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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-second Meeting
Montreal, 12-16 May 2014

UNIDO's WORK PROGRAMME FOR 2014

COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee of US \$965,323 for its 2014 work programme, plus agency support costs of US \$67,573 listed in Table 1. The submission is attached to this document.

Table 1: UNIDO's work programme for 2014

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1: Renewal of institutional strengthening projects			
Egypt	Renewal of institutional strengthening (phase X)	228,323	228,323
	Agency support costs (7 per cent for IS projects)	15,983	15,983
	Total for A1	244,306	244,306
A2: Project preparation			
Algeria	Methyl bromide project preparation	35,000	35,000
	Agency support costs (7 per cent for project preparation)	2,450	2,450
	Total for A2	37,450	37,450
A3: Project preparation for HCFC phase-out management plans (stage II)			
Brazil	Preparation for HCFC phase-out investment activities (stage II) (refrigeration and air-conditioning manufacturing sector)	150,000	150,000
	Preparation of a HCFC phase-out management plan (stage II)	10,000	10,000
Nigeria	Preparation for HCFC phase-out investment activities (stage II) (refrigeration and air-conditioning manufacturing sector)	150,000	150,000
Pakistan	Preparation of a HCFC phase-out management plan (stage II)	42,000	42,000
	Preparation for HCFC phase-out investment activities (stage II) (foam sector)	50,000	50,000
	Preparation for HCFC phase-out investment activities (stage II) (refrigeration and air-conditioning manufacturing sector)	60,000	60,000
Sudan	Preparation of a HCFC phase-out management plan (stage II)	25,000	25,000
	Preparation for HCFC phase-out investment activities (stage II) (foam)	40,000	40,000
	Preparation for HCFC phase-out investment activities (stage II) (refrigeration and air-conditioning manufacturing sector)	35,000	35,000
Venezuela (Bolivarian Republic of)	Preparation of a HCFC phase-out management plan (stage II)	90,000	90,000
	Update the preparation for HCFC phase-out investment activities (stage II) (refrigeration manufacturing sector)	50,000	50,000
	Subtotal for A3	702,000	702,000
	Agency support costs (7 per cent for project preparation)	49,140	49,140
	Total for A3	751,140	751,140
	Grand Total (A1, A2 and A3):	1,032,896	1,032,896

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL

A1: Institutional strengthening

Project description

3. UNIDO submitted the request for the renewal of the institutional strengthening (IS) project for Egypt listed in Table 1. The description for the project is presented in Annex I to this document.

Secretariat's comments

4. The Secretariat reviewed the IS terminal report and action plan submitted by UNIDO on behalf of the Government of Egypt and noted that the country is in compliance with the ODS phase-out targets under the Montreal Protocol. The Secretariat took into account decision 61/43¹ in considering this request.

Secretariat's recommendations

5. The Secretariat recommends blanket approval of the IS renewal request for Egypt at the level of funding indicated in Table 1 of this document. The Executive Committee may wish to express to the aforementioned Government the comments which appear in Annex II to this document.

A2: Project preparation for methyl bromide

Project description

6. UNIDO has requested funding for the preparation of a project to phase out the use of methyl bromide (MB) in fumigation of high moisture in dates for Algeria in line with decision 69/4(b)(iv)². UNIDO indicated that the funds are required to identify the activities necessary to develop technical support that will allow Algeria to meet its phase-out in 2015. The 2012 MB consumption for Algeria has been reported to be 1.8 ODP tonnes, and its baseline is established at 4.7 ODP tonnes.

Secretariat's comments

7. This submission is in line with decision 69/4(b)(iv). Algeria has also ratified the Copenhagen Amendment, which is a prerequisite for the approval of projects to achieve phase-out of MB.

8. The Secretariat had noted that Algeria had previously received funding for MB activities, for a total of US \$84,000 mostly in project preparation. In explaining why additional project preparation funds are needed, UNIDO indicated that as the earlier funds were approved several years ago, there was a need to update the current situation in the field for Algeria. Given the exemption for the use of MB in high moisture dates, the consumption in this application was not controlled due to the lack of alternatives. The recent report from the UNEP Methyl Bromide Technical Options Committee (MBTOC) indicates that there are now alternatives for this application; therefore this exemption may not be valid anymore. The preparation of a project to replace MB in dates thus becomes urgent in order for Algeria to be in compliance with the MB phase-out in 2015.

¹ The Executive Committee decided *inter alia* to maintain funding for IS support at current levels, and to renew IS projects for the full two-year period from the 61st meeting, taking into account decisions 59/17 and 59/47(b) that allowed Article 5 Parties to submit their IS projects as stand-alone projects or within their HCFC phase-out management plans, and to approve the revised format for IS renewals with the identified objectives and indicators, to be used for requests for renewal of IS projects submitted to the 62nd meeting and onwards (decision 61/43).

² Implementing agencies were requested to consider the need for additional methyl bromide (MB) projects in some countries that had partial MB phase-out projects or were exempted from complying with the MB controls pursuant to decision XV/12 of the Fifteenth Meeting of the Parties.

Secretariat's recommendation

9. The Secretariat recommends blanket approval for the request for the project preparation for methyl bromide for Algeria at the level of funding shown in Table 1 of this document.

A3: Project preparation for HCFC phase-out management plans/HCFC phase-out investment activities (stage II)

Project description

10. UNIDO submitted the following requests for the preparation of stage II of HCFC phase-out management plans (HPMPs) and HCFC phase-out investment activities: Pakistan, the Sudan and Venezuela (Bolivarian Republic of) (UNIDO as the lead implementing agency); Brazil and Nigeria (UNDP³ as the lead implementing agency). The details of the activities that will be undertaken during the project preparation process are described in the respective work programme of the lead implementing agency.

11. Except for the Sudan where UNIDO is the only implementing agency, all requests are in addition to what are being requested by the Government of Germany⁴, UNDP and UNEP⁵ for other HCFC manufacturing sectors/overarching strategy preparation requests.

12. UNIDO provided a description of the activities to support its requests for the preparation for stage II of the HPMP/HCFC phase-out investment activities for Pakistan, the Sudan and Venezuela (Bolivarian Republic of). The requests cover preparation funding for the following:

- (a) For Pakistan, US \$90,000 for the overarching strategy (US \$42,000 for UNIDO and US \$48,000 for UNEP), US \$50,000 for the foam sector and US \$60,000 for the refrigeration sector for UNIDO;
- (b) For Sudan, US \$25,000 for the overarching strategy, US \$40,000 for the foam sector and US \$35,000 for the refrigeration sector all for UNIDO; and
- (c) For Venezuela (Bolivarian Republic of), US \$90,000 for the overarching strategy and US \$50,000 for the refrigeration and air-conditioning sector for UNIDO plus US \$150,000 for the foam sector for UNDP.

13. The total funding requested for these countries are within the limits set by decision 71/42(d), (f) and (g) based on their remaining eligible HCFC consumption.

Secretariat's comments

14. In reviewing these requests, the Secretariat took into account the guidelines for funding the preparation of stage II of the HPMPs for Article 5 countries as contained in decision 71/42 and undertook an extensive review of the approved stage I of the HPMPs and the status of the implementation of the tranches as at the time of the preparation of the present document. The Secretariat's review of the individual submissions is contained in the work programme of the respective lead implementing agency for these countries. Detailed comments seeking clarification on the information submitted to support the project preparation requests were provided and substantive discussions were held to understand both the required activities for stage II and funding being sought.

³ UNEP/OzL.Pro/ExCom/72/14

⁴ UNEP/OzL.Pro/ExCom/72/13

⁵ UNEP/OzL.Pro/ExCom/72/15

15. With regard to Pakistan, the Secretariat noted:
- (a) That its HCFC consumption in 2012 showed a 30 per cent increase from its baseline and sought an explanation for this increase; and
 - (b) That stage I of the HPMP had already identified all manufacturing enterprises and sought an explanation for the request for preparatory funding for the foam and refrigeration sectors.
16. In its response, UNIDO explained that the growth in the consumption in 2012 was only in HCFC-22, imports of other substances remained at the same level. It appears that the increase in HCFC-22 was due to stockpiling in preparation for the freeze. UNIDO indicated that this does not change the country's commitment to meet the freeze in HCFC consumption in 2013.
17. With regard to the project preparation funding for the foam and refrigeration sectors, UNIDO explained that data for both sectors would need to be updated as these were collected in 2009 and the projects proposals developed. Project preparation funding requested is less than what had been approved for stage I, and took into account information already available.
18. With regard to Sudan, information was sought to demonstrate substantial progress on the implementation of stage I of the HPMP as a requirement of decision 71/42, taking into account that the second tranche of stage I of the HPMP for Sudan is due for submission only at the 73rd meeting. UNIDO provided information that showed many activities had been completed for the servicing sector including training and delivery of tools and equipment. It also provided a financial report that indicated that disbursement for the first tranche had reached more than 80 per cent of the approved funding.
19. The Secretariat also sought clarification on the requested project preparation for the investment component for Venezuela (Bolivarian Republic of) taking into account work that had been done in stage I. UNIDO explained that the funds requested will be used for a survey to update HCFC consumption in the manufacturing sector. In addition, since 2009, new environmentally friendly technologies have become available and the Government of Venezuela (Bolivarian Republic of) would like to see how these can be implemented for stage II.
20. As cooperating agency for the stage II of the HPMP preparation for Brazil responsible for the refrigeration sector, the Secretariat noted that UNIDO was not involved in the preparation and implementation of stage I of the HPMP. UNIDO had provided a detailed list of activities to be undertaken in the sector, and indicated that it will ensure that information that had previously been collected under stage I will be used during the process.
21. In the case of Nigeria UNIDO, as the cooperating agency responsible for the refrigeration and air-conditioning manufacturing sector, clarified that due to an increase in HCFC consumption in this sector, there is a need to fully reassess consumption as well as to analyze the applicability of suitable technologies for implementation in stage II.
22. After these discussions, the Secretariat concluded that these requests met the requirements of decision 71/42. The amounts indicated for the countries in Table 1 are for UNIDO only. Additional funding is reflected in the respective work programmes of the other implementing agencies.

Secretariat's recommendation

23. The Fund Secretariat recommends blanket approval for the requests of UNIDO's components for project preparation for the HCFC phase-out management plans/HCFC phase-out investment activities (stage II) for Brazil, Nigeria, Pakistan, the Sudan and Venezuela (Bolivarian Republic of) at the level of funding shown in Table 1 of this document.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSAL

Egypt: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNIDO
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Jun-93	263,450
	Phase II: Nov-95	175,909
	Phase III: Mar-99	175,000
	Phase IV: Jul-01	175,000
	Phase V: Jul-03	228,323
	Phase VI: Mar-07	228,323
	Phase VII: Nov-08	228,323
	Phase VIII: Jul-10	228,323
	Phase IX: Jul-12	228,323
	Total:	1,930,974
Amount requested for renewal (phase X) (US \$):		228,323
Amount recommended for approval for phase X (US \$):		228,323
Agency support costs (US \$):		15,983
Total cost of institutional strengthening phase X to the Multilateral Fund (US \$):		244,306
Date of approval of country programme:		1992
Date of approval of HCFC phase-out management plan:		2011
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		1,668.0
(b) Annex A, Group II (halons) (average 1995-1997)		705.0
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		38.5
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		26.0
(e) Annex C, Group I (HCFCs) (average 2009-2010)		386.3
(f) Annex E (methyl bromide) (average 1995-1998)		238.1
Latest reported ODS consumption (2012) (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 C, Group I (HCFCs)		513.8
(f) Annex E (methyl bromide)		116.4
	Total:	630.2
Year of reported country programme implementation data:		2012
Amount approved for projects (as at December 2013) (US \$):		58,109,624
Amount disbursed (as at December 2013) (US \$):		46,464,590
ODS to be phased out (as at December 2013) (ODP tonnes):		4,493.4
ODS phased out (as at December 2013) (ODP tonnes):		4226.4

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

Summary of activities	Funds approved (US \$)
(a) Investment projects:	51,673,954
(b) Institutional strengthening:	1,930,974
(c) Project preparation, technical assistance, training and other non-investment projects:	4,504,696
Total:	58,109,624

Progress report

2. The National Ozone Unit (NOU), in cooperation with all stakeholders in Egypt, was successful in continuing its activities for a sustainable phase-out of CFCs in the country. The Memorandum of Understanding signed between the Egyptian Environmental Affairs Agency and the customs and the monitoring authorities of imports and exports ensured the continuation of banning the imports of CFCs and illegal trade. Several awareness events were also targeting the HCFCs phase-out objectives. Also, the NOU participated actively in the implementation of stage I of the HCFC phase-out management plan. The NOU was successful in meeting all its commitments to the Montreal Protocol.

Plan of action

3. In addition to the follow up on the ongoing projects and on the sustainability of the completed projects, the NOU will continue to focus on the phase out of HCFCs in Egypt. Activities already started during the implementation of stage I of the HCFC phase-out management plan (HPMP). Several foam sector projects are currently under implementation, and other activities in the refrigeration and air-conditioning sector have started. The NOU will take part in following up and coordinating with the beneficiaries and the implementing agencies to ensure the success of these projects and a smooth phase-out according to the HCFCs phase-out schedule. The NOU will continue reviewing and suggesting any necessary legislative amendments needed to mainstream the HPMP into the national policies and sustainable development programmes. The sustainable cooperation with all stakeholders in Egypt will facilitate a successful implementation of the HPMP. The NOU will continue to cooperate with the enforcement authorities to prevent illegal trade of ODSs and public awareness and training programmes will be conducted among stakeholders.

Annex II

**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF
INSTITUTIONAL STRENGTHENING PROJECT SUBMITTED TO THE 72nd MEETING**

Egypt

1. The Executive Committee reviewed the report presented with the institutional strengthening (IS) project renewal request for Egypt and noted with appreciation that the country complied with the data reporting obligations under the Montreal Protocol during the reported period. The Executive Committee also noted that within the framework of the IS project, Egypt has taken significant steps to address the HCFC phase-out consumption to comply with the freezing target set for 2013. The Executive Committee is therefore confident that in the next two years, the Government of Egypt will continue its activities, both at the project and policy levels, to enable it to achieve the 10 per cent reduction of HCFCs in 2015.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

72nd Executive Committee of the
Multilateral Fund for the Implementation of the Montreal Protocol

UNIDO Work Programme

72nd Executive Committee

Introduction

The UNIDO Work Programme for the consideration of the 72nd 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 2014-2016.

As a follow up of the Decision 71/42 that approved Guidelines for the preparation of Stage II HPMPs and based on country requests, the UNIDO 72 WPA included preparatory funding HPMP stage II for Brazil, Pakistan, Sudan and Venezuela. In addition, 72 UNIDO WPA is including one MeBr preparatory assistance request addressing fumigants sector, respectively the phase-out of MeBr from the high-moisture dates applications.

Institutional strengthening extension request is submitted based on the country request for Egypt.

The UNIDO Work Programme Amendment for the consideration of the 72nd Ex.Com. Meeting comprises the following sections:

Section 1

Gives in a tabulated form by project types and country the consolidated list of activities foreseen for the above requests

Funding is requested as follows:

- preparatory assistance proposals addressing HPMP stage II in Brazil, Nigeria, Pakistan, Sudan and Venezuela and Methyl Bromide phase-out from high-moisture applications in Algeria amounting \$US 788,590 (including \$US 51,590 representing 7.0 % A.S.C.)
- IS extension Project in Egypt 244,306 US\$ (including \$US 15,983 representing 7.0 % A.S.C.)
- **Total: 1,032,896 \$US including A.S.C.**

Project concepts indicating details and funding requirements are provided in Section 2.

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

Country	Type	Subs-tance	Title of Project	Requested amount USD	A.S.C. USD	Total (incl ASC) USD	A.S. C. %	P.D.	Remarks
Preparatory assistance									
Algeria	PRP	MeBr	MeBr project preparation in fumigants sector (high-moisture dates sector)	35,000	2,450	37,450	7	12	
Brazil	PRP	HCFC	Preparation of investment activities for the phase-out of HCFCs in RAC manufacturing sector	150,000	10,500	160,500	7	12	
Brazil	PRP	HCFC	HPMP 2nd Stage Overarching Strategy	10,000	700	10,700	7	12	UNDP lead agency (concept included with the UNDP 72WPA)
Nigeria	PRP	HCFC	Preparation of investment activities for the phase-out of HCFCs in refrigeration manufacturing sector	150,000	10,500	160,500	7	12	UNDP lead agency (concept included with the UNDP 72WPA)
Pakistan	PRP	HCFC	Project preparation for Stage II of HPMP	152,000	10,640	162,640	7	12	
Sudan	PRP	HCFC	Project preparation for Stage II of HPMP	100,000	7,000	107,000	7	12	
Venezuela	PRP	HCFC	Project preparation for Stage II of HPMP	90,000	6,300	96,300	7	12	
Venezuela	PRP	HCFC	Update the preparation of investment activities for the phase-out of HCFCs in the refrigeration manufacturing sector.	50,000	3,500	53,500	7	12	
Subtotal				737,000	51,590	788,590			
Institutional strengthening									
Egypt	INS	All	Institutional Strengthening - Phase X	228,323	15,983	244,306	7	24	
Subtotal				228,323	15,983	244,306			
Grand TOTAL				965,323	67,573	1,032,896			

Section 2

PROJECT CONCEPT

Country:	Algeria
Sector Covered:	Project preparation in the fumigants sector (high-moisture dates)
Duration:	12 months
Project Budget:	US\$ 37,450 (including 7% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	Ministry of Environment

Project Summary

The Executive Committee at its 69th Meeting has recommended Implementing Agencies to consider the need for additional methyl bromide (MB) projects in Algeria, exempted from complying with the MB controls pursuant to Decision XV/12 of the Fifteenth Meeting of the Parties (Decision 69/4).

Par 1 of Decision XV/12 states that:

[Quote] the Implementation Committee and Meeting of the Parties should defer the consideration of the compliance status of countries that use over 80 per cent of their consumption of methyl bromide on high-moisture dates until two years after the Technology and Economic Assessment Panel formally finds that there are alternatives to methyl bromide that are available for high-moisture dates [un-quote].

In its 2013 Progress Report, the Technology and Economic Assessment Panel reported that treatments have been designed and are being used for dates in most date-producing countries.

Project Concept

Country: The Federative Republic of Brazil

Title: Preparation of investment activities for the phase-out of HCFCs in the refrigeration and air-conditioning manufacturing sector

Project Duration: 12 months

Project Budget: 160,500 (including 7% Agency Support Costs)

Implementing Agency: UNIDO

Coordinating Agency: PROZON and IBAMA (MMA)

Project Summary

Brazil has the fifth highest HCFC-Baseline consumption among all Article 5 countries, amounting to 1,327.3 ODP tonnes.

Stage I HPMP of Brazil is focusing mainly on activities related to the phase-out of HCFC-141b in the foam manufacturing sector. In addition, activities have also been initiated in the refrigeration service sector for the phase-out of HCFC-22.

Brazil has made commitments with the Executive Committee to comply with the Freeze and the 10% reduction targets in 2013 and in 2015 respectively. The last funding tranche of Stage I HPMP is in 2015.

On 19 May 2013, UNIDO received a government request from Brazil to be responsible for the Refrigeration and Air-Conditioning (RAC) sector in Stage II HPMP. In the same letter, UNIDO was requested to include in its 2014 Business Plan, project preparation for Stage II in the RAC sector. UNIDO's 2014 Business Plan has been prepared accordingly.

Although funds were approved for UNDP for the preparation of activities in the RAC sector before Stage I HPMP was approved (Ref: BRA/REF/57/PRP/289), no funds were utilized and all preparatory funds were returned to the 69th Meeting of Executive Committee, since the Government of Brazil decided that this sector would not be a priority for Stage I.

An inter-agency coordination meeting was held on 18-19 February 2014 in Brasilia to agree on the responsibilities and timing for Stage II HPMP. Implementing agencies were requested to ask for project preparation funding at the 72nd Executive Committee for the preparation of Stage II HPMP, for additional phase-out activities in the foam sector and for phase-out activities in the RAC sector to ensure that Stage II HPMP can be submitted in 2015.

The Executive Committee in its Decision 71/42 approved guidelines for the preparation of Stage II HPMPs, according to which, Brazil is fully eligible to request project preparation fund at the 72nd Meeting of the Executive Committee.

Based on preliminary information, there are over 45 manufacturers in the refrigeration and air

conditioning manufacturing sector in Brazil. Around 15 large and medium size companies are in the air-conditioning sector and over 30 large and mediums size enterprises in the commercial refrigeration sub-sector. Although there are few Article 2 owned enterprises, the majority of the above mentioned 45 companies is either Brazilian or owned by other A5 countries. It is expected that HCFC consumption in the RAC sector might be higher than estimated in Stage I HPMP.

UNIDO will have to undertake a comprehensive survey in the RAC sector to collect HCFC consumption data, ownership information, details on the produced products as well as baseline equipment. There is a need to hold several stakeholder consultation meetings with the industry and the involvement of the Government to design a proper strategy for this very complex sector.

In cooperation with the Government of Brazil, industry and relevant bilateral and implementing agencies, a RAC sector strategy and investment projects will be prepared to help the Government of Brazil to achieve at least the 2020 reduction target in line with the priorities established in the HPMP.

The requested funding level of USD 150,000 is fully in compliance with ExCom Decision 71/42.

Project Concept

Country:	Pakistan
Title:	Project preparation for stage II of HPMP
Project Duration:	12 months
Project Budget:	US\$ 162,640 (including 10,640 USD, representing 7% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	UNEP
Cooperating Agency:	Ministry of Climate Change / National Ozone Unit

1. Background

Funding requirement for the preparation of Stage-II HCFC Phase out Management Plan (HPMP) is being prepared in accordance with UNEP/OzL.Pro/ExCom/71/55 November 01, 2013. The number of enterprises where the request for funding in manufacturing sector is being sought is in line with decision 56/16. This request of funding is being submitted to ensure continuity of implementation of HPMP in Pakistan until the last target as set under accelerated HCFC Phase-out plan is achieved. It is ensured that the document is being submitted in accordance with minimum requirement of 2 years since approval of Stage-1 as set under item 3.b of the guideline.

The HPMP for Pakistan was approved in 62nd meeting of ExCom., to ensure compliance of the Country with 2013 Freeze and 2015 10% HCFC phase out reduction targets; for principal amount of US\$ 5,448,849 to be implemented through different tranches as following:

	2010	2011	2012	2013	2014	2015	Total
Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	253.7	n/a	n/a	246.6	246.6	221.9	n/a
Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	253.7	n/a	n/a	246.6	246.6	221.9	n/a
Lead IA UNIDO agreed funding(US \$)	4,908,849			80,000	20,000		5,008,849
Cooperating IA UNEP agreed funding (US \$)	200,000			200,000	40,000		440,000
Total agreed funding (US \$)	5,108,849			280,000	60,000		5,448,849

The investment component of HPMP under stage-I for Pakistan was submitted to the 60th ExCom in April 2010, to phase out HCFC 141b from the 5 manufacturing companies in domestic and commercial refrigeration. The project was approved for total cost of US\$ 4,840,849 to phase out 71.7 ODP (651.8 Metric ton) of 141b from the foaming operations.

2. Achievement/ Progress of Stage-I

2.1 Overview of HCFC Consumption

Based on actual 2010 consumption, the baseline set for Pakistan was 247.4 ODP ton whereas the first 10% reduction target was 222.6 ODP ton for 2015. The projects approved under stage-I shall phase out 71.7 ODP ton in manufacturing and 7.4 ODP ton in servicing sector. The remaining eligible consumption is as under:

Substance	ODPT
HCFC 141b	66.8
HCFC-22	101.5
Total	168.3

2.2 Phase out activities in Manufacturing Sector

Five projects in manufacturing sectors were selected to phase out HCFC-141b from the manufacturing of insulating PU rigid foam. The alternate technology selected was based on Cyclopentane as blowing agent. The conversion technology included supply of equipment, installation, technical assistance/technology transfer, testing; production run and on work as well as safety training. Project completion including safety certification is scheduled for April 2014.

2.3 Phase out activities in the servicing sector

The following non-investment components were implemented.

- Policy & enforcement capacity building. Enforced HCFC import licensing system effective January 01, 2013.
- National project for training service technician. UNIDO procured six sets of tools & equipment and six refrigerant identifiers to facilitate training of technicians and custom officers. UNEP provided training to 31 master trainers, 35 custom officers and 175 technicians.
- National recovery and recycling project
- Awareness. UNEP organized an event with electronic media people to prepare video clips for general public awareness through different TV channels in Pakistan

2.4 Impacts on the environment

- ODP reduction; 79.1 ODP tonnes
- Net annual reduction of CO₂ equivalent; 532,497 metric ton in manufacturing sector and 244,350 metric ton in servicing sector.

2.5 Co-financing

- The Standard and Labeling Program (SLP) was initiated through the funding of GIZ
- The program “Barrier Removal to the Cost Effective Development & Implementation of Energy Efficiency Standards and Labeling” was sponsored by UNDP & GEF.

2.6 Financial Disbursement/ Obligation

The disbursement, un-liquidated obligation and future commitment are provided in the table below:

Description	UNIDO (US\$)			UNEP Servicing	G. total
	Manufacturing	Servicing	Total		
Funds under all three tranches	4,840,849	168,000	5,008,849	440,000	5,448,849
Disbursements					
- Actual disbursed	4,257,584	13,381	4,270,965	171,870	4,442,835
-Un-liquidated obligation	479,762	2,993	482,755	-	482,755
Total disbursed & obligated	4,737,346	16,374	4,753,720	171,870	4,925,590
%age disbursement and obligated	97.9%	9.7%	94.9%	39.1%	90.4%

3. Amount of HCFC to be phased out in Stage-II

The remaining eligible consumption of HCFCs in manufacturing and servicing sector is 168.3 ODP Tons. It is projected that this amount will be phased out through investment and non-investment activities and also by other interventions as stipulated in overarching HPMP strategy document approved by 62nd ExCom, in the sectors as following:

A) HCFC 141b phase-out in the manufacturing sector:

- Rigid foam manufacturing sector (panels, cabinets and spray subsectors); 20 identified companies
- Domestic refrigeration sector (foam component); 1 identified company
- Commercial refrigeration sector (foam component); 1 identified company
- Extruded polystyrene; 1 identified company
- Flexible molded polyurethane foam; 3 identified company
- Integral skin (polyurethane); 1 identified company

B) HCFC 22 phase-out in the manufacturing sector:

- Domestic air-conditioning; 10 identified company
- Commercial air-conditioning; 9 identified company

C) HCFC 22 phase-out in the servicing sector.

4. Funding Requirement

In accordance with the guideline 71/55 the preparatory funds are requested for two collaborating agencies as following:

Activities	Funding		Total
	UNIDO	UNEP	
Survey in the foam sector	32,000.0		32,000.0
Survey in the refrigeration sector	28,000.0		28,000.0
Consultancy (international consultant)	12,000.0		12,000.0
Consultancy (team of national consultants; and/or consulting company)	16,000.0	5,000.0	21,000.0
Travel of international and national consultants	15,000.0		15,000.0
Industrial stake holders meetings	10,000.0		10,000.0
Technology option benchmarking, including south-south cooperation	15,000.0	8,000.0	23,000.0
Consultation meetings	6,000.0	15,000.0	21,000.0
Technical and legislative assistance	18,000.0	20,000.0	38,000.0
	152,000.0	48,000.0	200,000.0

5. Activities to be undertaken to develop Stage-II document

The following activities shall be undertaken for the preparation of stage-II HPMP to be prepared from the proposed funding:

- Data Collection and Surveys
 - Collection, verification and validation of HCFC consumption in various sectors/ sub-sectors through survey of Government departments, traders, distributors, importers and manufacturers to access the sectoral distribution of HCFC consumption
 - Collection and verification of baseline equipment data in the manufacturing sector through survey. Also collect information to determine proportion of foreign ownership and exports to non-article 5 countries in the manufacturing sector for each identified industries. This shall also include the establishment date of each identified industries
 - Study of baseline equipment data to ascertain requirement as set in the applicable HPMP guidelines and amendments issued from time to time
- Chemical wise projections and consumption trends
- Overview and suitability review of alternate technologies. Re-assess new technologies & solutions for possible adjustment of the program based on the availability of technically proven, commercially available, climate friendly alternatives.
- Develop strategy and plan for implementation for investment projects as well as servicing sector related activities
- Evaluate climate co-benefits

Project Concept

Country: Sudan

Title: Project preparation for stage II of HPMP

Project Duration: 12 months

Project Budget: US\$ 107,000 (incl. 7% Agency Support Costs)

Implementing Agency: UNIDO

Coordinating Agency: National Ozone Unit, Ministry of Industry

1. Background

Funding requirement for the preparation of Stage-II HCFC Phase out Management Plan (HPMP) is being prepared in accordance with UNEP/OzL.Pro/ExCom/71/55 .

The HPMP for Sudan was approved in 66nd meeting of ExCom., to ensure compliance of the Country with 2013 Freeze and 2015 10% HCFC phase out reduction targets; for principal amount of US\$ 1,456,072 to be implemented through different tranches as following:

	2010	2011	2012	2013	2014	2015	2016	2017	Total
Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	52.67	52.67	47.40	47.40	47.40	n/a
Maximum allowable total consumption of Annex C Group I substances (ODP tonnes)	n/a	n/a	n/a	52.67	52.67	47.40	42.13	36.87	n/a
Lead IA UNIDO agreed funding (US \$)	1,056,072		250,000	-	110,000	-	-	40,000	1,456,072
Total agreed funding (US \$)	1,056,072		250,000	-	110,000	-	-	40,000	1,456,072

The investment component of HPMP under stage-I for Sudan was submitted to the 62nd ExCom in November 2010, to phase out HCFC 141b from the 4 manufacturing companies in domestic and commercial refrigeration. The project was approved for total cost of US\$ 1,056,072 to phase out 11.87 ODP tonnes of HCFC-141b from the foaming operations.

2. Achievement/ Progress of Stage-I

2.1 Overview of HCFC Consumption

Based on average of 2009 and 2010 consumption, the baseline set for Sudan was 52.67 ODP ton. The projects approved under stage-I shall phase out 11.87 ODP ton in manufacturing and 7.74 ODP ton in servicing sector. The remaining eligible consumption is as under:

Substance	ODPT
HCFC 141b	28.78
HCFC-22	8.1
Total	36.88

2.2 Phase out activities in Manufacturing Sector

Four projects in manufacturing sectors were selected to phase out HCFC-141b from the manufacturing of insulating PU rigid foam. The alternate technology selected was based on Cyclopentane as blowing agent. The conversion technology included supply of equipment, installation, technical assistance/technology transfer, testing; production run and on work as well as safety training. Project completion including safety certification is scheduled for December 2014.

2.3 Phase out activities in the servicing sector

The following non-investment components were implemented.

- Policy & enforcement capacity building. Enforced HCFC import licensing system effective January 01, 2013.
- Upgrading the Teaching/Instruction Capacity of the Sudan University of Science and Technology
- Training of Technicians at the Vocational Training Centers & Recovery and Recycling Equipment and Tools
- Policy and enforcement capacity building

2.4 Impacts on the environment

- ODP reduction; 11.87 ODP tonnes of HCFC-141b
- Net annual reduction of CO₂ equivalent; 74,775 metric ton in manufacturing sector and 244,350 metric ton in servicing sector.

2.5 Financial Disbursement/ Obligation

The disbursement, un-liquidated obligation and future commitment are provided in the table below:

Description	HPMP Stage I
Funds under all three tranches	1,456,072
Disbursements	
- Actual disbursed	1,214,552.0
- Un-liquidated obligation	1,286
Total disbursed & obligated	1,215,838.0
%age disbursement and obligated	83.5%

3. Amount of HCFC to be phased out in Stage-II

The remaining eligible consumption of HCFCs in manufacturing and servicing sector is 36.9 ODP Tons. It is projected that this amount will be phased out through investment and non-investment activities and also by other interventions as stipulated in overarching HPMP strategy document approved by 66th ExCom, in the sectors as following:

A) HCFC 141b phase-out in the manufacturing sector:

- Rigid foam manufacturing sector (panels), Flexible moulded polyurethane foam (car, truck and tractor seats) and Integral skin (steering wheels, dash boards, armchairs, car parts), ; 1 identified company
- Rigid polyurethane foam sector (spray and pipe in pipe insulation services); 10 companies to be documented.

B) HCFC 22 phase-out in the servicing sector training and technical assistance in the development and improving of “desert coolers”.

- Update of legislation and regulatory measures.

4. Funding Requirement

In accordance with the guideline 71/55 the preparatory funds are requested as following:

Activity	Total USD
Survey in the foam and refrigeration sector sectors	32,000.0
Consultancy (international consultant)	15,000.0
Consultancy (team of national consultants)	18,000.0
Travel of international and national consultants	15,000.0
Technology option benchmarking, including south-south cooperation	10,000.0
Consultation meetings	5,000.0
Technical and legislative assistance	5,000.0
Total	100,000.0

5. Activities to be undertaken to develop Stage-II document

The following activities shall be undertaken for the preparation of stage-II HPMP to be prepared from the proposed funding:

- Data Collection and Surveys
 - Collection, verification and validation of HCFC consumption in various sectors/ sub-sectors through survey of Government departments, traders, distributors, importers and manufacturers to access the sectoral distribution of HCFC consumption
 - Collection and verification of baseline equipment data in the manufacturing sector through survey. Also collect information to determine proportion of foreign ownership

and exports to non-article 5 countries in the manufacturing sector for each identified industries. This shall also include the establishment date of each identified industries

- Study of baseline equipment data to ascertain requirement as set in the applicable HPMP guidelines and amendments issued from time to time
- Chemical wise projections and consumption trends
- Overview and suitability review of alternate technologies. Re-assess new technologies & solutions for possible adjustment of the program based on the availability of technically proven, commercially available, climate friendly alternatives.
- Develop strategy and plan for implementation for investment projects as well as servicing sector related activities
- Evaluate climate co-benefits

Project Concept

Country: Venezuela

Title: Project preparation for stage II of HPMP

Project Duration: 12 months

Project Budget: US\$ 90,000 (excl. 7% Agency Support Costs)

Implementing Agency: UNIDO

Coordinating Agency: FONDOIN - National Ozone Unit

Project Summary

The Implementing Agency has received an official request from the Government of Venezuela for project preparation in the stage II of HPMP. In response to the decision 71/42(b) UNIDO is submitting a request for funds for the preparation of stage II of HPMP.

Venezuela's base line consumption of HCFCs amounted to 207 ODP tonnes. This was verified through an audit on 2009 – 2010 consumption data for substances included in Annex C, group I. Copy of the report is attached.

Remain consumption in the HPMP will be 186.3 ODP after the first phase is completed. Three projects compose the action plan for the HCFC compliance strategy, namely: "Technical Assistance for Reduction of HCFC Use", "Technical Assistance for Enhanced Control of Trade of HCFC-based Substances and Equipment", and "HPMP implementation, monitoring and control".

Financial progress

From the HPMP financial aspect the implementation progress can be summarized as follows. At present three of the four tranches have been approved. The first tranche is almost complete, more than 90% has been spent and 88% disbursed. From the second tranche 93% has been obligated and 51% disbursed. In the third tranche just 2% of the funds have been obligated. Last tranche will be requested in 2015.

Implementation progress

Regarding the HPMP implementation the general strategy has been executed successfully. The following activities summarize the progress in the project:

- Improve the module for training and certification of the existing "Refrigeration Training and Certification Programme"
- Update the Good Refrigeration Practices Manual including the new HCFC phase out schedule, the use of natural refrigerants, the new Decree and latest technologies. New manual for the use of hydrocarbon as alternative.
- Purchase of tools to upgrade of 36 INCES, including HC for demonstration activities and in addition 13 refrigeration demonstration boards for the use of HC 290.
- Training of trainers from INCES (National Vocational Institutions) in charge of the technician training project.

- Implementation of pilot projects for air conditioning (on going).
- Finalization of “Code of Good Practices in Refrigeration”.
- Audit report on the baseline consumption.

HCFC consumption trend

The HCFC consumption during 2011, including production is summarized in the following table:

Substance	Consumption	Import	Export	Production	ODP
HCFC-22	2,643.31	200.76	0	2,442.55	145.38
HCFC-141b	176.8	176.8	0	0	19.45
HCFC-142b	0	0	0	0	0
HCFC-123	12.03	12.03	0	0	0.72
HCFC-141b included in premixed polyol	4.50	4.50	0	0	0.50
Total	2,836.64	394.09	0	2,442.55	166.05

The HCFC consumption during 2012, including production is summarized in the following table:

Substance	Consumption	Import	Export	Production	ODP
HCFC-22	3,518.96	604.87	0	2,914.09	193.54
HCFC-141b	469.12	469.12	0	0	51.60
HCFC-142b	10.00	10.00	0	0	0.65
HCFC-123	10.49	10.49	0	0	0.63
HCFC-141b included in premixed polyol	17.47	17.47	0	0	1.92
Total	4,032.05	1117.96		2,914.09	248.35

Consumption trend

Substance	2009	2010	Average	2011	2012
HCFC-22	43.25	33.15	38.20	145.38	193.54
HCFC-22 prod	126.88	119.19	123.04		
HCFC-141b	37.61	41.42	39.52	19.45	51.60
HCFC-142b	7.49	3.88	5.69	0.00	0.65
HCFC-123	0.30	0.10	0.20	0.72	0.63
Total	215.53	197.74	206.64	165.55	246.43

As expected the production and consumption in the years 2011 and 2012 shows an increase tendency. The data from 2013 is not yet available but it is expected a reduction beyond the baseline. The demand of HCFC-22 during 2012 was lower than the consumption and in 2011 the consumption was lower than the demand.

Remaining consumption eligible for funding

		2011	2012	2013	2014	2015	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	207	207	186.3	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	207	207	186.3	n/a
2.1	Lead IA UNIDO agreed funding(US \$)	654,854	603,339	324,875		175,432	1,758,500
2.2	Support costs for Lead IA (US \$)	49,114	45,250	24,366	0	13,157	131,888

2.3	Cooperating IA UNEP agreed funding (US \$)	50,646	46,661	25,125	0	13,568	136,000
2.4	Support costs for Cooperating IA (US \$)	6,584	6,066	3,266	0	1,764	17,680
3.1	Total agreed funding (US \$)	705,500	650,000	350,000	0	189,000	1,894,500
3.2	Total support cost (US \$)	55,698	51,316	27,632	0	14,921	149,568
3.3	Total agreed costs (US \$)	761,198	701,316	377,632	0	203,921	2,044,068

4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)	23.16
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)	n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)	138.47
4.2.1	Total phase-out of HCFC-124 agreed to be achieved under this agreement (ODP tonnes)	n/a
4.2.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)	n/a
4.2.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)	0
4.3.1	Total phase-out of HCFC-141b agreed to be achieved under this agreement (ODP tonnes)	n/a
4.3.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)	n/a
4.3.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)	39.56
4.4.1	Total phase-out of HCFC-142b agreed to be achieved under this agreement (ODP tonnes)	n/a
4.4.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)	n/a
4.4.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)	5.68
4.5.1	Total phase-out of HCFC-123 agreed to be achieved under this agreement (ODP tonnes)	n/a
4.5.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)	n/a
4.5.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)	0.07
4.6.1	Total phase-out of HCFC-141b contained in imported pre-blended polyol agreed to be achieved under this agreement (ODP tonnes)	n/a
4.6.2	Phase-out of HCFC-141b contained in imported pre-blended polyol to be achieved in previously approved projects (ODP tonnes)	n/a
4.6.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyol (ODP tonnes)	1.91

The information used for the HPMP preparation was obtained during surveys carried out in 2008 and 2009 and this has to be updated. After three years of implementation of the project the situation has changed, there are new alternatives and this is the information to be obtained with the funds requested for the HPMP Stage II.

The funds requested will be used for the required surveys, updated HCFC consumption information, review new potential alternatives and project preparation for the HPMP Stage II for the Bolivarian Republic of Venezuela.

Project Concept

Country: Venezuela

Title: Update the preparation of investment activities for the phase-out of HCFCs in the refrigeration manufacturing sector.

Project Duration: 12 months

Project Budget 1: US\$ 53,500 (incl. 7% Agency Support Costs)

Implementing Agency: UNIDO

Coordinating Agency: FONDOIN - National Ozone Unit

Project Summary

The HPMP for Venezuela was approved during the 63th ExCom in April 2011. At the time of approval the Venezuela 2008 Article 7 consumption of HCFCs amounted to 1.45 ODP tonnes in the refrigeration manufacturing sector.

In order to ensure that Venezuela meets the 2013 and 2015 HCFC reduction targets the HPMP implementing activities were focused in the refrigeration service sector. The actions for the refrigeration manufacturing sector were prepared and included in the HPMP though the implementation was postponed for the second phase.

The 2012 reported Article 7 consumption of HCFCs amounted to 1.28 ODP tonnes in the refrigeration manufacturing sector. A total of 10 refrigeration and air-conditioning equipment manufacturing enterprises which account in 2009 for the consumption of 26.40 metric tonnes of HCFC22 were found in the HPMP preparation survey. (The list of enterprises can be found below for reference)

For the HPMP stage II is required to update the data for the preparation of sector plan for the refrigeration manufacturing sector. Based on that, the Government of Venezuela requested UNIDO to submit funding requests of US\$ 50,000 for upgrade the data and develop of investment activities for the HCFC-consuming manufacturing sector to achieve the 2020 control measures.

The priority needed for the above mentioned sub-sector is supported by the Country Programme Progress implementation Reports for the years 2011 and 2012 that shows the following sectoral consumption (in metric Tonnes) for the HCFCs manufacturing activities in the refrigeration sector:

	Refrigeration Manufacturing	
Annex C Group I	2011	2012
HCFC-22	20.80	23.29
HCFCs Total Consumption	20.80	23.26

Sector strategies and investment projects will be prepared by UNIDO in cooperation with the Governmental institutions support, to enable Venezuela to achieve the 2020 reduction target, in line with the priorities of the HPMP.

Table V.3.: Enterprises identified in the refrigeration sector

	<i>Name of Industry</i>	<i>HCFC Phase Out (Ton)</i>	<i>Products Manufactured</i>	<i>Previous Conversion</i>	<i>Starting date</i>	<i>Location/City</i>
1	INPERCA	7.5	Commercial Air Conditioning	NO	1982	Maracaibo
2	CLIMAR	5	Commercial Air Conditioning	NO	1969	Guarenas
3	DICAL	5	Industrial chiller systems	NO	1997	Villa de Cura
4	FRICOR	4.2	Industrial chiller systems	NO	2002	Barquisimeto
5	DIFUSORES FRIODAN	1	Commercial Air Conditioning	NO	1977	Paracotos
6	MACA (Termax)	1	Commercial Air Conditioning	NO	2003	Guatire
7	TRANSCA	1	Commercial Air Conditioning	NO	1950	Miranda
8	FRIOVEN	0.8	Commercial Air Conditioning	NO	1979	Caracas
9	IDRACA	0.5	Commercial Air Conditioning	NO	1985	Pto. Fijo
10	TERMODINAMIC A MARACAY	0.4	Industrial chiller systems	NO	1991	Maracay
<i>Total Consumption</i>		26.4				

The information used for the refrigeration manufacturing sector preparation was obtained during surveys carried out in 2008 and 2009 and this has to be updated. The HPMP was approved more than three years ago and has been implemented successfully which may have changed the situation of the surveyed enterprises. Based on that, the survey has to be updated to be obtained for the implementation of the project in the sector.

The funds requested will be used for the required survey, updated HCFC consumption information of the enterprises and project preparation for the refrigeration manufacturing sector as part of the HPMP Stage II for Venezuela.

Project Concept

Country:	The Arab Republic of Egypt
Title:	Extension of Institutional Strengthening for the implementation of Montreal Protocol in Egypt – Phase X
Project Duration:	12 months (January 2014 – December 2015)
Project Budget:	244,306 (including US\$ 15,983 representing 7.0% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	Egyptian Environmental Affairs Agency / National Ozone Unit

Project Summary

The project aims at **institutional strengthening and capacity building of the** Egyptian Environmental Affairs Agency / National Ozone Unit and will ensure helping the Government meet its obligations under the Montreal Protocol on the substances that deplete the Ozone Layer, with a specific view to the HCFCs phase-out commitments.

IS Phase X phase will continue to assist the Government to maintain the continuity of the NOU staff and the on-going activities. The new IS extension phase X is focused on supporting the HPMP implementation monitoring, coordination and proper awareness among stakeholders, as well as consumption monitoring by sub-sectors, to ensure country compliance with the reporting obligations.

The NOU will coordinate all the on-going project activities, including the collection of consumption data and reporting as required, with a specific view to HCFCs phase-out schedule for the Article 5 countries.