



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/66/20  
29 March 2012

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-sixth Meeting  
Montreal, 16-20 April 2012

**OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW**

## **Introduction**

1. This document consists of the following sections:
  - (a) An analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 66<sup>th</sup> meeting;
  - (b) Issues identified during the project review process;
  - (c) Projects and activities submitted for blanket approval; and
  - (d) Investment projects for individual consideration.

## **Projects and activities submitted by bilateral and implementing agencies**

2. Bilateral and implementing agencies submitted 85 funding requests for new multi-year agreements, tranches of approved multi-year agreements and projects and activities, amounting to US \$112,597,371, including agency support costs where applicable. The funding requests covered:
  - (a) Eight new HCFC phase-out management plans (HPMPs) for low-volume-consuming (LVC) countries and 11 HPMPs for non-LVC countries (including the withdrawn);
  - (b) Second tranches of four approved HPMPs and second payment of the first tranche of an approved HPMP;
  - (c) One tranche of an approved methyl bromide (MB) phase-out project;
  - (d) The second tranche of an accelerated CFC production phase-out project;
  - (e) Seven ODS pilot demonstration activities (four at the country level, one at the regional level and two request for project preparation);
  - (f) Thirteen renewal requests for institutional strengthening projects; and
  - (g) One global activity for the development of a guide for sustainable refrigerated facilities and systems.
3. Following the project review process, 14 projects and activities totalling US \$4,249,508 including support costs are recommended for blanket approval; 52 projects and activities totalling US \$80,133,308 including support costs (of which US \$35,814,039 is requested at the 66<sup>th</sup> meeting) are being forwarded for individual consideration by the Executive Committee. Together, the projects for blanket approval and those for individual consideration represent a total amount of US \$40,063,547 in funding being requested at this meeting. Two HPMPs (Myanmar and Philippines) at a total cost of US \$1,532,237 as originally submitted were withdrawn by the relevant agencies due to issues raised during the project review process or upon a request by relevant governments; five ODS disposal demonstration activities amounting to US \$4,777,951, and one renewal of an institutional strengthening project amounting to US \$129,000 were also withdrawn. The HPMP of one country (Syrian Arab Republic) is under current discussion between the Secretariat and the agencies concerned. Outcomes of the discussions will be submitted for consideration by the Executive Committee at the 67<sup>th</sup> meeting.
4. As advised in the “Report on balances and availability of resources” (UNEP/OzL.Pro/ExCom/66/4), the total level of resources available for approvals by the Executive

Committee at the 66<sup>th</sup> meeting is US \$31,429,890, as of 9 March 2012. This amount is lower than the US \$40,063,547 being requested for projects and activities at the same meeting.

### **Issues identified during project review**

5. One policy issue was identified during the project review process for the 66<sup>th</sup> meeting, namely requests for project preparation for ODS disposal demonstration projects for low-volume-consuming (LVC) countries not submitted to the 66<sup>th</sup> meeting. The Secretariat is also seeking the Committee's advice on whether the Secretariat could submit all future tranches of stage I of HPMPs under the list of projects for blanket approval, on the understanding that there are no issues for consideration.

#### *ODS disposal demonstration projects not submitted to the 66<sup>th</sup> meeting*

6. Two ODS disposal demonstration project proposals for China and Nigeria, and one regional ODS destruction and refrigeration air-conditioning equipment replacement programme for 14 countries in Asia and the Pacific have been submitted by UNIDO and Japan respectively, for consideration by the Executive Committee at its 66<sup>th</sup> meeting. During the project review process, the Secretariat addressed a number of technical and cost-related issues with the relevant agencies. However, the following issues could not be resolved: the proposals have not met some of the criteria for an ODS disposal demonstration project set in decision 58/19 (i.e., interim guidelines for pilot ODS disposal projects), such as providing information on credible collection programmes that are at an advanced stage of set up and to which activities under these projects would relate; and sources of ODS from end-of-life equipment and collection activities related to these sources. Accordingly, the agencies were requested to defer the project proposals to a future meeting, once the issues have been satisfactorily addressed.

7. In addition to the above-mentioned disposal demonstration projects, UNIDO submitted a request for project preparation funding for a strategy for disposal and destruction of ODS for four LVC countries in South America in line with decision 64/17 (i.e., all future proposals for ODS disposal demonstration projects for LVC countries should be submitted for consideration by the Committee no later than its 66<sup>th</sup> meeting). In reviewing the request, the Secretariat noted that it had not fulfilled all of the requirements of decision 58/19 on submitting activities for project preparation funding, and requested UNIDO to defer the request to a future meeting.

8. Given these circumstances, and in light of decision 64/17, clarification is sought from the Executive Committee on:

- (a) Whether or not decision 64/17 applies to those projects for low-volume-consuming (LVC) countries where project preparation funding had already been approved at previous meetings; and
- (b) Whether or not project preparation requests for pilot ODS disposal projects for LVCs submitted to the 66<sup>th</sup> meeting but subsequently deferred due to inconsistencies with decision 58/19 may be considered for submission to the 67<sup>th</sup> meeting only.

#### *Submission of tranches for stage I of HPMPs for blanket approval*

9. Funding for the second tranche of stage I of the HPMPs of Armenia (UNEP/OzL.Pro/ExCom/66/29), Colombia (UNEP/OzL.Pro/ExCom/66/33), Croatia (UNEP/OzL.Pro/ExCom/66/35) and Nigeria (UNEP/OzL.Pro/ExCom/66/45) have been submitted for consideration by the Executive Committee at its 66<sup>th</sup> meeting. The submissions also included progress reports on the implementation of the first year of the HPMP, verification reports on HCFC consumption (Colombia and Nigeria), and annual implementation plans.

10. The four proposals submitted by the relevant lead implementing agencies have been prepared in accordance with relevant decisions taken by the Executive Committee. With the exception of the second tranche of the HPMP of Croatia, all policy, technical and cost-related issues have been resolved and agreed between the Secretariat and relevant implementing agencies. However, the Secretariat has listed the projects for individual consideration.

11. As of the 65<sup>th</sup> meeting, the Executive Committee has approved HPMPs for 106 Article 5 countries; an additional 16 HPMPs have been submitted to the 66<sup>th</sup> meeting. It is expected that the 20 outstanding HPMPs would be submitted in 2012. Accordingly, funding tranche requests from all eligible Article 5 countries would be submitted on a continuous basis from the 67<sup>th</sup> meeting until the completion of the implementation of stage I (i.e., 2015 for the majority of non-LVC countries or 2020 for the majority of LVC countries).

12. Given that in all of the approved HPMPs the HCFC phase-out targets and starting points for aggregate reductions in HCFC consumption have been agreed, and the levels of funding have been approved in principle, and noting the number of tranche requests likely to be submitted, the Executive Committee may consider whether it would like to continue to discuss each request individually or, alternatively, whether the Secretariat should be requested to submit all future tranches of stage I of HCFC phase-out management plans for blanket approval provided they are in accordance with relevant policies and decisions of the Multilateral Fund, given that they contain no policy issues, and that all technical and cost issues have been agreed between the Secretariat and relevant bilateral and/or implementing agencies.

**Projects and activities submitted for blanket approval**

13. Annex I to this document, lists 14 projects and activities totalling US \$4,249,508 including support costs that are recommended for blanket approval. The approval of these projects by the Executive Committee would include the relevant conditions or provisions in the corresponding project evaluation sheets, as well as the approval of implementation programmes associated with the relevant tranches of multi-year projects.

**Investment projects for individual consideration**

14. A total of 52 projects and activities totalling US \$80,133,308 including support costs (of which US \$35,814,039 is requested at the 66<sup>th</sup> meeting) after the review by the Secretariat, are proposed for individual consideration. The issues associated with non-investment projects are presented in relevant 2012 work programmes of UNDP (UNEP/OzL.Pro/ExCom/66/22), UNEP (UNEP/OzL.Pro/ExCom/66/23), UNIDO (UNEP/OzL.Pro/ExCom/66/24) and the World Bank (UNEP/OzL.Pro/ExCom/66/25).

15. To facilitate the Executive Committee’s consideration of the projects submitted for individual consideration, the Secretariat has classified the projects by sector, and has grouped projects according to the issues, as shown in Table 1 below.

**Table 1. List of projects for individual consideration**

Country	Project	Agency	ExCom	Issue
<b>CFC production</b>				
India	Accelerated CFC production phase-out (second tranche)	World Bank	66/38	Report on verifications on customs records; no confirmation on the destruction of non-pharma-grade CFC

Country	Project	Agency	ExCom	Issue
<b>ODS disposal</b>				
Colombia	Pilot demonstration project on ODS waste management and disposal	UNDP	66/33	All issues have been satisfactorily addressed
Turkey	Pilot demonstration project on ODS waste management and disposal	UNIDO	66/48	All issues have been satisfactorily addressed
<b>Second tranches of HPMPs</b>				
Armenia	HCFC phase-out management plan (stage I, second tranche)	UNDP/UNEP	66/29	All issues have been satisfactorily addressed
Colombia	HCFC phase-out management plan (stage I, second tranche)	UNDP/UNEP	66/33	All issues have been satisfactorily addressed
Croatia	HCFC phase-out management plan (stage I, second, third and fourth tranches)	UNIDO/Italy	66/35	Request for approval of three funding tranches. Use of funding from a cancelled project for HPMP activities
Nigeria	HCFC phase-out management plan (stage I, second tranche)	UNDP/UNIDO	66/45	All issues have been satisfactorily addressed
<b>HPMPs for LVC countries</b>				
Antigua and Barbuda	HCFC phase-out management plan (stage I, first tranche)	UNEP	66/27	All issues have been satisfactorily addressed
Bosnia and Herzegovina	HCFC phase-out management plan (stage I, first tranche)	UNIDO	66/30	All issues have been satisfactorily addressed
Brunei Darussalam	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNDP	66/31	All issues have been satisfactorily addressed
Djibouti	HCFC phase-out management plan (stage I, first tranche)	UNEP	66/36	All issues have been satisfactorily addressed
Mozambique	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/42	All issues have been satisfactorily addressed
Nicaragua	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/43	All issues have been satisfactorily addressed
Niger	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/44	All issues have been satisfactorily addressed
<b>HPMPs/sector plan for non-LVC countries</b>				
Algeria	HCFC phase-out management plan (stage I, first tranche)	UNIDO	66/26	Lower HCFC baseline under Article 7 as compared to that in the HPMP. Reduction above 10 per cent of baseline
Argentina	HCFC phase-out management plan (stage I, first tranche)	UNIDO/World Bank/Italy	66/28	Request for changing the starting point from 2008 to HCFC baseline. Reduction above 10 per cent of baseline
Cote d'Ivoire	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/34	Former LVC country (decision 62/11)
Guinea	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/37	Former LVC country (decision 62/11)
India	HCFC phase-out management plan (stage I, first tranche)	UNDP/UNEP/Germany	66/38	Reduction above 10 per cent of baseline
Kenya	HCFC phase-out management plan (stage I, first tranche)	France	66/39	Reduction above 10 per cent of baseline
Kuwait	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/40	Reduction above 10 per cent of baseline
Sudan	HCFC phase-out management plan (stage I, first tranche)	UNIDO	66/46	Reduction above 10 per cent of baseline
Thailand	HCFC phase-out management plan (stage I, first tranche)	World Bank	66/47	Reduction above 10 per cent of baseline

**List of projects and activities recommended for blanket approval**

 UNEP/OzL.Pro/ExCom/66/20  
 Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>ALBANIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Renewal of institutional strengthening project (phase V: 7/2012-6/2014)	UNEP		\$109,200	\$0	\$109,200
	<b>Total for Albania</b>		<b>\$109,200</b>		<b>\$109,200</b>
<b>BELIZE</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Renewal of institutional strengthening project (phase VI: 4/2012-3/2014)	UNEP		\$76,700	\$0	\$76,700
	<b>Total for Belize</b>		<b>\$76,700</b>		<b>\$76,700</b>
<b>BRAZIL</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase VII: 1/2012-12/2013)	UNDP		\$351,000	\$26,325	\$377,325
	<b>Total for Brazil</b>		<b>\$351,000</b>	<b>\$26,325</b>	<b>\$377,325</b>
<b>INDIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase IX: 4/2012-3/2014)	UNDP		\$373,230	\$27,992	\$401,222
	<b>Total for India</b>		<b>\$373,230</b>	<b>\$27,992</b>	<b>\$401,222</b>
<b>MALAWI</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase VIII: 4/2012-3/2014)	UNEP		\$66,733	\$0	\$66,733
	<b>Total for Malawi</b>		<b>\$66,733</b>		<b>\$66,733</b>
<b>MEXICO</b>					
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
National methyl bromide phase-out plan (third tranche)	UNIDO		\$1,200,000	\$90,000	\$1,290,000
National methyl bromide phase-out plan (third tranche)	Spain		\$800,000	\$93,000	\$893,000
	<b>Total for Mexico</b>		<b>\$2,000,000</b>	<b>\$183,000</b>	<b>\$2,183,000</b>

**List of projects and activities recommended for blanket approval**UNEP/OzL.Pro/ExCom/66/20  
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>NAMIBIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase VII: 4/2012-3/2014)	UNEP		\$60,000	\$0	\$60,000
		<b>Total for Namibia</b>	<b>\$60,000</b>		<b>\$60,000</b>
<b>NICARAGUA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Renewal of institutional strengthening project (phase VI: 4/2012-3/2014)	UNEP		\$60,000	\$0	\$60,000
		<b>Total for Nicaragua</b>	<b>\$60,000</b>		<b>\$60,000</b>
<b>PARAGUAY</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase VI: 7/2012-6/2014)	UNEP		\$60,000	\$0	\$60,000
		<b>Total for Paraguay</b>	<b>\$60,000</b>		<b>\$60,000</b>
<b>SAINT VINCENT AND THE GRENADINES</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase V: 4/2012-3/2014)	UNEP		\$60,000	\$0	\$60,000
		<b>Total for Saint Vincent and the Grenadines</b>	<b>\$60,000</b>		<b>\$60,000</b>
<b>TANZANIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase V: 4/2012-3/2014)	UNEP		\$60,000	\$0	\$60,000
		<b>Total for Tanzania</b>	<b>\$60,000</b>		<b>\$60,000</b>
<b>TUNISIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase VII: 7/2012-6/2014)	IBRD		\$247,270	\$18,545	\$265,815
		<b>Total for Tunisia</b>	<b>\$247,270</b>	<b>\$18,545</b>	<b>\$265,815</b>

**List of projects and activities recommended for blanket approval**UNEP/OzL.Pro/ExCom/66/20  
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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>ZIMBABWE</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (stage I, balance of the first tranche)	Germany	5.4	\$419,417	\$50,096	\$469,513	
	<b>Total for Zimbabwe</b>	<b>5.4</b>	<b>\$419,417</b>	<b>\$50,096</b>	<b>\$469,513</b>	
	<b>GRAND TOTAL</b>	<b>5.4</b>	<b>\$3,943,550</b>	<b>\$305,958</b>	<b>\$4,249,508</b>	