



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/62/12
3 November 2010

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December 2010

UNDP'S WORK PROGRAMME AMENDMENTS FOR 2010

COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT

1. UNDP is requesting approval from the Executive Committee of US \$1,653,137 for the amendments of its 2010 Work Programme, plus agency support costs of US \$126,970. The Work Programme is attached to this document.
2. The activity proposed in UNDP's Work Programme Amendments is presented in Table 1 below:

Table 1: UNDP's Work Programme Amendments

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1. Renewal of institutional strengthening projects			
China	Renewal of institutional strengthening (phase IX)	390,000	390,000
Ghana	Renewal of institutional strengthening (phase IX)	139,100	139,100
Lebanon	Renewal of institutional strengthening (phase VII)	155,090	155,090
Nigeria	Renewal of institutional strengthening (phase VI)	260,000	260,000
Pakistan	Renewal of institutional strengthening (phase VI)	224,467	224,467
Venezuela (Bolivarian Republic of)	Renewal of institutional strengthening (phase X)	285,480	285,480
Subtotal for A1:		1,454,137	1,454,137
SECTION B: ACTIVITY RECOMMENDED FOR INDIVIDUAL CONSIDERATION			
B.1 Technical Assistance			
Global	Resource Mobilization for climate co-benefits	199,000	*
Subtotal for B1:		199,000	
Subtotal for A and B		1,653,137	1,454,137
Agency support costs (7.5 per cent for project preparation and institutional strengthening and for other activities over US \$250,000, and 9 per cent for other activities under US \$250,000)		126,970	109,060
Total:		1,780,107	1,563,197

*Project for individual consideration or pending

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL

A1. Renewal of institutional strengthening projects

- (a) China (phase IX): US \$390,000
- (b) Ghana (phase IX): US \$139,100
- (c) Lebanon (phase VII): US \$155,090
- (d) Nigeria (phase VI): US \$260,000
- (e) Pakistan (phase VI): US \$224,467
- (f) Venezuela (Bolivarian Republic of) (phase X): US \$285,480

Project description

3. UNDP submitted the requests for the renewal of the institutional strengthening (IS) projects for China, Ghana, Lebanon, Nigeria, Pakistan and the Bolivarian Republic of Venezuela. The descriptions of the requests for these countries are presented in Annex I to this document.

Secretariat's comments

4. The Fund Secretariat reviewed the IS terminal reports and action plans submitted by UNDP on behalf of China, Ghana, Lebanon, Nigeria, Pakistan and the Bolivarian Republic of Venezuela which were provided using the revised format for IS renewals approved by decision 61/43. The Secretariat took into account decision 59/17, 59/47(b) and 61/43 in considering these IS requests, particularly decision 61/43 where the Executive Committee decided "to maintain funding for institutional strengthening (IS) support at current levels, and to renew IS projects for the full two-year period from the 61st Meeting".

Secretariat's recommendations

5. The Fund Secretariat recommends blanket approval of the IS renewal requests for China, Ghana, Lebanon, Nigeria, Pakistan and the Bolivarian Republic of Venezuela at the level of funding indicated in Table 1 of this document. The Executive Committee may wish to express to the Governments of China, Ghana, Lebanon, Nigeria, Pakistan and the Bolivarian Republic of Venezuela the comments which appear in Annex II to this document.

SECTION B: ACTIVITY RECOMMENDED FOR INDIVIDUAL CONSIDERATION

B1. Technical assistance

Global: Resource mobilization for climate co-benefits: US \$199,000

Project description

6. UNDP submitted a request to the 57th, 58th, 59th, 60th, and 61st Meetings for a technical assistance project for mobilizing resources to maximize climate benefits of HCFC phase-out. UNDP had revised its proposal to the 61st Meeting and has presented it for the consideration of this meeting in line with decision 61/25.

7. This request addresses pilot projects for ODS bank management and disposal related to end-of-life appliance management, co-financing opportunities for HCFC phase-out; and energy efficiency gains through ODS-related early retirement programmes. The detailed project description is included in Annex I to the present document.

8. The table below provides a breakdown of the US \$199,000 requested by the UNDP:

Cost Components	Cost
International consultant for technical coordination	US \$45,000
Three technical experts for analysis/ methodologies and mapping of additional finance opportunities	US \$127,000
Travel	US \$27,000
Total	US \$199,000
Total with support costs	US \$216,910
Matching in-kind co-financing from UNDP (already provided)	US \$150,000

9. The request to the 61st Meeting was for US \$250,000 with matching in-kind co-financing from UNDP. The request to the 62nd Meeting is for US \$199,000, which excludes the component included in previous proposals that was covered by funds provided by UNDP amounting to US \$150,000. These funds were used to integrate the Ghana HPMP into an energy efficiency project already approved by the GEF. Therefore, the revised proposal no longer includes a GEF pilot project.

10. Travel costs were reduced to reflect the number of missions from four to three at US \$9,000 per mission. The number of technical experts was also reduced from four to three resulting in a reduced budget for experts from US \$169,000 to US \$127,000.

Secretariat's comments

11. Concerning ODS (ozone depleting substances) destruction demonstration projects, the Executive Committee has already approved several demonstration projects on ODS bank management and destruction. The Committee will consider at its current meeting additional ODS bank management and destruction activities for a window for low-volume-consuming countries (LVCs) pursuant to decision XXI/2, paragraph 2, but the UNDP pilot project does not address LVCs. Moreover, while decision XXI/2, paragraph 6 called upon Parties, and institutions not traditionally contributing to the financial mechanism "to consider making additional support available to the Multilateral Fund for destruction of ODS, if they are in a position to do so", thus far no funds for additional ODS destruction activities have been provided. UNDP plans to use funds from this request to develop a pilot bank management and disposal system in an Article 5 country with existing facilities for ODS destruction with a view towards a regional approach. UNDP indicated that whilst there are methodologies for ODS recovery and destruction, there remains a need to extend these methodologies and define how trans-boundary ODS shipments could be handled.

12. With respect to co-funding for HCFC activities, the Executive Committee has so far approved funds for HPMP preparation for all Article 5 countries. There is an expectation that HPMPs submitted to the Executive Committee for approval should consider and include financial incentives and opportunities for co-financing, in accordance with decision 54/39. These elements for co-financing could also be relevant to ensuring that HCFC phase-out results in benefits in accordance with paragraph 11(b) of decision XIX/6. UNDP indicated that there was no clear mandate from the Executive Committee to use existing project preparation funds to develop co-financing opportunities for climate benefits, and UNDP noted that it was using project preparation to address funding shortfalls in order to finance Montreal Protocol compliance only. Moreover, UNDP indicated that most Article 5 countries wanted to use HPMP preparation funding to develop the HPMP and seek co-financing following the approval of the HPMP. In this respect, the pilot project for additional funds to seek co-financing seems to represent additional project preparation beyond that already approved for Stage I of HPMP development.

13. Concerning the energy efficiency pilot project, UNDP indicated that there existed possibilities to use linkages to GEF and other sources to develop projects that secure energy gains from the replacement of inefficient appliances. Although GEF provides project preparation to prepare its energy efficiency related projects, UNDP indicated that a large portfolio of approved energy efficiency projects through GEF did not contain links to ODS activities. UNDP would like to pursue country-specific initiatives towards realizing energy savings through replacement programmes such as the GEF Market Transformation Programme.

Secretariat's recommendation

14. The Executive Committee may wish to consider whether pilot projects in ODS bank management and disposal, seeking co-financing for HCFC activities, and seeking synergies with other programmes for energy efficiency should be funded as resource mobilization activities.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

China: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNDP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Feb-92 & Mar-93	150,000 300,000
	Phase II: Oct-96	300,000
	Phase III: Nov-98	300,000
	Phase IV: Dec-00	300,000
	Phase V: Nov-02	390,000
	Phase VI: Dec-04	390,000
	Phase VII: Nov-06	390,000
	Phase VIII: Nov-08	390,000
	Total:	2,910,000
Amount requested for renewal (phase IX) (US \$):		390,000
Amount recommended for approval for phase IX (US \$):		390,000
Agency support costs (US \$):		29,250
Total cost of institutional strengthening phase IX to the Multilateral Fund (US \$):		419,250
Date of approval of country programme:		1993
ODS consumption reported in country programme (1991) (ODP tonnes):		55,048.5
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		57,818.7
(b) Annex A, Group II (halons) (average 1995-1997)		34,186.7
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		49,142.1
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		721.2
(e) Annex E (methyl bromide) (average 1995-1998)		1,102.1
Latest reported ODS consumption (2009) (ODP tonnes) as per Article 7:		
(a) Annex A, Group I (CFCs)		370.3
(b) Annex A, Group II (halons)		985.9
(c) Annex B, Group II (carbon tetrachloride)		86.8
(d) Annex B, Group III (methyl chloroform)		83.6
(e) Annex E (methyl bromide)		241.9
(f) Annex C, Group I (HCFCs)		18,584.6
	Total:	20,353.1
Year of reported country programme implementation data:		2009
Amount approved for projects (as at July 2010) (US \$):		794,003,700
Amount disbursed (as at December 2009) (US \$):		740,131,564
ODS to be phased out (as at July 2010) (ODP tonnes):		123,432.7
ODS phased out (as at December 2009) (ODP tonnes):		112,990.1

1. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	754,654,138
(b) Institutional strengthening:	2,910,000
(c) Project preparation, technical assistance, training and other non-investment projects:	36,439,562
Total:	794,003,700

Progress report

2. The main objective of the project is to further enhance the overall programme management capability of the Programme Management Office (PMO) for ozone layer protection matters in the Ministry of Environmental Protection (MEP), especially to enforce ozone-depleting substances (ODS) policy development and supervision and management of projects. Five objectives, namely 1) improving policy formulation and enforcement, 2) strengthening international communication, 3) strengthening coordination with related agencies, 4) improving project management of PMO, and 5) promote public awareness, have been designated as the main content of the project. In phase VIII, with the financial support of US \$390,000, 40 members of the PMO have worked to achieve these objectives. Additionally, the project received support from international implementing agencies and the regional network. The data from the project have been reported to the Ozone Secretariat and the Secretariat of the Multilateral Fund in an efficient manner. The Government of China and the implementing agency have conducted audits on the PMO and yield satisfying outcomes. It is learned that cooperation, coordination, participation of local governments, promotion of public awareness, and support from policy makers are important for the success of the project.

Plan of action

3. In the next two years, China faces the task of making and implementing plans for HCFC phase-out, and monitoring the quality of earlier phase-out measures. The main objective of the project is to further enhance the overall programme management capability of the PMO for ozone layer protection matters in the MEP, especially to enforce ODS policy development and supervision and management of projects. The five objectives designated as the main content of the project, namely 1) improving policy formulation and enforcement, 2) strengthening international communication, 3) strengthening coordination with related agencies, 4) improving project management of PMO, and 5) promote public awareness, will continue to be pursued in the next phase. With the support of US \$390,000 from the Multilateral Fund, the PMO will continue to practice efficient programme management, awareness-raising and data reports, and expand its capabilities to ensure successful phase-out of ODS.

Ghana: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNDP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Oct-92	183,200
	Phase II: Oct-96	107,000
	Phase III: Nov-98	107,000
	Phase IV: Dec-00	107,000
	Phase V: Nov-02	139,100
	Phase VI: Jul-04	139,100
	Phase VII: Nov-06	139,100
	Phase VIII: Nov-08	139,100
	Total:	1,060,600
Amount requested for renewal (phase IX) (US \$):		139,100
Amount recommended for approval for phase IX (US \$):		139,100
Agency support costs (US \$):		10,433
Total cost of institutional strengthening phase IX to the Multilateral Fund (US \$):		149,533
Date of approval of country programme:		1992
ODS consumption reported in country programme (1991) (ODP tonnes):		101.4

Summary of the project and country profile	
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A, Group I (CFCs) (average 1995-1997)	35.8
(b) Annex A, Group II (halons) (average 1995-1997)	0.0
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)	0.4
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)	0.0
(e) Annex E (methyl bromide) (average 1995-1998)	0.0
Latest reported ODS consumption (2009) (ODP tonnes) as per Article 7:	
(a) Annex A, Group I (CFCs)	3.4
(b) Annex A, Group II (halons)	0.0
(c) Annex B, Group II (carbon tetrachloride)	0.0
(d) Annex B, Group III (methyl chloroform)	0.0
(e) Annex E (methyl bromide)	0.0
(f) Annex C, Group I (HCFCs)	77.3
Total:	80.7
Year of reported country programme implementation data:	2009
Amount approved for projects (as at July 2010) (US \$):	3,427,263
Amount disbursed (as at December 2009) (US \$):	2,823,249
ODS to be phased out (as at July 2010) (ODP tonnes):	420.2
ODS phased out (as at December 2009) (ODP tonnes):	414.0

4. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	889,894
(b) Institutional strengthening:	1,060,600
(c) Project preparation, technical assistance, training and other non-investment projects:	1,476,769
Total:	3,427,263

Progress report

5. In its submission, Ghana reported on a number of important initiatives it has undertaken during phase VIII of the institutional strengthening project. Amongst other activities, the National Ozone Unit (NOU):

- (a) Organized seminars on licensing and quota system for HCFCs, registered refrigerant retailers and importers, and issued HCFC quota allocations;
- (b) Enforced control measures by training customs officers, monitoring refrigerants in the market, and inspecting consignments at points of entry;
- (c) Monitored illegal ODS trade through training and sensitization activities;
- (d) Improved data collection and reporting through monitoring of custom imports/exports and by providing reliable Article 7 and country programme data;
- (e) Consulted and coordinated with other national agencies/stakeholders, including steering committee and industry associations;
- (f) Completed all remaining terminal phase-out management plan (TPMP) activities;

- (g) Formulated the HCFC phase-out management plan (HPMP), which was approved in mid-2010; and
- (h) Continued various awareness activities, through organization of seminars and participation in International Ozone Day.

Plan of action

6. Over the next two years Ghana's action plan states that it intends to continue these activities and initiatives listed above and focus on the fulfilment of the Montreal Protocol commitments, especially in relation to the 100 per cent CFC reduction measure. Furthermore the plan includes initiation of activities related to HCFCs as a result of the decisions taken at the Nineteenth Meeting of the Parties (MOP) in this regard. Specifically, Ghana will focus on establishing a conducive regulatory environment for the safe use and management of HCFCs, distributing information to sensitize crucial target groups (such as importers, distributors and refrigeration associations), upgrade the existing refrigeration training centre (National Refrigeration Demonstration Centre) to centre of excellence and upgrade reference guide for training and certification for HCFC servicing, identifying and procuring equipment for the refrigerant recovery/retrofit project, and providing monitoring and technical support for these components (including establishing a paperless monitoring system), and setting up a centre in Accra to destroy ODS waste.

Lebanon: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNDP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: May-96	179,000
	Phase II: Jul-00	119,300
	Phase III: Jul-02	155,090
	Phase IV: Dec-04	155,090
	Phase V: Nov-06	155,090
	Phase VI: Nov-08	155,090
	Total:	918,660
Amount requested for renewal (phase VII) (US \$):		155,090
Amount recommended for approval for phase VII (US \$):		155,090
Agency support costs (US \$):		11,632
Total cost of institutional strengthening phase VII to the Multilateral Fund (US \$):		166,722
Date of approval of country programme:		1996
ODS consumption reported in country programme (1993) (ODP tonnes):		923.1
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		725.5
(b) Annex A, Group II (halons) (average 1995-1997)		0.0
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		0.0
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		0.0
(e) Annex E (methyl bromide) (average 1995-1998)		236.4
Latest reported ODS consumption (2009) (ODP tonnes) as per Article 7:		
(a) Annex A, Group I (CFCs)		0.0
(b) Annex A, Group II (halons)		0.0
(c) Annex B, Group II (carbon tetrachloride)		0.0
(d) Annex B, Group III (methyl chloroform)		0.0
(e) Annex E (methyl bromide)		0.0
(f) Annex C, Group I (HCFCs)		58.4
	Total:	58.4
Year of reported country programme implementation data:		2009

Summary of the project and country profile	
Amount approved for projects (as at July 2010) (US \$):	13,298,627
Amount disbursed (as at December 2009) (US \$):	12,199,891
ODS to be phased out (as at July 2010) (ODP tonnes):	1,668.5
ODS phased out (as at December 2009) (ODP tonnes):	1,589.7

7. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	10,612,388
(b) Institutional strengthening:	918,660
(c) Project preparation, technical assistance, training and other non-investment projects:	1,767,579
Total:	13,298,627

Progress report

8. The project achieved satisfactorily the expected results due to the project interaction with the industrial sector, government and non-governmental authorities, the private sector and the public. The potential success areas are mainly represented in two major aspects:

- (a) Helping Lebanon in complying with the international commitments to join the global effort for the protection of the ozone layer; Montreal Protocol: Lebanon is classified by the Ozone Secretariat, in full compliance with Montreal Protocol obligations. Lebanon ratified the Vienna Convention and Montreal Protocol and London Amendment, in March 1993, Copenhagen Amendment, Montreal Amendment in July 2000 and Beijing Amendment in November 2008;
- (b) Direct investment in achieving the phase-out process by converting industrial facilities to non-ODS technologies. All of the industrial facilities/sectors (foam, refrigeration, aerosol, fire fighting) have been converted into CFC-free production, meeting successfully all the Montreal Protocol milestones.

Plan of action

9. The general objectives of the project are to meet the obligations of the Montreal Protocol and its amendments. Several major objectives relate to the direct institutional strengthening in the planning process, and they are described as follows:

- (a) Meeting the obligations of Montreal Protocol through the implementation of the national HPMP;
- (b) Compliance of Lebanon with the Montreal Protocol schedule milestone of achieving the phase I 10 per cent reduction of the baseline consumption of Annex C, Group 1 substances by the year 2015;
- (c) Capacity building and technical assistance activities addressed to the industrial sector;
- (d) Setting and implementing national public awareness/outreach strategies;
- (e) Updating the existing CFCs legislations and ODS licensing system to accommodate the future HCFC phase-out;

- (f) Setting up of the appropriate guidelines for close monitoring and evaluation of phase-out projects.

Nigeria: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNDP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Mar-93	300,000
	Phase II: Jul-01	200,000
	Phase III: Jul-03	260,000
	Phase IV: Apr-06	260,000
	Phase V: Apr-08	260,000
	Total:	1,280,000
Amount requested for renewal (phase VI) (US \$):		260,000
Amount recommended for approval for phase VI (US \$):		260,000
Agency support costs (US \$):		19,500
Total cost of institutional strengthening phase VI to the Multilateral Fund (US \$):		279,500
Date of approval of country programme:		1997
ODS consumption reported in country programme (1996) (ODP tonnes):		4,762.8
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		3,650.0
(b) Annex A, Group II (halons) (average 1995-1997)		285.3
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		152.8
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		32.9
(e) Annex E (methyl bromide) (average 1995-1998)		2.9
Latest reported ODS consumption (2009) (ODP tonnes) as per Article 7:		
(a) Annex A, Group I (CFCs)		15.1
(b) Annex A, Group II (halons)		0.0
(c) Annex B, Group II (carbon tetrachloride)		0.0
(d) Annex B, Group III (methyl chloroform)		0.0
(e) Annex E (methyl bromide)		0.0
(f) Annex C, Group I (HCFCs)		370.0
	Total:	385.1
Year of reported country programme implementation data:		2009
Amount approved for projects (as at July 2010) (US \$):		32,958,990
Amount disbursed (as at December 2009) (US \$):		29,647,317
ODS to be phased out (as at July 2010) (ODP tonnes):		6,074.4
ODS phased out (as at December 2009) (ODP tonnes):		6,022.8

10. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	28,575,692
(b) Institutional strengthening:	1,280,000
(c) Project preparation, technical assistance, training and other non-investment projects:	3,103,298
	Total:
	32,958,990

Progress report

11. For the phase V of its institutional strengthening project, the National Ozone Office (NOO) of Nigeria has continued to fulfill its reporting duties for the Ozone Secretariat and the Multilateral Fund

Secretariat and has conducted various awareness-raising activities such as review of existing regulations, workshops and meetings with importers, periodic meetings with customs and the National Agency for Food and Drug Administration and Control, as well as with industry associations. The NOO also monitored all ongoing activities funded by the Multilateral Fund and actively took part in the preparation and formulation of the HPMP which was submitted at the 62nd Executive Committee Meeting. Usual awareness activities including mass-rally campaigns and ministerial media interactive sessions were held as well.

Plan of action

12. The objective of phase VI of the institutional strengthening project will be to continue all activities described in the progress report and the effective management, monitoring and enforcement on ODS activities in order to ensure sustainability of phase-out achievements. In this next phase of the institutional strengthening project, Nigeria will strengthen the capacity and facilitate the work of the local institutions on their roles to control and monitor ODS activities, and increase public awareness so that the complete phase-out of CFCs beyond the end of 2010 will be sustained. In addition, the HPMP which will hopefully be approved at the 62nd Executive Committee Meeting will require a lot of supervisory actions from NOO over the next two years.

Pakistan: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNDP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Sep-94	259,000
	Phase II: Dec-01	172,666
	Phase III: Dec-03	224,467
	Phase IV, year 1: Mar-07	112,233
	Phase IV, year2: Nov-07	112,234
	Phase V: Apr-09	224,467
	Total:	1,105,067
Amount requested for renewal (phase VI) (US \$):		224,467
Amount recommended for approval for phase VI (US \$):		224,467
Agency support costs (US \$):		16,835
Total cost of institutional strengthening phase VI to the Multilateral Fund (US \$):		241,302
Date of approval of country programme:		1996
ODS consumption reported in country programme (1995) (ODP tonnes):		2,538.9
Baseline consumption of controlled substances (ODP tonnes):		
(a)	Annex A, Group I (CFCs) (average 1995-1997)	1,679.4
(b)	Annex A, Group II (halons) (average 1995-1997)	14.2
(c)	Annex B, Group II (carbon tetrachloride) (average 1998-2000)	412.9
(d)	Annex B, Group III (methyl chloroform) (average 1998-2000)	2.3
(e)	Annex E (methyl bromide) (average 1995-1998)	14.0
Latest reported ODS consumption (2009) (ODP tonnes) as per Article 7:		
(a)	Annex A, Group I (CFCs)	5.5
(b)	Annex A, Group II (halons)	0.0
(c)	Annex B, Group II (carbon tetrachloride)	0.0
(d)	Annex B, Group III (methyl chloroform)	0.0
(e)	Annex E (methyl bromide)	0.0
(f)	Annex C, Group I (HCFCs)	239.8
	Total:	245.3
Year of reported country programme implementation data:		2009

Summary of the project and country profile	
Amount approved for projects (as at July 2010) (US \$):	27,038,100
Amount disbursed (as at December 2009) (US \$):	18,946,878
ODS to be phased out (as at July 2010) (ODP tonnes):	2,526.1
ODS phased out (as at December 2009) (ODP tonnes):	2,464.2

13. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	23,369,233
(b) Institutional strengthening:	1,105,067
(c) Project preparation, technical assistance, training and other non-investment projects:	2,563,800
Total:	27,038,100

Progress report

14. Major objective of the project's phase V (April 2009-March 2011) is to continue to strengthen the functioning of the Ozone Cell (National Ozone Unit) within the Ministry of Environment as the focal point in Pakistan for all matters relating to the phase-out of ODS under the Montreal Protocol. Project's continuation allowed the Ministry of Environment to continue to plan, organize, develop and coordinate relevant activities for the implementation for the phasing out of ODS. In this regard, CFCs, halons, CTC, methyl chloroform and methyl bromide have been phased out in the country except for uses specifically approved under essential use process by the MOP. HCFC phase-out activities were initiated with support received from the Multilateral Fund Secretariat.

Plan of action

15. The plan of action for the period of 2011-2013 is as follows:

- The most important activity in this phase will be the implementation of HPMP. The phase-out of HCFCs for which an allocation of US \$ 4.8 million has been approved will be carried out. The implementing agency will be UNIDO with the Ozone Cell as the monitoring and evaluation agency. Another important activity during this phase will be the CFC phase-out from the CFCs from the metered-dose inhalers (MDIs). The memorandum of understanding (MOU) with ZAFSA has already been finalized and the funds will be disbursed to them as per the MOU. GSK will also be finalized during this phase. Phase-out of ODS from the military will continue and the coordination with the focal points of the three services will be done. Assistance will be provided where required for example establishing access to halon banks and recovery of CFCs, wherever feasible. Workshops for the youth awareness will be carried out. Linkages with the universities teaching environmental sciences will be established to use the students to spread the message of ozone protection. A close liaison with customs will be maintained to curb the illegal trade of ODS. The Ozone Unit will also participate in the regional project on ODS destruction and shipbreaking cluster in Karachi.

Venezuela (Bolivarian Republic of): Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNDP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Mar-93	329,192
	Phase II: Jul-95 & May-96	109,800
	Phase III: Oct-96	219,600
	Phase IV: Jul-98	219,600
	Phase V: Jul-00	219,600
	Phase VI: Jul-02	285,480
	Phase VII: Jul-04	285,480
	Phase VIII: Jul-06	285,480
	Phase IX: Nov-08	285,480
	Total:	2,239,712
Amount requested for renewal (phase X) (US \$):		285,480
Amount recommended for approval for phase X (US \$):		285,480
Agency support costs (US \$):		21,411
Total cost of institutional strengthening phase X to the Multilateral Fund (US \$):		306,891
Date of approval of country programme:		1995
ODS consumption reported in country programme (1994) (ODP tonnes):		3,194.2
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		3,322.40
(b) Annex A, Group II (halons) (average 1995-1997)		0.0
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		1,107.2
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		4.7
(e) Annex E (methyl bromide) (average 1995-1998)		10.3
Latest reported ODS consumption (2009) (ODP tonnes) as per Article 7:		
(a) Annex A, Group I (CFCs)		-50.9
(b) Annex A, Group II (halons)		0.0
(c) Annex B, Group II (carbon tetrachloride)		0.0
(d) Annex B, Group III (methyl chloroform)		0.0
(e) Annex E (methyl bromide)		0.0
(f) Annex C, Group I (HCFCs)		216.2
	Total:	165.3
Year of reported country programme implementation data:		2009
Amount approved for projects (as at July 2010) (US \$):		44,847,729
Amount disbursed (as at December 2009) (US \$):		43,621,821
ODS to be phased out (as at July 2010) (ODP tonnes):		2,441.6
ODS phased out (as at December 2009) (ODP tonnes):		1,405.3

16. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	37,361,234
(b) Institutional strengthening:	2,239,712
(c) Project preparation, technical assistance, training and other non-investment projects:	5,246,783
Total:	44,847,729

Progress report

17. During the ninth phase of its institutional strengthening project the NOU coordinated the finalization of several activities related to maintain the elimination of CFCs; they include the training in

good practices of 5,500 technicians (estimated for the end of 2010), an agreement with institutions to provide private training, the preparation of the code of good practices and development of a national norm for certification (currently in review for approval), the creation of CFC bank for future destruction, and the exploration of the introduction of HCs (imports and local production) as a final alternative to ODS. In addition the preparation of the HCFC phase out plan was completed and the NOU also worked on the regular reporting and awareness activities including a two-year campaign through different media such as radio, television, public transit system, theatre, video, brochures and celebration of Ozone Day.

Plan of action

18. During the next phase of the institutional strengthening project, the Bolivarian Republic of Venezuela seeks to maintain 100 per cent elimination of CFC consumption. The NOU will establish the adjusted decree to control HCFCs and possibly to incorporate in some way the control of HFCs, this decree will define legally the new HCFC reduction schedule. The NOU will also continue the establishment of the certification programme for technicians, expand the custom training to new officers not trained yet, produce a manual for the customs training, complete several workshops on new technology in several sectors including foams and refrigeration, two umbrella projects to phase out HCFCs under the HPMP and continue public awareness activities to support the HCFC phase-out.

- - - -

Annex II

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 62nd MEETING

China

1. The Executive Committee reviewed the report presented with the institutional strengthening (IS) project renewal request for China and noted with appreciation the fact that China successfully completed the phase-out of CFCs by 1 January 2010, except for the quantities approved under the essential use process, and has introduced comprehensive and forward-looking regulations and a stricter monitoring system for effective management of ODS. In its IS submission China also demonstrated that it has effectively coordinated activities, in particular the management and monitoring of its sectoral phase-out plans, with the implementing agencies. For the next two years, China will strengthen its national management capacity to effectively implement and monitor activities for HCFC phase-out, introduce further policies and regulations targeted at ODS phase-out, continue to create awareness and secure commitment from stakeholders on ODS phase-out activities, and continue to undertake steps to sustain the ODS phase-out already achieved. The Executive Committee expresses the expectation that in the next two years, China will sustain and build on the progress achieved including its experience of CFC reductions, in order to achieve compliance with the 2013 and 2015 HCFC control measures.

Ghana

2. The Executive Committee reviewed the information presented with the institutional strengthening renewal request for Ghana. The Executive Committee noted that Ghana had reported 3.4 ODP tonnes of CFC consumption in 2009, from a CFC baseline of 35.7 tonnes, thus indicating that Ghana is in compliance with the 2007 control measure for CFCs i.e., the 85 per cent reduction from its baseline. It also noted that, in view of its well-functioning licensing system, that Ghana should have no problem to comply with the 2010 control measure which requires the complete phase-out of CFCs. The Executive Committee hopes that the smooth implementation of Ghana's HCFC phase-out management plan, which was approved at its 61st Meeting, will ensure that Ghana can meet the initial HCFC control measures in 2013 and 2015.

Lebanon

3. The Executive Committee reviewed the report presented with the institutional strengthening project renewal request for Lebanon and noted with appreciation the continued success of Lebanon's ODS phase-out activities. The national ozone unit of Lebanon has worked very closely with industrial sectors, government and non-governmental bodies, the private sector and the public, and, with the exception of HCFCs, has converted all industrial facilities to non-ODS technologies. The Executive Committee noted that Lebanon has achieved the targets stipulated under the national phase-out management plan and the January 2010 deadline for CFC phase-out. The Executive Committee greatly appreciates the effort of Lebanon to reduce ODS consumption. The Committee is hopeful that in the next two years the country will continue to build on the progress made and experience gained during the period of CFC reductions and that it will strengthen its national capacity, improve ODS legislation and its licensing system not only to sustain CFC compliance but also to ensure compliance with the 2013 and 2015 control measures for HCFCs.

Nigeria

4. The Executive Committee reviewed the terminal report presented with the institutional strengthening (IS) project renewal request for Nigeria and noted with appreciation the achievements made by Nigeria's national ozone unit during the implementation of the fifth phase of the IS project. In

particular the Executive Committee noted the progress made by Nigeria towards meeting its reduction schedule for ozone depleting substances (ODS). The Executive Committee encourages the Government of Nigeria to implement its ODS legislation as soon as possible in order to strengthen ODS control measures in the country and ensure compliance with the requirements of the Montreal Protocol. The Executive Committee is hopeful that the objectives set out in the next phase of the institutional strengthening project, including the HCFC phase-out management plan activities, will be achieved with outstanding success and enable the Government of Nigeria to meet the control measures of the Montreal Protocol in a timely manner.

Pakistan

5. The Executive Committee reviewed the report presented with the institutional strengthening project renewal request for Pakistan, and noted with appreciation the fact that Pakistan achieved the Montreal Protocol phase-out targets for CFCs, halons, CTCs, MCFs and methyl bromide, except for uses approved under essential use process by the Meeting of Parties to the Montreal Protocol. The Executive Committee greatly appreciates the efforts of Pakistan to reduce ODS consumption, notably its initiation of HCFC phase-out activities, and is hopeful that in the next two years, Pakistan will continue with the implementation of its country programme and national phase-out activities with outstanding success to achieve sustained ODS phase-out in line with its commitment under the Montreal Protocol. The Executive Committee is also hopeful that in Stage I of its HCFC phase-out activities, Pakistan will build upon its experience of CFC phase-out and achieve the HCFC freeze at baseline in 2013 and the 10 per cent reduction in 2015.

Venezuela (Bolivarian Republic of)

6. The Executive Committee reviewed the terminal report presented with the institutional strengthening project renewal request for the Bolivarian Republic of Venezuela and noted with appreciation the achievements made by the Bolivarian Republic of Venezuela's national ozone unit during the implementation of the ninth phase. In particular the Executive Committee noted the progress made towards achieving the 100 per cent reduction in CFC consumption and the implementation of projects in key ODS-consuming sectors, including activities of the national CFC phase-out plan and the coordination of the preparation of the HCFC phase-out management plan. The Executive Committee commends the Government of the Bolivarian Republic of Venezuela for its achievements during the current phase and expresses the expectation that, in the next two years, the Bolivarian Republic of Venezuela will continue the implementation of its activities with outstanding progress, to sustain its CFC phase out, establish national legislation to control HCFCs, and implement other activities to meet the 2013 and 2015 control measures for HCFCs.



**62nd Meeting of the Executive Committee of the Multilateral Fund
for the Implementation of the Montreal Protocol**

(29 November – 03 December 2010, Montreal, Canada)

**UNDP
AMENDMENT TO 2010 WORK PROGRAMME**

04 October 2010

**UNDP
AMENDMENT TO THE 2010 WORK PROGRAMME**

I. EXECUTIVE SUMMARY

The present document constitutes the Amendment to UNDP's 2010 Work Programme and is being submitted for consideration of the ExCom at its 62nd Meeting. The list of submissions for all funding requests submitted by UNDP to the 62nd ExCom Meeting is tabulated in Annex-I to this document. Project proposals such as MYA tranches, HCFC investment and demonstration projects and other individual/investment proposals, are not submitted as part of this document and are submitted separately as per normal practice. Only the following (non-investment) submissions are part of this document as per current practice and all requests are made in accordance with the provisions of the relevant decisions and guidelines of the Executive Committee. Section II provides more details about each of the categories of funding requests below:

Institutional Strengthening Extensions

The requests for funding for extensions of Institutional Strengthening projects are made for 6 countries, namely, China, Ghana, Lebanon, Nigeria, Pakistan, and Venezuela.

Other non-investment activities

UNDP had submitted a request for funding for a global technical assistance activity to the 57th, 59th, 60th and 61st ExCom meetings, for resource mobilization for maximizing climate co-benefits. This request has been revised and is being resubmitted for the consideration of the Executive Committee at its 62nd meeting. Requests for funding of finalized pilot ODS destruction demonstration projects, one in Cuba and one in Ghana, are included. One demonstration project for conversion from HCFC-22/HCFC-142b technology to CO₂ with methyl formate co-blowing technology in the manufacture of XPS foam is also included.

II. FUNDING REQUESTS PART OF THE WORK PROGRAMME AMENDMENT

Institutional Strengthening Extensions

Requests for funding of extensions of institutional strengthening projects included in this document for submission at the 62nd ExCom Meeting are tabulated below. The relevant concepts/proposals have been submitted separately.

Country	Type	Title	Duration (months)	Amount	Agency Fee	Total
China*	INS	Institutional Strengthening Renewal Phase-IX	24	390,000	29,250	419,250
Ghana*	INS	Extension of Institutional Strengthening Phase IX	24	139,100	10,433	149,533
Lebanon*	INS	Institutional Strengthening Renewal Phase-VII	24	155,090	11,632	166,722
Nigeria*	INS	Extension of Institutional Strengthening Phase VI	24	260,000	19,500	279,500
Pakistan*	INS	Institutional Strengthening Renewal Phase-VI	24	224,467	16,835	241,302
Venezuela*	INS	Institutional Strengthening Phase X	24	285,480	21,411	306,891
Total: 6 requests				1,454,137	109,061	1,563,198

*Submitted separately

Other Non-Investment Activities

Other non-Investment activities are listed in the following table.

Country	Type	Title	Duration (months)	Amount	Agency Fee	Total	Coop Agency
Global	TAS	Resource mobilization for climate co-benefits	12	199,000	17,910	216,910	N/A
China*	DEM	HCFC demonstration project(XPS Foams Sector)	18	1,973,300	147,998	2,121,298	N/A
Cuba*	DEM	Pilot Demo on ODS-Waste Management	48	792,763	59,457	852,220	N/A
Ghana*	DEM	Pilot Demonstration Project on ODS-Waste Management and Disposal	36	377,677	28,326	406,003	N/A
Total: 4 requests				3,342,740	253,691	3,596,431	

*Submitted separately

The proposal for “Resource Mobilization for Climate co-benefits” is attached as Annex 1.

III. SUMMARY OF FUNDING REQUESTS (WORK PROGRAMME AMENDMENT)

The table below summarizes the funding requests for non-investment activities and proposals, as part of the Amendment to UNDP’s Work Programme for 2010, submitted to the 62nd ExCom Meeting:

No	Country	Type	Description	Grant Request	Agency Fees	Total (US\$)
1	China*	INS	Institutional Strengthening Renewal Phase-IX	390,000	29,250	419,250
2	China*	DEM	HCFC demonstration project (XPS Foams Sector)	1,973,300	147,998	2,121,298
3	Cuba*	DEM	Pilot Demo on ODS-Waste Management	792,763	59,457	852,220
4	Ghana*	INS	Institutional Strengthening Renewal- Phase IX	139,100	10,433	149,533
5	Ghana*	DEM	Pilot Demonstration Project on ODS-Waste Management and Disposal	377,677	28,326	406,003
6	Global	TAS	Resource Mobilization for Climate Co-benefits	199,000	17,910	216,910
7	Lebanon*	INS	Institutional Strengthening Renewal Phase VII	155,090	11,632	166,722
8	Nigeria*	INS	Institutional Strengthening Renewal- Phase VI	260,000	19,500	279,500
9	Pakistan*	INS	Institutional Strengthening Renewal Phase VI	224,467	16,835	241,302
10	Venezuela*	INS	Institutional Strengthening Phase X	285,480	21,411	306,891
TOTAL: 10 requests				4,796,877	362,752	5,159,629

*Submitted separately

ANNEX 1

Resource Mobilization to Maximize Climate Co-Benefits UNDP Revised Proposal

1. Resubmission of an Amended Proposal

In accordance with Executive Committee Decision 58/22, 59/21, 60/22 and 61/25, UNDP is resubmitting the mentioned proposal for consideration at the 62nd Executive Committee meeting. After the contact group discussions at 61st Executive Committee meeting, UNDP's proposal has been further revised to take comments from members and to adjust it in view of recent global developments.

The overall objective of this proposal continues to be for UNDP to explore the different funding solutions and barriers to finance the climate benefits of HCFC phase-out and ODS destruction activities. In seeking to achieve this objective, UNDP will leverage its experience as a *one-stop-shop* in environmental finance, with the emphasis on efficiently and seamlessly bringing together different funding sources including funding sources as GEF, the carbon markets (compliance and voluntary), bilateral donors and private sector partners.

While this proposal relates closely to the possible Special Funding Facility for Additional Income (SFFAI) under the MLF and still pending Executive Committee decision, it is not dependent on that specific MLF related Facility.

In order to facilitate Executive Committee members in understanding the difference between this proposal and the last submitted version, UNDP will indicate those changes in this document.

In short, under this amended proposal, UNDP will develop three concrete, learning-by pilot project proposals. These pilots will also identify barriers and potential finance options for climate benefits as they affect on-going HPMP preparation work and ODS destruction project definition. These results will be of value irrespective of the eventual design of any SFFAI.

2. Historical Developments

In the interim period from the time UNDP submitted its first proposal to the Executive Committee, there have been a number of developments:

- *Montreal Protocol Meetings.* Developments included:
 - The Secretariat's submission at the 59th Meeting of a new report on the SFFAI, further defining the SFFAI's possible role and in particular focusing on implications for UNEP's Treasury role
 - Discussion of the SFFAI at the 59th Meeting of the Executive Committee, with Decision 59/48 requesting a specific agenda item to be included at the 60th Meeting
 - Decision XXI/2 at the Meeting of the Parties, linking ODS destruction to the SFFAI and requesting the Executive Committee's input on the SFFAI at the 30th Meeting of the Open-ended Working Group
 - The one-day Seminary on Environmentally Sound Management of Banks of ODS held on the sidelines of the 30th Meeting of the Open-ended Working Group.
- *UNDP Contributions.* UNDP has made a number of contributions to the ongoing discussion on financing of the climate benefits of ODS management. This has included: side-events on an ODS Climate Facility at the 57th Meeting of the Executive Committee and the 21st Meeting of the Parties, an issues paper on the role of carbon markets which was attached to Secretariat's report on the SFFAI to the 59th Meeting of the Executive Committee; and a presentation on financing options as part of the formal agenda at the one-day "Seminar on the Environmentally Sound Management of Banks of ODS" (Decision XXI/2 of the

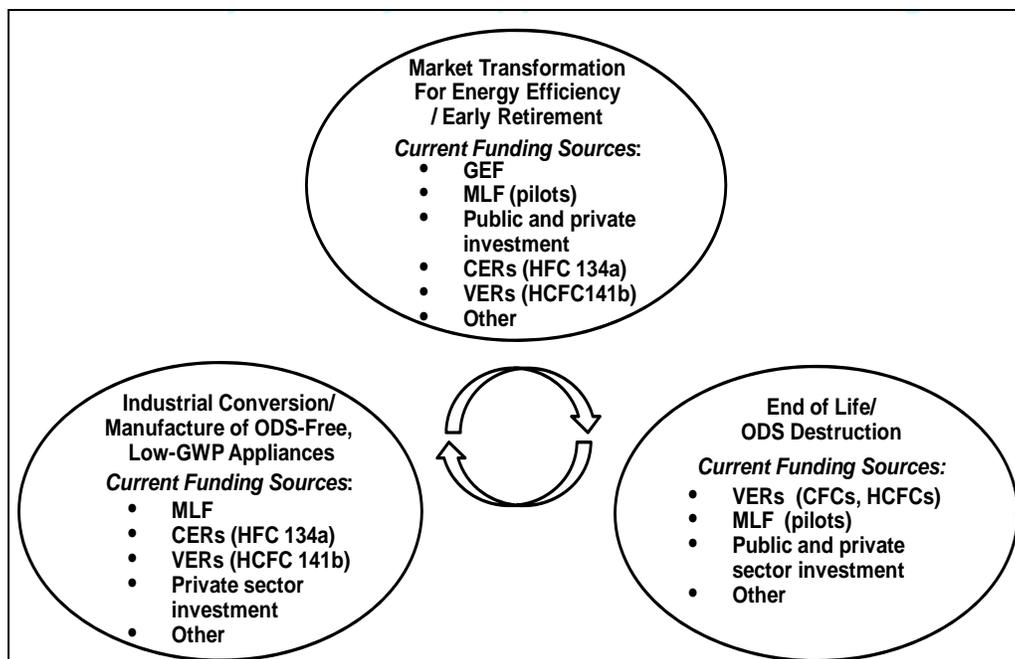
Meeting of the Parties). At this seminar held in Geneva on June 14th 2010, UNDP presented on the “*Considerations on a Facility to Finance the Climate Benefits of ODS Bank Management*”. Through the presentation UNDP analyzed the challenge of establishing sufficient and sustained sources of financing to address the climate benefits of ODS banks management. The constraints regarding the voluntary carbon markets were discussed, and possible solutions to target sources of international climate finance were explored. UNDP presented the role and rationale for a Facility developing a controlled, “ring-fenced” portfolio of demonstration projects targeting specific financial instruments, and its potential as a stepping stone to sources of international climate financing. Three strategic issues to be explored by the Facility were the targeting of compliance carbon markets, targeting of international public finance and, in due course, addressing HCFC bank management

- *UNFCCC Meetings*. Developments on financing for climate change at the UNFCCC meetings, following the 15th Conference of the Parties in Copenhagen, continue to be mixed. On the one hand, there have been renewed commitments, particularly at COP-15, to make new and additional financing available. On the other hand, the details of many financial mechanisms remain to be determined and there is an increasing view that the financing landscape for climate change, for both public and market sources, will be increasingly fragmented going forward.

3. UNDP as a One-Stop-Shop for Financing of Climate Benefits

A central aspect of this proposal is for UNDP to act as a one-stop-shop to bring together different non-MLF funding sources to *fully address the* costs of climate benefits relating to HCFC phase-out and ODS destruction projects. The following figure illustrates the possible financing sources for life-cycle project opportunities (This figure is non-exhaustive, with a focus on the refrigeration & AC sector for illustration purposes).

Figure 3:1 Funding sources for ODS Life-Cycle Opportunities



UNDP is well positioned to draw upon its existing experience with different funding sources. These include:

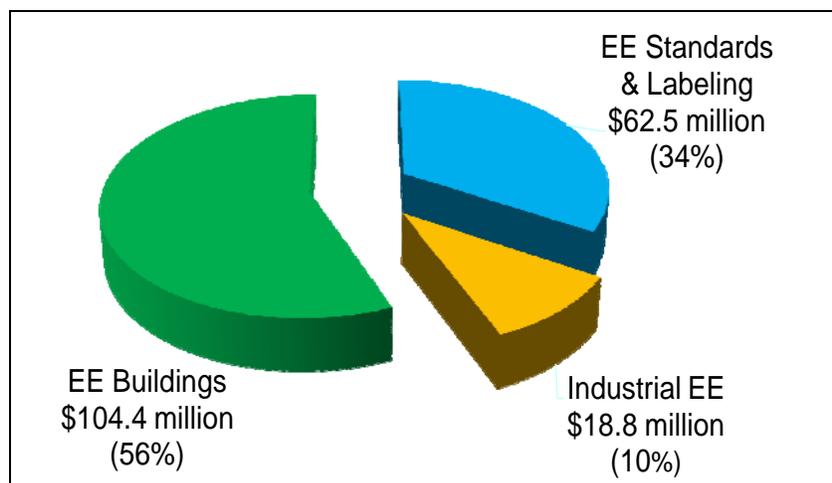
Multilateral Fund:

UNDP has long-standing expertise as an Implementing Agency for the Multilateral Fund since 1991. UNDP's current role as the Lead Agency for HPMPs in a significant number of key Article-5 countries places it in a unique position to identify and develop appropriate projects.

Global Environment Facility (GEF)

UNDP was designated in 1991 as one of the 3 Implementing Agency for the GEF. UNDP has a large portfolio of projects in the area of climate change, totaling over **US\$185 million**. Opportunities exist to do joint activities with ongoing programmes as well as designing new interventions to tap into funding in GEF 5, taking into consideration the GEF 5 climate change focal area objectives as well as the links with POPs, as far as destruction, and dioxins emissions due to incineration/burning.

Figure 3:2 UNDP's portfolio of GEF Energy Efficiency Projects (with links to Refrigeration & AC sector)



Carbon Finance

UNDP has been an active participant in the carbon finance arena since 2005 with established procedures, staff and expertise in place. In terms of direct emission reductions, UNDP is active in the following areas:

- The MDG Carbon Facility, which offers project development services for projects under the Clean Development Mechanism (CDM) and other carbon markets.
- UN REDD, which is pioneering carbon finance in 9 pilot countries in the area of avoided emissions from deforestation. As a new area of carbon finance like ODS, there are a number of similarities between the two which UNDP can use and exchange ideas and lessons learnt.

3. Proposed Activities

3.1. Overview of ODS Project Opportunities

Overall, UNDP sees clear opportunities for projects in at three areas:

1. ODS Bank management and disposal projects – particularly related to the end-of-life management of appliances.
2. Co-financing opportunities in HCFC phase-out where climate co-benefits can be generated and maximized through additional investments for conversion to appropriate technologies.
3. Energy Efficiency gains through ODS-related activities such as early retirement programs.

For example, as mentioned above, there are clear possibilities to use linkages with other programmes (such as but not limited to, the energy efficiency actions under the GEF climate change focal area) to develop projects and leveraging access to the energy gains arising from the replacement of inefficient ODS-based appliances in order to ensure appropriate end-of-life management is achieved. This will tap into country-specific initiatives towards energy savings gains in appliance replacement programmes (e.g. the GEF Market Transformation Programme).

on

It is recognized that these project areas would be of interest to the Executive Committee of the Multilateral Fund, since the Committee is mandated by MOP Decision XIX/6, at least for HCFC phase-out, to prioritize funding of cost-effective projects and programmes that maximize climate benefits.

3.2. Amendments from Previous Proposal

This revised proposal incorporates a number of amendments, and in particular no longer includes a pilot project related to the GEF. A key aspect factored into this proposal is that UNDP has now initiated, using UNDP funds (not linked to the MLF), some of the pilot projects identified in the previous proposal; as such these have been removed or amended. For instance, UNDP funds were used to test a model where UNDP could facilitate a country to secure funds outside MLF to maximize climate benefits. As result of this effort, the national HCFC phaseout plan was integrated with energy efficiency (EE) activities in Ghana using MLF and GEF funds to reach its objectives. The model recently received approval of both MLF and GEF funds for Ghana (HPMP and PIF for appliance replacement programme respectively). As such, there is no need to pursue any more testing of this model for integrated HPMP and EE as it has been done and can be replicated.

UNDP funds have also helped to identify other opportunities from existing/already approved projects under the Energy Efficiency window of the Climate Mitigation Focal Area under the GEF. Several projects under the programmatic approach for “market transformation for energy efficiency in buildings; industrial energy efficiency; and standards and labels” have been approved under the GEF. UNDP alone has a large portfolio of those projects that can be used to maximize climate benefits (Figure 3.2). These GEF programmes lay the foundation for sustainable energy efficiency activities/actions.

These projects have been approved for many GEF Implementing Agencies, including the World Bank, IDB, and UNEP. UNDP stands open to share information with colleagues from other agencies so they can use these UNDP implemented activities to maximize climate benefits for those countries where UNDP is not working for the HPMP (but happens to have the GEF EE project in that country). It is up to each agency to tap into this large number of activities under the GEF and make sure implementation is directed towards common goals and that one project does not generate problems for the other as far as proper end-of- life management is concerned,, such as avoiding the introduction of additional HCFC based equipment as a result of early retirement programmes that will increase the demand for servicing.

The above reasoning indicates that synergies with the GEF and integrated models for EE projects under the GEF can be achieved and do not require testing as it has been already been done and can be replicated (pending of course countries decision to have their STAR allocations directed to these specific projects).

3.3. Pilot ODS Projects

Under this proposal, UNDP has identified three different project scenarios, selected for their distinct illustrative value, which could benefit from co-financing of climate co-benefits. For each of these three areas, UNDP will provide technical assistance for translating these concepts into concrete pilot project proposals, addressing each project type’s methodological, structural, commercial and legal aspects. UNDP will then seek to work with project entities to implement these projects. Finally, for each project type, UNDP will evaluate its experience in a detailed evaluation.

As the agenda on climate-related aspects of ODS activities has moved on from primarily technical oversight to organisation and validation aspects, the proposal has been modified to include these concepts and to get concrete data/results of proposed projects. In this regard, the three different project scenarios are:

- A. A pilot project in one developing country with existing facilities for ODS Destruction. Financing modalities which support *local* destruction will be explored. One option to be pursued here may include a regional import model.
- B. As a means to develop the architecture for a post 2012 regime (as indicated in several occasions and previous UNDP presentation), a pilot project will be developed to link a chosen ODS Destruction with a Nationally Appropriate Mitigation Action (NAMA) or Sectoral Plan. This could include how ODS recovery/destruction projects will be mainstreamed into the wider national mitigation programmes and how national technology needs assessments will take HCFC alternative technologies and climate implications into consideration.
- C. A pilot project for HCFC phase-out to establish, the extent of co-funding available for incremental climate benefits beyond the “low-GWP” provision under the MLF fund (i.e. beyond the 25% increase in threshold)

For each project scenario UNDP will perform the following activities:

- 1) An analysis of the baseline data, project type and its potential climate benefits.
- 2) Identification of potential stakeholders who may act as the project entity.
- 3) Review of emerging methodologies for assessing CO2 emission reductions in support of the project type and commissioning of new methodologies, where appropriate.
- 4) Review of financing options, including carbon markets, assessing the technical, regulatory and financial risks and cost effectiveness of different options, and identifying potential financing partners
- 5) Preparation of project proposals for each project type
- 6) Evaluation of experiences for each project type
- 7) Bring lessons into the HPMP preparation and implementation activities

As result, UNDP would be in a better position to share knowledge, identify and secure non-MLF finance opportunities that countries may need to fund climate benefits.

4. Resource Requirements

The total costs are estimated as below (all figures in US dollars):

Cost Type	USD
International Consultant for technical coordination	45,000
Three technical experts for analysis/ methodologies and mapping finance options	127,000
Travel	27,000
Total	199,000
Matching in-kind co-financing from UNDP(\$75k already provided in 2009 & 2010)	(150,000)
Net MLF Funding Requirement	199,000
Total Requirement(with 7.5% support costs)	216,910

As set out above, UNDP will be making a contribution of in-kind services amounting to US\$150,000. The inputs from UNDP will cover staff time and costs of its in-house carbon finance and other teams for providing technical services related to analysis and development of methodologies and for developing the structural, commercial, legal and policy elements.

The Phase-I costs of US\$199,000 plus support costs are being requested for consideration at the 62nd meeting.