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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-seventh Meeting  
Montreal, 21-25 November 2005

**AMENDMENTS TO WORK PROGRAMME FOR 2005 OF UNIDO**

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

## COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee for US \$1,810,000 as amendments to its 2005 Work Programme, plus agency support costs of US \$8,850.
2. The activities proposed in UNIDO's Work Programme Amendments are presented in Table 1 below:

Table 1: UNIDO's Work Programme Amendments

Country	Activity/Project	Amount Requested US \$	Amount Recommended US \$
<b>SECTION A: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION</b>			
<b>A1. Project preparation:</b>			
Iran	Preparation of an MDI project	70,000	
Subtotal for project preparation:		70,000	
<b>A2. Other activities:</b>			
Armenia	Training and awareness workshop activities to avoid the use of methyl bromide	40,000	
Subtotal for other activities:		40,000	
<b>CORE UNIT FUNDING</b>		1,700,000	[1]
Subtotal		1,810,000	
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):		8,850	
Total:		1,818,850	

[1] Considered under document UNEP/OzL.Pro/ExCom/47/19

**SECTION A: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION****A1: Project preparation**Islamic Republic of Iran: preparation of an MDI projectProject description

3. On behalf of the Government of Iran UNIDO has requested approval of US \$70,000 plus agency support costs for preparation of an MDI phase-out project. UNIDO had been informed by the national ozone officer of a company producing metered dose inhalers using CFCs as a propellant with a consumption of 98 ODP tonnes. UNIDO indicated that the project would assist Iran to have a complete phase-out in addition to the one which was approved by the Executive Committee.

Secretariat's comments

4. In decision 41/20 the Executive Committee approved a national phase-out plan (NPP) for Iran at a cost of USA \$11,250,000 plus agency support costs under a combined project with Germany as the lead agency, and France, UNDP, UNEP and UNIDO as cooperating agencies. The approved Agreement for the NPP was recorded as Annex VI to the report of the 41<sup>st</sup> Meeting (document UNEP/OzL.Pro/ExCom/41/87). The decision of the Executive Committee and a copy of the Agreement were communicated to the Government of Iran in the Secretariat's correspondence of 26 January 2004.

5. The Agreement is for the complete phase-out of CFCs and contains in paragraph 2 the following provision: "The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the consumption of Substances." The Substances are defined in Appendix 1-A of the Agreement to be CFCs.

6. Paragraph 2 of the Agreement also states that: "Further funding can only be applied for activities that are not directly related to the consumption of Substances such as eligible support measures for the implementation of the plan like the development of strategies, or institutional support." A reference to development of strategies also appears in the summary funding table on the last page of the Agreement (page 10) which indicates that the total funding provision for UNIDO will be US \$3,338,085 "plus transition strategy for MDI".

7. The Secretariat raised the contents of the Agreement with UNIDO and indicated that the request for project preparation funding was not eligible since under the Agreement no further funding for phase-out could be requested. The Secretariat sought clarification as to the nature of the funding request and in particular whether UNIDO wished to amend the request to preparation of an MDI transition strategy as provided for in the Agreement. UNIDO subsequently indicated that it had communicated the information provided by the Secretariat to the Government of Iran, however UNIDO requested the Secretariat to keep its request pending for further discussion at the Executive Committee Meeting.

Fund Secretariat's recommendation

8. Since the proposed project preparation funding request is ineligible, the Executive Committee may wish to invite the Government of Iran to submit at an appropriate time a request for funding for an MDI transition strategy consistent with the Agreement governing Iran's national phase-out plan. This would also be consistent with the rules of the Fund and the levels of funding approved for similar projects.

**A2: Other activities**

Armenia: Training and awareness workshop activities to avoid the use of methyl bromide

Project description

9. On behalf of the Government of Armenia, UNIDO has requested funding of US \$40,000 plus agency support costs for a training and awareness workshop to avoid the use of methyl bromide (MB).

10. This proposal represents the first request by the Government of Armenia for funding phase-out of ODS from the Multilateral Fund after the country was classified as an Article 5 Party under decision XIV/2 of the 14<sup>th</sup> Meeting of the Parties.

Fund Secretariat's comments

11. Armenia has reported Article 7 data indicating a consumption of 1.02 ODP tonnes of MB in 2004. Armenia has not established a baseline for MB consumption and thus appears to be in potential non-compliance. A GEF-funded project with a value of over US \$2 million is currently under implementation in Armenia with assistance from UNDP and UNEP.

12. The Secretariat requested clarification of the content of the proposed project and indicated the requirement in the MB guidelines (decision 32/80) for provision of an official letter from the Government of Armenia stating its commitment to achieve the complete phase-out of all controlled uses of MB in Armenia without further assistance from the Multilateral Fund. The Secretariat also indicated that under the MB guidelines, for countries with no MB baseline, "consideration may be given for non-investment assistance to specifically put in place measures to disallow imports of methyl bromide in order to ensure compliance with the Protocol requirements". Countries in Africa with no baselines had received direct funding of around US \$8,000 to US \$12,000 through a UNDP regional technical assistance programme approved at the 38<sup>th</sup> Meeting. Other requests for countries in Africa with no baselines and nil or very little current consumption, submitted to the 47<sup>th</sup> Meeting by UNEP are seeking funding of US \$15,000 per country.

13. UNIDO indicated that it assumed MB was mainly used for commodity fumigation but that more detailed information was not yet available. The assistance was to be provided for a survey, a workshop and direct assistance to users through an incentive scheme. UNIDO would also provide assistance with legislation to the government. UNIDO had received clarification

from the government that the GEF project funding did not include any components that addressed the phase-out of MB. UNIDO requested that the funding level be kept at US \$40,000 to address the urgent issue of non-compliance, and indicated that the required letter was being prepared. The letter had not been received by the Secretariat at the time of preparation of this document.

14. The Secretariat notes that the Executive Committee has already approved MB assistance to eight countries at a level of between US \$30,000 to US \$40,000. With one exception, these countries all had MB baselines and reported consumption in the recent past. There would appear to be a need for differentiation in the level of support between countries that have a history of MB consumption, i.e., a baseline, and those that have consumed little or no MB. This concept is captured in the guideline provisions. Additionally, the policy issue of assistance for countries with no baseline and no history of consumption is raised in the Overview document UNEP/OzL.Pro/ExCom/47/12.

Fund Secretariat's recommendation:

15. The Executive Committee may wish to:
- (a) Consider whether, in the light of the phase-out activities previously funded under the GEF, the Government of Armenia could seek assistance from the Multilateral Fund for phasing out MB consumption; and
  - (b) If so, and provided the Secretariat can confirm receipt of the required government letter, consider whether the request for US \$40,000 for a technical assistance project could be approved in light of the comments provided above on the issue of assistance for countries with no baseline and the conclusions of its discussions on the related policy issue.

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

47<sup>th</sup> Executive Committee of the  
Multilateral Fund for the Implementation  
of the Montreal Protocol

UNIDO 2005 Work Programme Amendment  
(24 October 2005)

UNIDO

2005 Work Programme Amendment  
(24 October 2005)

Section 1

Consolidated table giving project preparation  
and non-investment projects in all countries  
and sectors

Item	Country	Title of Project	Sector	Type	Project Value (w/o A.S.C.) in US\$	A.S.C in US\$	Requested Amount (US\$) in Work Programme 2005 (incl. A.S.C.)	A.S.C #	Duration in months
<b>Technical assistance and training projects</b>									
1	Armenia	Training and awareness workshop activities to avoid the use of methyl bromide	SEV	TRA	40,000	3,600	43,600	9	18
1		<b>Subtotal</b>			<b>40,000</b>	<b>3,600</b>	<b>43,600</b>		
<b>Project Preparation</b>									
1	Iran	Preparation of a MDI project	SEV	PRP	70,000	5,250	75,250	8	12
1		<b>Subtotal</b>			<b>70,000</b>	<b>5,250</b>	<b>75,250</b>		
2		<b>TOTAL</b>			<b>110,000</b>	<b>8,850</b>	<b>118,850</b>		
1	<b>Core Unit cost for 2006 (according Decision 46/35)</b>					<b>1,700,000</b>			
	<b>GRAND TOTAL</b>						<b>1,818,850</b>		



UNIDO

2005 Work Programme Amendment  
(24 October 2005)

**Section 2**

Project concepts

## PROJECT CONCEPT

**Country:** Armenia

**Sector Covered:** Training and awareness workshop activities to avoid the use of methyl bromide

**Duration:** 18 months

**Project Budget:** US\$ 40,000 (US\$ 43,600 including 9% Agency Support Costs)

**Implementing Agency:** UNIDO

**Coordinating Agency:** Ministry of Environment

### Project Summary

The Implementing Agency has received an official request from the Government of Armenia to provide training and awareness workshop activities to avoid the use of methyl bromide.

UNIDO submitted in its 2005 Work Programme a request for project preparation in the fumigants sector. Based on the recommendation of the Secretariat that activities to prevent the introduction and use of MB in Armenia could be eligible for funding, the Ozone Office wishes to get technical assistance in order to avoid the re-introduction of MB in the country.

Armenia reported a consumption of 1020 kg of MeBr in 2004. We assume it was mainly used for commodities and for soil fumigation. More detailed information is not available. Therefore in order to assist the country to come back to compliance we would like to propose the following main activities:

Activity	Time	Cost estimate
Conduct MeBr survey in Armenia.	1 <sup>st</sup> Quarter 2006	USD 10,000
Specialized Workshop for MeBr users.	2 <sup>nd</sup> Quarter 2006	USD 15,000

The exact programme will be based on the outcomes of the survey.		
Assist the Government of Armenia, in coordination with UNEP, to introduce a legislation and licensing system on MeBr.	3 <sup>rd</sup> Quarter 2006	-
Direct Technical Assistance to the MeBr users and incentive programme.	3 <sup>rd</sup> /4 <sup>th</sup> Quarter 2006	USD 15,000

## PROJECT CONCEPT

**Country:** Iran

**Sector Covered:** Preparation of a MDI project

**Duration:** 12 months

**Project Budget:** US\$ 70,000 (US\$ 75,250 including 7.5% Agency Support Costs)

**Implementing Agency:** UNIDO

**Coordinating Agency:** Ministry of Environment

### Project Summary

The Implementing Agency has received an official request from the Government of Iran for the preparation of a MDI project.

We have been informed by the Ozone Officer of a company producing MDIs using CFC-12 or a mix of CFCs as a propellant, with a consumption of 98 ODP tonnes. The project will assist Iran to have a complete CFC phase-out plan in addition to the one which was approved by the Executive Committee.