first tranche)	UNEP/ UNIDO	62/44	Technical and cost-related issues have been satisfactorily addressed

Table 6. HCFC phase-out activities in China (UNEP/OzL.Pro/ExCom/62/26)

Phase-out activity	Agency
HCFC phase-out management plan (HPMP) for China: Overarching strategy summary	UNDP
Sector plan for phase-out of HCFC-141b in the foam sector (phase I)	World Bank
Sector plan for phase-out of HCFCs in the extruded polystyrene (XPS) foam sector (phase I)	Germany/UNIDO
Demonstration project for conversion from HCFC-22/HCFC-142b technology to CO ₂ with methyl formate co-blowing technology in the manufacture of XPS foam at Feining'er (Nanjing) Energy Saving Technology Co. Ltd.	UNDP
Demonstration project for conversion from HCFC-22 to butane blowing technology in the manufacture of XPS foam at Shanghai Xinzhaoh Plastic Enterprises Co. Ltd.	UNIDO/Japan
Sector plan for HCFC phase-out in the industrial and commercial refrigeration and air conditioning sectors (stage I)	UNDP
HCFC-22 phase-out management plan for the room air-conditioner manufacturing sector	UNIDO
Demonstration project for conversion from HCFC-141b-based technology to iso-paraffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	UNDP/Japan

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/62/10
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
ARMENIA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase II)	UNIDO		\$120,000	\$9,000	\$129,000
Total for Armenia			\$120,000	\$9,000	\$129,000
BENIN					
SEVERAL					
Ozone unit support					
Renewal of institutional strengthening project (phase VII)	UNEP		\$60,000	\$0	\$60,000
Total for Benin			\$60,000		\$60,000
BURKINA FASO					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase IX)	UNEP		\$72,410	\$0	\$72,410
Total for Burkina Faso			\$72,410		\$72,410
BURUNDI					
PHASE-OUT PLAN					
CFC phase out plan					
Terminal phase-out management plan (second tranche)	UNIDO	3.1	\$53,000	\$4,770	\$57,770
<i>The country was encouraged to ensure the inclusion of issues related to HCFC phase-out in implementing the remaining activities in the TPMP. The Government was also requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 66th Meeting.</i>					
Terminal phase-out management plan (second tranche)	UNEP		\$41,000	\$5,330	\$46,330
<i>The country was encouraged to ensure the inclusion of issues related to HCFC phase-out in implementing the remaining activities in the TPMP. The Government was also requested, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the work programme associated with the second and final tranche of the TPMP no later than the 66th Meeting.</i>					
Total for Burundi			3.1	\$94,000	\$104,100
CHINA					
AEROSOL					
Metered dose inhalers					
Verification of production of CFCs for essential use	IBRD		\$50,000	\$4,500	\$54,500
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase IX)	UNDP		\$390,000	\$29,250	\$419,250
Total for China			\$440,000	\$33,750	\$473,750

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/62/10
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
CONGO, DR					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VI)	UNEP		\$64,540	\$0	\$64,540
Total for Congo, DR			\$64,540		\$64,540
COOK ISLANDS					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000
Total for Cook Islands			\$60,000		\$60,000
COTE D'IVOIRE					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase V)	UNEP		\$106,340	\$0	\$106,340
Total for Cote D'Ivoire			\$106,340		\$106,340
DOMINICA					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000
Total for Dominica			\$60,000		\$60,000
DOMINICAN REPUBLIC					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VI)	UNEP		\$134,333	\$0	\$134,333
Total for Dominican Republic			\$134,333		\$134,333
GABON					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VII)	UNEP		\$60,000	\$0	\$60,000
Total for Gabon			\$60,000		\$60,000
GHANA					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase IX)	UNDP		\$139,100	\$10,433	\$149,533
Total for Ghana			\$139,100	\$10,433	\$149,533

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/62/10
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
INDIA					
AEROSOL					
Metered dose inhalers					
Verification of production of CFCs for essential use	IBRD		\$50,000	\$4,500	\$54,500
	Total for India		\$50,000	\$4,500	\$54,500
JAMAICA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VII)	UNEP		\$60,000	\$0	\$60,000
	Total for Jamaica		\$60,000		\$60,000
JORDAN					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase IX)	IBRD		\$147,333	\$11,050	\$158,383
	Total for Jordan		\$147,333	\$11,050	\$158,383
KENYA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VIII)	UNEP		\$151,667	\$0	\$151,667
	Total for Kenya		\$151,667		\$151,667
LEBANON					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VII)	UNDP		\$155,090	\$11,632	\$166,722
	Total for Lebanon		\$155,090	\$11,632	\$166,722
LESOTHO					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000
	Total for Lesotho		\$60,000		\$60,000
MEXICO					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase X)	UNIDO		\$247,000	\$18,525	\$265,525
	Total for Mexico		\$247,000	\$18,525	\$265,525

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/62/10
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)	
			Project	Support		Total
MOROCCO						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide used as a soil fumigant in the production of green beans and cucurbits (second tranche)	UNIDO	94.9	\$437,594	\$32,820	\$470,414	13.54
Total for Morocco		94.9	\$437,594	\$32,820	\$470,414	
MYANMAR						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase II, second year)	UNEP		\$30,000	\$0	\$30,000	
Total for Myanmar			\$30,000		\$30,000	
NIGERIA						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNDP		\$260,000	\$19,500	\$279,500	
Total for Nigeria			\$260,000	\$19,500	\$279,500	
PAKISTAN						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNDP		\$224,467	\$16,835	\$241,302	
Total for Pakistan			\$224,467	\$16,835	\$241,302	
SAINT LUCIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase VII)	UNEP		\$60,000	\$0	\$60,000	
Total for Saint Lucia			\$60,000		\$60,000	
SAINT VINCENT AND THE GRENADINES						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IV, additional funding)	UNEP		\$20,000	\$0	\$20,000	
Total for Saint Vincent and the Grenadines			\$20,000		\$20,000	
SUDAN						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening: phase VI	UNEP		\$145,860	\$0	\$145,860	
Total for Sudan			\$145,860		\$145,860	

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/62/10
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
TOGO					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase VI)	UNEP		\$60,666	\$0	\$60,666
	Total for Togo		\$60,666		\$60,666
TUVALU					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000
	Total for Tuvalu		\$60,000		\$60,000
VANUATU					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000
	Total for Vanuatu		\$60,000		\$60,000
VENEZUELA					
SEVERAL					
Ozone unit support					
Renewal of institutional strengthening project (phase X)	UNDP		\$285,480	\$21,411	\$306,891
	Total for Venezuela		\$285,480	\$21,411	\$306,891
YEMEN					
FUMIGANT					
Methyl bromide					
Terminal phase-out of methyl bromide (second tranche)	Germany	10.0	\$200,000	\$25,325	\$225,325
	Total for Yemen	10.0	\$200,000	\$25,325	\$225,325
	GRAND TOTAL	108.0	\$4,125,880	\$224,881	\$4,350,761