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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-second Meeting  
Montreal, 23-27 July 2007

**AMENDMENTS TO UNEP WORK PROGRAMME FOR 2007**

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 RECOMMENDATION OF THE FUND SECRETARIAT

1. UNEP is requesting approval from the Executive Committee for US \$1,702,716 for amendments to its 2007 Work Programme Amendments, plus agency support costs of US \$189,696

2. The activities proposed in UNEP's Work Programme Amendments are presented in Table 1 below:

Table 1: UNEP's Work Programme Amendments

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
<b>SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL</b>			
<b>A1. Renewal of Institutional Strengthening</b>			
Democratic Republic of the Congo	Renewal of institutional strengthening project: phase IV	64,540	64,540
Viet Nam	Renewal of institutional strengthening project: phase VI	118,976	118,976
Subtotal for section A1:		183,516	183,516
<b>A2. Global technical assistance project</b>			
Global	MDI regional workshops	200,000	200,000
Subtotal for section A2:		200,000	200,000
<b>SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION</b>			
<b>B1. Renewal of Institutional Strengthening</b>			
El Salvador	Renewal of institutional strengthening project: phase V	60,000	30,000
Subtotal for section B1:		60,000	30,000
<b>B2. Global technical assistance projects:</b>			
Global	Study on challenges associated with halon banking in developing countries	40,000	For individual consideration
Global	Integrated enforcement training under the Montreal Protocol through Green Customs Initiative	92,000	For individual consideration
Subtotal for section B2:		132,000	
<b>B3. Activities in national phase out plans or other investment projects</b>			
Bangladesh	MDI transitional strategy	235,000	[1]
Bhutan	Terminal phase-out plan (single tranche)	40,000	[2]
Comoros	Terminal phase-out plan (first tranche)	77,000	[3]
Gabon	Terminal phase-out plan (first tranche)	65,000	[4]
Islamic Republic of Iran	MDI transitional strategy: non-investment components	118,200	[5]
Kuwait	Terminal phase-out plan (first tranche)	240,000	[6]
Madagascar	Terminal phase-out plan (first tranche)	133,000	[7]
Moldova	Terminal phase-out plan (first tranche)	74,500	[8]
Nepal	Terminal phase-out plan (first tranche)	35,000	[9]
Senegal	Terminal phase-out plan (first tranche)	109,500	[10]
Subtotal for section B3:		1,127,200	
Subtotal for sections A and B:		1,702,716	
Agency support costs (nil for institutional strengthening and 13 per cent for other activities):		189,696	26,000
<b>Total:</b>		<b>1,892,412</b>	<b>409,516</b>

[1] Considered under Document UNEP/OzL.Pro/ExCom/52/26

[2] Considered under Document UNEP/OzL.Pro/ExCom/52/27

[3] Considered under Document UNEP/OzL.Pro/ExCom/52/31

[4] Considered under Document UNEP/OzL.Pro/ExCom/52/34

[5] Considered under Document UNEP/OzL.Pro/ExCom/52/36

[6] Considered under Document UNEP/OzL.Pro/ExCom/52/38

[7] Considered under Document UNEP/OzL.Pro/ExCom/52/39

[8] Considered under Document UNEP/OzL.Pro/ExCom/52/42

[9] Considered under Document UNEP/OzL.Pro/ExCom/52/43

[10] Considered under Document UNEP/OzL.Pro/ExCom/52/48

## **SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL**

### **A.1 Renewal of Institutional Strengthening**

Democratic Republic of the Congo: Renewal of institutional strengthening project: (Phase IV):  
US \$64,540

Viet Nam: Renewal of institutional strengthening project: (Phase VI): US \$118,976

#### **Project descriptions**

3. UNEP submitted requests for the renewal of the institutional strengthening projects in the Democratic Republic of the Congo and Viet Nam. The descriptions of the institutional strengthening projects for the above countries are presented in Annex I to this document.

#### **Fund Secretariat's comments and recommendations**

4. The Fund Secretariat recommends blanket approval of the institutional strengthening renewal request for the Democratic Republic of the Congo and Viet Nam at the level of funding shown in Table 1. The Executive Committee may wish to express to the Governments of the Democratic Republic of the Congo and Viet Nam the comments which appear in Annex II to this document.

### **A2. Global technical assistance project**

Global: MDI regional workshops: US \$200,000

#### **Project description**

5. Following decision XVIII/16 of the Eighteenth Meeting of the Parties to the Montreal Protocol, and subsequently decision 51/8 (e) of the Executive Committee at its 51<sup>st</sup> Meeting, UNEP is submitting a request for funding regional workshops for metered dose inhalers (MDIs). Both decisions request that UNEP include this specific topic in any of thematic meetings being organised as part of the CAP networking activity.

6. In its submission, UNEP proposes to hold a series of eight regional workshops in each of the networks. It also proposes to undertake the following additional activities: collection of national information for the preparation of national MDI transition strategies for these countries, assist regional actions to reduce and eliminate dependency on CFC MDI imports, and develop a MDI tracker database to monitor progress during the transition from CFC to non-CFC MDIs.

7. UNEP also proposes to target relevant officials in both the national health and environment ministries of the countries. The workshop will aim to provide participants with practical information to promote work on national awareness with stakeholders. It also seeks to address problems that could impede the transition to CFC-free MDIs from the point of view of the health authorities, such as reluctance to withdraw CFC MDIs currently in the market due to health concerns, possible high initial cost of non-CFC MDIs and their availability in the market.

8. The proposal also mentions that this activity will also seek to provide advice to the Health authorities on an “as-needed” basis after the regional workshops are completed to assist with looking for solutions to problems in the transition, as these arise. Other target participants will include representatives from the World Health Organisation, other implementing and bilateral agencies.

#### **Fund Secretariat’s comments**

9. The Secretariat notes that while decisions XVII/14 and XVIII/16 of the Meetings of the Parties and decision 51/8 of the Executive Committee provides the overall objective for these regional workshops, the proposal submitted goes beyond the scope of what is requested of UNEP. While this is commendable, UNEP was reminded not to lose sight of their main task which is to complete these workshops in the most expedient way considering that CFC phase out is in two years. UNEP was therefore requested to provide a timetable for when these workshops are to be carried out.

10. The Secretariat also observed that in the funding proposed, UNEP indicates that the eight regional workshops could be implemented within the level of US\$160,000. The Secretariat requested a justification for the additional US \$40,000 allocated for international consultants and what their role will be in these workshops.

11. Following the Secretariat’s comments, UNEP revised this proposal and focused on ensuring that the workshops will be undertaken during the project period more efficiently, implementing these back-to-back with the network meetings. They have also indicated that these workshops will look more at general awareness and information on the current situation of non-CFC MDIs already available in the market, and provide practical advice to the countries themselves on how this transition can be done smoothly by using examples of countries who have done so. They will also look at how regional actions can be streamlined in order to assist countries in this transition period.

12. UNEP also revised the budget and provided a satisfactory justification on the need for consultants. These will be the experts that will assist in the workshops, and the costs requested will include their travel to each of the networks where the MDI workshops will be held. A timetable has been provided for when these workshops are to be held in each of the CAP networks.

#### **Fund Secretariat’s recommendation**

13. In light of the information provided in the Secretariat’s comments above, the Fund Secretariat recommends blanket approval of the request for regional workshops on MDI’s in Article 5 countries at the level of funding of US \$200,000, as indicated in Table 1 above.

## **SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION**

### **B1. Renewal of institutional strengthening projects**

El Salvador: Renewal of institutional strengthening project: (Phase V): US \$30,000

#### **Background:**

14. El Salvador reported consumption of the Annex B, Group II, controlled substance (carbon tetrachloride) of 0.8 ODP-tonnes in 2006. This represents a deviation from the Party's obligation under the Protocol to limit its consumption of carbon tetrachloride to no greater than 15 per cent of its consumption baseline for that substance, namely zero ODP-tonnes. The Ozone Secretariat wrote to the country on 29 March 2007 informing them of this situation and requested El Salvador to submit an explanation for this deviation. The 38<sup>th</sup> Meeting of the Implementation Committee held in Nairobi in June 2007 adopted a recommendation to request El Salvador to submit to the Secretariat as soon as possible, and no later than 1 August 2007, an explanation for this deviation and, if relevant, a plan of action with time-specific benchmarks for ensuring the Party's prompt return to compliance.

#### **Fund Secretariat's comments**

15. Phase IV of El Salvador's institutional strengthening project was approved by the Executive Committee at its 44<sup>th</sup> Meeting. While the country has received assistance for other sectors, there are no projects for the solvents sector since its baseline is zero.

#### **Fund Secretariat's recommendation**

16. In light of the information provided in the Secretariat's comments above, the Executive Committee may wish to consider approving the funding for one year only of phase V of the institutional strengthening project for El Salvador, at the level of funding of US \$30,000, without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance.

17. The Executive Committee may also wish to express additional comments to the Government of El Salvador in Annex II to this document.

### **B2. Global technical assistance projects**

Global: Study on challenges associated with halon banking in developing countries: US \$40,000

#### **Project description**

18. UNEP is seeking funding for a study to investigate the current situation and challenges associated with halon banking, and propose methods to improve the operation of halon banks in Article 5 countries that are funded under the Montreal Protocol. This proposal is prepared by UNEP in response to decision 51/8 whereby the Executive Committee specifically requests UNEP to look at halon banks in the context of their management capacities, quantities of halon

reclaimed and reused, problems experienced by these banks and strategies for sustainability without further support from the Multilateral Fund.

19. The approach that UNEP will take to develop the study will involve information and data collection directly from halon bank managers, NOU representatives and implementing and bilateral agencies who have assisted the identified countries in halon banking activities. It will also draw upon technical information from the Halons Technical Options Committee (HTOC) and other studies done on halon banking. Workshops and other fora might also be organised. The CAP Halon Management Officer will coordinate this project.

20. It is also proposed that once the study is completed, the resulting document will be published only in PDF format (portable digital file) and disseminated electronically. It will therefore not have associated printing costs.

#### **Fund Secretariat's comments**

21. The Secretariat notes that in approving the project for inclusion in UNEP's 2007 business plan, the Executive Committee was very clear that this study is in lieu of UNEP's initial proposal for long-term management of halon banks. While UNEP's proposal certainly describes the activities to be undertaken for the project, and provides a brief overview of a methodology, the Secretariat raised the issue that the proposal does not clearly show how this study will be different from the already completed evaluation of the halon banking projects. The Secretariat also requested UNEP to provide a breakdown of the requested funding of US \$40,000 submitted to this meeting.

22. In its response, UNEP indicated that the focus of the study will be on practical measures that halon bank managers can consider in order to improve the operation and sustainability of their halon banks, based on the experience of existing successful halon banking operations. They also added that in developing this study, the results of the Multilateral Fund evaluation on halon banking and other halon projects will be used as a key reference document, and its conclusions will help guide the direction of the study. It is expected that this current study will, however, go beyond what has already been completed by drawing on the detailed experience of the managers of successful halon banks in developed and developing countries to identify and distil the best practices and state of the art with regard to financing, management, and promotion. UNEP also provided a satisfactory breakdown of the proposed funding, as requested.

#### **Fund Secretariat's recommendation**

23. In light of the information provided in the Secretariat's comments above, the Executive Committee may wish to consider approving the request for the study on halon banking operations in Article 5 countries at the level of funding of US \$40,000, as indicated in Table 1 above.

Global: Integrated Enforcement training under the Montreal Protocol through the Green Customs Initiative: US \$92,000

**Project description**

24. UNEP is requesting funds for integrated training under the Montreal Protocol through the Green Customs Initiative. This proposal is prepared by UNEP in response to decision 51/8 whereby the Executive Committee agreed to maintain this activity as part of UNEP's business plan for 2007, while reserving the right to consider the amount of final funding based on a comprehensive proposal to be submitted to the 52<sup>nd</sup> Meeting. The Committee was very clear in its expectations of the proposal as outlined in this decision in that it should include, *inter alia*, a detailed description of how the Multilateral Fund resources would be used solely for including issues related to trade in ODS in the larger Green Customs Initiative, and of the relationship between Multilateral Fund resources and the resources being provided by other multilateral environmental agreements and bilateral agencies; a clear indication of the budget; an indication of the activity's relevance for the ozone layer and ODS; and a proposal that progress should be monitored with full accounting of monies spent in accordance with the Multilateral Fund and Executive Committee guidelines.

25. In its submission, UNEP describes the activities that will be implemented within this integrated training approach. These include regional train the trainers workshops, development of an e-learning module and a customs manual for issues specifically related to the Montreal Protocol, production of a training video, compilation of case studies illustrating success stories in combating illegal trade, holding two-day national workshops and regional fora on environmental crime back to back with existing workshops/meetings.

26. UNEP, through its DTIE office in Paris coordinates the Green Customs initiative. The participating partners include secretariats of the World Customs Organisation (WCO), Interpol, the Convention on International Trade in Endangered species of Wild Fauna and Flora (CITES), the Basel Convention on the Transboundary Movements of Hazardous Wastes and their disposal, the Rotterdam Convention on the Prior Informed Consent, the Stockholm Convention on Persistent Organic Pollutants, the Convention on Biodiversity, the Organisation for the Prohibition of Chemical Weapons (OPCW), and the Montreal Protocol. The document does not provide any information on whether there is a formal agreement in the form of a Memorandum of Understanding between the agencies supporting this initiative.

27. The submitted proposal also provides information on the financial resources available for this initiative, and a list of the donors. A total of US \$722,364 has been allocated to this initiative as of May 2007, for activities running until October 2007. The contributors include the following: Government of Norway (US \$538,290), Government of Finland (US \$45,000), Government of the Czech Republic (US \$17,000), OPCW (US \$47,807) and UNEP Division of Environmental Law and Conventions (US \$74,267).

28. Future funding beyond 2007 is envisaged from other bilateral sources, GEF co-financing for the chemical component, SAICM Quick Start Programme (Strategic Approach to Chemicals Management) and the private sector.

29. UNEP explains that the reasons for the particular relevance of this activity to ozone protection and ODS phase out include the following: that the Green Customs initiative promotes effective implementation of MEAs with trade components, including the Montreal Protocol, Green Customs partners have included Montreal Protocol issues in their training programmes to date without a specific funding contribution; Green Customs links security issues and organisations responsible for addressing these; and there is evidence of a stronger commitment and long term engagement of customs authorities when presented with a package of environmental trade issues rather than a single one at a time.

### **Fund Secretariat's comments**

30. The Secretariat notes that the submitted proposal does not fully address the information required in decision 51/8, in particular:

- (a) Other than the US \$75,000 mentioned to be used solely for the development of a Customs e-learning tool, there is no other information provided on how the Multilateral Fund's contribution will be used solely for covering issues related to ODS in the larger context of this initiative;
- (b) While the proposal mentions the funding available funding (see paragraph 27 above) being provided by other MEAs, there is no description of an overall plan that shows the relationship between these funds and those being requested under the project. UNEP was requested to provide an overall plan for the initiative that clearly identifies the specific contribution of the requested funding for each planned activity, *vis-à-vis* that which is already available; and
- (c) There is no clear description of how the monitoring as required by the decision will be undertaken.

31. It is also noted that the current resources listed are envisaged only until October 2007 while the proposal requests funding for three years. In addition, while the proposal describes the possibility of future funding and its sources, it does not describe how this will be done and whether there are informal commitments from other partners to provide funding after October 2007.

32. The Secretariat also noted the following with regards to the activities to be undertaken under the proposed budget:

- (a) The regional training for trainers workshops may constitute double counting with regards to the already funded Regional Enforcement network for Asia and the Pacific and LAC. Both projects already include the Green Customs initiative in their concepts, and in fact consider the need for an integrated approach for dealing with trade-related issues of MEAs as a driving force for the enforcement networks' establishment. UNEP responded that while activities in these two regional enforcement networks are complementary, there is a need for separate regional training to cover green customs. The agency will, however, endeavour to coordinate actions for these regional activities.

- (b) At the 48<sup>th</sup> Meeting, UNEP received US \$60,000 for updating the Customs Training manual. This update should include aspects of Green Customs since integrated training is being envisaged as an approach by UNEP. Additional funds requested for the development of a Montreal Protocol e-learning module for customs officials under this initiative could again constitute double counting. UNEP's attention was also drawn to the fact that similar e-training tools have already been developed for countries with funds from the Multilateral Fund (i.e. China and India) and adapting these using additional information should be done in a cost effective manner to build upon what is already available. UNEP clarified that costs will be revised to reflect these.
- (c) UNEP, through its CAP ROAP team has recently developed a video on illegal trade and risk profiling, footage which can be used as a basis for the proposed video to be done under this project. UNEP agreed to consider this and to revise the costs.
- (d) With reference to the proposed national workshops, UNEP still has some customs training programmes taking place in several countries under the RMP and in the future under approved TPMPs. The Secretariat suggests that these seven proposed programmes be undertaken within those already funded, and to make the countries with existing programmes a priority. In some cases, UNEP has already been integrating Green Customs concepts into the programme for customs training, and this has been done within the budgets allocated for Customs Training in each of the countries.
- (e) With regards to the costs being requested for case studies, the Secretariat draws UNEP's attention to the already approved funding of US \$120,000 for overall awareness activities included in UNEP's CAP budget. If it is deemed a priority to publish these case studies, funding should be reprioritized from this budget to cover this. UNEP however indicates that these funds are already allocated to International Ozone Day activities and cannot be used for this purpose.
- (f) With regards to the proposed contribution to coordination costs, UNEP explained that this would constitute the organisation's share for both professional and general service staff acting as Secretariat for the Green Customs initiative, travel costs for these staff, and consultants costs. The Secretariat pointed out that UNEP's CAP programme is already sufficiently funded with personnel costs as this would be redundant. The Secretariat also urged UNEP to look at these funds and that any additional personnel requirements for this activity should be considered by reprioritising these costs, within the approved funding.

33. The Secretariat emphasised that funding should be requested only for the period for which counterpart funds are available from the Green Customs partners, and where specific activities have been planned. UNEP has revised its proposal and taken all the above comments into consideration, and submitted a revised budget with costs for one year only of US \$92,000 along with a list of activities to be undertaken clearly specifying costs and the contribution of each partner. The Secretariat notes, however, that this new budget still includes US \$30,000 for coordination costs which should be covered from the CAP budget. This budget item is therefore not eligible under these circumstances as it constitutes double counting.

**Fund Secretariat's recommendation**

34. In light of the information provided in the Secretariat's comments above, the Executive Committee may wish to consider approval of the integrated enforcement training following the Green Customs initiative for one year only, without prejudice to future funding approvals for the remaining two years proposed for the project, at a reduced level of funding of US \$62,000 provided that:

- (a) In seeking future funding, UNEP presents a commitment in writing from Green Customs partners there is assured counterpart funds for the year that funds are being sought, and that an agreed work plan with specific cost contributions for each activity be provided for the Executive Committee's consideration; and
- (b) UNEP submits a report for the consideration of the Executive Committee covering the progress on implementation for the first year, including a full accounting of the funds used solely for issues related to trade in ODS.

**Annex I**

**INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS**

**Democratic Republic of the Congo: Renewal of institutional strengthening**

<b>Summary of the project and country profile</b>	
Implementing Agency:	UNEP
Amounts previously approved for institutional strengthening (US \$):	
Phase I: March 1999	32,270
Phase II: Dec. 2000	64,540
Phase III: July 2005	64,540
Total	161,350
Amount requested for renewal (Phase IV) (US \$):	64,540
Amount recommended for approval for Phase IV (US \$):	64,540
Agency support costs (US \$):	0
Total cost of institutional strengthening Phase IV to the Multilateral Fund (US \$):	64,540
Equivalent amount of CFC phase-out due to institutional strengthening Phase IV at US \$12.1/kg (ODP tonnes):	n/a
Date of approval of country programme:	March 1999
ODS consumption reported in country programme (1996) (ODP tonnes):	552.9
Latest reported ODS consumption (2005) (ODP tonnes):	312.6
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	665.7
(b) Annex A Group II (Halons) (Average 1995-1997)	218.7
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	15.3
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	4.8
(e) Annex E (Methyl bromide) (Average 1995-1998)	1.4
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	268.7
(b) Annex A Group II (Halons)	22.8
(c) Annex B Group II (Carbon tetrachloride)	16.5
(d) Annex B Group III (Methyl chloroform)	4.0
(e) Annex E (Methyl bromide)	0.6
(f) Annex C Group I (HCFCs)	0
Amount approved for projects (US \$):	3,300,756
Amount disbursed (as at March 2007) (US \$):	1,069,526
ODS to be phased out (ODP tonnes):	287.3
ODS phased out (as at March 2007) (ODP tonnes):	109.0

1. Summary of activities and funds approved by the Executive Committee:

<b>Summary of activities</b>		<b>Funds approved (US \$)</b>
(a)	Investment projects:	2,933,311
(b)	Institutional strengthening:	173,935
(c)	Project preparation, technical assistance, training and other non-investment projects:	193,510
	Total:	3,300,756

Progress report

2. During the past phase of the IS project in the Democratic Republic of the Congo, the implementation was going on satisfactorily. The National Ozone Unit (NOU) of the Democratic Republic of the Congo has been fully operational despite the current political instability. The NOU is constituted with two professionals with one of them working at full time while the other is at high-level decision making. This has allowed the NOU to work efficiently. Implementation of phase out projects was expedited allowing the country to come back to compliance. One of the main achievements is the effective enforcement of ODS regulations which are in place since early 2004 and the regular issuance of import permits. RMP activities are being successfully implemented and training of customs officers is ongoing alongside the enforcement of ODS regulations. Awareness activities are also being carried on and traders are encouraged to import equipment using alternative refrigerant; and the use of these alternatives is on the increase. The NOU also has been coordinating the implementation of investment projects under the RMP with UNDP as implementing agency.

3. With the support provided through the IS project, the NOU of the Democratic Republic of the Congo was able to collect data on ODS consumption and reported Article 7 data to Ozone Secretariat. Progress reports on country programme implementation were also sent timely to the Fund Secretariat.

Plan of action

4. During the next phase of the IS project, the NOU for the Democratic Republic of the Congo will be coordinating the implementation of all phase out activities of the country programme and the national phase-out plan. The Government of the Democratic Republic of the Congo will reinforce ODS regulations by putting in place a quota system to gradually limit the quantities of ODS imported in the country. The Government of the Democratic Republic of the Congo intends to provide more training to the refrigeration technicians and customs officers as well as other enforcement officers and undertake more awareness activities for the public and stakeholders. The funding of the IS project will allow the country to maintain full time NOU staff team which will be able to meet all reporting requirement to UNEP as implementing agency as well as to report progress to the Fund Secretariat and Article 7 data to Ozone Secretariat.

**El Salvador: Renewal of institutional strengthening**

<b>Summary of the project and country profile</b>	
Implementing Agency:	UNEP
Amounts previously approved for institutional strengthening (US \$):	
Phase I: May 1997	66,900
Phase II: Dec. 2000	44,600
Phase III: Nov. 2002	57,980
Phase IV: Dec. 2004	60,000
Total	229,480
Amount requested for renewal (Phase V) (US \$):	60,000
Amount recommended for approval for Phase V (US \$):	30,000
Agency support costs (US \$):	0
Total cost of institutional strengthening Phase V to the Multilateral Fund (US \$):	30,000
Equivalent amount of CFC phase-out due to institutional strengthening Phase V at US \$12.1/kg (ODP tonnes):	n/a

Date of approval of country programme:	May 1997
ODS consumption reported in country programme (1995) (ODP tonnes):	296.3
Latest reported ODS consumption (2006) (ODP tonnes):	21.2
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	306.6
(b) Annex A Group II (Halons) (Average 1995-1997)	0.7
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	0
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0
(e) Annex E (Methyl bromide) (Average 1995-1998)	0
Latest consumption of controlled substances (2006) (ODP tonnes):	
(a) Annex A Group I (CFCs)	0
(b) Annex A Group II (Halons)	0
(c) Annex B Group II (Carbon tetrachloride)	0.8
(d) Annex B Group III (Methyl chloroform)	0
(e) Annex E (Methyl bromide)	0
(f) Annex C Group I (HCFCs)	20.4
Amount approved for projects (US \$):	1,662,426
Amount disbursed (as at March 2007) (US \$):	1,160,839
ODS to be phased out (ODP tonnes):	115.2
ODS phased out (as at March 2007) (ODP tonnes):	58.0

#### 5. Summary of activities and funds approved by the Executive Committee:

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	1,236,086
(b)	Institutional strengthening:	243,975
(c)	Project preparation, technical assistance, training and other non-investment projects:	182,365
	Total:	1,662,426

#### Progress report

6. During the period from October 2005 to September 2007, El Salvador advanced in the implementation of the institutional strengthening project. In particular, the NOU was able to work together with the private sector in order to tackle the issue of ozone depletion. Particularly, the Governmental Ozone Committee was created, which is working well with the NOU and enabled consultations on projects. A project managed by UNIDO and with the coordination of UNEP was implemented during 2006. Several field trips to El Salvador were carried out.

#### Plan of action

7. The planned activities for the next phase, from October 2007 to September 2009, include the implementation of the import/export licensing system, as well as implementation of the refrigerant management plan (RMP). The country is also planning the ratification of the Beijing Amendment for October 2007. Activities to address issues of illegal trade and gathering ODS data will continue. The NOU also plans to continue public awareness activities for the general public as well as among policy and decision makers in order to keep ozone layer protection issues as a priority.

**Viet Nam: Renewal of institutional strengthening**

<b>Summary of the project and country profile</b>		
Implementing Agency:		UNEP
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: July 1995	137,280
	Phase II: July 1999	91,520
	Phase III: March 2001	91,520
	Phase IV: July 2003	118,956
	Phase V: July 2005	118,976
	Total	558,252
Amount requested for renewal (Phase VI) (US \$):		118,976
Amount recommended for approval for Phase VI (US \$):		118,976
Agency support costs (US \$):		0
Total cost of institutional strengthening Phase VI to the Multilateral Fund (US \$):		118,976
Equivalent amount of CFC phase-out due to institutional strengthening Phase VI at US \$12.1/kg (ODP tonnes):		n/a
Date of approval of country programme:		May 1996
ODS consumption reported in country programme (1993) (ODP tonnes):		702.1
Latest reported ODS consumption (2005) (ODP tonnes):		458.7
Baseline consumption of controlled substances (ODP tonnes):		
	(a) Annex A Group I (CFCs) (Average 1995-1997)	500.0
	(b) Annex A Group II (Halons) (Average 1995-1997)	37.1
	(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	1.6
	(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0.2
	(e) Annex E (Methyl bromide) (Average 1995-1998)	136.5
Latest consumption of controlled substances (2005) (ODP tonnes):		
	(a) Annex A Group I (CFCs)	234.8
	(b) Annex A Group II (Halons)	0.0
	(c) Annex B Group II (Carbon tetrachloride)	0.1
	(d) Annex B Group III (Methyl chloroform)	0.0
	(e) Annex E (Methyl bromide)	93.6
	(f) Annex C Group I (HCFCs)	130.2
Amount approved for projects (US \$):		5,942,906
Amount disbursed (as at March 2007) (US \$):		4,386,944
ODS to be phased out (ODP tonnes):		541.2
ODS phased out (as at March 2007) (ODP tonnes):		331.8

**8. Summary of activities and funds approved by the Executive Committee:**

<b>Summary of activities</b>		<b>Funds approved (US \$)</b>
(a)	Investment projects:	4,839,124
(b)	Institutional strengthening:	599,894
(c)	Project preparation, technical assistance, training and other non-investment projects:	503,888
	Total:	5,942,906

**Progress report**

9. During the implementation of the fifth phase of the institutional strengthening project in Viet Nam, the Government finally enacted the licensing system on 10 August 2005 and quotas for CFC, halon and CTC import were set for 2005-2010 in line with the Agreement between the Government and the Executive Committee under the National CFC and Halon Phase out Plan.

The Government also instituted a ban on the importation of CFC equipment banned by the Government as of January 2006. Awareness raising activities were done for television, radio and several newspapers.

#### Plan of action

10. During this new phase, the NOU will continue to coordinate all ODS phase-out activities, assisting in preparing training courses, maintaining good ties with representatives of other ministries, industry and other stakeholders. For the sixth phase, the NOU plans to assist the Government of Viet Nam to fully comply with the provisions of the Montreal Protocol, especially, 85% phase out target by 2007 and complete phase out by 2010 of consumption of Annexes A and B substances, by effectively operating its licensing system, implementing activities in the servicing sector and continuing awareness raising activities. The NOU will also supervise the implementation of the national methyl bromide phase-out plan.



## **Annex II**

### **VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 52<sup>nd</sup> MEETING**

#### **Democratic Republic of the Congo**

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for the Democratic Republic of the Congo and notes with appreciation that the country has reported data to the Ozone Secretariat showing that it reduced its CFC consumption in 2006 beyond the required 50% reduction. The Executive Committee notes however that in decision XVIII/21, The Democratic Republic of the Congo was in potential non-compliance with CTC and TCA control measures for 2006 and submitted an action plan for consideration. The Executive Committee notes with appreciation that the Democratic Republic of the Congo's reported CTC and TCA consumption for 2006 is consistent with the Party's commitments pursuant to decision XVIII/21 for returning to compliance. The Executive Committee is therefore hopeful that, in the next two years, the Democratic Republic of Congo will continue with the implementation of its country programme and related activities with outstanding success towards total phase-out of its ODS consumption ahead of the Montreal Protocol phase-out schedule.

#### **El Salvador**

2. The Executive Committee has reviewed the report submitted with the institutional strengthening project renewal request for El Salvador and notes with concern that El Salvador reported Article 7 data to the Ozone Secretariat that shows that it is in potential non-compliance with CTC control measures. The Executive Committee hopes that El Salvador will submit its action plan and fully implement it to immediately return to compliance. The Executive Committee also notes that El Salvador is committed to achieve the total ODS phase-out by the established deadlines. With the activities planned for the next phase, the Executive Committee is hopeful that El Salvador will continue phasing out ODS with outstanding success and accordingly.

#### **Viet Nam**

3. The Executive Committee has reviewed the report of the institutional strengthening project extension for Viet Nam and notes with appreciation that Viet Nam has reported data to the Ozone Secretariat indicating that Viet Nam is on track with the phase-out schedule in CFC consumption. Viet Nam has taken significant steps to phase out its CFC consumption. The Executive Committee is therefore hopeful that, in the next two years, Viet Nam will continue with the implementation of its country programme, the national CFC and halon phase-out plan and methyl bromide phase-out plan with outstanding success in the reduction of ODS consumption.





**AMENDMENT TO  
UNEP'S WORK PROGRAMME  
2007**

**Presented to the  
52<sup>nd</sup> Meeting of the Executive Committee  
of the Multilateral Fund for the Implementation  
of the Montreal Protocol**

**June 2007**

**United Nations Environment Programme**

## A. INTRODUCTION

1. UNEP submitted the Work Programme 2007 along with the Business Plan 2007-2009 for consideration of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol at its 51<sup>st</sup> meeting in March 2007.

2. This document, as submitted for consideration to the 52<sup>nd</sup> meeting of the Executive Committee represents an Amendment to the UNEP's Work Programme 2007.

## B. SUMMARY OF THE SECOND WORK PROGRAMME AMENDMENT FOR 2007

3. Consistent with the Business Plan 2007-2009, the Work Programme Amendment comprises funding requests for

- Implementation of Terminal Phase-out Management Plans in 8 countries;
- Three Global activities, and
- Renewal of support for the implementation of institutional strengthening projects in three countries;

4. Details of the Work Programme Amendment and the total funding requested are presented in the table 1.

Country	Project title	Amount, US\$	PSC, US\$	Total requested amount, US\$
<b>TERMINAL PHASE-OUT MANAGEMENT PLANS</b>				
Bhutan	Terminal phase-out management plan (Single tranche)	40,000	5,200	45,200
Comoros	Terminal phase-out management plan (2007 tranche)	77,000	10,010	87,010
Gabon	Terminal phase-out management plan (2007 tranche)	65,000	8,450	73,450
Kuwait	Terminal phase-out management plan (2007 tranche)	240,000	31,200	271,200
Madagascar	Terminal phase-out management plan (2007 tranche)	133,000	17,290	150,290
Moldova	Terminal phase-out management plan (2007 tranche)	74,500	9,685	84,185
Nepal	Terminal phase-out management plan (2007 tranche)	35,000	4,550	39,550
Senegal	Terminal phase-out management plan (2007 tranche)	109,500	14,235	123,735
<i>Sub-total for TPMPs</i>		<i>774,000</i>	<i>100,620</i>	<i>874,620</i>
<b>INDIVIDUAL GLOBAL PROJECTS</b>				
Global	Study on challenges associated with halon banking in developing countries	40,000	5,200	45,200
Global	MDI regional workshops	200,000	26,000	226,000
Global	Integrated enforcement training under the Montreal protocol through Green Customs Initiative	92,000	11,960	103,960
<i>Sub-total for Individual Projects</i>		<i>332,000</i>	<i>43,160</i>	<i>375,160</i>
<b>INSTITUTIONAL STRENGTHENING</b>				
Congo, DR	Renewal of institutional strengthening projects (Phase 4)	64,540	n/a	64,540
El Salvador	Renewal of institutional strengthening projects (Phase 5)	60,000	n/a	60,000

Vietnam	Renewal of institutional strengthening projects (Phase 6)	118,976	n/a	118,976
<i>Sub-total for Institutional strengthening project renewals</i>		<i>243,516</i>	<i>0</i>	<i>243,516</i>
<b>GRAND TOTAL</b>		<b>1,349,516</b>	<b>143,780</b>	<b>1,493,296</b>

Table 1. New funding requests to be considered at the 52<sup>nd</sup> meeting of the Executive Committee

5. Two project proposals for Iran and Bangladesh transitional strategies' non-investment components to be implemented by UNEP will be submitted to the Executive Committee by another Bilateral Agency as described in table 2.

Country	Project title	Amount, US\$	PSC, US\$	Total requested amount, US\$
<b>PROJECT PROPOSALS</b>				
Iran (with UNIDO)	Iran MDI transitional strategy: non-investment components	118,200	15,366	133,566
Bangladesh (with UNDP)	Bangladesh MDI transitional strategy	235,000	30,550	265,550
<i>Sub-total for individual projects</i>		<i>353,200</i>	<i>45,916</i>	<i>399,116</i>
<b>TOTAL</b>		<b>353,200</b>	<b>45,916</b>	<b>399,116</b>

Table 2. Items to be submitted to the 52<sup>nd</sup> meeting of the Executive Committee through other Implementing or Bilateral Agency for implementation by UNEP

**C. PROJECT CONCEPTS for items to be submitted by UNEP**

<b>1 Title:</b>	<b><i>Implementation of the terminal phase-out management plan in Bhutan: non-investment component (Single tranche)</i></b>	
<b>Background and objectives:</b>	<p>The Royal Kingdom of Bhutan has acceded to the Vienna Convention and the Montreal Protocol and its five Amendments in August 2004. Bhutan operates under the Article 5. In light of this, the Multilateral Fund approved US \$ 100,000 for the preparation of the CP/RMP of Bhutan and funding for Institutional Strengthening Project for the first year. The Country Programme/Refrigerant Management Plan (CP/RMP) prepared by UNEP and UNDP in consultation with the Government of Bhutan and was approved in July 2005. The CP/RMP assisted the country in meeting its 2005 objectives.</p> <p>The Terminal Phase-out Management Plan (TPMP) of Bhutan is prepared with a primary objective of ensuring full compliance of Bhutan with the Montreal Protocol control measures for 2007 and 2010. The principal strategy which is proposed to be adopted is of maximization of recovery and reclamation of CFCs from existing CFC-based refrigeration and air-conditioning equipment and using the same for servicing needs and retrofitting of existing CFC-based equipment with drop-in substitutes wherever feasible. This would be supported by training programs for refrigeration technicians, solvent sector, health sector on CFC free alternatives to CFC based MDIs and enforcement officers for implementation of regulations. Additional regulatory interventions to sustain ODS phase-out would also be implemented in the next 3 years by Bhutan.</p> <p>The Terminal Phase-out Management Plan will be implemented jointly by UNEP and UNDP. The item has been included in the UNEP's Business Plan 2007-2009</p>	
<b>Activities:</b>	<p>The following activities are planned under the UNEP's component:</p> <ul style="list-style-type: none"> <li>- Refreshing training of technicians;</li> <li>- Policy, regulatory and institutional support;</li> <li>- Capacity building for ODS phase-out in MDIs and CTC;</li> <li>- Coordination and monitoring.</li> </ul>	
<b>Description:</b>	See the project proposal submitted separately	
<b>Time Frame:</b>	TPMP: 36 months (2007 - 2010)	
<b>Cost:</b>	Requested amount (Excluding project support costs)	US\$ 40,000

<b>2 Title:</b>	<b><i>Implementation of the terminal phase-out management plan in Comoros: (first tranche)</i></b>	
<b>Background:</b>	<p>The Terminal Phase-out Management Plan (TPMP) for CFCs in Comoros built upon the progress made to date to reduce CFC consumption in order to ensure complete phase-out by 2010, at the latest. The project includes the following components: (1) Stakeholders Awareness Programme ;(2) Reporting and Monitoring of TPMP activities, (3) Training of Customs officers and review of ODS regulations ; (4) Strengthening of the Vocational Training Institute and; (5) Monitoring and reporting. All these components will be implemented by UNEP, in cooperation with the Bureau Ozone Comores (NOU) to ensure the final phase-out of CFCs and sustain the achievements of the Refrigeration Management Plan (RMP), Refrigeration Management Plan Update (RMPU) and Terminal management Plan (TPMP). The TPMP will be implemented into two phases, with funding for the second phase being requested at submission of a report on the implementation of the first phase. The attached project agreement includes milestones and expresses the commitment of Comoros to meet all the phase-out targets applicable to the ODS concerned by 2010 deadline, without further assistance from the Multilateral Fund. This is a non-Investment</p>	

TPMP and will be implemented by UNEP only. The item has been included in the UNEP's Business Plan 2007-2009

*Objectives:* For the implementation of the Montreal Protocol, the Parties are subjected to phase-out schedules defined according to their respective basic consumption of ODS. The obligation set for the parties was accompanied by financial and technical assistance under the programs and projects implemented in the countries since the inception of the Multilateral Funds. The implementation of those programs and projects led to substantial reduction of their ODS consumption and therefore allowed most countries to be in compliance with the target of 50% reduction by the year 2005. Like other developing countries, Comoros must now make additional efforts to ensure total phase-out of CFCs consumption by the year 2010. The actions required to ensure sustainable compliance are included in this Terminal Phase-out Plan whose implementation will allow the country to:

- Consolidate the assets of the previous programs
- Eliminate the remaining 15% of CFC consumption by 1 January 2010.

*Activities:* The TPMP includes the following components:

- Sensitizing of the stakeholders (decision makers, importers, distributors);
- Reinforcement of the regulatory system.
- Capacity building for refrigeration technician, customs officer and the media;
- Equipping of the workshops with small tool-kits for retrofitting and good practices
- Reinforcement of the logistic and didactic capacities of the National School of Professional Teaching of Anjouan (Refrigeration Department).

*Description:* See the project proposal submitted separately

*Time Frame:* TPMP: 36 months (2007 - 2010)  
2007 tranche: 12 months

*Cost:* Requested amount (Excluding project support costs) US\$ 77,000

**3 Title: *Implementation of the terminal phase-out management plan in Gabon: non-investment component (first tranche)***

*Background:* The Terminal Phase-out Management Plan (TPMP) of Gabon is based on the results achieved to date in reducing CFC consumption to bring it below the required 15% limit. The TPMP will allow Gabon to take the ultimate measures to ensure a total phase-out of its CFC ahead of the 2010 deadline. The project includes the following components: (1) a Technical Assistance Programme for the Retrofitting of Refrigeration Equipments (including MAC); (2) a Refresher Training for Customs Officers, (3) Training of Refrigeration Technicians in Good Practices and Retrofit to new Refrigerants; (4) Monitoring and reporting. All these components will be implemented by UNEP and UNDP, in cooperation with Gabon National Ozone Unit (NOU) to ensure total phase-out of CFCs and sustain the achievements of the Refrigeration Management Plan (RMP) and other past activities. The Gabon TPMP will also address ensure no other ODS (such as MeBr and CTC/TCA) are introduced in the country. The TPMP will be implemented in two phases, with funding for the second phase being requested at submission of a report on the implementation of the first phase. The attached project agreement includes milestones and expresses the commitment of the Gabonese Government to meet all the phase-out targets applicable to the ODS concerned by 2010 deadline, without further assistance from the Multilateral Fund. The item has been included in the UNEP's Business Plan 2007-2009

*Objectives:* The main objective of the TPMP is to set up and implement an action plan that will allow the country to meet its commitment of total phase phase-out of some ODS in compliance with

the Montreal Protocol schedule by 1<sup>st</sup> January 2010. The Terminal Phase out Management Plan (TPMP) of Gabon is a continuation of the Refrigerant Management Plan (RMP). It will allow for the complete phase-out of ODS consumed in the country, especially the CFCs in the refrigeration sector, and except for the HCFC which will be subject to of separate action plans.

*Activities:* The following activities are planned under the UNEP's component in 2007:

- Training for refrigeration technicians;
- Training of Customs officers;
- Reporting and monitoring.

*Description:* See the project proposal submitted separately

*Time Frame:* TPMP: 36 months (2007 - 2010)  
2007 tranche: 12 months

*Cost:* Requested amount (Excluding project support costs) US\$ 65,000

**4 Title: *Implementation of the terminal phase-out management plan in Kuwait: non-investment component (first tranche)***

*Background:* The Terminal Phase-Out Management Plan for Kuwait will result in the complete phase-out of CFCs between 2007 and 2010. The project addresses all remaining legible consumption of CFC which is 72.1 ODP Tones. The project includes training, technical assistance and investment activities. The TPMP will allow Kuwait to phase-out its CFCs consumption by January 2010. Because of the very nature of the project, it is essential to adopt a flexible approach in the implementation phase to allow the government to adapt and adjust the proposed strategy according to its needs in accordance with related flexibility decisions of the Multilateral Fund. The grant requested to the MLF by the government of Kuwait for the complete and final phase-out of CFCs in the refrigeration sector is US\$ 789,000 (these amounts do not include agency support costs). Funds will be disbursed in line with the attached agreement. As a results oriented agreement, second tranche payment will be based on the achievement of the objectives, in respect of the conditions included in the agreement. Implementing Agencies UNEP as LA & UNIDO as Cooperating Agency in consultation with the government of Kuwait agreed to take into consideration decisions 41/100, 45/54, 48/11 & 49/6 during the implementation of the TPMP to ensure achieving best results and outcomes of the project and ensure sustainable compliance with regard to CFC phase out

The State of Kuwait is a member of the Gulf Cooperation Council with an area of approximately 17,818 square kilometres. According to the records of The Public Authority of Civil Information, the estimated population is 3,180,000 in the year 2006. The population expected average growth rate for the next ten years will be from 3 to 5%. Kuwait occupies the north western corner of the Arabian Gulf, between latitudes 28-30 and 30-06 to the north of the Equator and between longitudes 46-30 and 48-30 to the east of Greenwich determines. The weather of the country is typical of the desert geographical region. Summer season extends for six months with daily mean maximum temperature ranges between 42 °C and 46 °C; it some times exceeds 50°C. Due to extended summer season and high temperature and humidity, air conditioning is a necessity in Kuwait. Every public and private building, house, office and car is air-conditioned.

In the eighties Kuwait witnessed a turning point in the government efforts for sustainable development and environmental protection. Environment Protection Law No. 62 was issued in 1980. Environmental protection gained more importance and increased attention in Kuwait particularly after the Environmental Crisis of the burning of the oil wells, and the comprehensive devastation and the associated military operations. Law No. 21 of 1995, as

amended under law No. 16 of 1996, established the Environment Public Authority (EPA), granting it the necessary powers to overcome the various environmental problems. Kuwait has accessed the Vienna Convention and Montreal Protocol in 1992, and London and Copenhagen amendments in 1994 and Montreal Amendment in 2003

The item has been included in the UNEP's Business Plan 2007-2009.

*Objectives and activities:*

The strategy set out in this TPMP aims to achieve a full and final phase out of all CFCs in Kuwait by the end of 2010. To achieve the phase-out schedule without significant disruption to the refrigeration supply additional activity or renewed effort need to be applied through:

1. Policy Update and Enforcement
2. Refrigeration Training, Certification & Standardization
3. Technical Assistance for the Servicing Sector
4. MAC R&R and Retrofitting Campaign
5. Project Implementation and Monitoring

*Description:*

See the project proposal submitted separately

*Time Frame:*

TPMP: 36 months (2007 - 2010)  
2007 tranche: 12 months

*Cost:*

Requested amount (Excluding project support costs) US\$ 240,000

**5 Title:**

***Implementation of the terminal phase-out management plan in Madagascar: (first tranche)***

*Background:*

The Terminal Phase-out Management Plan (TPMP) for CFCs in Madagascar shall be build upon the progress undertaken to date to reduce CFC consumption in order to ensure complete phase-out by 2010, at the latest. The project includes the following components: (1) Additional training for technicians in refrigeration in Good practices in refrigeration and retrofitting ;(2)Additional Training for customs officers, (3) Assistance Programme for the review of the ODS Decree and; (4) Monitoring and reporting. All these components will be implemented by UNEP, in cooperation with the Bureau National Ozone (NOU) -Madagascar. To ensure the final phase-out of CFCs and sustain the achievements of the Refrigeration Management Plan (RMP), Refrigeration Management Plan Update (RMPU) and Terminal management Plan (TPMP). The TPMP will be implemented into two phases, with funding for the second phase being requested at submission of a report on the implementation of the first phase. The attached project agreement includes milestones and expresses the commitment of Madagascar to meet all the phase-out targets applicable to the ODS concerned by 2010 deadline, without further assistance from the Multilateral Fund. This is a non-Investment TPMP and will be implemented by UNEP only. The item has been included in the UNEP's Business Plan 2007-2009.

*Objectives:*

The objectives of this project are:

To enable Madagascar to meet its obligations to phase out the consumption of Annex A CFCs under the Montreal Protocol, achieving complete phase-out by January 2010;

To achieve the CFC phase-out without compromising the performance or effectiveness of refrigeration systems in the country;

To minimize the economic impact to the country of achieving the CFC phase-out;

To ensure that measures are in place to sustain not only the CFC phase-out, but also sustain

zero consumption of other ODS controlled by the Montreal Protocol.

*Activities:*

The following activities are planned under the work plan for 2007:

- Banning of the import of all the ODS-containing equipment commencing in 2008;
- Gradually reducing and Banning of the import of ODS commencing in January 2010;
- Promoting the Good Practices in Refrigeration in the Domestic sub-sector and encouraging industrial and Commercial sub-sectors to continue the use of recovery and recycling equipment;
- Creating a centre for training and information exchange in order to keep the momentum regarding the use of Good practices in refrigeration and give to the technicians the possibilities to face the introduction of the new substances and technologies.

*Description:*

See the project proposal submitted separately

*Time Frame:*

TPMP: 36 months (2007 - 2010)  
2007 tranche: 12 months

*Cost:*

Requested amount (Excluding project support costs)                      US\$ 133,000

**6 Title:**

***Implementation of the terminal phase-out management plan in Moldova: non-investment component (first tranche)***

*Background and objectives:*

The Terminal CFC Phase-out Management Plan (TPMP) will result in the complete phase-out of CFCs by 1 January 2010. The project includes capacity building, technical assistance and investment activities. The TPMP will allow the Government of Moldova to phase-out its CFCs consumption by January 2010. Because of the very nature of the project, it is essential to adopt a flexible approach in the implementation phase to allow the Government to adapt and adjust the proposed strategy according to its needs.

The grant requested to the MLF by the Government of Moldova for the complete phase-out of CFCs in the refrigeration sector is US\$ 520,000 (excluding agency support costs). Funds will be disbursed in line with the attached Agreement between the Government of Moldova and the Executive Committee. As a results oriented Agreement, future payments will be based on the achievement of the objectives, in respect of the conditions included in the Agreement. This is a new terminal phase-out plan to be implemented jointly by UNEP and UNDP.

The item has been included in the UNEP's Business Plan 2007-2009

*Activities:*

The following activities are being proposed in the TPMP of Moldova:

Upgraded capability of the customs to ensure compliance and update of the current regulations to support the phase-out by strengthening the control of the use of ODS and the certification system for technicians;

Extend the training in improved service methods including the use of alternative refrigerants, oil handling, brazing with protective gas, test pressurisation and vacuum testing. This will extend the life time of equipment and reduce the concerns at the market of using alternative refrigerants and hygroscopic oils;

Improvement of the training capability of existing and future service technicians

Ensure that a system to establish a Code of Good Practice is initiated in the trade to support the implementation of new service methods that technicians have been trained on;  
Subsidies to upgrade service equipment;

Monitoring and evaluation by the PMU;  
Targeted information to the service technicians and equipment owners;

Improve the functionality of the handling of recovered refrigerants through a re-use scheme including training and providing equipment that can ensure that reclaimed refrigerant is of acceptable and verified quality before it is supplied back to the market;

*Description:* See the project proposal submitted separately

*Time Frame:* TPMP: 36 months (2007 - 2010)  
2007 tranche: 12 months

*Cost:* Requested amount (Excluding project support costs) US\$ 74,500

**7 Title: *Implementation of the terminal phase-out management plan in Nepal: non-investment component (first tranche)***

*Background*

In order that the activities proposed in the TPMP contribute to the TPMP objectives, it is important to develop credible assessments of CFC consumption patterns and trends in Nepal, both historical and in future, and a strategy to address the CFC demand. The demand for CFCs has generally shown a downward trend since 2000. Due to the seizure of an illegally imported CFC consignment in 2001, Nepal banned imports of CFCs from 2002 and reached an agreement with the MOP on disposal the seized CFCs. As such, Nepal's reported annual consumption of CFCs under Article-7F has been zero since 2001. The domestic demand is met through controlled release of CFCs from the seized consignment. From 2007 until 2009, not more than 4.05 ODP tonnes would be released in the market annually.

The activities proposed in the TPMP will aim to reduce the Nepal's CFC demand sustainably and in compliance with agreed annual levels and include provisions for supporting Government and industry in meeting these targets. The preliminary survey has identified more than 29 MDI products in the market, while the number of the patients in Nepal would be around 500,000. The NOU is collecting details information following Excom decision 51/34 and would make proposal to Excom later. Therefore under this TPMP, MDI issue would not be addressed.

This TPMP will be implemented jointly by UNEP and UNDP. The item has been included in UNEP's Business Plan 2007-2009.

*Objectives:*

The main objectives of the Nepal Terminal Phase-out Management Plan are:

- To enable Nepal to meet its Montreal Protocol obligations related to consumption and management of CFCs;
- To eliminate Nepal's consumption of virgin CFCs in a sustainable fashion, through development and implementation of a combination of investment, training, technical support and policy/management support components by 1 January 2010.

*Activities*

The rationale for the key activities selected under the TPMP is based on inputs from NOU, UNDP, UNEP, and representatives of the trade association, as well as analysis of the completed RMP/RMP Update activities. In order to meet the TPMP objectives, the following activities are proposed:

- Policy, regulatory and institutional support
- Training, capacity-building and awareness activities
- Technical assistance and equipment support for servicing and training establishments
- Technical assistance and incentive programme for end-users

- Coordination and monitoring

*Description:* See the TPMP project proposal submitted separately

*Time Frame:* TPMP: 36 months (2007 - 2010)  
2007 tranche: 12 months

*Cost:* Requested amount (Excluding project support costs) US\$ 35,000

**8 Title: *Implementation of the terminal phase-out management plan in Senegal: non-investment component (first tranche)***

*Background:* The Terminal Phase-out Management Plan (TPMP) for CFCs in Senegal shall be build upon the progress made to date to reduce CFC consumption in order to ensure complete phase-out by 2010, at the latest. The project includes the following components: (1) Review of the legislation and vulgarization (2) Centers for R&R and retrofit, (3) Training and identifiers for customs ; (4) Training and Tool kits for technicians and; (5) Monitoring and reporting. All these components will be implemented by UNEP and UNIDO, in cooperation with the National Ozone Office Senegal (NOO) to ensure the final phase-out of CFCs and sustain the achievements of the Refrigeration Management Plan (RMP), Refrigeration Management Plan Update (RMPU) and Terminal management Plan (TPMP). The TPMP will be implemented into two phases, with funding for the second phase being requested at submission of a report on the implementation of the first phase. The attached project agreement includes milestones and expresses the commitment of Senegal to meet all the phase-out targets applicable to the ODS concerned by 2010 deadline, without further assistance from the Multilateral Fund.

The item has been included in UNEP's Business Plan 2007-2009

*Objectives:* The main objectives of this TPMP project are:

- To enable Senegal to meet its obligations to phase out the consumption of Annex A CFCs under the Montreal Protocol, achieving complete phase-out by January 2010;
- To achieve the CFC phase-out without compromising the performance or effectiveness of refrigeration systems in the country;
- To minimize the economic impact to the country of achieving the CFC phase-out;
- To Consolidate the assets of the previous programs
- To ensure that measures are in place to sustain not only the CFC phase-out, but also sustain zero consumption of other ODS controlled by the Montreal Protocol after 2010 except HCFCs and Methyl Bromide.

*Activities:* The following activities are planned under the UNEP's component:

- Review of the ODS legislation and public awareness;
- Training for refrigeration technicians;
- Training for Customs officers;
- Monitoring.

*Description:* See the TPMP project proposal submitted separately

<i>Time Frame:</i>	TPMP: 36 months (2007 - 2010) 2007 tranche: 12 months	
<i>Cost:</i>	Requested amount (Excluding project support costs)	US\$ 109,500

**9 Title: *Study on challenges associated with halon banking in developing countries***

*Background:* Effective and sustainable halon bank management over the long term is the key for Article 5 countries to successfully comply with the halon provisions of the Montreal Protocol. While the global halon phase out is succeeding, Article 5 countries must focus on long-term strategic halon management and banking for critical uses. Some halon banks established by the Multilateral Fund are experiencing implementation challenges and require further assistance. An investigation is needed of the challenges associated with halon banking and proposals for improving halon banks. Such a study could help managers of Multilateral Fund-supported halon banks develop strategies and modalities that will ensure long-term sustainability of their halon bank operations to serve remaining critical uses.

This proposal is in accordance with Decision 51/8 (b) (iv), whereby UNEP was requested to submit a proposal for the study for the consideration of the 52nd Meeting of the Executive Committee.

*Objectives:* The objective of this project is to:

- Undertake a study to investigate the challenges associated with halon banking and propose methods for improving halon banks.
- Identify practical measures/guidance that halon bank managers can take/consider to improve the operation and sustainability of their halon banks, based on the experience of existing successful halon bank operations
- Contribute to the long term sustainability of halon banks established under the Multilateral Fund by helping developing country halon bank managers design and implement effective long-term strategies.

*Description:* This project will develop a study on the current state of halon banks supported by the Multilateral Fund, their management capacity, the business model and plan for the centers, the quantities of halon reclaimed and reused as a result of those banks, who has the halon to be recycled, who needs to buy halon, who is going to sell halon, how much is expected on a yearly and monthly basis. Have the centers done such a plan? And if not, why not? What would it take to perform a business plan for the ones that don't have it? The study will also identify the problems experienced by the centers, common challenges facing these banks, and strategies to ensure that the banks could operate without requesting further assistance from the Multilateral Fund. It will additionally include lessons from successful developed country halon banks that could help their counterparts in developing countries. The audience of the document are the managers of halon banks, but other interested parties in this sector should also find the document useful.

Information will be collected directly from halon bank managers, National Ozone Units, and the Implementing Agencies and bilateral agencies that have assisted the countries with establishing their halon banks. The information will be collected via email, telephone and other low-cost methods. The study will use the Multilateral Fund evaluation as a key reference document and its conclusions will help guide the direction of the study. It will also draw on Halon Technical Options Committee (HTOC) information, assessment and the halon sector evaluations conducted under the Multilateral Fund. If possible, it will also use existing expert meetings and other halon fora to collect additional information.

This study will be developed by experts drawn from the field and in consultation with the HTOC. UNEP's Compliance Assistance Programme (CAP) halon officer will manage the

project, with support provided by the Information Clearinghouse.

The study will be professionally layed out using desktop publishing software and distributed in PDF and CD-ROM formats (i.e. no hardcopy).

*Time Frame:*

*August 2007 – July 2008*

*Cost:*

*US\$ 40,000 (excluding agency support costs)*

*The estimated breakdown is as follows:*

Item	Amount in US\$
Consultant(s) to research and write the study	36,000
Editor	1,000
Layout	2,500
Production of CD-ROMs	500
<i>Total</i>	40,000

*Project Milestones:*

Task	Date (Months after approval)
Contract for Expert	3 months
Draft document	8 months
Final document available on web site	12 months
Submission of PCR	6 months after project completion

**10 Title:**

***Regional workshops in Metered dose inhalers (MDIs).***

*Background:*

From 1 January 2007 until phase out on 31 December 2009, developing countries must rely on 15% or less of their baseline CFC consumption to satisfy *all* uses, including those used in the refrigeration servicing sector and as a propellant in life-saving medication contained in metered-dose inhalers (MDIs). Sixteen Article 5 Parties manufacture their own CFC-based MDIs. Given the limited time to transition to CFC-free MDIs and the need to remain compliant with the requirements of the Montreal Protocol, these Parties are concerned that CFC quantities will be insufficient for CFC-MDI production and that, as a result, patients suffering from asthma and COPD will not have access to such medication. To address this situation, UNEP is proposing the following regional activities as outlined below.

Decision IV/25 does not allow developing countries to gain access to Essential Use exemptions that would allow the use of CFCs until after phase out, thereby making the 3-year period from 2007 to 2010 crucial for the transition to CFC-free MDIs while at the same time safeguarding patient health. Decision XVII/14 requested the Executive Committee to “...*consider appropriate regional workshops to create awareness and to educate stakeholders, including doctors and patients, on alternative MDIs and on the elimination of CFCs in MDIs*”. Decision XVIII/16 requested the ‘...*ExCom to consider including on the agenda of UNEP thematic regional workshops, information to clarify the steps required to advance the transition from CFC-MDIs.*’

Decision XVIII/16 also required all manufacturers in industrialised countries that export more than 10 tonnes of active ingredient in CFC-MDIs to an Article 5 Party, to provide information to that Party on steps that the manufacturer is taking to transition to CFC-free MDI exports, including the dates when the CFC-free MDIs are expected to be registered and on the market in the importing country; indicative information on pricing, licensing and/or technology transfer arrangements under consideration; and the exporting manufacturer’s contribution to, and participation in, programmes for educating health care professionals, government health authorities and patients on the transition to CFC-free MDIs.

In addition to the above decisions, in 2006 the MLF Secretariat provided a report that identified

two Parties, with CFC-MDI manufacturers within their territory, who would need special assistance to meet their CFC reduction targets. The MLF agreed, in the light of comments made by delegates at the 49<sup>th</sup> Meeting, to update its report for submission to the 51<sup>st</sup> Meeting.

*Objectives:*

Consistent with the above stated Decisions and MLF Report, and with regard to the conclusions of the MDI Thematic Meeting conducted as part of the South Asian Network Meeting held in Sri Lanka 4-5 December 2006, UNEP proposes a series of eight regional thematic workshops in Article 5 countries to promote the transition to CFC-free MDIs. These workshops would focus on the following key areas:

- a. Information dissemination on available alternative MDIs amongst the main stakeholders at the national and regional levels;
- b. Interaction with experts on specific country cases, this would cover practical aspects of ongoing national transition strategies and relevant sectoral data;
- c. In cooperation with other Implementing Agencies working in the different regions which are already assisting countries to develop and implement national transition strategies, to propose appropriate regional actions that could contribute to reducing and elimination of dependency on CFC-based MDI imports. These actions could facilitate countries to put in place, within the 3 year period available, licensing restrictions on imports of MDIs and pharmaceutical grade CFCs, leading in time to prohibition; registration of importers and manufacturers; and exploring the possibility for fiscal incentives to encourage CFC-free MDIs, including the provision of specialised and neutral advice on pricing mechanisms for CFC-free and CFC-MDIs.

*Description:*

The regional workshops would target relevant officials in Environmental and Health authorities with the aim of providing participants with practical information to promote work on national awareness / educational campaigns with stakeholders, including those involved in the medical community, clinics, pharmaceutical companies and retail agencies, child care centres, research institutes and universities, NGOs and national patient organizations.

Relevant representatives from the World Health Organisation would be invited to participate, as well as other Implementing and Bilateral Agencies of the MLF, in order to ensure efficient information exchange. It is also planned to engage up to two MDI sector experts for each of the eight workshops in order to consider related technical information, and provide responses to concerns of the participants that may be raised during the workshops.

Upon delivery of the regional workshops which will be held back-to-back with the main ODS officers network annual meetings, in close coordination with relevant implementing agencies operating in countries, further advice would be provided through CAP teams on an as-needed basis to the Health authorities. Environmental authorities would be encouraged to transition to CFC-free technology in the refrigeration sector in order to make available CFCs for potential MDI manufacture within the 15% consumption cap available until phase out.

These regional workshops would target a number of additional issues related to the transition to CFC-free alternatives, such as a general reluctance by Health regulators to withdraw CFC-MDIs in view of other more pressing health concerns; that some CFC-free MDIs may be authorized but not actually marketed; that CFC-free MDIs may appear prohibitively expensive initially; and that mechanisms are put in place to encourage the removal of CFC-MDIs so that they do not inhibit the adoption of CFC-free MDIs.

*Time Frame:* 12 months

*Cost:* US\$200,000 (Excluding project support costs)

Item	Estimated amount in US\$
Eight regional workshops	160,000 (approx. 20,000 per workshop)
Up to two experts for each of the eight workshops	40,000 (approx. 5,000 per workshop)
<b>Total:</b>	<b>200,000</b>

*Time frame:*

Region	Planned date
Region Latin America and the Caribbean (English)	August 2007
Region Africa (English)	May 2008
Region Southeast Asia	October 2007
Region West Asia	To be determined
Region South and Central America (Spanish)	November 2007
Region Africa (French)	April 2008
Region South Asia	To be determined
Region Europe and Central Asia	April 2008

*Project Milestones:*

Task	Number of months after project approval
First disbursement of funds	2
Identification and engagement of experts	2-3
Delivery of regional workshops	4-12
Submission of completion report.	6 months after the completion of the project activities

**11 Title:** *Integrated enforcement training under the Montreal Protocol through the Green Customs Initiative*

*Background:* Decision 51/8-f - Request that UNEP submit to the 52nd Meeting a more comprehensive proposal with respect to *[the Green Customs]* Initiative

*Objectives:* The objective of Green Customs is to enhance customs officers' capacity to detect and act effectively on illegal trade in environmentally-sensitive items covered by the relevant MEAs, and to assist them in the facilitation of legal trade in these items. The contribution from the Multilateral Fund will specifically focus on the Montreal Protocol components within the Initiative.

*Description:* Proposed activities:

- Regional Train-the-Trainer Workshops
- E-learning Modules
- Training Video
- Compilation of case studies
- National Workshops
- Regional Fora on environmental crime

*Time Frame:* July 2007 – June 2010

*Cost:* US\$92,000 (excluding agency support costs)

*Project Milestones:*

Task	Date (Months after approval)
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Submission of Plan of Action for Project Implementation	2 months
Submission of Report of Year 1 Activities of the Project	12 months
Submission of Report of Year 2 Activities of the Project	24 months
Submission of Report of Year 3 Activities of the Project And Final report of Project	36 months
Submission of PCR	6 months after project completion

**12 Title: *Requests for renewal of institutional strengthening projects for Congo DR, El Salvador, and Vietnam***

**Background:** Renewals of institutional strengthening projects (ISP) for the above-listed three countries are being requested in line with relevant decisions and guidelines of the Executive Committee.

These items have been included in the UNEP Business Plan 2007-2009.

**Objectives:** To assist the Governments of Article 5 countries in building and strengthening their capacity for the implementation of the Montreal Protocol and its Amendments.

**Description:** Individual documents for these projects – the terminal reports and the action plans - have been submitted to the Multilateral Fund Secretariat separately.

**Time Frame:** See Action Plans of respective ISP renewals submitted separately.

**Cost:** Total requested amount US\$243,516

**Project Milestones:**

<b>Task</b>	<b>Number of months after project approval</b>
Finalisation of ISP renewal, including budget allocation and activity plan under the new IS phase.	2
First disbursement of funds	3
Submission of progress and financial reports	As per UNEP's reporting guidelines
Submission of Terminal Report and Plan of Action for renewal.	1-2 months before the completion of the respective phase

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