



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/65/17
17 October 2011

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-fifth Meeting
Bali, Indonesia, 13-17 November 2011

UNIDO'S WORK PROGRAMME AMENDMENTS FOR 2011

COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee of US \$330,100 for its 2011 Work Programme Amendments, plus agency support costs of US \$24,758. The submission is attached to this document.

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

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1. Renewal of institutional strengthening projects			
Bosnia and Herzegovina	Institutional Strengthening (Phase III)	95,333	95,333
Oman	Institutional Strengthening (Phase IV)	68,467	68,467
Serbia	Institutional Strengthening (Phase IV)	131,300	131,300
	Subtotal for A:	295,100	295,100
SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION			
B1: Project preparation:			
Regional	Strategy for disposal and destruction of ODSs for 4 LVC countries in the Europe and Central Asia region	35,000	35,000*
	Subtotal for B:	35,000	35,000*
	Subtotal for A and B:	330,100	330,100
Agency support costs (7.5 per cent for project preparation and institutional strengthening, and for other activities over US \$250,000, and 9 per cent for other activities under US \$250,000):		24,758	24,758
Total:		354,858	354,858

*Project for individual consideration

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL

A1. Renewal of institutional strengthening projects

- (a) Bosnia and Herzegovina (phase III): US \$95,333
- (b) Oman (phase IV): US \$68,467
- (c) Serbia (phase IV): US \$131,300

Project description

3. UNIDO submitted the requests for the renewal of the institutional strengthening (IS) projects for the countries listed above. The descriptions of the requests for these countries are presented in Annex I to this document.

Secretariat's comments

4. The Fund Secretariat reviewed the IS terminal reports and action plans submitted by UNIDO on behalf of Bosnia and Herzegovina, the Sultanate of Oman, and Serbia which were provided using the revised format for IS renewals approved by decision 61/43 and noted that the countries are in compliance with the CFC, CTC and halon phase-out targets of the Montreal Protocol. In considering these requests, the Secretariat took into account decisions 59/17, 59/47(b) and particularly decision 61/43 where the Executive Committee decided "to maintain funding for institutional strengthening (IS) support at current levels, and to renew IS projects for the full two-year period from the 61st Meeting".

Secretariat's recommendations

5. The Fund Secretariat recommends blanket approval of the IS renewal requests for Bosnia and Herzegovina, the Sultanate of Oman, and Serbia at the level of funding indicated in Table 1 of this document. The Executive Committee may wish to express to the Governments concerned the comments which appear in Annex II to this document.

SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION

B1. Project preparation

Regional: Project preparation for the development of a strategy for disposal and destruction of ODS for 4 LVC countries in the Europe and Central Asia region (US \$35,000)

Project description

6. This project is being submitted by the Government of the Czech Republic as bilateral assistance, and is therefore considered under document UNEP/OzL.Pro/ExCom/65/14 on bilateral cooperation. Part of the funds for the project is included under these work programme amendments for the UNIDO component.

Secretariat's recommendation

7. The Executive Committee may wish to consider whether or not to approve the request for project preparation for the development of a strategy for disposal and destruction of ODSs for 4 low-volume consuming countries in the Europe and Central Asia region at the level of funding indicated in Table 1 of this document in line with decision 58/19, and in light of the Secretariat's comments in document UNEP/OzL.Pro/ExCom/65/14.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Bosnia and Herzegovina: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNIDO
Amounts previously approved for institutional strengthening (US \$):		
Phase I:	Mar-99	110,000
Phase II:	Jul-04	95,333
	Total:	205,333
Amount requested for renewal (phase III) (US \$):		95,333
Amount recommended for approval for phase III (US \$):		95,333
Agency support costs (US \$):		7,150
Total cost of institutional strengthening phase III to the Multilateral Fund (US \$):		102,483
Date of approval of country programme:		1999
Date of approval of HCFC phase-out management plan:		Submitted to the 65 th meeting
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		24.2
(b) Annex A, Group II (halons) (average 1995-1997)		4.1
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		0.0
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		1.6
(e) Annex E (methyl bromide) (average 1995-1998)		3.5
Latest reported ODS consumption (2010) (ODP tonnes) as per Article 7:		
(a) Annex A, Group I (CFCs)		0.0
(b) Annex A, Group II (halons)		0.0
(c) Annex B, Group II (carbon tetrachloride)		0.0
(d) Annex B, Group III (methyl chloroform)		0.0
(e) Annex E (methyl bromide)		0.0
(f) Annex C, Group I (HCFCs)		3.5
	Total:	3.5
Year of reported country programme implementation data:		2010
Amount approved for projects (as at July 2011) (US \$):		3,146,639
Amount disbursed (as at December 2010) (US \$):		2,475,114
ODS to be phased out (as at July 2011) (ODP tonnes):		251.0
ODS phased out (as at December 2010) (ODP tonnes):		309.4

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

Summary of activities	Funds approved (US \$)
(a) Investment projects:	2,431,706
(b) Institutional strengthening:	205,333
(c) Project preparation, technical assistance, training and other non-investment projects:	509,600
Total:	3,146,639

Progress report

2. Bosnia and Herzegovina had achieved compliance status in regard of CFC consumption in 2009 and 2010. It is expected that the ongoing regulatory efforts will be further enhanced by the implementation of the new phase of the institutional strengthening (IS).

3. Bosnia and Herzegovina is an active member of the Regional Ozone Network for Europe and Central Asia. All efforts have been made by Bosnia and Herzegovina to restart the National ODS Phase-out Plan implementation and to initiate preparation of the HCFC phase-out management plan (HPMP). The strategic objective under the phase II was maintaining zero consumption for already phased-out chemicals in parallel with development of an accelerated phase-out schedule for the HCFCs.

Plan of action

4. The programme of activities relating to the Montreal Protocol forms part of commitment of Bosnia and Herzegovina to phase out the consumption of ODSs in a controlled and cost-effective manner. The National Ozone Unit (NOU) is part of the Ministry of Foreign Trade and Economic Relations which is in charge for customs policy, customs tariff codes and for foreign trade policy issues. The NOU mainly coordinates the whole Montreal Protocol programme in the country and prepares the basis for legislative and regulatory measures to be adopted by the responsible government authorities with a view to the HCFCs phase-out targets.

5. The NOU is responsible for monitoring the ODS import and consumption data which is defined by regulation at State level and entities level with clear division of responsibilities and it will be further improved and harmonized.

6. The NOU will follow-up with priority the issue of initiating measures to improve the control of HCFCs, to freeze the HCFCs consumption in 2013 and to achieve the 10 per cent reduction target in 2015, as per the approved phase-out schedule of the Montreal Protocol.

7. The NOU of Bosnia and Herzegovina will be responsible for monitoring the implementation of the HPMP. The NOU will be responsible for tracking the promulgation and enforcement of policy and legislation with a specific focus on HCFCs management and will assist UNIDO, to further develop the appropriate activities in view of finalization of the HPMP and the implementation of needed measures in refrigeration air-conditioning (RAC) sector.

8. The commitment of the Government to put in place accelerated phase-out schedule for HCFCs will be supported through increased capacity building of the NOU, as administrative unit within the structure of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina.

OMAN: Renewal of institutional strengthening

Summary of the project and country profile			
Implementing agency:			UNIDO
Amounts previously approved for institutional strengthening (US \$):			
Phase I:	Dec-00		79,000
Phase II:	Jul-05		68,467
Phase III:	Nov-08		68,467
	Total:		215,934
Amount requested for renewal (phase IV (US \$):			68,467
Amount recommended for approval for phase IV (US \$):			68,467
Agency support costs (US \$):			5,135
Total cost of institutional strengthening phase IV to the Multilateral Fund (US \$):			73,602
Date of approval of country programme:			2000
Date of approval of HCFC phase-out management plan:			Submitted to the 65 th meeting

Summary of the project and country profile	
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A, Group I (CFCs) (average 1995-1997)	248.4
(b) Annex A, Group II (halons) (average 1995-1997)	13.7
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)	0.1
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)	0.0
(e) Annex E (methyl bromide) (average 1995-1998)	1.0
Latest reported ODS consumption (2010) (ODP tonnes) as per Article 7:	
(a) Annex A, Group I (CFCs)	0.0
(b) Annex A, Group II (halons)	0.0
(c) Annex B, Group II (carbon tetrachloride)	0.0
(d) Annex B, Group III (methyl chloroform)	0.0
(e) Annex E (methyl bromide)	0.0
(f) Annex C, Group I (HCFCs)	32.2
Total:	32.2
Year of reported country programme implementation data:	2010
Amount approved for projects (as at July 2011) (US \$):	1,662,134
Amount disbursed (as at December 2010) (US \$):	1,303,364
ODS to be phased out (as at July 2011) (ODP tonnes):	259.9
ODS phased out (as at December 2010) (ODP tonnes):	238.15

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

Summary of activities	Funds approved (US \$)
(a) Investment projects:	470,000
(b) Institutional strengthening:	215,934
(c) Project preparation, technical assistance, training and other non-investment projects:	976,200
Total:	1,662,134

Progress report

10. The Sultanate of Oman had achieved compliance status in regard of CFC consumption in 2009 and 2010. It is expected that the ongoing regulatory efforts will be further enhanced by the implementation of the new phase of the IS.

11. The Sultanate of Oman is an active member of the Regional Ozone Network. All efforts have been made by the Sultanate of Oman to finalize its HPMP and initiate the process of HCFCs consumption freeze and the future phase-out commitments. The strategic objective under the phase II was maintaining zero consumption for already phased-out chemicals in parallel with development of an accelerated phase-out schedule for HCFCs.

Plan of action

12. The NOU is responsible for monitoring the ODS import and consumption data which is defined by regulation at State level and entities level with clear division of responsibilities and it will be further improved and harmonized.

13. The NOU will follow-up with priority the issue of initiating measures to improve the control of HCFCs, to freeze the HCFCs consumption in 2013 and to achieve the 10 per cent reduction target in 2015, as per the approved phase-out schedule of the Montreal Protocol.

14. The NOU of the Sultanate of Oman will be responsible for monitoring the implementation of the HPMP. The NOU will be responsible for tracking the promulgation and enforcement of policy and legislation with a specific focus on HCFCs management and will assist UNIDO, to further develop the appropriate activities in view of finalization of the HPMP and the implementation of needed measures in RAC sector.

SERBIA: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNIDO
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Jul-98	151,500
	Phase II: Dec-04	131,300
	Phase III: Nov-09 & Apr-10	131,300
	Total:	414,100
Amount requested for renewal (phase VIII) (US \$):		131,300
Amount recommended for approval for phase VIII (US \$):		131,300
Agency support costs (US \$):		9,848
Total cost of institutional strengthening phase VII to the Multilateral Fund (US \$):		141,148
Date of approval of country programme:		1998
Date of approval of HCFC phase-out management plan:		2010
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		849.2
(b) Annex A, Group II (halons) (average 1995-1997)		3.8
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		18.8
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		0.0
(e) Annex E (methyl bromide) (average 1995-1998)		8.3
Latest reported ODS consumption (2010) (ODP tonnes) as per Article 7:		
(a) Annex A, Group I (CFCs)		0.0
(b) Annex A, Group II (halons)		0.0
(c) Annex B, Group II (carbon tetrachloride)		0.0
(d) Annex B, Group III (methyl chloroform)		0.0
(e) Annex E (methyl bromide)		0.0
(f) Annex C, Group I (HCFCs)		7.8
	Total:	7.8
Year of reported country programme implementation data:		2010
Amount approved for projects (as at July 2011) (US \$):		8,687,725
Amount disbursed (as at December 2010) (US \$):		6,268,755
ODS to be phased out (as at July 2011) (ODP tonnes):		1,118.27
ODS phased out (as at December 2010) (ODP tonnes):		848.0

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

Summary of activities	Funds approved (US \$)
(a) Investment projects:	6,613,813
(b) Institutional strengthening:	414,100
(c) Project preparation, technical assistance, training and other non-investment projects:	1,659,812
Total:	8,687,725

Progress report

16. Three phases of institutional strengthening support have been approved for Serbia. The NOU has been supervising and coordinating the conversion and phase-out programme all over the country in all

sectors covered by the Montreal Protocol. In 2010, Serbia phased-out all ODSs in accordance with the Montreal protocol control measures. There is still consumption of HCFCs in Serbia, in quantity of 9.64 ODP tones (baseline consumption). HPMP for Serbia has been prepared and approved in 2010, and activities, mostly related to investment component have already started. Adoption of Regulation on ODS management and conditions for import/export licence issuance of these substances in 2010, that complements Law on Air protection in this field, has established comprehensive legal bases for ODS management and control. Licensing system has been well established and maintained, and some efforts have been made in order to introduce electronic licensing system. Cooperation with relevant stakeholders, especially with refrigeration association has been improved. Illegal trade in ODS in Serbia was successfully prevented in several cases due to the application of the informal Prior Informed Consent mechanism of communication and consultations between importing and exporting countries. Close cooperation with National Customs Directorate, including training of 180 customs officers on use of ODS identifiers, contributed to this process. The NOU has conducted a number of awareness campaigns directed to officials, investors and the general public.

Plan of action

17. The programme of activities relating to the Montreal Protocol forms part of Serbia's commitment to phase out the consumption of ODSs in a controlled and cost-effective manner. NOU is established within the Air Protection Unit of Ministry of Environment, Mining and Spatial Planning. Work is supervised in accordance with governmental levels of supervision and responsibilities. Access to senior decision maker is achieved through bilateral and inter-ministerial meetings. Activities planned within IS project are included in the Working Plans of the Ministry and the Government, through which are aligned to the central objectives of the Ministry. NOU will continue activities on assuring compliance with the Montreal Protocol requirements, focused on HCFC phase-out plan and introduce quota system for HCFC imports starting with 2012. The NOU will continue to monitor and to report on ODS import and consumption data, as well as to organize activities on training and awareness rising of stakeholders and combat illegal trade.

Annex II

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 65th MEETING

Bosnia and Herzegovina

1. The Executive Committee reviewed the report presented with the institutional strengthening renewal request for Bosnia and Herzegovina and noted with appreciation that the country is in compliance with the phase-out targets of the Montreal Protocol. The Executive Committee also noted that, within the framework of the Country Programme, Bosnia and Herzegovina has taken significant steps towards development of its HCFCs Phase-out Management Plan, specifically, initiation of strategic prioritization in different sectors for HCFC consumption, ODS phase-out as well as continued regulatory efforts through the licensing and quota system.

2. The Executive Committee expressed the expectation that, in the next two years, Bosnia and Herzegovina will continue the implementation of its planned activities with outstanding progress, and will sustain and build upon its current levels of reductions in ODS to meet the 2013 and 2015 control measures for HCFCs.

Oman

3. The Executive Committee reviewed the report presented with the institutional strengthening renewal request for the Sultanate of Oman and noted with appreciation that the country reported its country programme data for 2010 to the Multilateral Fund Secretariat indicating that it has met the phase-out targets of the 2010 Montreal Protocol. The Executive Committee expressed the expectation that, in the next two years, Oman will continue the implementation of its planned activities with outstanding progress to meet the 2013 and 2015 control measures for HCFCs.

Serbia

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Serbia and noted with appreciation that country reported 2010 Article 7 data to the Ozone Secretariat indicating that Serbia is in compliance with the phase-out targets of the Montreal Protocol.

5. The Executive Committee supports the efforts of Serbia to reduce the consumption of HCFCs and is hopeful that, in the next two years, Serbia will continue with the implementation of its ODS phase-out activities with outstanding success including the activities to meet the 2013 and 2015 control measures for HCFCs.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

65th Executive Committee of the
Multilateral Fund for the Implementation
of the Montreal Protocol

UNIDO Work Programme

65th ExCom

**UNIDO - Work Programme – 65th ExCom
(18 September 2011)**

Introduction

The UNIDO Work Programme for the consideration of the 65th ExCom of the Multilateral Fund has been prepared following the government requests as well as based on ongoing and planned activities. The Work Programme will support the implementation of UNIDO's three year Rolling Business Plan 2011-2014.

Institutional strengthening extension proposals are included for Bosnia and Herzegovina, Serbia and Oman to address capacity building issues with a special view to the HCFCs forthcoming countries compliance needs in 2013 and 2015.

In addition, one activity addressing destruction related needs was prepared by UNIDO jointly with UNEP for the Eastern Europe and Central Asia region, having regarded the region request.

The document comprises the following sections:

Section 1

Gives in a tabulated form by project types and country a consolidated list of activities foreseen for the above mentioned institutional strengthening support requests and the preparatory funding request for destruction activities in LVCs in EECA region.

Funding is requested as follows:

- IS extension projects: US\$ 317,233 (including US\$ 22,133 representing 7.5% A.S.C.)
- preparatory funding for destruction activities in ECA region: US\$ 37,625 (including US\$ 2,625 representing 7.5% UNIDO A.S.C.)
- **Total: US\$ 330,100 including A.S.C.**

Section 2

Section 2 provides the corresponding project concepts indicating some details and funding requirements.

Additional Annex is detailing the preparatory funding request to address destruction needs in LVCs in EECA region, prepared jointly with UNEP.

Section 1
Consolidated table giving project preparation
and non-investment projects in all countries and sectors

Country	Type	Substance	Title of Project	Requested amount USD	A.S.C USD	Total (incl ASC) USD	A.S.C. %	P.D.	Remarks
Institutional strengthening									
BiH	IS	All	Extension of the IS - Phase III	95,333	7,150	102,483	7.5	24	
Serbia	IS	All	Extension of the IS - Phase IV	131,300	9,848	141,148	7.5	24	
Sultanate of Oman	IS	All	Extension of the IS - Phase IV	68,467	5,135	73,602	7.5	24	
			Subtotal	295,100	22,133	317,233			
Destruction activities in LVCs									
EECA Region	PRP	CFCs	Strategy for disposal and destruction of ODSs for 4 LVCs in the Europe and Central Asia region	35,000	2,625	37,625	7.5	12	Note 1
			Subtotal	35,000	2,625	37,625			
			Grand TOTAL	330,100	24,758	354,858			

Note 1: UNEP share is submitted as part of the Czech Republic's bilateral contribution

Section 2

Project concepts

Project Concept

Country:	Bosnia and Herzegovina
Title:	Extension of Institutional Strengthening for the implementation of Montreal Protocol in Bosnia and Herzegovina – Phase III
Project Duration:	24 months (March 2012 – March 2014)
Project Budget:	102,483 (including US\$ 7,150 representing 7.5% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, National Ozone Unit of Bosnia and Herzegovina

Project Summary

The project aims at institutional strengthening and capacity building of Ministry of Foreign Trade and Economic Relations of Bosnia / National Ozone Unit and will ensure helping the Government meet its obligations under the Montreal Protocol on the substances that deplete the Ozone Layer.

The programme of activities relating to the Montreal Protocol forms part of commitment of Bosnia and Herzegovina to phase out the consumption of ODSs in a controlled and cost-effective manner. The National Ozone Unit is part of the Ministry of Foreign Trade and Economic Relations which is advance since same ministry is in charge for customs policy, customs tariff codes and for foreign trade policy issues. The NOU mainly coordinates the whole Montreal Protocol programme in the country and prepares the basis for legislative and regulatory measures to be adopted by the responsible government authorities with a view to the HCFCs phase-out targets.

The NOU is responsible for monitoring the ODS import and consumption data which is defined by regulation at State level and entities level with clear division of responsibilities and it will be further improved and harmonized.

The NOU will follow-up with priority the issue of initiating measures to improve the HCFCs control, to freeze the HCFCs consumption in 2013 and to achieve the 10% reduction target in 2015, as per the approved phase-out schedule of the Montreal Protocol.

The National Ozone Unit of Bosnia and Herzegovina will be responsible for monitoring the implementation of the HCFCs National phase-out plan. The NOU will be responsible for tracking the promulgation and enforcement of policy and legislation with a specific focus on HCFCs management and will assist UNIDO, to further develop the appropriate activities in view of finalization of the HPMP and the implementation of needed measures in RAC sector

The commitment of the Government to put in place advanced phase-out schedule for HCFCs will be supported through increased capacity building of the NOU, as administrative unit within the structure of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina.

Project Concept

Country:	SERBIA
Title:	Extension of Institutional Strengthening for the implementation of Montreal Protocol in Serbia – Phase IV
Project Duration:	24 months (December 2011 – November 2013)
Project Budget:	141,148 (including US\$ 9,848 representing 7.5% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	NOU SERBIA , Ministry of Environment, Mining and Spatial Planning

Project Summary

NOU is established within the Air Protection Unit of the Ministry of Environment, Mining and Spatial Planning. Work is supervised in accordance with governmental vertical levels of supervision and responsibilities. Access to senior decision maker is through bilateral follow up meetings and inter-ministerial meetings. NOU activities are regularly presented at sectoral Collegiums, held by line assistant minister.

Three phases of institutional strengthening support have been approved for Serbia. The National Ozone Unit has been supervising and coordinating the conversion and phase-out programme all over the country in all sectors covered by the Montreal Protocol. In 2010, Serbia phased-out all ODSs in accordance with the Montreal protocol control measures. There is still consumption of HCFCs in Serbia, in quantity of 9,64 ODP tones (baseline consumption). HPMP for Serbia has been prepared and approved in 2010, and activities, mostly related to investment component) have already started. Adoption of Regulation on ODS management and conditions for import/export licence issuance of these substances in 2010, that complements Law on Air protection in this field, has established comprehensive legal bases for ODS management and control. Licensing system has been well established and maintained, and some efforts have been made in order to introduce electronic licensing system. Cooperation with relevant stakeholders, especially with refrigeration association has been improved. Illegal trade in ODS in Serbia was successfully prevented in several cases due to the application of the informal Prior Informed Consent (iPIC) mechanism of communication and consultations between importing and exporting countries. Close cooperation with National Customs Directorate, including training of 180 customs officers on use of ODS identifiers, contributed to this process. The NOU has conducted a number of awareness campaigns directed to officials, investors and the general public.

The programme of activities relating to the Montreal Protocol forms part of Serbia's commitment to phase out the consumption of ODSs in a controlled and cost-effective manner. NOU is established within the Air Protection Unit of Ministry of Environment, Mining and Spatial Planning. Work is supervised in accordance with governmental levels of supervision and responsibilities. Access to senior decision maker is achieved through bilateral and inter-ministerial meetings. Activities planned within IS project are included in the Working Plans of the Ministry and the Government, through which are aligned to the central objectives of the Ministry. NOU will continue activities on assuring compliance with MP requirements, focused on HCFC phase-out plan and introduce quota system for HCFC imports starting with 2012. The NOU will continue to monitor and to report on ODS import and consumption data, as well as to organize activities on training and awareness rising of stakeholders and combat illegal trade.

Project Concept

Country:	Sultanate of Oman
Title:	Extension of Institutional Strengthening for the implementation of Montreal Protocol in Oman – Phase IV
Project Duration:	24 months (December 2011 – November 2013)
Project Budget:	73,602 (including US\$ 5,135 representing 7.5% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	Ministry of Environment and Climate Affairs / Ozone Layer Protection Section (NOU)

Project Summary

NOU is continuously coordinating and cooperating with reference to control the ODS in the Sultanate of Oman, all the ODS project activities and sharing the technical experience with the concerned authorities such as Customs, Ministry of Manpower and Private Sector.

NOU has direct access to the decision makers in order to facilitate the projects implementation and the enforcement of ODS legislations.

Three phases of institutional strengthening support have been approved for Oman. The National Ozone Unit has been supervising and coordinating the conversion and phase-out programme all over the country in all sectors covered by the Montreal Protocol.

The project aims at institutional strengthening and capacity building of the Ozone Unit and will ensure helping the Government meet its obligations under the Montreal Protocol on the substances that deplete the Ozone Layer.

In this context, the National Ozone Office will be assisted in monitoring and identification of Ozone-depleting substances consumption in SMEs sector, up-dating the needed national policies and regulations, with a specific focus on HPMP development as well as its future implementation.

The NOU will monitor all the project activities as per the Country Programme and their on-going HCFCs phase-out activities.

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL ON SUBSTANCES THAT DEplete THE OZONE LAYER

PROJECT COVER SHEET

REGION:	Europe and Central Asia (ECA)
IMPLEMENTING AGENCIES:	UNEP and UNIDO
PROJECT TITLE:	Strategy for disposal and destruction of ODSs for 4 LVCs in the Europe and Central Asia region
PROJECT IN CURRENT BUSINESS PLAN:	Yes
SECTOR:	Destruction - Project Preparation (PRP)
PROJECT DURATION:	12 Months Commencing: December 2011 Completion: November 2012
TOTAL PROJECT COST:	USD 70,000 (<i>excluding PSC</i>).
SUBMITTED BY:	Czech Republic (UNEP will be in charge of project submission, implementation, progress & financial reporting and project completion report) and UNIDO

Project Concept

Reference:

This individual project corresponds to the 'Preparation of a regional disposal project for LVCs in Europe and Central Asia', which is part of the 2011 UNEP and UNIDO Business Plans endorsed by the Executive Committee.

1. EXECUTIVE SUMMARY

This proposal aims at developing a regional ECA strategy and developing a methodology and tools for LVCs in the region to be able to precisely quantify and address their stocks of unwanted ODS in an effective and systematic approach, taking into account the economic, environmental and legal dimensions. It aims to build upon the experiences in the region such those available in Article 2 countries, non-LVCs and pilot projects in LVCs such as the Georgia project.¹ It will be implemented by UNEP (as part of the bilateral contribution of the Czech Republic) and UNIDO.

2. BACKGROUND

The Meeting of Parties requested the Executive Committee in its Decision XXI/2 to set a window for funding for Disposal and Destruction of ODSs, although not directly required for compliance with the Montreal Protocol. This window is reserved to Low-Volume Consuming countries (LVCs).² Pursuant to this request, in its Decision 63/5 (c), the Executive Committee decided "to set a window for ODS destruction for low-volume-consuming countries, pursuant to decision XXI/2 of the Twenty-first Meeting of the Parties, amounting to US \$3 million;"

The rationale for this Decision provides the opportunity to look at common solutions to address the question of disposal/destruction of stockpiles of unwanted ODSs in a region. Regional approaches may bring useful solutions for LVCs - countries in which disposal/destruction facilities may not be available - to address existing ODS banks.

Two ODS destruction projects were approved at the 63rd Executive Committee Meeting in April 2011, including one for a LVC (Ghana) as per Decision 63/27, and also the second pilot demonstration project in Mexico (as per Decision 63/28). An additional project was approved (with funding at a level of US\$ 30 000, for Project Preparation Funding) in the ECA region – for Georgia - at the 64th ExCom Meeting (Decision 64/18).

Additionally, regional level projects have been included in UNEP's and UNIDO's endorsed business plans. For ECA this consisted of:

- USD 100,000 project preparation for 2011
- USD 700,000 for destruction project for 2012

The following LVCs are eligible for MLF funding on these activities in the ECA region:

¹ "Preparation of an ODS bank management and destruction demonstration project" approved for Georgia as part of decision ExCom 64/18.

² See Annexes (10.) for the text of the Decision.

Albania, Armenia, Bosnia and Herzegovina, Croatia, Georgia, Kyrgyzstan, Montenegro, Republic of Moldova and Turkmenistan.

As noted above, Georgia already has a national-level project approved at the last (64th) ExCom Meeting. The other countries in the region have expressed the need to devise a strategy to address current and future stocks of unwanted ODSs. All LVCs in the ECA region have expressed interest in addressing the issue of ODS stocks and the need to devise a strategy to address current and future stocks of unwanted ODSs. Four of these countries in the region have specifically expressed a particular will to work cooperatively on a regional basis in order to devise a coherent strategy addressing their stocks of unwanted ODSs (current and future). These are Bosnia and Herzegovina; Croatia; Montenegro; and Turkmenistan. The other countries in the Network will be associated to this project, although not formally part of it, so that they can benefit fully from the lessons and tool developed.

Several LVCs in the ECA region have collected unwanted ODSs, although many still are not certain of the existing inventory of unwanted ODSs which would be eligible/available for destruction as per the Montreal Protocol's accepted technologies.³

UNEP, in preparation for the most recent Regional Network Meeting for ECA region, held in Belgrade, Serbia, in May 2011, consulted the countries on this issue. Kyrgyzstan, for example, indicated that the quantity of unwanted ODSs collected is estimated at six tonnes. Croatia indicated that at present eight tonnes of CFCs were already collected through the Recovery and Recycling programme, and these as well as the future quantities to be collected are available for destruction. Bosnia and Herzegovina also identified stocks of halons and methyl bromide but requires more assistance and work to quantify the amounts. Montenegro only has small amounts of collected unwanted ODSs as yet (200kg CFC 11 and some amount of CTC); however, considering that the TPMP for Montenegro was approved in 2007 and Recovery and Recycling equipment have not been operating for a long time, a greater quantity of ODS waste is expected in the forthcoming years.

Albania had proposed to include destruction activities in its HPMP approved at the last ExCom, but destruction was judged as not eligible for HPMP funding. Under this project, non-LVCs in the Region (FYR of Macedonia, Serbia, Turkey) will be contacted to share their project' experiences.

The main generic common results of this informal survey were the following:

- An interest in a regional approach was expressed by many of the eligible countries
- The most urgent focus may be to improve the details of the inventory of existing quantities (reachable stockpiles).
- Stocks of unwanted substances will continue to grow in the short term and further with full implementation of the HPMPs
- Few linkages with other chemicals (particularly POPs) have been developed up to now except in specific countries, such as Georgia with a POPs destruction project.

³ The TEAP and its Chemicals Technical Options Committee (CTOC), updated destruction technologies identified in the 2002 TEAP Task Force Report under the decision XXI/2 (3), and presented new information on several emerging destruction technologies submitted to the Ozone Secretariat in its May 2010 TEAP Progress Report.

- Interest was expressed by at least two ECA countries in considering utilisation of small destruction units (demonstrated at Port Ghalib’s during the 21st Meeting of the Parties).

3. PROJECT OBJECTIVE and STRATEGY

The agencies in consultation with the countries and the Secretariat considered several options to respond to the needs expressed and the window set by Decision XXI/2.

In the strategy adopted in this project, several elements were taken into account:

1. There is a clear and distinguished need for such activity in the region to respond to the unique situation in the region and in particular in terms of possible exports to nearby European Union countries, or legal implications in terms of implementing the Basel and Rotterdam Convention or instance.
2. The most advanced LVC in the region in terms of collection, storage, quality of data on available stocks, experience with disposing of other ODSs is Croatia. It would be useful to disseminate the country’s experience in the region while assisting in offering some strategic approaches for solving its remaining issues in terms of ODS disposal.
3. The multi-country approach would respond to the priorities and concerns expressed at ExCom during the discussion leading to decision 58/19. Paragraph 92 of the ExCom report indicates that: *“In order to address the concerns raised by some Members during the present discussion, those proposals should be in some way different from the ones already approved, for example: in terms of the substance or the sector concerned, in the way they were co-financed, or because they related to other geographical areas, to ensure equitable geographical representation”*. This proposal indeed puts forward a different approach for addressing the issues in LVCs in relation to national PRP projects which have been approved up to now and will thus cover *“aspects not yet covered by other demonstration projects”* (Decision 58/19 ii (b)).

The rationale for the multi-country approach is that common issues, threats and opportunities, are considered to exist in several LVCs of the ECA region for which a coordinated action would be beneficial - although LVCs may of course opt to use this national project approach as well. It is understood that the participation in this project could either lead to a full project either through individual or through a regional approach.

The objective of this project is thus to propose for the participating countries, a strategy to deal with their stock of unwanted ODSs, in order to maximise ozone as well as climate benefits. The objective is to ensure the preliminary work (including data collection) in order to launch destruction projects that will destroy the quantities of ODSs identified in the subgroup of countries for which destruction is judged achievable as per the cost criteria of the Multilateral Fund and to ensure the most environmentally and economically appropriate technology.

The means to achieve this objective will be to analyse the following and to provide the results to all LVCs in the region regarding:

- The technological options and their respective feasibility/cost effectiveness for participating countries, as well as their environmental impact. The two main options will be either transportation to a neighboring non-LVC where ODS destruction facilities are available (including but not exclusively in the E.U.); or development of destruction

strategies at the local level in case such options may exist or could be developed at the national level for a participating LVC.

- The legal dimensions (including the ones related to potential transportation of hazardous waste) and the development of the legal and regulatory setting for destruction.
- Synergy with other chemical destruction projects in the region and in participating LVCs. In particular, projects of POPs destruction will be analysed to explore this potential cooperation
- Best practices for implementation at the national level will be sought, for example possibilities for development of joint awareness tools and methods for the stakeholders involved
- Financing components to seek possibilities of co-financing to the Multilateral Fund (national participation, carbon markets, other chemical management financing).
- Benefitting from the lessons learnt in other projects in the region (Non-LVCs and Georgia national destruction project). It is noted that in Georgia's project, approved at the 64th ExCom Meeting, one of the expected results is: "*Dissemination of information on good practices and learning from implementation of the proposed activities*"

The Implementing agencies will bring their experiences in other countries such as for example, UNEP which is the implementing agency for the destruction project in Nepal and UNIDO through the several destruction projects it is involved in (Mexico for example). Non-Article 5 countries in the region, such as the Czech Republic and also Poland and Hungary, will provide their expertise, contacts and experience in order to set the best conditions for appropriate handling of unwanted ODS stocks in the ECA region.

4. EXPECTED RESULTS

The expected result of the project is to avoid emissions into the atmosphere of ODS that are contained in reachable banks/stocks in the LVCs of the ECA region, since these emissions represent both a large ozone-depleting and global-warming potentials.

5. ACTIVITIES

- Forming a steering group for the project which will be constituted of all the NOUs participating in the regional strategy, representatives of UNEP, the Czech Republic and UNIDO, and other stakeholder that these members agree to invite to participate. This steering group will use the opportunities offered by the meetings of the ECA Regional ozone network to meet and follow the progress of the project.
- Defining the details of the Terms of Reference for the development of the outputs. This should include a confirmation for each participating country of the quantities actually available for the collection/storage/transportation and the proposed options to destroy these quantities.
- Determine the modalities of the project preparation process (ToR for a consultancy or SSFA with an institute) including a detailed schedule to allow for the outputs to be available by November 2012.
- Contacting potential partners/stakeholders such as:

- The GEF secretariat
 - Private sector
 - Stockholm, Rotterdam and Basel Convention Secretariats
 - Resource centres in the ECA and broader European region (Brno regional centre on POPs for Central and Eastern Europe in the Czech Republic, Poland destruction facilities or resource centres, for example)
 - European Commission
- Compare and review other approved projects or proposals in preparation to learn from best practices, and from the most recent reports of the TEAP/TOC.

The Implementing agencies will plan to provide lessons learnt to the ExCom by its 68th Meeting, as was indicated as an objective in document UNEP/OzL.Pro/ExCom/64/49 (“Report on the experience gained in the implementation of disposal projects (decision 58/19)”).

7. TIMEFRAME:

The timeframe for the project would be 12 months, commencing in December 2011.

8. BUDGET for PROJECT PREPARATION:

US\$ 70,000 (US\$ 35,000 for Czech Republic/UNEP and US\$ 35,000 for UNIDO).

<i>Activity type</i>	Cost
- Consultancy study to confirm data on amounts available for disposal/destruction in LVCs in ECA (UNEP/Czech Republic)	25,000
- Presentation during a meeting with concerned parties on the occasion of an ECA regional network meeting or thematic meeting (UNEP)	0
- Development of a strategy – including technology and legal aspects - for all countries to address current and future quantities of unwanted ODSs, proposing regional and country specific options for destruction project implementation (UNIDO)	35,000
- Dissemination of results to other interested LVCs in the region and beyond, consultation with all other potential partners and co-financing opportunities (UNEP/Czech Republic)	10,000
TOTAL WITHOUT PSC	70,000
Agency fee (13%) for UNEP (implementing on behalf of the Czech Republic)	4,550
Agency fee (7,5%) for UNIDO	2,625
TOTAL including agency fees	77,175

9. ANNEX - ESTIMATE OF TYPES OF STOCKS OF UNWANTED ODS IN THE REGION

**UNIDO - Work Programme – 65th ExCom
(18 September 2011)**

An update on stockpiles of ODSs and ODS for destruction as per ECA network consultations:

Bosnia and Herzegovina	Croatia	Montenegro	Turkmenistan
No exact data on quantities available for destruction. There might be some small stockpiles of MeBr (was used in tobacco), 600 kg of halon 1301 (from power management centre) – currently in halon centre in Mostar – there is domestic demand for halon In future, there might be residues from R&R operation;	8 tonnes of CFCs collected and stored. Halons have been collected but have been dealt with without need for additional assistance.	280 kg waste of CFC 11. Possibly some CTCs (to confirm)	Small stockpiles in Turkmenistan – no evaluation at the moment. Small destruction facilities (made in Japan) demonstrated at the MOP in Port Ghalib might be the solution.

10 . ANNEX – MOP Decision - XXI/2: Environmentally sound management of banks of ozone-depleting substances

Recalling Decision XX/7 which called for further study on the size and scope of banks of ozone-depleting substances and requesting the Multilateral Fund to initiate pilot projects on destruction with a view to developing practical data and experience,

Understanding that any such projects approved under the Multilateral Fund would be implemented consistent with national laws and international agreements related to wastes,

Noting the significant climate change and ozone layer benefits associated with destroying many types of ozone-depleting substances;

1. To request the Ozone Secretariat to host a one-day seminar on the margins of the 30th meeting of the Open-ended Working Group of the Parties to the Montreal Protocol on the topic of how to identify and mobilize funds, including funds additional to those being provided under the Multilateral Fund, for ozone-depleting substance destruction, and further requests the Ozone Secretariat to invite the

Multilateral Fund and the Global Environment Facility to consider co-coordinating this effort, and to invite other relevant institutions to attend the seminar;

2. To request the Executive Committee to continue its consideration of further pilot projects in Article 5 Parties pursuant to decision XX/7, and in that context, to consider the costs of a one-time window within its current destruction activities to address the export and environmentally sound disposal of assembled banks of ozone-depleting substances in low-volume-consuming countries that are not usable in the Party of origin;

3. To request the Technology and Economic Assessment Panel to review those destruction technologies identified in its 2002 report as having a high potential, and any other technologies, and to report back to the 30th meeting of the Open-ended Working Group on these technologies

and their commercial and technical availability;

4. To agree that the Executive Committee of the Multilateral Fund should develop and implement, as expeditiously as possible, a methodology to verify the climate benefits and costs associated with Multilateral Fund projects to destroy banks of ozone-depleting substances, and should make such information publicly available on a project-level basis;

5. To request the Executive Committee to continue its deliberations on a special facility and to report on these deliberations, including possible options for such a facility as appropriate, to the 30th meeting of the Open-ended Working Group as an agenda item.

6. To call upon Parties, and institutions not traditionally contributing to the financial mechanism, to consider making additional support available to the Multilateral Fund for destruction of ozone-depleting substances, if they are in a position to do so;

7. To request the Executive Committee to report annually on the results of destruction projects to the Meeting of the Parties, and to request the Technology and Economic Assessment Panel, based on this, and other available information, to suggest to the thirty-first meeting of the Open-ended Working Group components designed to help Parties of diverse size and with diverse wastes to develop national and/or regional strategic approaches to address the environmentally sound disposal of the banks of ozone-depleting substances that are present in their countries and/or regions. In addition, this information should be available to the Technology and Economic Assessment Panel and the Parties to inform the consideration of the financial implications for the Multilateral Fund and other funding sources of addressing the destruction of ozone-depleting-substance banks;