



**United Nations  
Environment  
Programme**



Distr.  
LIMITED

UNEP/OzL.Pro/ExCom/34/21  
19 June 2001

ORIGINAL: ENGLISH

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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Thirty-fourth Meeting  
Montreal, 18-20 July 2001

**WORK PROGRAMME AMENDMENTS OF UNDP**

## COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. This document presents a summary of UNDP's work programme amendment requests and the Secretariat's recommendations followed by discussion of the issues identified and comments on individual requests.

2. UNDP is requesting approval from the Executive Committee for US \$784,716 for its 2001 work programme amendment with agency support costs of US \$102,013. UNDP's work programme amendment consists of requests for project preparation, RMP projects and institutional strengthening renewals.

3. Table 1 presents the work programme amendment requests along with the amount recommended.

Table 1

### UNDP 2001 Work Programme Amendments

Country	Activity/Project	Date of Completion*	Amount Requested (US \$)	Amount Recommended (US \$)
<b>I. Project preparation requests recommended for blanket approval</b>				
Congo-Brazzaville:	Project preparation in the refrigeration sector	August 2002	15,000	15,000
Iran:	Project preparation in the commercial refrigeration sector	August 2002	20,000	20,000
Iran:	Project preparation in the domestic refrigeration sector	August 2002	10,000	10,000
<b>II. RMP requests</b>				
Burkina Faso:	Monitoring the RMP	August 2007	16,350	16,350
Vietnam:	Monitoring the RMP	August 2004	21,600	Comments under Project Proposal for Vietnam
<b>III. Requests for institutional strengthening renewal</b>				
Bangladesh:	Phase III	August 2003	100,000	0
Cuba:	Phase III	August 2003	114,666	114,666
India:	Phase IV	August 2003	287,100	287,100
Nigeria:	Phase II	August 2003	200,000	200,000
Sub-Total:			784,716	663,116
Agency Support costs:			102,013	86,205
Total:			886,729	749,321

#### I. Project preparation request

- (a) Congo-Brazzaville (US \$15,000)
- (b) Iran (2 projects) (US \$20,000 and US \$10,000)

4. UNDP has three requests for projects preparation. All three requests are in UNDP's 2001 business plan and comply with Decision 30/23(a) as none of these requests are for countries where approved but unimplemented projects would phase out 80 per cent of latest consumption. All requests are recommended for blanket approval.

## II. RMP request

(a) Burkina Faso (US \$16,350)

5. The Government of Burkina Faso submitted a request for monitoring the activities of the RMP project that was omitted when the Committee at its 32<sup>nd</sup> Meeting approved the RMP project. This activity is part of a typical RMP project proposal.

## III. Institutional strengthening renewals

- (a) Bangladesh: (US \$100,000)
- (b) Cuba: (US \$114,666)
- (c) India: (US \$287,100)
- (d) Nigeria: (US \$200,000)

### Project description

6. The description of the institutional strengthening project proposal for the above countries is presented in Annex I to this document.

7. The Executive Committee may also wish to express the following views to the Government concerned:

#### *Bangladesh*

8. The Executive Committee has reviewed the information presented with the institutional strengthening project for Bangladesh and notes that the CFC consumption reported by the Government of Bangladesh for 1999 was 813 ODP tonnes while the baseline for compliance has been established at 580 ODP tonnes and, therefore, the country is not in compliance with the 1999 freeze. The Executive Committee also notes that 595 ODP tonnes of CFCs are used in the aerosol sector although in July 1995, Bangladesh received assistance from the Fund to phase out consumption of CFCs in this sector. However, as of the 34<sup>th</sup> Meeting, the project has not been completed and CFC consumption has increased. Furthermore, the Committee notes the delay in the implementation of the RMP project which was approved in November 1999, and the legislative and policy measures, to implement the recovery and recycling sub-project, are not yet in place. The Committee is concerned that because of the delays in the implementation of the above projects, Bangladesh is not in compliance with the freeze provision of the Montreal Protocol. Finally, the Committee decided not to approve the request for the renewal of the institutional strengthening project until the Government of Bangladesh reports its ODS consumption data for the year 2000, until the CFC phase out in the aerosol sector is completed and the implementation of the RMP project commences.

*Cuba*

9. The Executive Committee has reviewed the information presented with the institutional strengthening project for Cuba and takes note with appreciation of the fact that the 1999 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline. In its submission, Cuba reported on a number of initiatives it has undertaken including implementation of the license and quota system to control imports and exports of ODS and ODS-based equipment; elimination of CFCs in the manufacturing of new domestic and commercial refrigeration equipment; follow up on implementation of activities under the RMP project and ongoing investment projects including the MB phase-out activities in tobacco seedlings. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Cuba to phase out ODSs. Over the next two years, Cuba intends to focus on the implementation of the RMP activities as well as on conversion of metered dose inhalers (MDI) to non-ODS technologies. Unless the RMP project is fully operational and the MDI sector is converted, Cuba may not be able to achieve compliance in 2005. The Executive Committee noted Cuba's concerns and will make the utmost effort to assist Cuba during this challenging period. The Executive Committee noted the new position of the Ozone Unit in the Ministry of Science and Technology which will continue to have access to the highest levels of decision making in the Government and ensure full compliance with the Montreal Protocol obligations.

*India*

10. The Executive Committee has reviewed the information presented with the institutional strengthening project for India and takes note with appreciation of the fact that the 2000 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline. In its submission, India reported on a number of initiatives it has undertaken including preparation and processing of ODS phase-out projects, monitoring of gradual phase out of CFC production, completion of 100 investment projects in various sectors phasing out 4,289 ODP tonnes, random inspections of completed projects, development and finalisation of ODS regulations and implementation of awareness programmes. These and other activities reported are encouraging; the Executive Committee also notes that over the next two years, India intends to focus on the preparation of its country programme update, continue implementation of the CFC production phase-out project and preparation of other projects or phase-out strategies in the solvent, commercial refrigeration, foam, aerosol and process agent sectors; implement ODS Regulation and Control rules, licensing system and fiscal incentive; and the ratification of the Copenhagen and Montreal Amendments to the Montreal Protocol; introduce a freeze in the production and consumption of MB; and continue its ongoing activities in auditing, monitoring and implementation of investment projects. The Executive Committee notes India's proposed actions and will assist India during this challenging period. The Committee also notes that the position of the Ozone Unit in the Ministry of Environment and Forestry, and that it is working satisfactorily and will continue to have access to high levels of the decision making in the Government to ensure full compliance with the Montreal Protocol obligations.

*Nigeria*

11. The Executive Committee has reviewed the information presented with the institutional strengthening project for Nigeria and notes with great concern that the 2000 CFC consumption reported by Nigeria to the Fund Secretariat is above its CFC baseline, and as a consequence Nigeria would have difficulty complying with the CFC consumption freeze. This is occurring despite the fact that the Executive Committee has approved over US \$12.6 million in projects for Nigeria. In its submission, Nigeria reported on a number of initiatives it has undertaken, including: setting up the National Advisory Ozone Committee and steps taken towards ratification of the London and other amendments to the Montreal Protocol, setting-up an ODS licensing system, organised meetings with the technical Committee of the Foam Manufacturers Group, established an inventory of SMEs in the refrigeration and air conditioning sector, undertaken training of technicians in the use of hydrocarbon as a drop-in refrigerant, and a number of public awareness activities. Over the next two years the country intends to finalise ratification of the amendments to the Protocol, adopt a regulatory regime for the phase out of ODSs and introduce a tariff-waiver for non-ODS based equipment, prepare investment projects in the aerosol, foam, halon and solvent sectors, a programme to limit MB uses and start implementation of activities related to the refrigeration servicing sector, and continue information dissemination and public awareness campaigns. The Executive Committee expresses the expectation that in the next two years, Nigeria will have fully implemented these and other initiatives that are essential to ensure the reduction of its consumption to levels that will fulfil the compliance requirements of the Montreal Protocol.

Fund Secretariat's recommendation

12. The Project Review Sub-Committee may wish to consider recommending the approval of UNDP's work programme as indicated in Table 1.

**ANNEX I**

**RENEWAL FOR INSTITUTIONAL STRENGTHENING PROJECTS**

**Bangladesh: Renewal of institutional strengthening**

<b>Summary of the Project and Country Profile</b>		
Implementing Agency:		UNDP
Amount originally approved:	Phase I: Sept. 1994 (US \$)	150,000
	Phase II: Nov. 1999 (US \$)	100,000
Amount requested for renewal (US \$):		100,000
Date of approval of country programme		Sept. 1994
ODS consumption reported in country programme (1993), (ODP tonnes)		233.2
Latest reported ODS consumption (1999) (ODP tonnes)*		820.6
Baseline (1995-1997) (ODP tonnes of CFCs)		580.4
Amount approved (US \$)		1,120,995
Amount disbursed (as at December 2000) (US \$):		840,383
ODS to be phased out (tonnes ODP)		136.2
ODS phased out (as at December 2000) (tonnes ODP)		0

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

		US \$
(a)	Country programme preparation	25,000
(b)	Project preparation	45,000
(c)	Training	110,500
(d)	Technical assistance	367,575
(e)	Demonstration	0
(f)	Investment projects	322,920
	Total:	870,995

Progress Report

2. The main achievements reported in the progress report include: followed up on the ODS phase-out activities including the review of current policies for ODS imports and continued issuance ODS import permits; prepared projects for ODS phase out in different sectors and co-ordinated and monitored implementation of approved projects; conducted public awareness campaigns including the celebration of the Ozone Day and organised seminar and workshop on ODS related issues; reported consumption data to the Fund and Ozone Secretariats.

3. The Ozone Unit was constituted within the Department of Environment in October 1995. The Director General of the Department of Environment is the Chairman of the Ozone Unit. The supervision of the Unit is carried out by the National Technical Committee on Ozone Depleting Substances (NTCODS) constituted under the Chairmanship of the Secretary of the Ministry of Environment and Forest.

Plan of Action

4. The plan of action for the next period includes: review current policies on ODS imports and issue ODS import permits; prepare new investment projects in the refrigeration sector and co-ordinate and monitor implementation of the refrigerant recovery and recycling programme, the training of trainers in good service practice and the training of customs officers; conduct ODS data surveys for 2001 and report ODS data to the Fund and Ozone Secretariats; conduct in-service training for policy makers journalist, NGOs and ODS user associations; continue organisation of awareness campaigns including the celebration of the Ozone Day.

Fund Secretariat's comments

5. The Secretariat pointed out that the institutional strengthening project and the 2000 progress report on the implementation of the country programme submitted by the Government of Bangladesh have been based on consumption data for 1999 and not 2000. The 1999 CFC consumption reported by the Government was 813 ODP tonnes of which 595 ODP tonnes was used in the aerosol sector, despite the fact that the Committee approved at its 17<sup>th</sup> Meeting (July 1995) an investment project for the phase out of 123.6 tonnes of CFCs used in the aerosol sector in Bangladesh (as of today the project has not been completed and the CFC consumption has increased to 595 ODP tonnes). Furthermore, the CFC baseline for Bangladesh is 580 ODP tonnes and therefore, the country is not in compliance with the 1999 freeze. The Committee also approved at its 29<sup>th</sup> Meeting (November 1999) the RMP project for Bangladesh; the training programmes for the refrigeration service technicians and customs training will be implemented only during the third quarter of 2001; and the recovery and recycling sub-project cannot be implemented since the legislative and policy measures are not yet in place. Based on the above considerations, the Secretariat and UNDP agreed that this project cannot be recommended for approval at this time.

**Cuba: Renewal of institutional strengthening**

<b>Summary of the Project and Country Profile</b>	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: June 1993 (US \$)	172,000
Phase II: Nov. 1998 (US \$)	114,666
Amount requested for renewal (US \$):	114,666
Date of approval of country programme	June 1993
ODS consumption reported in country programme (1991), (ODP tonnes)	331.4
Latest reported ODS consumption (2000) (ODP tonnes)*	567.6
Baseline (1995-1997) (ODP tonnes of CFCs)	625.1
Amount approved (US \$)	2,610,928
Amount disbursed (as at December 2000) (US \$):	1,875,067
ODS to be phased out (tonnes ODP)	108.2
ODS phased out (as at December 2000) (tonnes ODP)	84.0

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

		<u>US \$</u>
(a)	Country programme preparation	15,000
(b)	Project preparation	122,600
(c)	Training	135,000
(d)	Technical assistance	258,833
(e)	Demonstration	0
(f)	Investment projects	1,792,829
	Total:	2,324,262

### Progress Report

7. The main achievements reported in the progress report include: implementation of the license and quota system to control imports and exports of ODS and equipment containing ODS, elimination of CFCs in the manufacturing of new refrigeration equipment for both domestic and commercial uses; implementation and follow up of the sub-projects contained in the RMP project and the phase out of MB in tobacco seedlings. Awareness campaigns were developed through different dissemination channels and media; and relevant reports to the Multilateral Fund and Ozone Secretariats were prepared and submitted.

### Plan of Action

8. The plan of action for the next period includes: achieve compliance with the 50 per cent CFC reduction by 2005 through continued implementation of the RMP project and complete the conversion of the manufacturing plants of CFC-based equipment; report on progress of implementation of the country programme and on ODS consumption to the Multilateral Fund and Ozone Secretariats; and continue implementation of the awareness campaigns and activities related to dissemination of information and training. The plan of action has been endorsed by the Vice-Minister of Science, Technology and the Environment and by the Vice-Minister of Foreign Investment and Co-operation.



**India: Renewal of institutional strengthening**

<b>Summary of the Project and Country Profile</b>	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: Oct. 1992 (US \$)	430,600
Phase II: Oct. 1996 (US \$)	287,100
Phase III: Mar. 1996 (US \$)	287,100
Amount requested for renewal (US \$):	287,100
Date of approval of country programme	Nov. 1993
ODS consumption reported in country programme (1991), (ODP Tonnes)	13,110.0
Latest reported ODS consumption (2000) (ODP tonnes)*	17,761.6
Baseline (1995-1997) (ODP tonnes of CFCs)	6,681.0
Amount approved (US \$)	98,063,871
Amount disbursed (as at December 2000) (US \$):	59,374,933
ODS to be phased out (tonnes ODP)	9332.7
ODS phased out (as at December 2000) (tonnes ODP)	8331.9

(\* ) Including 12,147 ODP tonnes of CTC. 22,498 ODP tonnes of CFCs were produced in 1999.

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

	US \$
(a) Country programme preparation	200,000
(b) Project preparation	3,289,575
(c) Training	559,281
(d) Technical assistance	1,075,837
(e) Demonstration	485,250
(f) Investment projects	91,449,128
Total:	97,059,071

Progress Report

10. The main achievements reported in the progress report include: the gradual phase-out strategy of production of CFC was approved; an umbrella project for closure of halon production was prepared and submitted to the Committee; a total of 301 projects were approved and funded (239 investment projects, one production sector project and 61 support activities); since January 1995, the Government decided to exempt customs and duties tariffs on capital goods required to implement ODS phase-out projects funded by the Fund; on 5 September 1997, the Reserve Bank of India issued instructions to financial institutions not to finance or re-finance new ODS producing or consuming enterprises (the Government extended the benefit of customs and excise duty exemptions for ODS phase-out projects which were eligible for funding whether or not such enterprises actually sought assistance from the Fund. The benefit was available subject to the condition that enterprises should give clear commitment to stop using ODS in all future manufacturing operations after the projects were implemented. The benefit of duty exemption was also extended for new capacity with non-ODS technology since (March 1997). In order to provide legal backing and time frame to ODS phase-out activities, Ozone Depleting Substances Rules have been notified in The Gazette of India on 19 July 2000, prohibiting the use of CFCs in various products beyond January 2003 except in MDIs and other medical purposes;

use of halons is prohibited after January 2001 except for essential use; carbon tetrachloride and methyl chloroform and CFC for MDIs can be used until January 2010, MB until January 2015 and HCFCs until January 2040.

11. The Ozone Cell is supervised and guided by the Steering Committee of Ministry of Environment and Forests and its four Standing Committees, all of which are concerned solely with the Montreal Protocol matters. The Steering Committee is empowered to recommend project proposals for funding by the Multilateral Fund. Policy proposals are initiated by the Ozone Cell in consultation with related Government Departments and institutions, industry and others and within the context of the action plan described in the country programme.

#### Plan of Action

12. The plan of action for the next period includes: preparation of the country programme update, preparation of national sector strategies for process agent sector, solvent sector and servicing sector, preparation of projects in the solvent, commercial refrigeration, foam and aerosol sectors, CTC production phase-out project, an umbrella halon production closure project, implementation of the Ozone Depleting Substances Rules, licensing system and fiscal incentive, ratification of the Copenhagen and Montreal amendments to the Montreal Protocol, methyl bromide production and consumption freezes, submission of data on production, export and import of ODS, implementation of a service sector strategy and policy and customs training strategy, auditing and monitoring implementation of investment projects to achieve phase out of ODS, identification of SMEs in solvent, aerosol and commercial refrigeration sectors, data reporting to the Fund and Ozone Secretariats, and development of awareness programmes.

#### **Nigeria: Renewal of institutional strengthening**

<b>Summary of the Project and Country Profile</b>	
Implementing Agency:	UNDP
Amount originally approved:	
Mar. 1993 (US \$)	300,000
Amount requested for renewal (US \$):	200,000
Date of approval of country programme	Jul. 1997
ODS consumption reported in country programme (1996), (ODP tonnes)	1,684.8
Latest reported ODS consumption (2000) (ODP tonnes)*	4,760
Baseline (1995-1997) (ODP tonnes of CFCs)	3650.0
Amount approved (US \$)	12,632,919
Amount disbursed (as at December 2000) (US \$):	6,947,461
ODS to be phased out (tonnes ODP)	1,671.2
ODS phased out (as at December 2000) (tonnes ODP)	640.9

(\*) Including 485 ODP tonnes of halons.

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

		<u>US \$</u>
(a)	Country programme preparation	510,470
(b)	Project preparation	375,000
(c)	Training	26,449
(d)	Technical assistance	200,000
(e)	Demonstration	0
(f)	Investment projects	11,221,000
	Total:	12,332,919

### Progress Report

14. The main achievements reported in the progress report include: setting up the National Advisory Ozone Committee, establishing a working group for drafting ODS related legislation, establishment of three-zone Ozone Desks (Lagos, Kano and Harcourt), initiating steps for ratification of amendments to the Montreal Protocol, setting up of an ODS licensing system, establishing a database for data reporting, conducting meetings with the technical committee of the Foam Manufacturers Group in Nigeria, establishing an inventory of SMEs in the refrigeration servicing sector, implementing training of refrigeration technicians in hydrocarbon drop-in, assisting in the preparation of refrigeration and foam projects, and undertaking public awareness campaigns.

15. The Ozone Office is the focal point for coordinating all activities of the Montreal Protocol in the country, including coordination with the Ozone Secretariat, the Fund Secretariat, the implementation agencies, the enterprises, industry associations, other Ministries and institutions. The Ozone Office is guided by a National Advisory Ozone Committee which is chaired by the Minister of Environment. The Ozone Unit is the secretariat of the committee. All documents of the Executive Committee and of Meetings of the Parties to the Protocol are processed by the Ozone Office.

### Plan of Action

16. The plan of action for the next period includes: finalisation of internal requirements for the ratification of amendments to the Montreal Protocol, adoption of regulatory regimes for ODS phase-out including tariff-waiver for non-ODS based equipment, strengthening the established zone Ozone Desks, preparation of the country programme update and the RMP project proposal including certification program for refrigeration servicing technicians and customs training programme, preparation of an umbrella terminal projects in the box-foaming sub-sector, commencement of ODS phase out in the solvent and halons sectors, a terminal phase-out project in the aerosol sector, implementation of an awareness programme to limit MB use, data reporting to the Fund and Ozone Secretariats and provide public awareness and information dissemination activities (Ozone website, eco-labelling programmes, preparation of a video on the Montreal Protocol).

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**EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND  
FOR THE IMPLEMENTATION OF THE  
MONTREAL PROTOCOL  
(34th Meeting, 18-20 July 2001, Montreal)**

**2001 WORK PROGRAMME AMENDMENT  
OF THE  
UNITED NATIONS DEVELOPMENT PROGRAMME**

**Request for Non-Investment Project Approvals at the  
34th Executive Committee Meeting**

**Original: 23 May 2001**

# **UNDP's WORK PROGRAMME AMENDMENT**

## **Request for Non-Investment Project Approvals at the 34<sup>th</sup> Executive Committee Meeting (18-20 July 2001, Montreal)**

### **1. Summary.**

The amount of **US\$ 784,716** (excluding 13% support cost) is being requested in this work programme amendment document, for funding at the 34<sup>th</sup> meeting of the Executive Committee, a breakdown of which is as follows:

<b>ITEM</b>	<b>US\$</b>
<b>Project Preparation</b>	<b>45,000</b>
<b>Institutional Strengthening:</b>	<b>701,766</b>
<b>Monitoring the RMP's</b>	<b>37,950</b>
<b>GRAND TOTAL</b>	<b>784,716</b>

**Note 1:** All project budgets described in this document exclude support costs.

### **2. Project Preparation Requests.**

Two requests for project preparation in the refrigeration sector in Iran were deferred at the 33<sup>rd</sup> meeting of the Executive Committee due to consumption data problems in this sector. Since these issues have now been resolved, UNDP requests that they be approved at the 34<sup>th</sup> meeting of the Executive Committee. They are:

- Iran: Project preparation in the commercial refrigeration sector: US\$ 20,000
- Iran: Project preparation in the domestic refrigeration sector: US\$ 10,000
- TOTAL US\$ 30,000

In addition, a status report was received on 23 May from the Republic of Congo (Brazzaville) to elaborate the projects that were identified in the RMP prepared by UNEP and submitted at the 32<sup>nd</sup> ExCom meeting. The project preparation funds requested at the 33<sup>rd</sup> meeting of the Executive Committee were deferred in March 2001, and a request was sent to reconsider the proposal for US\$ 15,000 in this connection.

- Congo: Project preparation in the refrigeration sector: US\$ 15,000

### **3. Institutional Strengthening**

Four renewals of existing Institutional Strengthening Projects are submitted approved at the 34<sup>th</sup> meeting of the Executive Committee. Full documentation related to these extensions is being submitted at this meeting. They are:

Country	Short Title	US\$
Bangladesh:	Institutional Strengthening: Phase 3	100,000
Cuba:	Institutional Strengthening: Phase 3	114,666
India:	Institutional Strengthening: Phase 4	287,100
Nigeria:	Institutional Strengthening: Phase 2	200,000
TOTAL		701,766

**4. Requests for Monitoring the RMP.**

These requests form integral part of the RMP and allow the country to monitor the activities of the recovery/recycling and all other RMP-related activities. The funds are used for the recruitment of a National Consultant, who will assist the National Ozone Unit in this regard. Documentation for each proposal is being submitted at the 34<sup>th</sup> ExCom meeting. The requests submitted are for:

- Burkina Faso – Monitoring the RMP: US\$ 16,350
  - Vietnam – Monitoring the RMP: US\$ 21,600
- TOTAL US\$ 37,950