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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fortieth Meeting
Montreal, 16 -18 July 2003

WORK PROGRAMME AMENDMENTS OF THE WORLD BANK

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. The World Bank is requesting approval from the Executive Committee for US \$504,000 as amendments to its 2003 Work Programme plus agency support costs of US \$37,800.
2. The activities proposed in the Work Programme Amendments of the World Bank are presented in Table 1 below:

Table 1: Work Programme Amendments of the World Bank

Country	Activity/Project	Amount Requested US \$	Amount Recommended US \$
I. Project preparation			
Oman	Project preparation funds for a halon management plan	10,000	0
Subtotal for project preparation		10,000	0
II. Renewal of institutional strengthening projects:			
	ODP tonnes		
Jordan	Renewal of institutional strengthening project: phase V	12.18	147,333
Thailand	Renewal of institutional strengthening project: phase III	28.65	346,667
Subtotal for institutional strengthening projects		494,000	494,000
Subtotal		504,000	494,000
Agency support costs (7.5 percent):		37,800	37,050
Total:		541,800	531,050

I. Project Preparation

Oman: Project preparation funds for a halon management plan (US \$10,000)

Project description

3. The Government of Germany received US \$17,000 to prepare a halon bank project for Oman. Germany reported in its 2002 progress report submitted to the 40th Meeting that it had disbursed US \$12,240 of that amount. The World Bank received a request from the Government of Oman to both include this activity in the World Bank's 2003 business plan and to request funds for its preparation.

Fund Secretariat's comments

4. Oman's 2002 halon consumption was 6.2 ODP tonnes against a baseline of 13.7 ODP tonnes. The 2002 consumption represents 0.37 metric tonnes of halon 1211 and 0.51 metric tonnes of halon 1301. With this ratio of halon 1211 to halon 1301, Oman may be considered a country with a low-level of installed capacity. As such, Oman may qualify for a one-time funding grant of US \$25,000.

5. Therefore, the amount of funds approved for Germany plus the request from the World Bank may together cost more to prepare the project than the level of funds Oman might receive.

Fund Secretariat's recommendation

6. The Executive Committee may wish to urge Germany to complete its preparation of the project to enable the World Bank to implement the project.

II. Renewal of institutional strengthening projects

(a)	Jordan (phase V)	(US \$147,333)
(b)	Thailand (phase III)	(US \$346,667)

Project descriptions

7. The descriptions of the institutional strengthening projects for the above countries are presented in Annex I to this document.

Fund Secretariat's recommendations

8. The Fund Secretariat recommends blanket approval of the above projects at the funding levels shown in Table 1. The Executive Committee may also wish to express additional comments to the Governments concerned in Annex II to this document.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Jordan: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		World Bank
Amount originally approved:		
	Phase I June 1992	US \$170,000
	Phase II: May 1997	US \$133,333
	Phase III: July 1999	US \$133,333
	Phase IV: July 2001	US \$133,333
	Total	US \$569,999.00
Amount requested for renewal (US \$):		147,333
Amount recommended for approval (US \$)		147,333
Agency support costs (US \$)		11,050
Total cost of institutional strengthening Phase V to the Multilateral Fund		158,383
Equivalent amount of CFC phase-out due to institutional strengthening Phase V at US \$12.1/kg (ODP tonnes)		12.18
Date of approval of country programme		June 1993
ODS consumption reported in country programme (1991), (ODP tonnes)		905.0
Latest reported ODS consumption (2002)* (ODP tonnes)		397.6
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		673.3
(b) Annex A Group II (Halons) (Average 1995-1997)		210.0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		40.3
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		18.2
(e) Annex E (Methyl bromide) (Average 1995-1998)		186.3
Latest consumption of controlled substances (ODP tonnes)*:		
(a) Annex A Group I (CFCs)		191.8
(b) Annex A Group II (Halons)		63.0
(c) Annex B Group II (Carbon tetrachloride)		6.6
(d) Annex B Group III (Methyl chloroform)		15.0
(e) Annex C Group I (HCFCs)		31.2
(f) Annex E (Methyl bromide)		90.0
Amount approved for projects (US \$)		20,099,882
Amount disbursed (as at April 2003) (US \$):		11,829,671
ODS to be phased out (ODP tonnes)		1,951.4
ODS phased out (as at April 2003) (ODP tonnes)		748.6

* Data reported by Jordan to the Fund Secretariat on 15 April 2003

1. Funds for the following activities have been approved by the Executive Committee:

		<u>US \$</u>
(a)	Country programme preparation	168,154
(b)	Project preparation	1,211,513
(c)	Training	122,323
(d)	Technical assistance (including institutional strengthening)	1,155,036
(e)	Investment projects	16,775,017
(f)	Demonstration	667,839
	Total:	20,099,882

Progress report

2. Jordan has ratified all the amendments to the Montreal Protocol. During the Phase IV of Jordan's institutional strengthening project (July 2001-June 2003) the NOU of Jordan supervised the implementation of approved ongoing investment projects for the country, including the refrigerant management plan, umbrella projects in the commercial refrigeration sub-sector and solvent sector projects. It coordinated activities related to preparation of new projects in the solvent sector. The National Ozone Unit (NOU) also continued to organize public awareness programmes including annual celebrations of International Ozone Day. It carried out field surveys and data collection for the country programme update and for monitoring the status of compliance of the country with Montreal Protocol obligations.

3. The ozone unit is linked to the Air Protection Directorate of the Ministry of Environment. The ozone unit comprises representatives of the Ministry of Environment, Ministry of Planning, the Audit Bureau and representatives from concerned enterprises. A National Ozone Committee headed by the Undersecretary of the Ministry of Environment and consisting of representatives from governmental and non-governmental organizations is the policy-making body. The ozone unit acts as the executive secretariat for the National Ozone Committee. Thus the ozone unit has good access to the decision makers. The national action plans of the unit are approved by the National Ozone Committee and also by the cabinet.

Plan of action

4. The main objective of the NOU during the next phase (Phase V) of the institutional strengthening project is to assist the country in meeting and sustaining the 50% CFC reduction target by 2005. In this regard, it will continue to follow-up and supervise the activities related to the implementation of the RMP, the ongoing and newly approved investment projects. These include organizing the distribution of recovery and recycling equipment, following-up the phase-out of TCA use in the Royal Jordanian Air Force and other workshops, coordinating the preparation of agreements for the implementation of the national ODS phase-out plan. It will also work towards the establishment of halon bank and continue to conduct public awareness programmes including organization of International Ozone Day. About 140 tonnes of CFC, 168 tonnes of TCA and 32 tonnes of methyl bromide are expected to be phased out from currently on-going projects during phase V of the institutional strengthening project.

Thailand: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		World Bank
Amount originally approved:	Phase I: March 1993 Phase II: July 1998 Total	US \$400,000 US \$266,667 US \$666,667.00
Amount requested for renewal (US \$):		346,667
Amount recommended for approval (US \$)		346,667
Agency support costs (US \$)		26,000
Total cost of institutional strengthening Phase III to the Multilateral Fund		372,667
Equivalent CFC phase-out due to institutional strengthening Phase III at US \$12.1/kg (ODP tonnes)		28.65
Date of approval of country programme		November 1993
ODS consumption reported in country programme (1991), (ODP tonnes)		8,893.1
Latest reported ODS consumption (2001) (ODP tonnes)		5,207.3
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		6,082.1
(b) Annex A Group II (Halons) (Average 1995-1997)		271.7
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		68.2
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		576.6
(e) Annex E (Methyl bromide) (Average 1995-1998)		164.9
Latest consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs)		3,375.1
(b) Annex A Group II (Halons)		500.0
(c) Annex B Group II (Methyl chloroform)		7.2
(d) Annex B Group III (Carbon tetrachloride)		33.5
(e) Annex C Group I (HCFCs)		1,000.4
(f) Annex E (Methyl bromide)		291.2
Amount approved for projects (US \$)		46,024,012
Amount disbursed (as at April 2003) (US \$):		32,518,458
ODS to be phased out (ODP tonnes)		4,535.1
ODS phased out (as at April 2003) (ODP tonnes)		3,604.2

5. Funds for the following activities have been approved by the Executive Committee:

		US \$
(a)	Country programme preparation	190,909
(b)	Project preparation	2,203,465
(c)	Training	184,824
(d)	Technical assistance (including institutional strengthening)	2,051,471
(e)	Investment projects	41,076,378
(f)	Demonstration	316,965
	Total:	46,024,012

Progress report

6. Thailand has ratified The London and Copenhagen Amendments to the Montreal Protocol. It has yet to ratify the Montreal and Beijing Amendments. During phase II of Thailand's institutional strengthening project the National Ozone Unit among several other activities prepared a detailed work plan covering the period 1998-2003 for implementation of approved activities and preparation of the National CFC Phase-out plan. As a result, 67 investment projects were completed resulting in permanent reduction of 2,500 ODP tonnes from Thailand's baseline consumption, while the National CFC phase-out plan was approved by the Executive Committee. It identified the remaining factories using ODS and assisted them in developing ODS phase-out programmes. Thus, an inventory of remaining users of CFC containing more than 1,600 manufacturing and about 3,000 servicing enterprises was established.

7. The National Ozone Unit also improved the data collection system and established a database of chemical suppliers and users including annual import data which enabled the country to establish an effective import quota and monitoring system. Twelve training courses and seminars were organized for the Government and private sectors on preparation of investment projects, including the use of mobile air conditioning (MAC) recovery and recycling systems, conversion in commercial refrigerator manufacturing. Consequently, 191 MAC service shops have been equipped with recovery and recycling machines while more than 190 commercial refrigerator manufacturers are capable of retrofitting CFC refrigerators or manufacturing of non-CFC refrigerators.

8. The National Ozone Unit shared its experience in the phase-out of ODS with other countries in the region through participation in their national meetings and country programme preparation activities.

9. The NOU is established within the Department of Industrial Works, the executing agency for Montreal Protocol in Thailand. It is under the supervision of the Director of Hazardous Substances Control Bureau and Director-General of Department of Industrial Works (DIW). The action plan of the NOU which must comply with the master plan of the DIW is approved by the Director-General of DIW.

Plan of action

10. A comprehensive plan of activities with implementation milestones has been prepared for each of the two years of Phase III of the institutional strengthening project. The plan aims at full compliance with the Montreal Protocol requirements by Thailand and with the phase-out schedules agreed under the National CFC phase-out plan. The planned activities include:

- Announcement at the beginning of each year (2003 and 2004) of import quotas for the period up to 2010.
- Revision of import license approval process
- Strengthening of import controls of HCFCs through consultations and workshops for stakeholders with a view to preventing unnecessary growth in HCFC demand.

- Quarterly or semi-annual meetings with customs officials and relevant industry sectors with the view to achieving full compliance with data reporting requirements.
- Formulation of strategies and organization of workshops for the control of methyl bromide use.
- Promotion of ODS phase-out through public awareness programmes including annual international ozone day celebrations.
- Setting up of a website for the national ozone unit to promote activities undertaken in relation to the protection of the ozone layer.

Annex II**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS
OF INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 40th MEETING***Jordan*

1. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Jordan and notes with appreciation the fact that Jordan reported 2001 CFC consumption data (321.0 ODP tonnes) to the Ozone Secretariat and recently reported 2002 data to the Fund Secretariat (121.3 ODP tonnes) that are significantly lower than its 1995-1997 CFC compliance baseline of 673.27 ODP tonnes, and that Jordan appears to be progressively reducing its CFC consumption, sustaining the CFC consumption freeze and moving towards compliance with the next reduction target of 50% reduction in baseline consumption. The Executive Committee also notes with appreciation that Jordan has ratified all amendments to the Montreal Protocol and that it has taken some significant steps to phase out its consumption of other ODS in the period covered by Phase IV of the institutional strengthening project. Specifically in its submission, Jordan reports that it has taken important initiatives through supervision and monitoring of the implementation of approved projects, field surveys and data collection and organization of public awareness programmes to facilitate the reduction of ODS consumption in the country. This is encouraging and the Executive Committee greatly appreciates the efforts of Jordan to reduce the consumption of CFCs and other ODS. The Executive Committee expressed the expectation that, in the next two years, Jordan will continue the implementation of the ongoing and planned projects with outstanding progress, and sustain and build upon its current levels of reductions in CFCs and other ODS.

Thailand

2. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Thailand and notes with appreciation the fact that Thailand reported 2001 CFC consumption data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Thailand continues to sustain its compliance with the CFC consumption freeze. The Executive Committee also notes that while Thailand has taken some significant steps to reduce its consumption of ODS in the period covered by the institutional strengthening project there has been some increase in consumption of some ODS, notably halon and methyl bromide. In its submission Thailand reports that it has taken important initiatives, namely the coordination of the implementation of approved activities resulting in permanent reduction of 2,500 ODP tonnes, establishment of inventory of remaining users of CFC, establishment of effective import quota and monitoring system, training and equipment of MAC service shop operators and commercial refrigerator manufacturers. This is encouraging and the Executive Committee greatly appreciates the efforts of Thailand to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Thailand will take steps towards the ratification of the remaining Amendments to the Montreal Protocol to

which it is not yet a Party, namely Montreal and Beijing Amendments and implement its action plan with outstanding progress to enable it to sustain and build upon its current levels of reductions in CFCs and achieve progress in the reductions in consumption of other ODS.

2003 WORK PROGRAM AMENDMENT

BANK-IMPLEMENTED
MONTREAL PROTOCOL OPERATIONS

May 2003

2003 WORK PROGRAM AMENDMENT

Introduction

1. The World Bank submitted its 2003 Work Program along with its 2003 Business Plan for the consideration of the Executive Committee at its 39th Meeting in April 2003. Having considered the Bank's 2003 Work Program, the Executive Committee approved new project preparation funds of US\$ 188,125, to support the preparation of new investment activities in Antigua and Barbuda, Argentina, Chile, Philippines, and Vietnam. In addition, the ExCom also approved US\$ 260,867 to support the renewal of the Tunisia Institutional Strengthening project.

Work Program Amendment

2. This Work Program Amendment includes a project preparation request of US\$ 10,000 to support the preparation of a halon management plan for Oman. This request is made in accordance with the request of the Government of Oman to have the World Bank prepare and implement this activity. In this regard, GTZ has already informed the Secretariat of its decision to remove this activity from its 2003 Business Plan. The Government of Oman and the Bank plan to submit the project proposal for this activity at the 41st Meeting of the ExCom.

Renewal of Institutional Strengthening Project

3. The Bank also proposes to include in its 2003 Work Program Amendment funding requests to support renewals of two existing institutional strengthening projects in Jordan and Thailand. The main objective for the next phase of the Jordan institutional strengthening project is to ensure that Jordan will achieve the 50% reduction target in 2005. Major activities to be carried out under this phase include facilitating the implementation of all on-going ODS phase-out activities and meeting all the reporting requirements under the Montreal Protocol. Based on Dec. 35/57, the total funding requested for this phase of the Jordan institutional strengthening project is US\$ 147,333 (30% higher than the funding level of the previous phases). The terminal report and plan of action for the next phase of the Jordan institutional strengthening project are attached as Annexes I and II.

4. For Thailand, the total funding of US\$ 346,667 is being requested to support the third phase of its institutional strengthening project. The object of this phase is to ensure effective implementation of the current import control system, to fulfill Thailand's obligations with regard to data reporting as per Article 7 of the Montreal Protocol and other reporting requirements of the Executive Committee of the Multilateral Fund, to facilitate preparation of a comprehensive strategy to phase out controlled uses of methyl bromide, to carry out public awareness activities, and other ODS phase-out activities. The terminal report and plan of action for the next phase of the Thailand institutional strengthening project are attached as Annexes III and IV.

Table 1. List of Project Preparation Activity and Non-Investment Activities

Country	Activity	Fund Requested (US\$)	Implementation Duration
Oman	Project Preparation funds for a halon management plan	10,000	July 2003 – November 2003
	Sub-Total	10,000	
	Agency Support Costs	750	
	Total	10,750	

Table 2. Renewals of Institutional Strengthening Projects

Country	Activity	Fund Requested (US\$)	Implementation Duration
Jordan	Renewal of Institutional Strengthening Project	147,333	July 2003 – July 2005
Thailand	Renewal of Institutional Strengthening Project	346,667	July 2003 – July 2005
	Sub-Total	494,000	
	Agency Support Costs	37,050	
	Total	531,050	