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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-fifth Meeting
Montreal, 5-7 December 2001

DRAFT DECISION ON COUNTRY PROGRAMME UPDATE

Note from the Secretariat

1. The Guidelines for the Preparation of Country Programme Update has been on the agenda of the Executive Committee since the 32nd Meeting, and the informal open-ended group established at the 34th Meeting did not complete the discussion on the four outstanding issues identified in the draft guidelines. While consensus was reached on two of the issues, namely financing and time needed to complete a country programme update, the informal group did not have time to conclude on the other two issues, identification of the remaining enterprises and the concept of national aggregate consumption.

2. In order to facilitate the Executive Committee discussion of the draft guidelines, the Secretariat has recasted document UNEP/OzL.Pro/ExCom/34/54 into a draft decision which incorporates the consensus on the two issues. The draft decision also tries to respond to the request of the Executive Committee to identify “the tasks remaining in the country programme update exercise, taking into account the fact that many countries, both LVCs and HVCs, had already received funds for RMPs”. The draft decision is attached in Annex I.

3. The Secretariat has also revised the Format for Country Programme Update, including the concern for identifying the remaining enterprises in updating the country programme. As a result the relevant wording in the Format has been revised to read “ an estimated number of plants that have not been converted for each ODS consuming sector and sub-sector, especially remaining manufacturing plants with significant ODS consumption.” The revised Format is attached as Annex II.

Annex I**DRAFT DECISION ON GUIDELINES FOR PREPARATION OF
COUNTRY PROGRAMME UPDATES**

1. The Executive Committee attaches great importance to an effective national strategy in the efforts of the Article 5 countries to comply with their obligations under the Montreal Protocol. National compliance strategies would enable the Executive Committee to target the Funds resources to national compliance needs. At the same time, the Committee is also cognizant that many of the existing country programmes which were prepared in the early days of the Multilateral Fund need to be updated to serve as national compliance strategies, especially in regard to the comprehensiveness and accuracy of ODS consumption/production data, and the enactment and implementation of regulatory control of ODS supply and demand by governments.
2. The Executive Committee recognizes that the decision to update the country programme should be made by the governments of the Article 5 countries which could request assistance from the implementing agencies if so desired. While funding would be provided to countries which need to update their country programmes, such funding should be rationalized with funding provided for the preparation of refrigerant management plans (RMPs).
3. In view of the above considerations, the Executive Committee decides:
 - (a) To encourage Article 5 countries to take advantage of the opportunity of updating the country programmes to prepare the national strategy for complying with the Montreal Protocol obligations;
 - (b) To provide funding to national efforts in updating the country programme. Taking into consideration Decision 31/48 of the Executive Committee on funding of refrigerant management plans, funding of country programme update should be linked with the funding of RMPs. Specifically:
 - (i) In countries where the remaining controlled substance consumed is confined to CFC refrigeration servicing and the RMP has been funded, updating the country programme/RMP should be accomplished by the countries concerned when requesting the additional funding of 50 percent of their original RMP funding level. Funding should be provided to enable countries to undertake this exercise.
 - (ii) In countries where the preparation of the RMP or a strategy for the refrigeration sector has been funded and is under way, supplementary funding for country programme update should cover CFC consumption in other sectors and controlled substances other than CFCs.
 - (iii) In countries where the RMP has yet to be prepared, funding of country programme update should be combined with the preparation of the RMP.
 - (c) To request that country programme updating be completed within 12 months, on

average, from the timing that funding is approved by the Executive Committee;

- (d) To encourage Article 5 countries to take advantage of the opportunity of updating the country programme to develop performance-based and substance-wide phase out agreements;
- (e) To adopt the Format for Country Programme Update included in the Annex, which could be augmented by countries according to their strategic planning needs.

Annex II

FORMAT FOR COUNTRY PROGRAMME UPDATE

Part I Review of Implementation of the Current Country Programme

I.1 ODS Phaseout

ODS	Consumption/ Production in C.P. (in ton/ODP)	Year of Data	Phaseout Achieved (in ton/ODP)	Compliance Baseline (in ton/ODP)	Latest Consumption (in ton/ODP)	Latest Consumption Year (in ton/ODP)	Comments
CFC							
Halons							
Methyl bromide							
TCA							
CTC							

I.2 Industry Conversion

Sector	Consumption in C.P. (in ton/ODP)	Year of Data	No. of plants in C.P.	No. of plants converted	ODS phased out (in ton/ODP)	Funds received (in US\$)	Estimated No. of plants to be converted	ODS consumption (in ton/ODP)	Comments
Refrigeration									
Manufacturing									
Servicing									
Foams									
Aerosol									
Solvents									
Halons									
Manufacturing									
Servicing									
Fumigant									
Total									

I.3 Government Actions

Policy	Proposed in C.P. (Y/N)	Year of implementation in C.P.	Status of Implementation (Y/N)	Year of Implementation	Comment if experiencing delay
Control on ODS import					
Control on import of ODS-containing equipment					
Ban ODS import					
Ban on import of ODS-containing equipment					
Ban on new uses of ODS					

I.4 Overall Assessment of the Implementation of the Current Country Programme

NOTES:

Review of Implementation of the Current Country Programme

- I.1 ODS Phaseout should include an update on the phase out achieved and the remaining consumption to be phased out under each Annex/Group of controlled substances of the Montreal Protocol.
- I.2 Industry Conversion should include an update on number of plants which have already completed their industrial conversions and an estimated remaining number of plants that have not been converted for each ODS consuming sector and sub-sector, especially remaining manufacturing plants with significant ODS consumption.
- I.3 Government actions should include an update on the implementation of the policy controls such as: control of ODS imports; control of import of equipment that contains ODS, and control on new uses of ODS.
- I.4 Overall Assessment of the Current Country Programme Implementation should describe the experiences and lessons learned in the country programme implementation up to the time of preparing the update. Among other things, it should include such items like relation between policies and industry conversions, the interaction between non-investment and investment activities, the role of implementing agencies versus that of the government and others.

Part II Country Programme Update

II.1 Schedule and Action Plan for Implementing Compliance

A schedule with an action plan, as shown below, should be prepared for each controlled substance consumed/produced in the country according to the Montreal Protocol schedule. The schedule could be adjusted according to national circumstances if the government concerned intends to implement an accelerated phase out.

SCHEDULE AND ACTION PLAN FOR IMPLEMENTING CFC COMPLIANCE

Year	Phase out schedule		Envisaged reduction from approved projects (in ton/ODP)	Envisaged reduction from new approvals (in ton/ODP)	Means of delivery foreseen*	Gov. Planned action(s)	Estimated additional funding needed (in US \$)	Source of funding (national and Multilateral Fund)	Types of funding (investment and/or non-investment)
	Montreal Protocol	Accelerated							
1999	Baseline								
2000									
2001									
2002									
2003									
2004									
2005	50% reduction								
2006									
2007	85% reduction								
2008									
2009									
2010	Total phaseout								

* Could be performance-based sector-wide or substance-wide agreements, individual or umbrella projects, RMP, and others.

II.2 Review and Updating

Year of plan:		
Target in the Schedule and Action Plan	Implementation at end of Year	Comments
ODS reduction	Achieved (Y/N)	
Reduction from approved projects	Achieved (Y/N)	
Reduction expected from new projects	Achieved (Y/N)	
Gov. policy control	Implemented (Y/N)	
Overall assessment	Satisfactory (Y/N)	
Corrective action needed	Y/N	
Revision of schedule and action plan	Y/N	

II.3 Implementation Mechanism Planned

NOTES:

II.1 Schedule and action plan for implementing compliance which should be done for each Annex/Group of controlled substances consumed/produced in the country, using the format. While compliance with the Montreal Protocol schedule is expected, an accelerated phase out schedule could be prepared if it is the desire of the government. For each substance data is required for:

- schedule of the reductions, by year if possible, needed to implement compliance for each Annex/Group of controlled substances starting from the year of the preparation of the country programme update;
- the envisaged amount of reduction to be realized from projects under implementation;
- the envisaged amount of reduction to be achieved from projects to be approved in the year;
- government actions planned to be implemented to achieve reductions;
- additional funding estimated for new projects, specifying sources of funding (national or Multilateral Fund) and types of funding (national or Multilateral Fund) and types of funding (investment and/or non-investment);
- means of delivery foreseen_ could include performance-based sector-wide or substance-wide agreements, individual or umbrella projects, RMPs and others.

II.2 Review and updating

The schedule and action plan for implementing compliance of each Annex/Group of controlled substances are intended as a dynamic document to assist the government concerned to monitor implementation of its compliance with the Montreal Protocol. Therefore the government should update it as it deems necessary in terms of its strategic planning needs.

II.3 Implementation mechanism planned should include a description of the institutional arrangements both within and without the country to implement the strategy. It should include a discussion of the planned implementation modality, e.g. project by project approach or a sector-wide and substance-wide performance-based agreement; and the role of the government and that of the implementing agencies.

Part III Performance-Based National Phase out Agreement

Countries which are ready to conclude a performance-based national phase out agreement should provide:

III.1 Total Budget

Element/Year	Year 1	Year 2	Year 3	Year 4*
Total				

*Till the completion of the agreement

III.2 Performance Milestones and Disbursement Schedule

Year	Milestones	Disbursement

III.3 Verification and Reporting

Institution for conducting the verification:

Frequency of verification and reporting:

NOTES:

Performance-Based National Phase out Agreement

This part is required only when a country is ready to conclude a performance-based national phase out agreement with the Executive Committee and take full ownership of the national phase out programme.

III.1 Total budget should include total cost of implementing the agreement and a breakdown of the cost elements.

- III.2 Performance milestones and disbursement schedule should include a list of quantifiable performance indicators to measure progress and a schedule of funds to be released upon verified achievement of the performance milestones.
- III.3 Verification and reporting should describe the monitoring system to be established for verification and reporting on progress in the implementation of the agreement.
