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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

PROJECT PROPOSAL: NEPAL

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Phase-out

- Terminal phase-out management plan (first tranche) UNEP and UNDP

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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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
NEPAL**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

Terminal phase-out management plan (first tranche)	UNEP and UNDP
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SUB-PROJECT TITLES

(a) Policy, regulatory and institutional support	UNEP
(b) Training, capacity-building and awareness	UNEP
(c) Technical assistance and equipment support for servicing/training establishments	UNDP
(d) Technical assistance and incentive programme for end-users	UNDP
(e) Coordination and monitoring	UNEP

NATIONAL CO-ORDINATING AGENCY:	Nepal Bureau of Standards & Metrology
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF APRIL 2007)**

CFC	0.0		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2006, AS OF MAY 2007)

ODS	Aerosol	Foam	Ref. Mfg.	Ref. Servicing	Solvents	Process agent	Fumigant
CFC-12				12.0			

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN: Total funding US \$167,000 for UNEP and US \$159,000 for UNDP: total phase-out 2 ODP tonnes.

PROJECT DATA		2007	2008	2009	2010	Total
CFCs (ODP tonnes)	Montreal Protocol limit	4.1	4.1	4.0	0.0	n/a
	Annual consumption limit	4.1	4.1	4.0	0.0	n/a
	Annual phase-out from ongoing projects	0.0	0.0	0.0	0.0	0.0
	Annual phase-out newly addressed	8	0.0	4.0	0.0	12
	Annual unfunded phase-out	0.0	0.0	0.0	0.0	0.0
TOTAL ODS CONSUMPTION TO BE PHASED OUT						
Total ODS consumption to be phased-in (HCFCs)						
Final project costs (US \$):						
Funding for Lead IA: UNEP		35,000	35,000	-	-	70,000
Funding for Cooperating IA: UNDP		75,000	25,000	-	-	100,000
Total project funding		110,000	60,000	-	-	170,000
Final support costs (US \$):						
Support cost for Lead IA: UNEP		4,550	4,550	-	-	9,100
Support cost for Cooperating IA: UNDP		6,750	2,250	-	-	9,000
Total support costs		11,300	6,800	-	-	18,100
TOTAL COST TO MULTILATERAL FUND (US \$)		121,300	66,800			188,100
Final project cost effectiveness (US \$/kg)						n/a

FUNDING REQUEST: Approval of funding for the first tranche (2007) as indicated above.

SECRETARIAT'S RECOMMENDATION	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Nepal UNEP, as the lead implementing agency, has submitted a terminal CFC phase-out management plan (TPMP) for consideration by the Executive Committee at its 52nd Meeting. The project will also be implemented with assistance from UNDP.

2. The total cost of the Nepal TPMP as originally submitted is US \$295,000 plus agency support costs of US \$13,650 for UNEP and US \$14,250 for UNDP. The project proposes the complete phase-out of CFCs by the end of 2009. The CFC baseline for compliance is 27.0 ODP tonnes.

Background

3. In regard to the phase-out of CFCs in the refrigeration-servicing sector, the Executive Committee allocated US \$246,194 to UNDP and UNEP at its 28th Meeting for the implementation of training programmes for refrigeration service technicians and customs officers, a recovery and recycling programme, information dissemination activities, and a programme for monitoring and control of CFCs (UNEP/OzL.Pro/ExCom/28/38). An additional US \$120,797 was approved for UNDP and UNEP for the refrigerant management plan (RMP) update at its 44th Meeting, which included a sub-project to strengthen the recovery and recycling programme approved at the 28th Meeting and assistance to the Government to remain in compliance with the Montreal Protocol (UNEP/OzL.Pro/ExCom/44/49). At its 49th Meeting, the Executive Committee also approved a technical assistance programme to phase-out 0.9 ODP tonnes of CTC, and allocated US \$40,000 plus agency support costs of US \$5,200 for UNEP.

4. Implementation of the activities in the refrigeration-servicing sector resulted in the training of over 450 refrigeration service technicians in good servicing practices, and 53 customs officers. It also led to the establishment of two recovery and recycling centres, provision of 30 units of recovery kits for end users and the distribution of 40 units of refrigeration equipment to service technicians. Several public awareness and information dissemination activities were also completed.

Policy and legislation

5. After its ratification of the Montreal Protocol in 1996, the Government of Nepal promulgated several ozone-protection related laws and regulations, which provide the legal framework for ODSs phase-out. The strategy for ODS phase out was promulgated in 2000, while the Ozone Depleting Substances Consumption Rules which included the ODS import/export licensing system were enforced starting 2001.

Refrigeration servicing sector

6. Of the total 12 ODP tonnes of CFC used in the refrigeration servicing sector in 2005, 4.0 ODP tonnes are used for servicing domestic refrigerators, 6.0 ODP tonnes for commercial and industrial refrigeration systems, and 2.0 ODP tonnes for MAC units.

7. There are 500 refrigeration servicing workshops in the country, with about 200 senior technicians and 600-1000 skilled workers. In the MAC servicing sector, it is estimated that there are 30 workshops. Fifteen of these MAC workshops have already been assisted under the RMP and the RMP update.

8. The current prices of refrigerants per kg are: US \$3.00 for CFC 12, US \$9.00 for HFC 134a, US \$2.5 for HCFC-22, and US \$23.0 for R407c and R410a.

Activities proposed in the TPMP

9. The following activities are proposed to be implemented through the TPMP project:

- (a) Policy, regulatory and institutional support;
- (b) Training, capacity building and awareness;
- (c) Technical assistance and equipment support to servicing and training establishments;
- (d) Technical assistance and incentive programme for end users; and
- (e) Project implementation and monitoring.

10. The Government of Nepal plans the complete phase-out of CFCs by 1 January 2010. A detailed work plan for 2007 has been submitted with the TPMP proposal.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Non-compliance decisions for Nepal

11. The Parties to the Montreal Protocol have taken the following non-compliance related decisions for Nepal:

- (a) At their 14th Meeting, the Parties noted that for the July 2000 to June 2001 control period, Nepal was in non-compliance with its obligations under Article 2A of the Protocol, and requested Nepal to submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance (decision XIV/23);
- (b) At their 15th Meeting, the Parties noted that Nepal reported that 74 ODP tonnes of CFCs have been detained by its customs authorities as the shipment lacked an import license and, therefore, wished to report the quantity as illegal trade under the terms of decision XIV/7 (paragraph 7 of decision XIV/7 provides that "the illegally traded quantities should not be counted against a Party's consumption provided the Party does not place the said quantities on its own market"). The Parties concluded that if Nepal decides to release any of the seized quantity of CFCs into its domestic market, it would be considered to be in non-compliance

with its obligations under Article 2A of the Protocol and would be required to fulfil the terms of decision XIV/23, including the submission of a plan of action with time-specific benchmarks to ensure a prompt return to compliance (decision XV/39); and

- (c) At its 16th Meeting, the Parties noted Nepal's submission of its plan of action through which it committed to release no more than the following amount of CFCs in each year as follows: 27.0 ODP tonnes in 2004; 13.5 ODP tonnes in 2005; 13.5 ODP tonnes in 2006; 4.05 ODP tonnes in 2007; 4.05 ODP tonnes in 2008; 4.00 ODP tonnes in 2009; zero in 2010, excluding essential uses that may be authorized by the Parties. The Parties also requested Nepal, *inter alia*, to report annually on the quantity of CFCs released pursuant to this decision and to ensure that any quantities of CFCs remaining after 2010 are not released onto its market except in compliance with Nepal's obligations under the Protocol (decision XVI/27).

12. The 2005 CFC consumption reported by the Government of Nepal under Article 7 of the Montreal Protocol is zero. No new imports of virgin CFCs are allowed in Nepal following paragraph 11 above.

Level of funding and implementation modalities

13. During the review of the TPMP, the Secretariat noted that:

- (a) Nepal has already been able to reduce the use of CFCs from an annual average use of 20 MT to zero within four years from 2001-2004, presumably through the activities undertaken under the RMP, and use of recovered CFCs and alternatives;
- (b) The country now has a fully operational regulatory ODS framework that requires mandatory licensing of imports, registration of importers and bulk end users, prohibits the import of CFC containing products and requires a strict reporting system for ODS importers and users. It even requires a freeze on the maximum quantity of HCFCs that can be imported until 2015;
- (c) An ODS Information/Enforcement Centre has been established within the country to respond to issues of border trade control, and to act as the focal point for the further development of enforcement tools and intensified training and awareness programme to combat illegal trade. Additional capacity building can be provided through the enforcement network in South Asia being managed by the CAP, if needed;
- (d) There is a large percentage of skilled and trained technicians in the refrigeration servicing industry; and
- (e) There is potential to use drop-in refrigerants that are currently available in the country since the trend for the use of refrigerants is shifting from CFCs to alternatives.

14. Based on the above, the Secretariat discussed with UNEP and UNDP the technical issues related to the current levels of CFC consumption in Nepal by type of equipment, the availability of new alternatives on the market, the status of the recovery and recycling equipment that was purchased through the RMP, issues related to the technical viability of an incentive programme, and the potential for retrofitting including the use of drop-ins in commercial refrigeration equipment. These issues have been addressed and incorporated in the final project proposal.

15. UNEP and UNDP considered the Secretariat's suggestions and adjusted the sub-project components of the TPMP accordingly. The final amount agreed for the TPMP is US\$170,000 plus support costs at the amount of US \$18,100.

Agreement

16. The Government of Nepal submitted a draft agreement between the Government and the Executive Committee with the conditions for the complete phase-out of CFCs in Nepal, which is contained in Annex I to the present document.

RECOMMENDATION

17. The Secretariat recommends blanket approval of the terminal phase-out management plan for Nepal. The Executive Committee may wish to:

- (a) Approve, in principle, the terminal phase-out management plan for Nepal, at the amount of US \$70,000 plus agency support costs of US \$9,100 for UNEP and US \$100,000 plus support costs of US \$9,000 for UNDP;
- (b) Approve the draft agreement between the Government of Nepal and the Executive Committee for the implementation of the terminal phase-out management plan as contained in Annex I to this document;
- (c) Urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan; and
- (d) Approve the first tranche of the plan at the funding levels shown in the table below:

	Project Title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	Terminal phase-out management plan (first tranche)	35,000	4,550	UNEP
(b)	Terminal phase-out management plan (first tranche)	75,000	6,750	UNDP

Annex I

DRAFT AGREEMENT BETWEEN NEPAL AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE-DEPLETING SUBSTANCES

1. This Agreement represents the understanding of the Government of Nepal (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 9 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2 -A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for the applicable year;
 - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
 - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration-servicing sub-sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. (The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will

be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA (and the Cooperating IA) to facilitate implementation of this Agreement. In particular, it will provide the Lead IA (and the Cooperating IA) with access to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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APPENDIX 2-A: THE TARGETS, AND FUNDING

		2007	2008	2009	2010	Total
CFCs	1 Montreal Protocol reduction schedule (ODP tonnes)	4.1	4.1	4	0	n/a
	2 Max. allowable total consumption of CFCs (ODP tonnes)	4.1	4.1	4	0	n/a
	3 Reduction from on-going projects (ODP tonnes)	0	0	0	0	0
	4 New reduction under plan (ODP tonnes)	8	0	4	0	12
	5 Unfunded reductions (ODP tonnes)	0	0	0	0	0
	6 Total annual reduction (ODP tonnes)	8	0	4	0	12
	7 Lead IA agreed funding (US \$)	35,000	35,000	-	-	70,000
	8 Cooperating IA agreed funding (US \$)	75,000	25,000	-	-	100,000
	9 Total agreed funding (US \$)	110,000	60,000	-	-	170,000
	10 Lead IA support costs (US \$)	4,550	4,550	-	-	9,100
	11 Cooperating IA support costs (US \$)	6,750	2,250	-	-	9,000
	12 Total agreed support costs (US \$)	11,300	6,800	-	-	18,100
	13 Grand total agreed funding (US \$)	121,300	66,800	-	-	188,100

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the second meeting of 2007 and 2008.

APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country _____
 Year of plan _____
 # of years completed _____
 # of years remaining under the plan _____
 Target ODS consumption of the preceding year _____
 Target ODS consumption of the year of plan _____
 Level of funding requested _____
 Lead implementing agency _____
 Cooperating agency(ies) _____

2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) – (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. Technical Assistance

Proposed Activity:
 Objective:
 Target Group:
 Impact:

5. Government Action

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

7. Administrative Fees

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the national phase-out plan. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Nepal Bureau of Standards and Metrology) with assistance from UNDP and UNEP Regional Offices in Bangkok.

2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Nepal for related auditing. Based on discussion with the Lead IA, Nepal should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Annual Implementation Programme;

- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Nepal consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY

1. The Cooperating IA will:

- (a) Provide policy development assistance when required;
- (b) Assist Nepal in the implementation and assessment of the activities funded for by the Cooperating IA; and
- (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

NEPAL
Annex II

(1) PROJECT TITLE: Terminal phase-out management plan

(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS: Not applicable for first tranche

(3) ARTICLE 7 DATA (ODP TONNES)

Substances	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CFC	27.0	25.0	27.0	29.0	32.9	25.0	94.0	0.0	0.0	0.0	0.0	0.0
CTC	0.9	1.1	1.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.1
Halons	2.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MBR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TCA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: A7 Data from the Ozone Secretariat

(4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)

Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco Fluffing	Total
				Manufacturing	Servicing					QPS	Non-QPS		
CFC					12.0								12.0
CTC						0.1							0.1
Halons													0.0
MBR													0.0
TCA													0.0

Source: Country Programme Data

(5) PHASE-OUT (ODP TONNES)

Substances	Calendar year	2004	2005	2006	2007	2008	2009	2010	Total	Decision
CFC	Maximum Allowable Consumption (Agreement; per substance if valid)				4.1	4.1	4.0	0.0		
	Compliance Action Target (MOP)	27.0	13.5	13.5	4.1	4.1	4.0	0.0		Decision XVI/27
	Reduction Under Plan				8.0	0.0	4.0	0.0	12.0	
	Remaining Phase-Out to be Achieved									

Source: Agreement, Inventory, Progress Report, MOP Report, Project Document (Annual Plan) and Verification Reports.

(6a) PROJECT COSTS (US\$)

Calendar year	2003	2004	2005	2006	2007	2008	2009	Total
UNEP								
Funding as per Agreement					35,000	35,000	0	70,000
Disbursement as per Annual Plan					0	0	0	0
[Comments]								
UNDP								
Funding as per Agreement					75,000	25,000	0	100,000
Disbursement as per Annual plan					0	0	0	0
[Comments]								

Source: Agreement, Inventory, Progress Reports and Project Document (Annual Plan)

(6b) SUBMISSION SCHEDULES (planned and actual)

Submission year as per agreement	2003	2004	2005	2006	2007	2008	2009
UNEP/UNDP							
Planned submission as per Agreement					Jul-07	Jul-08	
Tranche Number					1	2	

Source: Agreement, Inventory and Final ExCom Report Decisions

(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS

	2005
	Country Programme
Establishing general guidelines to control import (production and export) of ODS	
ODS Import/Export licensing or permit system in place of bulk ODSs	Yes
Regulatory procedures for ODS data collection and reporting in place	Yes
Requiring permits for import or sale of bulk ODSs	Yes
Quota system in place for import of bulk ODSs	Yes
Banning import or sale of bulk quantities of:	
CFCs	Yes
Halons	
Other ODSs (CTC, TCA, methyl bromide)	
Banning import or sale of:	
Used domestic refrigerators or freezers using CFC	Yes
MAC systems using CFC	No
Air conditioners and chillers using CFC	Yes
CFC-containing aerosols except for metered dose inhalers	No
Use of CFC in production of some or all types of foam	No
Enforcement of ODS import controls	
Registration of ODS importers	Yes
Qualitative assessment of the operation of RMP	
The ODS import licensing scheme functions	Very Well
The CFC recovery and recycling programme functions	Very Well

Source: Country Programme and Verification Report

(8) IMPLEMENTATION DETAILS: Not applicable for first tranche

(9) Annual plan submitted compared to overall plan

	Activities		Budget		Explanations
	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]	
Policy, Regulatory and Institutional support			11,000		
Training workshops for enforcement officers	2				
Strengthening ODS information / enforcement centre	1				
Cross border workshop	1				
Support regulation development meeting	1				
Support ratification of amendments	1				
Support management of CFC stocks	1				
Good Practices in Refrigeration			12,000		
Train the Trainers workshop	1				
Training workshop by trained trainers	2				
Strengthening vocational schools	1				
Refrigeration Service investment component			75,000		
Training equipment to National Training Centre	1				
Servicing equipment supply	100				
MAC recovery and recycling equipment	10				
End user conversion of domestic and commercial equipment	250				
End user conversion of MAC	100				
End user conversion of industrial equipment	2				
Methyl Bromide Component			5,000		
Methyl Bromide Workshop	1				
PMU & Monitoring	1		7,000		
Unforeseen Activities					

(10) REQUESTED FUNDS

	Impact in ODP tonnes	Project cost (US \$)	Support cost (US \$)	Total
UNEP	0	35,000	4,550	39,550
UNDP	12.2	75,000	6,750	81,750
Total	12.2	110,000	11,300	121,300

(11) SECRETARIAT'S RECOMMENDATION: FOR BLANKET APPROVAL