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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-first Meeting
Montreal, 19-23 March 2007

UNDP BUSINESS PLAN FOR THE YEARS 2007-2009

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.

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COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. UNDP's 2007-2009 business plan is contained in Annex I to this document.
2. This document presents a summary of UNDP's planned activities for the phase-out of ozone depleting substances (ODS) during the 2007-2009 triennium. It also provides UNDP's business plan performance indicators, general comments, and recommendations for consideration by the Executive Committee.

Planned activities 2007-2009

3. The business plan is a rolling three-year business plan. Most of the detail provided is for 2007. Activities planned for 2008 and 2009, except for those associated with existing multi-year agreements (MYAs) are included on a tentative basis only and may be revised during the course of implementation of the final 2007-2009 business plan.

Planned activities for 2007

4. In 2007, the total value of planned projects submitted by UNDP is US \$19.8 million (including support costs) leading to the phase-out of 1,461 ODP tonnes. The business plan includes:
 - (a) Tranches relating to twenty ongoing MYAs for sector and substance phase-out valued at a total of US \$7.26 million that will lead to an ODS phase-out of 1,069 ODP tonnes, when implemented;
 - (b) Twenty-five new MYAs with a total value of US \$4.86 million in 2007 (US \$9.12 million in total for the triennium) with an associated ODS phase-out in 2007 of 156 ODP tonnes (300 ODP tonnes in total for the triennium);
 - (c) Eight individual terminal phase-out management plan projects (TPMPs) with a total value of US \$967,025 and associated ODS phase-out of 8.5 ODP tonnes;
 - (d) One new investment project valued at US \$450,000;
 - (e) Project preparation valued at US \$437,475;
 - (f) Twenty-eight non-investment projects with a total value of US \$4.02 million made up of 13 institutional strengthening projects (US \$3.06 million) and 15 technical assistance projects (US \$963,700); and
 - (g) Core unit costs of US \$1.80 million.

Planned activities for 2008

5. In 2008, UNDP plans to submit projects with a total value of US \$25.38 million and with an associated phase-out of 919 ODP tonnes. This includes US \$4.14 million for ongoing MYAs and US \$1.86 million for core unit costs.

Planned activities for 2009

6. In 2009, UNDP plans to submit projects with a total value of US \$70.01 million and with an associated phase-out of 1,263 ODP tonnes. This includes US \$2.51 million for ongoing MYAs and US \$1.91 million for core unit costs.

Resource allocation

7. Table 1 presents a summary of the resource allocation in UNDP's 2007-2009 business plan.

Table 1
RESOURCE ALLOCATION (in US \$000)

	2007	2008	2009
Required for compliance			
Approved multi-year agreements	7,262	4,141	2,512
Core unit costs of implementing agencies	1,804	1,858	1,913
Institutional strengthening	3,056	2,042	2,881
Audits/Studies	22		
CTC	485		
Halon	66		
Methyl chloroform (TCA)	40		
TPMP	4,051	3,676	633
Sub-total (Required for compliance)	16,785	11,717	7,939
Not required for compliance			
Disposal of ODS		1,500	12,800
HCFC – Investment manufacturing/Serviceing			7,260
HCFC – Strategies		1,065	0
HCFC – Surveys		990	
HCFC – Technical assistance			34,297
Methyl bromide - Non-Investment	522		
Metered-dose inhalers (MDIs)	2,174	9,918	7,715
MDI – Strategies	323	194	
Sub-total (Not required for compliance)	3,018	13,666	62,072
Total	19,803	25,383	70,010

8. UNDP is seeking funding amounting to US \$19.8 million in 2007. In UNDP's business plan, US \$16.8 million is for activities required for compliance according to the compliance oriented model and US \$3 million is for activities not required for compliance. Most of UNDP's 2007 allocation is for annual tranches of approved MYAs (US \$7.26 million). All of the activities in UNDP's 2007 business plan are directed towards compliance, with the exception of the global methyl bromide project for "Horizontal Experience-Sharing on methyl bromide (MB) Elimination" (US \$521,500) and projects in the MDI sectors (US \$2.5 million). For 2008 and 2009, most of the activities in UNDP's business plan are not required for compliance. Moreover, the level of expected funding increases from US \$19.8 million in 2007 to US \$25.4 million in 2008 and to US \$70 million in 2009. UNDP has identified activities valued at US \$375 million after 2009. Of this, all but US \$22 million will be directed towards HCFC activities.

Implementation and compliance assistance

9. During the 2007-2009 triennium, UNDP plans to phase out 6,883 ODP tonnes through ongoing projects and MYAs. In addition, UNDP has indicated that 424 ODP tonnes will be phased out through projects that will be submitted for approval during the triennium.

10. Section 6 of UNDP's business plan addresses measures to expedite the implementation of approved projects and those critical to compliance. It includes a description of UNDP's efforts to strengthen the network of UNDP staff and experts in the field. In 2007 UNDP will continue to focus on follow up with executing agencies and country offices to financially close outstanding operationally completed projects and return remaining funds to the Multilateral Fund.

11. UNDP is assisting several countries in non-compliance and in potential non-compliance to meet their commitments, as a follow-up to the issues raised by the Implementation Committee in 2006 and corresponding decisions taken by the 18th Meeting of the Parties in November 2006. UNDP is assisting: Chile (import quota system and alternatives to TCA in the solvent sector); the Democratic Republic of the Congo (monitoring its licensing system); Dominica (implementing the RMP); Eritrea (CFC consumption within the TPMP); Guatemala (TPMP to support control measures); the Islamic Republic of Iran (CTC consumption exceeds allowable 2005 consumption level); Kenya (gazetting ODS regulations); Pakistan (monitoring and implementation of its CTC plan of action) and Paraguay (excess consumption of CFCs).

General comments

12. These general comments address issues not required for compliance according to the compliance-oriented model and include areas of possible project overlap.

Activities not required for compliance

13. Activities not required for compliance are listed in Table 1 according to the value of the requests for 2007, 2008 and 2009.

Disposal of ODS

14. Over the past years, UNDP has explored with interested countries possible activities in different areas of waste management related to ODS. UNDP is aware that the Multilateral Fund Secretariat is conducting a study to look into destruction related matters. Nevertheless, countries have approached UNDP to assist them to find solutions that fit their specific needs as soon as possible, and have requested that country-specific feasibility studies be conducted as early as 2007. The Executive Committee removed ODS disposal projects from UNDP's business plans for 2006-2008. UNDP therefore removed them from the 2007 and 2008 business plan with the understanding that the Committee would look into the requests included for 2009 in the context of prioritisation of activities for the funds from the current triennium that remain unallocated.

HCFC activities

15. During 2006 UNDP assisted 12 countries (Argentina, Brazil, Colombia, India, Indonesia, Islamic Republic of Iran, Lebanon, Malaysia, Mexico, Syrian Arab Republic, Sri Lanka, and Bolivarian Republic of Venezuela) to complete the HCFC surveys approved in 2005. Ten

survey reports are being submitted for consideration at the 51st Meeting of the Executive Committee.

16. At the inter-agency coordination meeting in Montreal in January 2007, UNDP was asked to defer all HCFC-related survey and strategy activities from 2007 to 2008 and all investment activities to 2009. In its narrative, UNDP has provided a list of activities that it has deferred. However, it indicated that several countries have requested assistance to carry out HCFC surveys in 2007. If the Committee decides to allow HCFC activities in 2007-2008, UNDP would move the proposed activities on HCFCs from 2008 back to 2007. The Executive Committee may wish to consider UNDP's planned HCFC activities in the context of its discussion on priorities for the remaining funds in the budget for the 2006-2008 triennium under the agenda item on the consolidated business plan (UNEP/OzL.Pro/ExCom/51/6).

Methyl bromide (non-investment)

17. In 2006, UNDP included a US \$250,000 global methyl bromide information exchange project in its 2007 business plan. The Fund Secretariat noted that UNIDO had already agreed to provide project information to UNEP on its methyl bromide projects, since UNEP is responsible for the information clearinghouse and dissemination. UNDP indicated that while the broad concept was similar, its objective goes beyond UNEP's activities. UNDP's project is intended to be a capacity-building exercise that would promote horizontal experience-sharing between Article 5 country experts that have been involved in implementing Multilateral Fund methyl bromide phase-out projects. The project would provide the means for these experts to share technical and policy results achieved and lessons learned during implementation of their phase-out projects, without having to draw against the funds approved for phase-out purposes. Project preparation funds are being requested in the 2007 business plan to further develop this proposal for all agencies.

18. At its 48th Meeting, the Executive Committee requested in-depth coordination on the non-investment methyl bromide activities included in the 2006-2008 business plans but the implementing agencies have been unable to reach a consensus on the need for these activities. The Executive Committee may wish to consider removing these activities in the absence of the in-depth coordination that was requested.

Metered-dose inhalers

19. The compliance oriented model includes MDI activities for countries that have remaining funding eligibility, according to decision 35/57, for CFC projects and for those countries that produce inhalers.

20. UNDP has included in the 2007 business plan, 11 MDI strategies at a cost of US \$30,000 (plus agency fees) for countries that have already received funding for projects to address the remaining CFC consumption and a regional strategy for the Latin American region at the amount of US \$161,000. However, none of these countries have fully demonstrated and documented the need for a strategy. The need for MDI activities should be addressed in the preparation of CFC phase-out projects and TPMPs. UNDP is also requesting project preparation (US \$15,000 each) for eight countries to demonstrate and document the need for the US \$30,000 strategy. It has also included a regional project preparation activity amounting to US \$81,000 for the Latin American region as well as MDI activities for three non-LVC countries (Colombia, India and

Pakistan). The Executive Committee may wish to consider removing project preparation to determine the need for MDI strategies and activities where the need has not been fully demonstrated and documented.

21. It was noted however that in the absence of preparatory funds for a transition strategy, which would allow a country to identify the situation in the sector (such as the number of asthma sufferers and their medication needs) it would be very difficult for countries to assess the scope of CFC MDI use and devise measures to address the sector. UNDP included requests from these countries in its 2007 work programme thereby seeking clarification from the Committee on this matter.

22. UNDP is finalising a MDI project in Bangladesh, which will be presented to the 52nd Meeting of the Executive Committee. Project preparation funds have been requested for MDI investment projects in Colombia, India and Pakistan for 2007. MDI investment projects have been added for these countries in 2008. All of these countries have agreements with the Executive Committee that address all CFCs.

23. The Executive Committee may wish to consider maintaining MDI strategies and other MDI activities based on its consideration of the document *Options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties* (follow-up to decision 49/33) (UNEP/OzL.Pro/ExCom/51/39) and priorities for the remaining funds in the budget for the 2006-2008 triennium in the context of its consideration of the consolidated business plan (UNEP/OzL.Pro/ExCom/51/6).

Areas of possible overlap

24. The Secretariat has identified areas of possible overlap between UNDP and UNIDO, specifically, for MDI activities in Nigeria and Pakistan, and possible overlap for HCFC activity in Nigeria. Further, there are five instances of possible overlap with UNIDO in terms of ODS disposal affecting Indonesia and India. UNIDO has subsequently agreed to remove its MDI activities in Pakistan and its ODS disposal activities in Indonesia from its business plan. There may also be an overlap with regard to the TPMP in Angola because Germany has also included it in its business plan. The Executive Committee may wish to request that UNDP report to the 51st Meeting on the resolution of these areas of potential overlap.

Request for letters from countries with activities in the 2007-2009 business plan

25. The Secretariat has asked for letters for countries with activities in the 2007-2009 business plans. With the exception of those activities that already have approved project preparation, letters have either been provided or UNDP has advised they are forthcoming.

Performance indicators

26. A summary of UNDP's performance indicators pursuant to decision 41/93, 47/51 and 49/4(d) is provided below in Table 2.

Table 2
PERFORMANCE INDICATORS

Item	UNDP 2007
Number of annual programmes of multi-year agreements approved versus those planned	20
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved versus those planned	24
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	22
ODS phased-out for individual projects versus those planned per progress reports	1,229
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	60
Number of policy/regulatory assistance completed versus that planned	4/6 (67%)
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

27. UNDP set a target of 20 for the number of annual tranches that would be submitted in 2007 as indicated above and in UNDP's business plan narrative. However, the data in UNDP's business plan spreadsheet indicates that it will submit annual tranche funding for 20 approved agreements and 25 new agreements in 2007 for a total of 45 annual tranches to be submitted in 2007. For consistency with the other agencies, UNDP's target for the number of annual programmes approved should be 45.

28. UNDP specified in its business plan spreadsheet that several projects were multi-year projects although the Secretariat does not consider them MYAs because they are fully funded in one approval rather than in multiple annual tranches. UNDP also classified one project as individual although the Secretariat considers it a multi-year project. For this reason, UNDP's business plan database has been modified for consistency with other agencies prior to inclusion in the consolidated business plan.

29. UNDP's target for the number of milestone activities completed/ODS levels achieved for multi-year annual tranches is 22. Since this indicator applies only to approved MYAs, UNDP's target for milestones activities completed should be 20.

30. UNDP has set a target of providing policy assistance to four out of six countries (Armenia, Brazil, Islamic Republic of Iran, Kenya, Nigeria and Pakistan) in 2007.

RECOMMENDATIONS

31. The Executive Committee may wish to consider:

- (a) Endorsing the 2007-2009 business plan of UNDP as contained in UNEP/OzL.Pro/ExCom/51/8, without prejudice to the Parties decision on replenishment for the year 2009 and beyond, while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:
 - (i) Removal of the global methyl bromide information exchange project;
 - (ii) Depending on the outcome of discussions on the paper on “*Options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties (follow-up to decision 49/33)*” (UNEP/OzL.Pro/ExCom/51/39):
 - a) Removal of project preparation for metered-dose inhaler transition strategies;
 - b) Maintaining metered-dose inhaler strategies in terminal phase-out management plans that were approved prior to the 45th Meeting and for all others where a need is demonstrated and documented consistent with decision 45/54(e);
- (b) Requesting UNDP to report to the 51st Meeting on the areas of possible overlap with activities in other agencies’ business plans and noting the information provided as appropriate; and
- (c) Approving the performance indicators for UNDP set out in Table 2 of the Fund Secretariat’s comments as contained in UNEP/OzL.Pro/ExCom/51/8 while setting a target of 45 for the number of annual programmes of approved multi-year agreements (MYAs) and a target of 20 for the milestone activities completed for MYAs.

**51st Meeting of the Executive Committee of the Multilateral Fund for the
Implementation of the Montreal Protocol
(19 – 23 March 2007)**

UNDP 2007 BUSINESS PLAN NARRATIVE

1. Introduction

This narrative is based on two excel tables that are included as **annex 1** to this report. The first table lists all ongoing and planned activities for which funding is expected during the period 2007 through after 2009 but also contains information for “after 2009”. The second table lists the same activities, but also adds ongoing individual projects for which no further funding is required, but for which ODP phase out is expected during the same time frame. While the first table lists ODP phase out values corresponding to the expected budget that is listed in a given year, the second table only contains ODP phase out values which are listed in the year that they are supposed to be eliminated, i.e. at the completion of the activities.

While activities are included for 2007 and future years, it should be noted that planned activities included in the 2007 column are firm and future years are indicative and are provided for planning purposes only. This explains why the report is called “2007 Business Plan”.

Over the course of 2007, UNDP will prepare and submit 1 new multi-year phase-out plan, 31 TPMP activities which are mostly addressing the needs in the refrigeration servicing sub-sector, 17 individual projects, and 14 requests for extension of institutional strengthening projects. In addition, UNDP will continue to implement 22 approved multi-year agreements, will undertake 17 project preparation activities and will receive its yearly core unit funding. The total value of UNDP’s 2007 Business Plan including support costs is US\$ 20.0 million.

2. Resource allocation

The excel tables are grouped into various categories, which are reflected in the following summary table.

TABLE 1 – UNDP 2007-2009 Resource Allocations

Category		2007	2008	2009	After 2009
Related to CFC, Halons, MeBr, TCA, CTC	1. Approved Multi-Year	7,262	4,141	2,512	293
	2. Planned Inst. Str.	3,056	2,042	2,881	1,021
	3. Planned PRP	459	16	-	-
	4. Planned / Individual	1,611	1,388	-	-
	5. Planned / Multi-Year	1,803	8,724	7,715	7,715
	6. Planned / Servicing	4,006	3,660	633	-
Other	7. Planned HCFCs	-	2,055	41,557	353,763
	8. ODS Waste & Disposal	-	1,500	12,800	10,600
	9. Core Unit Support	1,804	1,858	1,913	1,971
Total		20,000	25,383	70,010	375,362

- All values in US\$ '000 and include agency support costs.

3. Geographical distribution

In 2007, UNDP will again cover all regions, with new activities in 61 countries (including on-going multi-year investment activities, non-investment activities – but excluding project preparation). The number of countries and activities per region is listed in table 2.

TABLE 2 – UNDP 2007 MYA Tranches and New Activities per Region

Region	Region	Nr of countries	Nr of Activities
AFR	Africa	20	25
ASP	Asia and Pacific	14	19
EUR	Europe and CIS	3	3
GLO	Global	N/A	2
LAC	Latin America and the Caribbean	25	34
Total		62	83

4. Programme Expansion in 2007

4.1. Background

UNDP's 2007-2009 Business Plan has been developed by drawing upon the analysis provided by the Multilateral Fund's strategic planning framework, through communication with countries that have expressed an interest in working with UNDP to address their compliance and other needs, as well as through negotiation and discussion with the MLF Secretariat and other Implementing Agencies during and post the Inter-Agency meeting held on 15-16 January 2007 in Montreal.

Countries Contacted. Except for the activities for which project preparation has already been approved in 2006, UNDP communicated with each of the countries that figure in the plan. Correspondence indicating an interest in working with UNDP was received from each of these countries.

Coordination with other bilateral and implementing agencies. As it has done in the past, during 2007 UNDP will continue to collaborate with both bilateral and other implementing agencies. Collaborative arrangements in programming will continue with the Government of Canada, the Government of Japan and the Government of Germany, as well as with UNEP. The bulk of such partnerships will continue to focus on provision of assistance to LVCs.

4.2. ODP Impact on 3-year Phase-out Plan

In the next table – which is based on the first excel sheet of annex 1 – the ODP amount listed in a given year corresponds to the US\$ amount that is approved in that same year. This is even the case for the approved/multi-year category, where the overall cost-effectiveness was applied to each individual funding tranche.

TABLE 3 - Impact upon Project Approval (phase-out in ODP T)

Chemical	2007	2008	2009	After 2009
CFC	1,437	822	612	328
Halons	-	-	-	-
Methyl Bromide	-	51	-	-
CTC	10	-	-	-
TCA	46	46	46	-
HCFC	-	-	370	3,104
ODS Waste	-	-	236	212
TOTAL	1,493	919	1,263	3,644

Note: Tonnage based on date of project approvals

If however the ODP impact were calculated at the time of project completion rather than at the time of approval, the table would look as in the next table 4, which is based on the second excel sheet of annex 1. As already mentioned in the introduction of this narrative, the figures are not only different because of different timing, but also because they include ongoing individual projects that will be completed over the next few years. As these projects have been approved before 2007, the ODP of such projects are zero in the above table (ODP at date of approval), but will add a considerable amount in the table below (ODP at date of completion).

TABLE 4 – Impact upon project completion (phase-out in ODP T)

Chemical	2007	2008	2009	2010	2011
CFC	2,684	1,594	1,701	804	442
Halons	790	-	-	-	-
Methyl Bromide	65	67	86	114	-
CTC	19	24	14	-	-
TCA	94	85	84	85	-
HCFC	-	-	-	-	370
ODS Waste	-	-	-	-	236
TOTAL	3,652	1,770	1,885	1,003	1,048

Note: Tonnage based on date of project completion

4.3. Project preparation

A comprehensive overview of the project preparation funds to be requested at 51st meeting of the Executive Committee is contained in the Work Programme submitted by UNDP to this meeting.

Requests for project preparation are listed in annex 1, and the information below presents a description of these activities for 2007. There are 17 such requests amounting to a grand total of US \$459,025, including support costs:

- a) 12 requests to prepare MDI related activities (see paragraph 4.4 below). Two of those relate to MDI investment activities, 1 has both investment and a transition strategy while the other nine are for the development of a MDI transition strategy only. One of the requests is for a regional activity covering 5 countries in the Caribbean region. Paragraph 5.3 below provides more information about these activities.
- b) 3 requests will be submitted in 2007 for preparatory activities to develop TPMPs – mostly covering the refrigeration servicing sub-sector. They will be jointly implemented with UNEP. It should however be noted that many requests for project preparation for TPMPs were approved in 2006 which would lead to TPMPs to be submitted in 2007.
- c) One project preparation request relates to the “Promotion of horizontal experience-sharing between Article 5 countries that have implemented MLF-funded Methyl Bromide elimination projects” which is described in section 5.1. below.
- d) Finally a request was included to conduct an audit of the ongoing TPMP of Trinidad and Tobago. Indeed, this country was randomly selected by the Executive Committee for auditing in 2007.

4.4. Non-investment projects

Also including in annex 1 are UNDP’s 14 individual planned technical assistance projects with a total value of US\$ 963,700 including support costs. They are summarized in the following table.

TABLE 5 – Individual Non-Investment projects (TAS) in 2007

Country	Short Title	Budget (incl Support)
Chile	MDI transition Strategy	32,250
Costa Rica	MDI transition Strategy	32,250
Dominican Republic	Halons Sectoral phaseout plan	26,200
Dominican Republic	MDI transition Strategy	32,250
Ghana	MDI transition Strategy	32,250
Global	Horizontal Experience-Sharing on MB Elimination	500,000
Kenya	Solvent Sectoral phaseout plan	75,000
Nicaragua	MDI transition Strategy	32,250
Nigeria	MDI transition Strategy	32,250
Pakistan	MDI transition Strategy	32,250
Panama	MDI transition Strategy	32,250
Peru	MDI transition Strategy	32,250
Sri Lanka	MDI transition Strategy	32,250
Sierra Leone	Halons Sectoral phaseout plan	40,000
		963,700

As can be seen from the above table, the non-investment projects include:

- ❖ Two requests deferred from 2006 in relation to halon banking projects (Additional funding for the Dominican Republic and a new request for Sierra Leone).
- ❖ One request deferred from 2006 for the solvents sector (Kenya).
- ❖ Ten requests for MDI transitional strategies, for which project preparation is also being requested (see paragraph 4.3 (a) above) as well as a more detailed description in paragraph 5.3.
- ❖ One technical assistance request is the already mentioned “Promotion of horizontal experience-sharing between Article 5 countries that have implemented MLF-funded Methyl Bromide elimination projects” which is described in section 5.1 below.

In addition, UNDP will prepare 14 non-investment Institutional Strengthening projects in 2007, as indicated in the table below. The total value of IS renewal programming in 2007 is US \$3,107,134

TABLE 6 – Non-Investment Institutional Strengthening requests

Country	Category	Budget (incl support)	ODP
Argentina	Non-LVC	334,981	25.8
Bangladesh	Non-LVC	139,750	10.7
Brazil	Non-LVC	377,325	29.0
Chile	Non-LVC	186,550	15.4
Colombia	Non-LVC	296,270	22.8
Costa Rica	LVC	151,100	-
Cuba	Non-LVC	160,200	12.0
India	Non-LVC	401,222	30.8
Indonesia	Non-LVC	291,588	22.4
Iran	Non-LVC	93,262	7.2
Kenya	LVC	81,521	-
Malaysia	Non-LVC	300,463	23.1
Pakistan	Non-LVC	241,302	18.6
Uruguay	LVC	51,600	-
TOTAL		3,107,134	217.7

4.5. Submission of new tranches of ongoing Multi-Year agreements in 2007.

UNDP has currently 22 ongoing Multi-Year agreements of which 20 would need to receive an additional funding tranche in 2007. The total from these tranches in 2007 would amount to US\$ 7,262,237. They are listed below by region.

TABLE 7 – Ongoing Multi-Year Agreements and their funding in 2007

Region	Country	Chemical	Short Title	Budget incl support in 07
AFR	Congo DR	CFC	CFC phase out plan	77.266
AFR	Ghana	CFC	CFC phase out plan	151.038
AFR	Nigeria	CFC	Phaseout plan CFC phase out plan	1,397.710
ASP	Bahrain	CFC	Phaseout plan CFC phase out plan	-
ASP	Bangladesh	CFC	Phaseout plan CFC phase out plan	698.750
ASP	China	TCA	Solvent Sectoral phaseout plan	1,591.000
ASP	India	CFC	National CFC Phaseout Plan	163.766
ASP	Indonesia	CFC	Refrigeration Domestic/commercial	433.820
ASP	Indonesia	CFC	Refrigeration Refrigerant management plan	172.715
ASP	Lebanon	CFC	Phaseout plan CFC phase out plan	107.500
EUR/CIS	Georgia	CFC	CFC phase out plan	116.982
EUR/CIS	Kyrgyzstan	CFC	Phaseout plan CFC phase out plan	67.725
LAC	Brazil	CFC	Phaseout plan CFC phase out plan	933.500
LAC	Costa Rica	MeBr	Fumigant Methyl bromide	-
LAC	Cuba	CFC	ODS phase out plan	495.575
LAC	Dominica	CFC	CFC phase out plan	49.050
LAC	Dominican Rep	CFC	CFC phase out plan	430.000
LAC	Grenada	CFC	CFC phase out plan	54.500
LAC	Panama	CFC	Phaseout plan CFC phase out plan	197.800
LAC	St Kitts and Nevis	CFC	Phaseout plan CFC phase out plan	49.050
LAC	St Vincent & the Grenadines	CFC	Phaseout plan CFC phase out plan	22.890
LAC	Uruguay	CFC	Phaseout plan CFC phase out plan	51.600

7,262.237

4.7. Investment Projects in 2007 (except for TPMPs).

Three investment projects (one-off or multi-year) will be formulated in 2007. One of them is an MDI manufacturing conversion programme in Bangladesh, one is a process agent project for Brazil and one is a transfer of a chillers programme from Environment Canada.

TABLE 9 – Investment Programmes in 2007

Country	Short Title	Budget in 07 (Incl Support)
Bangladesh	MDI Investment Project	1,802,909
Brazil	Solvents, Process Agents	450,000
Cuba	Chillers Project Transfer from Cda	196,871
		2,449,780

4.8. Request of UNDP-MPU's Core Funding

As is the case every year, UNDP will request funding for the operation of its core unit funding at the last ExCom meeting of the year.

5. Activities included in the Business plan that needs special consideration.

While paragraph 4 of this report dealt specifically with 2007 activities, this and following paragraphs are relating to 2007 and future years.

5.1. Promotion of horizontal experience-sharing between Article 5 countries that have implemented MLF-funded Methyl Bromide elimination projects

UNDP has included in its last year's Business Plan a proposal to develop a Technical Assistance project (TAS) to promote horizontal experience-sharing between Article 5 countries that have implemented MLF-funded MB elimination projects, for inclusion in 2007. This proposal stems from direct interest expressed on the part of partner countries with whom UNDP has been implementing such projects and is supported by one of the conclusions of the Multilateral Fund's 2004 evaluation of MB projects, which recommended "...to find ways to promote horizontal experience-sharing between the projects. Developing an electronic network; organizing technical seminars, building a database with input providers all over the world, promoting field visits of the technical teams, etc. could be some options to explore". The TAS project proposed would be geared toward providing the means for Article 5 countries to promote experiences gained and lessons learned during implementation of phase-out projects, without drawing from dedicated funds approved for such projects. Emphasis would be on establishing a forum for dialogue amongst national project experts (global and regional), allowing participation in international MB/agriculture-focused conferences and seminars, supporting south-south study missions and generally broadening the global field of knowledge on adoption of MB alternatives to effectively include results gained from MLF-funded projects in A5 countries. Other Implementing Agencies that also execute large-scale MB investment programmes would be consulted in order for them to cooperate in this project.

We would like to stress, that while in principle, the broad concept behind this Technical Assistance (TAS) project proposal is to facilitate information exchange on methyl bromide alternatives, the objective goes beyond the information clearinghouse and dissemination activities conducted by UNEP. The TAS project

would be a capacity-building exercise that would effectively promote horizontal experience-sharing between Article 5 country experts that have been involved in implementing MLF-funded MB elimination projects. The project would provide the means for Article 5 national experts to promote technical and policy results achieved and lessons learned during implementation of their phase-out projects, without having to draw against dedicated funds approved for phase-out purposes. The project would:

- ❖ support A5 national expert participation in international MB/agriculture-focused conferences and seminars;
- ❖ support south-south study missions (inter-project collaboration); and,
- ❖ generally broaden the global field of knowledge on adoption of MB alternatives to effectively include results gained from MLF-funded projects in A5 countries.

As the project would draw from all MB projects approved, it would necessarily involve all agencies working in investment methyl bromide programmes. Project preparation funds are being requested to further develop this proposal for all agencies.

5.2. HCFCs

During 2006 UNDP assisted twelve countries (Argentina, Brazil, Colombia, India, Indonesia, Iran, Lebanon, Malaysia, Mexico, Syria, Sri Lanka, Venezuela) to complete the HCFC surveys approved during 2005. Eleven survey reports are being submitted for consideration at the 51st meeting of the Executive Committee. Based on this information, it is expected that the Executive Committee will provide guidance and decisions on HCFCs to allow further work to be carried out.

UNDP has received various new requests from countries to carry out additional HCFC surveys in 2007, namely for Bolivia, Chile, Costa Rica, Cuba, Dominican Rep, Ghana, Fiji, Kyrgyzstan, Nigeria, Pakistan, Panama, Paraguay, Peru and Uruguay plus one regional request through CARICOM for Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago. In addition countries requested that HCFC-strategies are formulated and that follow-up investment activities could then be considered from 2008 onward.

In view of decision 50/6(a & c) below, which reads:

- ❖ *To note the paper on priorities for the triennium 2006-2008, beyond the needs identified by the model rolling three-year phase-out plan, taking into account the UNEP/OzL.Pro/ExCom/50/62 remaining US \$40 million in unallocated funds for the triennium (follow-up to decision 49/4, paragraphs (c) and (g)) as contained in document UNEP/OzL.Pro/ExCom/50/8;*
- ❖ *To request the Secretariat to prepare a final report containing the information referred to in subparagraph (b) above for the consideration of the 52nd Meeting taking into account the HCFC surveys currently under preparation and any relevant reports from the Technology and Economic Assessment Panel (TEAP) which would be available at that time;*

In its original business plan, UNDP had included additional HCFC activities for funding in 2007 and 2008 if the Executive Committee would prioritize them. Indeed, it was our view that the ExCom may arrive at HCFC related decisions at its 52nd meeting so that the proposed HCFC activities agreed with could be submitted at the 53rd meeting.

At the inter-agency coordination meeting held in Montreal in January 2007 however, UNDP was asked to defer all HCFC-related survey and strategy activities from 2007 to 2008 and all investment activities to 2009. UNDP accepted the Secretariat guidance with the understanding that if the Executive Committee would decide to allow for HCFC activities in 2007/2008, we would be moving these surveys and strategies back from 2008 into 2007. The list of activities which were deferred are provided in the following table so it is clear to countries that UNDP has acknowledged their request to include them:

TABLE 10 – HCFC Activities deferred

Country	Short Title	Surveys & Strategies deferred from 07 to 08 ('000 US\$)	Investment Activities deferred from 07/08 to 09 ('000 US\$)
SURVEY READY IN JAN 07 (more details available)			
Argentina	HCFC Strategy	37.0	
Argentina	Foam Manufacturing		61.5
Argentina	RAC Manufacturing		1,014.9
Argentina	RAC Servicing		786.3
Argentina	Solvents		89.2
Argentina	Firefighting		76.1
Brazil	HCFC Strategy	99.0	
Brazil	Aerosols		8.2
Brazil	Foam Manufacturing		175.0
Brazil	RAC Manufacturing		3,009.5
Brazil	RAC Servicing		2,652.8
Brazil	Solvents		190.1
Colombia	HCFC Strategy	37.0	
Colombia	Foam Manufacturing		33.7
Colombia	RAC Manufacturing		490.6
Colombia	RAC Servicing		195.7
Colombia	Solvents		288.9
Colombia	Firefighting		153.8
India	HCFC Strategy	99.0	
India	Aerosols		251.6
India	Foam Manufacturing		226.1
India	RAC Manufacturing		10,960.2
India	RAC Servicing		1,226.0
India	Solvents		150.4
Indonesia	HCFC Strategy	62.0	
Indonesia	Foam Manufacturing		172.8
Indonesia	RAC Manufacturing		914.8
Indonesia	RAC Servicing		778.1
Iran	HCFC Strategy	37.0	
Iran	Foam Manufacturing		75.9
Iran	RAC Manufacturing		1,244.9
Iran	RAC Servicing		138.8
Lebanon	HCFC Strategy	25.0	
Lebanon	Foam Manufacturing		3.4
Lebanon	RAC Manufacturing		101.1
Lebanon	RAC Servicing		81.4
Mexico	HCFC Strategy	62.0	
Mexico	Foam Manufacturing		391.1
Mexico	RAC Manufacturing		3,954.8
Mexico	RAC Servicing		2,250.4
Mexico	Solvents		225.6
Venezuela	HCFC Strategy	25.0	
Venezuela	Aerosols		6.8
Venezuela	Foam Manufacturing		15.2
Venezuela	RAC Manufacturing		273.1
Venezuela	RAC Servicing		542.9
Venezuela	Solvents		131.6

Country	Short Title	Surveys & Strategies deferred from 07 to 08 ('000 US\$)	Investment Activities deferred from 07/08 to 09 ('000 US\$)
SURVEY NOT READY IN JAN 07 OR NOT YET APPROVED			
Bangladesh	HCFC Survey	60.0	
Bangladesh	HCFC Strategy		30.0
Bangladesh	HCFC Servicing and Manuf		144.4
Bolivia	HCFC Survey	50.0	
Bolivia	HCFC Strategy	25.0	
Bolivia	HCFC Servicing and Manuf		37.2
Chile	HCFC Survey	70.0	
Chile	HCFC Strategy	17.5	
Chile	HCFC Servicing and Manuf		427.8
Costa Rica	HCFC Survey	50.0	
Costa Rica	HCFC Strategy	25.0	
Costa Rica	HCFC Servicing and Manuf		143.0
Cuba	HCFC Survey	60.0	
Cuba	HCFC Strategy	30.0	
Cuba	HCFC Servicing and Manuf		176.8
Dominican Rep	HCFC Survey	50.0	
Dominican Rep	HCFC Strategy	25.0	
Dominican Rep	HCFC Servicing and Manuf		349.0
Fiji	HCFC Survey	60.0	
Fiji	HCFC Strategy	30.0	
Fiji	HCFC Servicing and Manuf		56.2
Ghana	HCFC Survey	60.0	
Ghana	HCFC Strategy	30.0	
Ghana	HCFC Servicing and Manuf		84.5
Kyrgyzstan	HCFC Survey	50.0	
Kyrgyzstan	HCFC Strategy	25.0	
Kyrgyzstan	HCFC Servicing and Manuf		7.6
Malaysia	HCFC Strategy	49.0	
Malaysia	HCFC Servicing and Manuf		3,396.8
Nigeria	HCFC Survey	90.0	
Nigeria	HCFC Strategy	45.0	
Nigeria	HCFC Servicing and Manuf		344.5
Pakistan	HCFC Survey	80.0	
Pakistan	HCFC Strategy	40.0	
Pakistan	HCFC Servicing and Manuf		153.4
Panama	HCFC Survey	50.0	
Panama	HCFC Strategy	25.0	
Panama	HCFC Servicing and Manuf		223.7
Paraguay	HCFC Strategy	20.0	
Paraguay	HCFC Servicing and Manuf		110.4
Peru	HCFC Survey	60.0	
Peru	HCFC Strategy	20.0	
Peru	HCFC Servicing and Manuf		156.9
Regional LAC	HCFC Survey	150.0	
Regional LAC	HCFC Strategy	75.0	
Regional LAC	HCFC Servicing and Manuf		508.1
Sri Lanka	HCFC Strategy	25.0	
Sri Lanka	HCFC Servicing and Manuf		291.8
Syria	HCFC Strategy	20.0	
Syria	HCFC Servicing and Manuf		515.9
Uruguay	HCFC Survey	50.0	
Uruguay	HCFC Strategy	25.0	
Uruguay	HCFC Servicing and Manuf		132.4
Grand Total		483.0	33,343.1

For the years 2008 and onwards, and in order to estimate costs included UNDP has developed a model, partly based on information collected from the surveys that were conducted and partly by making a few

assumptions. The explanation on the model and assumptions has been shared and discussed with the MLF Secretariat. Figures resulting from this exercise were incorporated into the business plan, even though it is understood that the assumptions and parameters which were taken, would depend on future decisions by the Executive Committee and even the MOP.

5.3. MDIs

Inclusion of MDI-related activities was also considered in the light of ExCom Decision 50/6 (a) mentioned above in paragraph 5.2. In addition to this, MOP Decision XII/2 (7) requests the Executive Committee to consider providing technical, financial and other assistance to Article 5(1) Parties to facilitate the development of metered-dose inhaler transition strategies and the implementation of approved activities contained therein. This is why Executive Committee Decision 45/54 (e) allowed for this and why UNDP has included 12 such requests for MDI transition strategies. The same Decision of the MOP (6a) encourages each Article 5(1) Party to develop a transition strategy and submit the text of any such a strategy to the Ozone Secretariat by 31 January 2005 and report to the Secretariat by 31 January each year thereafter on progress made on transition to CFC free MDIs. Article 5(1) countries have not made progress in meeting this request from Parties so far. In the absence of preparatory funds for the Transition Strategy, which would allow the country to identify the situation of the sector, the number of asthma sufferers and their medication needs, products available in the market, price etc., no progress can be made as the country is unable to identify properly where it stands as far as the sector is concerned. In view of this, UNDP included the requests from those countries in its 2007 Work Programme, thereby seeking clarification from the ExCom on this matter.

A number of countries have expressed the wish to address the consumption of CFC in the MDI sector but some Executive Committee decisions taken earlier have prevented Implementing Agencies to address the conversion of the MDI manufacturing plants in some MDI manufacturing countries which are in risk of non-compliance. However, Decision XVIII/16 of the Meeting of the Parties (MOP) recognized the difficulties faced by countries on metered-dose inhaler transition and requested the Executive Committee to consider as a matter of urgency the funding of projects in relation to article-5 countries that experience difficulties due to high CFC consumption for manufacturing of MDIs and to review its Decision 17/7 on eligibility criteria related to cut off date. After this Decision of the 18th MOP the Executive Committee approved project preparation funds for the investment component of the MDI project in Bangladesh. UNDP is finalizing the project and it will be presented to the 52nd ExCom meeting.

During the 2-3 years remaining until full phase out of CFCs, other manufacturing countries with high consumption of MDIs will face the same problem as Bangladesh, as far as having difficulties to remain in compliance, unless their MDI sector is tackled soon. In this regard, MDI investment projects for 2008 have been added for Colombia, India and Pakistan, with requested project preparation in 2007.

5.4. Waste Management Programmes

Here again, inclusion of this type of activities was considered in the light of ExCom Decision 50/6 (a) mentioned above in paragraph 5.2.

During the last years several countries have expressed to UNDP the need to implement activities related to ODS Waste Management. Based on these requests, UNDP has explored with countries possible activities in different areas of waste management related to Ozone Depleting Substances which would best fit their needs. In addition, among the countries some have progressed with energy savings programmes which resulted in refrigerator replacement and the need to address collection, “demanufacturing”, recycling and disposal/destruction needs as part of a comprehensive environmental

policy. In evaluating the potential for addressing these requests, UNDP is also investigating inter linkages of these activities with the disposal of other non-ODS chemicals potential synergies with other chemicals conventions, for which similar strategies need to be established and comparable technologies could be applied. Feasibility of the business model is required. UNDP is aware that the MLF will be conducting a study to look into destruction related matters, but countries have requested UNDP to assist them to find solutions that fit their specific needs as soon as possible. While countries have requested country-specific feasibility studies to be conducted as early as 2007, the Secretariat has recommended these activities are kept after 2008. UNDP therefore has removed them from the 2007 and 2008 BP with the understanding that the Committee would look into the requests in the context of the prioritization of activities for the US\$ 40 million which remains un-allocated. The list of the countries which have requested both investment and waste management and disposal activities in this triennium are in annex 1 of this report under the category “Waste Management” for the Committee’s consideration in case they are agreed upon to move to 2007 and 2008.

6. MEASURES TO EXPEDITE IMPLEMENTATION OF APPROVED PROJECTS AND THOSE CRITICAL TO COMPLIANCE

6.1. Phase-out from Approved Ongoing Individual Projects.

Table 11 below indicates the amount that will be phased out from approved, ongoing individual projects.

TABLE 11 – Phase-out from Approved Ongoing Individual projects (ODP tonnes)

Chemical	2007	2008	2009	TOTAL
CFC	389	546	617	1,552
Halons	790	-	-	790
Methyl Bromide	22	9	16	47
CTC	19	24	4	47
TCA	9	-	-	9
TOTAL	1,229	579	637	2,445

The total amount for reported in the same table last year was 3054 and two years earlier 4,497 ODP tonnes. As such, the amount of tonnes to be phased out in individual ongoing projects is going down year by year. This is due to the fact that most new approvals are in the form of “multi-year agreements” rather than “individual projects”.

It should however be noted that information about 2006 project completion only becomes available at progress report time, so that the above figures are only estimates and may in fact become lower. In addition one should note that the ODP of all RMP components were revised upwards by the MLFS to reflect true 85% CFC phase out. If not, the figures in the above table would also be significantly lower.

In accordance with decisions 35/4, para 111(b) and 36/9, para 43(c), UNDP will continue to make efforts to expedite the implementation of approved projects and especially for those that are critical to compliance. UNDP’s Montreal Protocol Unit (MPU) evaluates on an annual basis and adjusts the way it operates so as to better assist countries to comply with the MP control measures in accordance with the strategic direction provided by the Multilateral Fund during this triennium. The efforts will continue in 2007 as highlighted below:

6.2. Strengthening the Network of UNDP staff and Experts in the Field and Challenges

- UNDP will continue to work with national consultants/ national associations/ partners at the country level so as to better address the needs of countries and speed up response time at the field level. UNDP has increased its reliance on national consultants in the past year.
- Monitoring and evaluation of multi-year performance-based phase-out projects with agreements will continue to be conducted in close cooperation with national experts and government focal points as well as other IAs
- While UNDP believes that enhanced field presence allows for more direct supervision of activities, UNDP continues to encounter difficulties for LVCs in which RMP components are being implemented as the level of support cost does not allow for reimbursing the country office at a rate that would bring sufficient level of monitoring at the UNDP country office level and/or at the level of consultancy components to ensure smooth implementation.
- UNDP had already shifted most of the daily management of its approved national and sector plans to implementation according to the National Execution (NEX) modality. This execution modality also serves to enhance the role of national experts and national institutions, thereby building national capacity, and is in line with the “Country-Driven Approach” recommended by the Executive Committee. UNDP continues to give preference to this modality..
- UNDP MP Unit , in partnership with the UNDP-GEF Unit, has recruited two new professional level staff members in 2005, one in Asia (Bangkok) and one in Latin America (Panama). Similarly, an additional out-posted position has been opened in Bratislava in 2006 to cover the CIS and Anglophone African region. These posts are all funded 50/50 by the MLF and the GEF administrative budgets.
- In 2007 UNDP will continue to focus on follow up with executing agencies and country offices to financially close outstanding operationally completed projects in order to return remaining funds to MLF. The finance team will continue to ensure adequate management of financial reporting and follow-up on requirements related to the implementation of national and sector phase-out plans, and maintain close contacts with Secretariat and Treasurer.

6.3. Management and Supervision of National/Sector Plans

There are currently 22 ongoing Performance Based National and Sector Plans with UNDP which are listed above in paragraph 4.6. In addition to those, there are three multi-year agreements that are still ongoing, even though there are no new funding tranches in 2007 or beyond (Colombia-CFC, Colombia-halons and Kenya-MeBr). These would therefore appear in the second business plan table only, as there is still ODP phase out to be expected from those agreements.

- UNDP will continue to assist the countries in which it is implementing national and sectoral phase-out plans to establish and sustain the infrastructure for the National Implementation and Monitoring/ Management Units approved under the national/sector Plans, working closely with Government and operating under MLF and UNDP guidelines related to procurement of goods, data verification requirements, proper financial management and auditing, as well as required reporting on the progress of the Plans.
- National ODS legislative and regulatory frameworks are assessed and, if deemed inadequate to support and sustain the target reductions contained in a performance-base agreement, are presented to the relevant Government authorities with suggested revisions. Monitoring of CFC imports and distribution will continue to be strengthened as a mechanism to prevent enterprises (who have converted) from making future purchases of CFCs. UNDP will also continue to assist countries put in place, or strengthen, verification mechanisms, both from a top-down approach - ensuring that appropriate licensing systems are in place, as well as a bottom-up approach – supporting enhancement

of government registries that detail purchasers of CFCs, as well as enterprises that have been assisted by the Fund.

- As far as meeting agreed targets, UNDP and Government staff will continue to work in partnership to establish the mechanisms for preparation of projects to be funded under the Plans (in accordance with MLF guidelines, independent technical reviews etc.), as well as to monitor their implementation (procurement of equipment/materials, list of equipment to be destroyed, technology selection regulations, etc.). Reports on progress, key to measuring success of implementation and phase-out, as well as identifying challenges, are the result of a collaborative effort between National Management teams and UNDP.

UNDP believes that the aforementioned measures will continue to assist countries to expedite implementation, as well as allow for a comprehensive assessment of additional needs at the country-level, thereby more effectively supporting the compliance-driven model. Specific ODP related information on on-going UNDP projects, on a country-by-country basis, has been provided as part of the BP tables. The measures above are intended, as before, to be extended to all programming, on-going and planned, so as to maintain momentum, accelerate implementation where required, improve supervision, as well as financial accountability, at the field level.

6.4. Country Developments and UNDP Efforts to Address Compliance

6.4.1. UNDP efforts in countries addressed by the Implementation Committee and by the MOP

UNDP is working to assist a number of countries address their compliance commitments, following issues raised by the Implementation Committee in 2006 and corresponding decisions taken by the 18th Meeting of the Parties in November 2006. These include countries where UNDP manages the Institutional Strengthening programmes, as well as countries where UNDP is playing a significant role in a particular sector. In addition to the measures mentioned above, the following efforts are being put in place:

- **Chile** – Further to the Party's report to the 37th Meeting of the Implementation Committee wherein it underlined that it would return to compliance with the Montreal Protocol's control measures for methyl chloroform in 2006, the Party has been invited to submit to the Secretariat, by 31 March 2007, an update on its efforts to introduce its import quota system and its progress in implementing alternatives to TCA in the solvent sector and to send, if necessary, a representative to the 38th Meeting of the Committee to report on the matter. UNDP, who will take on oversight management of Chile's Institutional Strengthening project in 2007, will continue to assist Chile in managing its consumption of TCA through its solvents plan currently in implementation and expected for completion by the end of the year.
- **Democratic Republic of Congo:** Having noted with appreciation that the Democratic Republic of Congo had submitted a plan of action for return to compliance with respect to its CTC and TCA consumption, Decision XVIII/21 nevertheless requested the Party to monitor its licensing system in order to ensure effective operation. UNDP, who is assisting the country in the implementation of its TPMP, will offer support to the Party to monitor this activity.
- **Dominica:** The Parties, through Decision XVIII/22, have encouraged Dominica to reduce its consumption of Annex I, Group I substances (CFCs) from 1.388 ODP T in 2005 to zero as of 2007, and to introduce by December 2006 a licensing system to monitor imports and exports of CFCs. UNDP is working in cooperation with UNEP to implement Dominica's RMP and will provide

support in assisting Dominica to achieve the aforementioned targets.

- **Eritrea:** Eritrea has reported an excess in consumption of Annex I, Group I substances (CFCs). MOP Decision XVIII/24 urged Eritrea to explain this excess. During 2007 UNDP will work, in its capacity as a cooperating agency with UNEP, on assisting Eritrea in reducing and eventually phasing out its CFC consumption within the context of the development and launch of its Terminal Phase Out Management Plan.
- **Guatemala:** The Government of Guatemala, in accordance with Implementation Committee recommendation 36/19, submitted a report on its commitment to ban, by 2005, imports of equipment that uses ozone-depleting substances. Implementation Committee recommendation 37/16 noted that the Party had specified that although the law introducing the ban had been approved, it could not enter into force until customs identification codes and other administrative arrangements were established. The Implementation Committee therefore, requested Guatemala to submit to the Secretariat, by no later than 31 March 2007, an update on the ban was expected to become operational. During 2007, UNDP will finalise completion of and submit a Terminal Phase-out Management Plan which will, inter alia, assist the Party in operationalising sound regulatory measures to support the Protocol's control measures.
- **Iran:** At the 37th Meeting of the Implementation Committee, it was noted that the Islamic Republic of Iran had reported consumption of Annex B, group II, controlled substance (CTC) that exceeded its allowable 2005 consumption level. At the recommendation of the Implementation Committee, the MOP adopted Decision XVIII/27 that requests the Islamic Republic of Iran to submit to the Secretariat as soon as possible, and by no later than 31 March 2007, an explanation for this deviation, a plan of action, if relevant, with time-specific benchmarks for ensuring the Party's prompt return to compliance, and to invite the Party, if necessary, to send a representative to the 38th meeting of the Committee to discuss the matter. In its capacity as the Party's Institutional Strengthening agency, UNDP will seek to lend support to the Government in fulfilling the terms of the Decision.
- **Kenya:** The Parties, under Decision XVIII/28, requested the Government of Kenya to gazette their ODS regulations by no later than December 2006. UNDP, as the Party's Institutional Strengthening agency, will endeavour to assist the Government in tracking the gazette status for its regulations.
- **Pakistan:** Noting the submission of a Plan of Action to ensure prompt return to compliance with the Protocol's carbon tetrachloride control measures, Decision XVIII/31 requests that progress with respect to implementation of the Plan of Action should be monitored, while noting however that "to the degree that the [Government of Pakistan] is working towards and meeting the specific Protocol control measures for carbon tetrachloride, it should continue to be treated in the same manner as a Party in good standing." In its capacity as the Party's Institutional Strengthening agency, UNDP will seek to lend support to the Government in monitoring the implementation of its Plan of Action.
- **Paraguay:** Under Decision XVIII/32, the MOP noted with concern that Paraguay had reported an excess of consumption of the Annex A, Group I, controlled substances (CFCs) in 2005 and requested the Party to submit to the Secretariat a plan of action, including time-specific benchmarks for ensuring the Party's prompt return to compliance, by no later than 31 March 2007. The Decision also indicated that the Party may wish to include within the plan import quotas and policy and regulatory instruments. In working with the Party on the formulation and submission of a Terminal Phase-out Management Plan in 2007, UNDP will support the Government in addressing the concerns raised in Decision XVIII/32.

6.4.2. UNDP efforts to support verification of Article 7 data (in support of Decision 41/16)

As part of the activities that UNDP will undertake in 2007, and as done in the past, UNDP will continue to work with National Ozone Units in partner countries to verify the consistency of their Article 7 data reporting and project phase-out data presented. The underlying aim of such an exercise is to ensure the accuracy of data in order to facilitate verification of phase-out achievements and identify potential and/or existing problem areas, such that remedial action, as necessary, may be initiated. In addition, lessons learned and recommendations gathered from independent verification reports are taken into consideration by UNDP and partner Governments in order to enhance reliability and consistency of data reporting.

6.4.3 UNDP efforts to sustain implementation of servicing sector projects in countries where UNDP has received funds for implementation of RMPs/TPMPs and/or components thereof

UNDP has implemented, and continues to implement, many activities in the refrigeration servicing sector. These include: early MLF domestic and MAC sector recovery and recycling projects, full RMPs approved prior to Decision 31/48, recovery and recycling RMP components, both pre- and post-Decision 31/48, end-user incentive programmes and more recently Terminal Phase Out Management Plans (TPMPs). UNDP maintains an active cooperation with UNEP on the implementation of projects in the servicing sector, where UNEP manages the non-investment and UNDP the investment components.

Over the course of 2007, UNDP will concentrate efforts on the formulation and implementation of TPMPs in order to assist countries in establishing strategic plans that allow for achievement of the 2007 CFC consumption reduction target and place them well on track to meet the upcoming 2010 100% phase-out target. UNDP will also collaborate in the formulation of Terminal Phase Out Plans required for compliance.

7. PERFORMANCE INDICATORS

UNDP 2007 Investment Project Performance Indicator Targets:

Decision 41/93 of the Executive Committee approved the following indicators to allow for the evaluation of performance of implementing agencies, with the weightings indicated in the table below. UNDP has added a column containing the “2007 targets” for those indicators. Some of these targets can be extracted from UNDP’s 2007 business plan to be approved at the 51st ExCom meeting in March 2007.

Category of performance indicator	Item	Weight	UNDP’s target for 2007	Remark
Approval	Number of annual programmes of multi-year agreements approved vs. those planned.	20	20	(See paragraph 4.5 above)
Approval	Number of individual projects/activities (DEM, INV, TAS, one-off TPMPs, TRA) approved vs. those planned	20	24	(14 TAS, 3 INV, 7 one-offs) (See paragraphs 4.4, 4.7)
Implementation	Milestone activities completed /ODS levels achieved for approved multi-year annual tranches vs. those planned	20	22	(See annex 1, table 2 – agreements for which ODS targets are to be met)
Implementation*	ODP phased-out for individual projects vs. those planned per progress reports	5	1,229	(See Table 11 page 11)
Implementation*	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	60	This can be better determined after progress report is submitted in May 06 but we took 60 as an estimate for the time being.
Implementation	Percentage of policy/regulatory assistance completed vs. that planned	10	67%	4 out of 6 → See Footnote below
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	On time	
Administrative*	Timely submission of project completion reports vs. those agreed	5	On time	
Administrative*	Timely submission of progress reports and responses unless otherwise agreed	5	On time	

Footnote:

UNDP plans to assist the following 6 countries:

- ❖ Armenia in regard to MOP Decision 18/20 as UNDP still has some GEF projects ongoing. (Armenia became a country under Article-5.1 after the GEF Council approval).
- ❖ Brazil, advising on MDI issues, regarding quota system for CFCs for MDIs; and in connection with the IS project.
- ❖ Iran in regard to MOP Decision 18/27 and in connection with the IS project
- ❖ Kenya in regard to MOP Decision 18/28 and in connection with the IS project
- ❖ Nigeria with regards to “banning of imports of ODS equipment by 2008”
- ❖ Pakistan in regard to MOP Decision 18/31 and in connection with the IS project

Some of the above proposals need to be confirmed with the countries concerned, which is why our target is 4 out of 6 (or 66.67%)

Annex I - Database (available on request)