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EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-seventh Meeting
Montreal, 24-26 March 1999

UNEP WORK PROGRAMME AMENDMENTS

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. The Secretariat provided comments on UNEP's Work Programme Amendments for 1999 and also received from UNEP revisions on some of the activities and further elaboration on the others. Table 1 sums up the result of this consultative process. Comments and recommendations of the Secretariat are provided where they are necessary.

Table 1:

UNEP 1999 Work Programme Amendments and funding level recommended

<u>Country</u>	<u>Sector and Sub-type Sector</u>	<u>Amount Requested (US \$)</u>	<u>Amount Recommended (US \$)</u>
Algeria	Institutional Strengthening renewal	198,000	90,010
Bahamas	Preparation of a Terminal Phaseout Plan	25,000	0
Benin	Preparation of Refrigerant Management Plans:	30,000	30,000
Burkina Faso	Institutional strengthening renewal	93,000	55,700
Central African Republic	Preparation of Refrigerant Management Plans:	30,000	30,000
China	Development of a Training Strategy and Plan for the Refrigeration Servicing Sector	50,000	Pending
China	Develop a Policy Training Strategy and Plan for Local Authorities	50,000	50,000
Comoros	Preparation of Refrigerant Management Plans:	30,000	Pending
Congo	Preparation of Refrigerant Management Plans:	30,000	30,000
Democratic Republic of Congo	Establishment of the Ozone Office	120,890	Pending
Democratic Republic of Congo	Preparation of Refrigerant Management Plans:	30,000	Pending
Fiji	Implementation of the RMP: Training programme for refrigeration technicians	50,455	Deferred
Fiji	Implementation of the RMP: Customs training	34,000	Deferred
Fiji	Implementation of the RMP: Rebate programme for companies purchasing recovery cylinders	7,700	Deferred
Ghana	Training programme on control and monitoring of ODS and ODS based equipment	45,000	Deferred
Guatemala	Implementation of Refrigerant Management Plans: Custom Training	60,000	34,000

<u>Country</u>	<u>Sector and Sub-type Sector</u>	<u>Amount Requested (US \$)</u>	<u>Amount Recommended (US \$)</u>
Guatemala	Implementation of Refrigerant Management Plans: Code of Good Practices in Refrigeration	20,000	10,000
Guatemala	Implementation of Refrigerant Management Plans: Licensing System	20,000	10,000
Haiti	Preparation of Country Programme	50,000	50,000
Lao People's Democratic Republic	Preparation of Country Programme	50,000	50,000
Liberia	Preparation of Country Programme	50,000	50,000
Morocco	Preparation of Refrigerant Management Plans:	30,000	30,000
Peru	Implementation of Refrigerant Management Plans: Licensing system	20,000	10,000
Peru	Implementation of Refrigerant Management Plans: Code of Good Practices in Refrigeration	20,000	10,000
Peru	Implementation of Refrigerant Management Plans: Custom Training	60,000	34,000
Western Samoa	Implementation of the RMP: Training of NOU staff on inspection of ODS users and customs monitoring	22,600	Deferred
Western Samoa	Implementation of the RMP: Training in refrigeration sector	29,700	Deferred
Yemen	Refrigerant Management Plan: Development	30,000	Pending
Global	Update Regulations to Control Ozone Depleting Substances	100,000	60,000
Global	Develop factsheet describing win-win technology options relative to Kyoto and Montreal Protocols	50,000	Pending
Global	Develop handbook on standards and codes of good practice for halon sector	75,000	75,000
Global	Halon banking management plans in West Asia Countries	54,425 (UNEP component)	54,425 with the understanding that no further funding in Halon sector for countries involved
Global	Development of a manual on the conversion of small and medium sized enterprises that manufacture domestic and small commercial refrigeration equipment	180,000	Deferred
Global	Three Regional Training Workshops on Policy Development in Africa, Asia and Latin America	300,000	260,000
Global	Policy Mentor Programme for Methyl Bromide	60,000	Withdrawn
Global	Development of training manuals for extension workers	50,000	50,000

<u>Country</u>	<u>Sector and Sub-type Sector</u>	<u>Amount Requested (US \$)</u>	<u>Amount Recommended (US \$)</u>
Global	Preparation of crop specific manuals for farmers	45,000	20,000
Global	Regional training of trainer courses for extension workers	300,000	160,000
Global	National farmer's training and establishment of FFS	300,000	60,000
<u>Sub-Total</u>		<u>2,800,770</u>	Pending
<u>Agency support costs (13%)</u>		364,100	Pending
<u>Total</u>		<u>3,164,870</u>	Pending

Algeria: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNEP
Amount originally approved:	297,000
Amount requested for renewal:	US \$198,000
Date of approval of country programme	1993
ODS consumption reported in country programme (1991), (ODP Tonnes)	2,221
Latest reported ODS consumption (1996) (ODP tonnes)	2,654
Amount approved for investment projects (as of November 1998) (US \$)	10,226,338.00
Amount disbursed (as at December 1997) (US \$)	6,799,505
ODS to be phased out (tonnes ODP)	1,219
ODS phased out (as at December 1997) (tonnes ODP)	595.6

Progress Report

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

	Algeria	
(a)	Country programme preparation	18,000.00
(b)	Institutional support for ODS phase-out	297,000.00
(c)	Project formulation for phasing out ODS in small and medium scale industries	50,000.00
(d)	Preparation of an investment project for CFC phase-out in the production of rigid foam at Batimetal	25,000.00
(e)	Project formulation in the methyl bromide sector	8,000.00
(f)	Preparation of a project for the establishment of a National Centre for Recovery and Recycling of CFC-11, CFC-12 and CFC-502	25,000.00
(g)	Preparation of investment projects in the manufacture of domestic refrigerators and freezers in 3 plants (Eniem Group)	22,926.00
(h)	Preparation of an investment project proposal for the phase-out of CFC-11 in the manufacture of sandwich panels at Prosider (Annaba)	25,000.00
(i)	Preparation of investment projects	6,961.00
(j)	Project formulation of investment projects in the aerosol, foam and refrigeration sectors	50,000.00
(k)	Preparation of investment projects to phase-out CFC-11 and 14 in the manufacture of aerosols and CFC-113 in the manufacture of razor blades	19,919.00
	Total	547,806

3. The main achievements reported in the progress report include: publication of a national inventory of ODS users; preparation of reports on consumption of ODS; assistance to ODS users during preparation of project proposals submitted to the Multilateral Fund and their implementation, and dissemination of technical information to these users; preparation of a document for the establishment of a national halon bank; organization of workshops for ODS end-users in the aerosol, foam and halon sectors and for the examination of an RMP project in light of the requirements of the Montreal Protocol; information and sensitizing campaigns on the protection of the ozone layer and the application of the Montreal Protocol and an exhibition of non-CFC products relating to enterprises assisted through the Fund for conversion of their installations; and an exhibition of children's' paintings for entrance into the international competition organized by UNEP.

4. The total expenditure over the three-year period amounted to US \$189,008.89, with remaining unspent balance of US \$107,991.11.

Plan of Action

5. The action plan for the next period involves preparation of new investment projects and follow-up on projects currently under implementation; development and implementation of an RMP; elaboration of a national halon phase out strategy; elaboration of a national strategy relative to methyl bromide; continue with information dissemination, public awareness and technical workshops; prepare legislation and tax system related to ODSs.

Fund Secretariat's Recommendation

6. Taking into account the current balance available in the original project, the Secretariat recommends blanket approval of this request in the amount of US \$90,010 (US \$198,000 less US \$107,990) and associated support costs of US \$11,701 for a two-year period.

Bahamas: Preparation of a Terminal Phaseout Plan

7. UNEP has never before requested funding to prepare a terminal phase-out programme. Moreover, refrigerant management plans are considered the terminal phase-out project for those LVCs whose consumption is attributable to refrigeration servicing (such as Bahamas). In the specific case, the country concerned has its country programme approved including the action plan to phase out, and has already received funding for institutional strengthening. The Executive Committee has also approved a refrigerant management plan including recover and recycling equipment and has allocated US \$151,000 for its implementation.

Fund Secretariat's Recommendation

8. UNEP retains this activity in the business plan pending the submission of a synopsis of the terminal phase-out package to be prepared with resources from the Bahamas' institutional strengthening project.

Burkina Faso: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNEP
Amount originally approved:	Phase I, US \$83,5000 Phase II, US \$55,700
Amount requested for renewal:	US \$55,700
Date of approval of country programme	1993
ODS consumption reported in country programme (1991), (ODP Tonnes)	32.7
Latest reported ODS consumption (1996) (ODP tonnes)	41.8
Amount approved for projects and activities (as of November 1998) (US \$)	351,200
Amount disbursed (as at December 1997) (US \$)	211,050
ODS to be phased out (tonnes ODP)	38.5
ODS phased out (as at December 1997) (tonnes ODP)	0

Progress Report

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

	Burkina Faso	US \$
(a)	Country programme preparation	33,000
(b)	Establishment of the Ozone Unit	139,200
(c)	Project preparation for 2 projects in commercial refrigeration and one in domestic refrigeration sub-sectors	40,000
(d)	Development of refrigerant management plan	30,000
(e)	Training of refrigeration repair technicians	41,500
(f)	Project preparation in the foam sector	25,000
(g)	Customs training	14,5000
	Total	453,700

10. The main achievements reported in the progress report include: implementation of the training programme for customs officers and the train the trainers in good refrigerant management practices and recovery and recycling operations; development of regulations; public awareness campaigns on ozone issues through radio shows, television and conferences; implementation of the recovery and recycling project.

Plan of Action

11. The action plan for the next period includes implementation of the refrigerant management plan (submitted to the 27th Meeting of the Executive Committee through bilateral assistance from the Government of Canada) including a recovery/recycling project; analysis of the feasibility of retrofit of existing large refrigeration systems and domestic refrigerators; continue coordinating relevant activities related to the Montreal Protocol; presence in administrative meetings and meetings of the Ozone Committee.

Fund Secretariat's Recommendation

12. The Fund Secretariat recommends blanket approval of the project in the amount of US \$55,700 with associated support costs of US \$7,241.

China: Develop a Training Strategy and Plan for the Refrigeration Servicing Sector

13. A training strategy for the refrigeration servicing sector should be an element of the national refrigerant management plan.

Fund Secretariat's Recommendation

14. The Secretariat recommends that the Training Strategy and Plan for the Refrigeration Servicing Sector project in China be withdrawn, and that it be included in the overall consideration of a national refrigerant management scheme when the Government of China is ready to develop and implement such a scheme.

Comoros: Preparation of a refrigerant management plan

15. At its 22nd Meeting the Executive Committee requested UNEP to adjust country programmes presently under preparation to accommodate the requirements of the draft guidelines for RMPs and to urgently finish that work (Decision 22/24). The Comoros country programme was approved at the 23rd Meeting of the Executive Committee. In the light of Decision 22/24, this request is not eligible.

Fund Secretariat's Recommendation

16. Based on the above consideration, the Executive Committee may wish to consider the eligibility of this request in light of Decision 22/24.

Democratic Republic of Congo: Establishment of the Ozone Office

17. The Democratic Republic of Congo country programme (UNEP/OzL.Pro/ExCom/27/43) includes a project for the establishment of an Ozone Office within the Ministry of Environment and Conservation of Nature and Tourism (institutional strengthening). The main responsibilities of the Ozone Office is to develop and deliver public awareness programmes; to implement the activities proposed in the country programme including assistance to users of controlled substances in the preparation and implementation of projects to convert to non-ODS alternatives; to assist in the preparation of an import/export taxation system; to assist in structuring the refrigeration servicing sector; report annually to the Ozone Secretariat on ODS consumption in accordance with Article 7 of the Montreal Protocol; and to report annually to the Executive Committee on progress in implementation of the country programme. The Government of the Democratic Republic of Congo is requesting a total of US \$96,800 for the implementation of this project.

Fund Secretariat's Recommendation

18. During the preparation of the country programme, 1995-1997 CFC consumption data could not be collected. In the absence of a determination of the annual calculated level of consumption of Annex A Substance for the period 1995-1997, the baseline for determination of the Democratic Republic of Congo's compliance with the Montreal Protocol, the Executive Committee may wish to decide on whether the country programme should be approved and, on whether the request for the institutional strengthening project should be approved.

Democratic Republic of Congo: Preparation of a refrigerant management plan

19. The Democratic Republic of Congo country programme (UNEP/OzL.Pro/ExCom/27/43) includes also a request in the amount of US \$30,000 for the preparation of refrigerant management plan.

20. UNEP and the Fund Secretariat discussed the eligibility of the request in the light of Decision 22/24 by which the Executive Committee requested UNEP to adjust country programmes presently under preparation to accommodate the requirements of the draft guidelines for RMPs and to urgently finish that work.

Fund Secretariat's Recommendation

21. Based on the above considerations, the Executive Committee may wish to consider the eligibility of this request in light of Decision 22/24.

Guatemala: Implementation of the RMP

22. The Executive Committee approved, at its 18th Meeting a recovery and recycling project for Guatemala and allocated US \$256,780 to UNDP for its implementation and at its 21st Meeting a programme for training 425 servicing technicians in the refrigeration sector and allocated US \$70,000 to UNEP for its implementation. These projects are currently under implementation: 108 refrigerant recovery machines have been in operation for over six months and have recovered 7.8 tonnes of refrigerants; the Government of Guatemala has already established appropriate regulatory and legislative requirements and fiscal steps to support certification of service technicians and the recovery and recycling of refrigerants.

23. UNEP prepared an RMP for Guatemala, which includes: (i) a training programme for customs officers to identify and develop techniques for gathering data on imports of ODSs and ODS-based refrigeration equipment, and to provide ODS identification kits (US \$60,000); (ii) a request for implementation of a code of good practices in refrigeration (US \$20,000); and (iii) assistance for development of a license system (US \$20,000).

24. The level of funding requested for the customs training programme was adjusted after excluding the ODS identification kits and costs associated with participants from outside the capital city. The Secretariat also discussed costs associated with consultants and logistic arrangements and modalities for implementation of the activities, and the roles of the Ozone Unit. Subsequently, project costs were adjusted (US \$34,000 for customs training, and US \$20,00 for implementation of a code of good practices in refrigeration and assistance for development of a license system).

Fund Secretariat's Recommendation

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

Peru: Implementation of the RMP

26. The Executive Committee at its 19th Meeting allocated US \$342,695 to UNDP for the implementation of a recovery and recycling project for Peru. The project consisted of establishing a network of 120 recovery units and 8 recycling centres and holding 8 training workshops for service technicians in recovery operations. The training workshops have already been implemented and several recovery and recycling machines have been distributed to workshops. Also, the Committee at its 21st Meeting approved a training programme for 60 engineers and supervisors in the refrigeration-servicing sector, and allocated US \$70,000 to UNEP for its implementation. The training programmes are currently under implementation.

27. UNEP prepared an RMP for Peru, which includes: (i) a training programme for customs officers to identify and develop techniques for collecting and reporting consumption of ODS import and ODS-based refrigeration equipment and to provide ODS identification kits (US \$20,000); (ii) a request for implementation of a code of good practices in refrigeration (US \$20,000); and (iii) assistance for development of a license system (US \$20,000). Of the total amount requested, US \$18,000 is for project assistance, monitoring and evaluation.

28. The level of funding requested for the customs training programme was adjusted after excluding the ODS identification kits and costs associated with participants from outside the capital city. The Secretariat also discussed costs associated with consultants and logistic arrangements and modalities for implementation of the activities, and the roles of the Ozone Unit. Subsequently, project costs were adjusted (US \$34,000 for customs training, and US \$20,00 for implementation of a code of good practices in refrigeration and assistance for development of a license system).

Fund Secretariat's Recommendation

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

Yemen: Preparation of a refrigerant management plan

30. At its 22nd Meeting the Executive Committee requested UNEP to adjust country programmes presently under preparation to accommodate the requirements of the draft guidelines for RMPs and to urgently finish that work (Decision 22/24). The Yemen country programme was approved at the 25th Meeting of the Executive Committee. In the light of Decision 22/24, this request is not eligible.

Fund Secretariat's Recommendation

31. Based on the above consideration, the Executive Committee may wish to consider the eligibility of this request in light of Decision 22/24.

Update of Regulations to Control Ozone Depleting Substances

32. The discussion between the Secretariat and UNEP led to adjustments on the cost of this activity (adjusted to US \$60,000).

Factsheet describing win-win technology options relative to Kyoto and Montreal Protocols

33. In Decision X/16, the Parties requested that certain measures be undertaken to address the limited cross-cutting areas between the Montreal and Kyoto Protocols, and to report to the Eleventh Meeting of the Parties. In this regard, TEAP has already planned a joint IPCC/TEAP Expert Meeting on options to limiting emissions of HFCs and PFCs (the Netherlands, 26-28 May 1999).

Fund Secretariat's Recommendation

34. In the light of the above information, UNEP's request cannot be recommended for consideration prior to the outcome of the 11th Meeting of the Parties.

Development of a manual for the conversion of small and medium-sized enterprises that manufacture domestic and small commercial refrigeration equipment

35. This project addresses only the refrigeration part and does not include the foaming part of a refrigeration project.

36. The conversion of the refrigeration part of refrigeration equipment manufacturers is a knowledge-intensive process. Even with their relatively strong technical expertise, large enterprises still need on-site external technical assistance. It is, therefore, doubtful, that a small enterprise which has much less sophisticated equipment will proceed with the conversion from the help of a manual. It is, therefore, more prudent to have some estimate on the demand for such a manual before investing US\$180,000 to produce this manual.

Fund Secretariat's Recommendation

37. The Secretariat recommends that the Executive Committee postpone consideration of the project proposal, and that UNEP be requested to provide a demand analysis for such a manual by working with the other implementing agencies.

Two Regional Training Workshops on Policy Development in Africa and Latin America

38. Acting on the comments of the Executive Committee on rationalization, UNEP reduced the number of workshops to two and the funding level to US\$260,000.

Policy mentor programme for methyl bromide

39. UNEP has incorporated this activity under its recurring activities.

Farmer Training and Education Programmes for Methyl Bromide Alternatives in Latin America and Africa

40. The discussion between the Fund Secretariat and UNEP led to the reduction of the requested funding level to US\$160,000 for conducting one course for each region.

National farmers training and establishment of a pilot Farmer s Field School (FFS)

41. Based on the discussion between the Fund Secretariat and UNEP, it was decided to proceed with one pilot FFS with adjusted funding level to cover the cost of consultancy, local travel and dissemination of results, but excluding institutional cost.