



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/64/21
10 June 2011

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-fourth Meeting
Montreal, 25-29 July 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 \$405,000 for its 2011 Work Programme Amendments, plus agency support costs of US \$30,375. The Work Programme is attached to this document.
2. The activities proposed in UNIDO's Work Programme Amendments are presented in Table 1 below:

Table 1: UNIDO's Work Programme Amendments

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1. Renewal of institutional strengthening:			
Turkey	Renewal of institutional strengthening (Phase V):	260,000	260,000
	Subtotal for A1:	260,000	260,000
A2. Additional Project preparation for HCFC phase-out investment activities:			
Democratic People's Republic of Korea	Additional funding for HPMP preparation	65,000	65,000
Democratic People's Republic of Korea	Preparation of investment activities for the phase-out of HCFCs in the PU foam sector	50,000	50,000
Democratic People's Republic of Korea	Preparation of investment activities for the phase-out of HCFCs in the commercial refrigeration sector	30,000	30,000
	Subtotal for A2:	145,000	145,000
	Subtotal for section A:	405,000	405,000
	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):	30,375	30,375
	Total:	435,375	435,375

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL

A1. Renewal of institutional strengthening projects

- (a) Turkey (phase V): US \$260,000

Project description

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

Secretariat's comments

4. The Fund Secretariat reviewed the IS terminal report and action plan submitted by UNIDO on behalf of Turkey, which were provided using the revised format for IS renewals approved by decision 61/43 and noted that the country is in compliance with the CFC, CTC and halon phase-out targets of the Montreal Protocol. In considering this request, the Secretariat took into account decisions 59/17, 59/47(b) and 61/43, 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 request for Turkey at the level of funding indicated in Table 1 of this document. The Executive Committee may wish to express to the Government of Turkey the comments which appear in Annex II to this document.

A2. Project preparation for HCFC phase-out investment activities:

Democratic People’s Republic of Korea: Additional request for project preparation for the HPMP US \$65,000

Democratic People’s Republic of Korea: Preparation of investment activities for the phase-out of HCFCs in the PU foam sector US \$50,000

Democratic People’s Republic of Korea: Preparation of investment activities for the phase-out of HCFCs in the in the commercial refrigeration sector US \$30,000

Project description

6. UNIDO submitted three requests for project preparation related to HCFC phase-out, one for additional HPMP project preparation funds amounting to US \$65,000 and two requests for project preparation of investment activities: one in the foam sector at the level of US \$50,000, and one for the commercial refrigeration sector at US \$30,000 for the Democratic Republic of Korea in line with decisions 61/27 and 61/28. The HPMP preparation request is in addition to one made by UNEP as part of their work programme submission to this meeting of US \$35,000 for the same country. The country reported Article 7 data for 2007 that shows HCFC consumption of 85.3 ODP tonnes, all being HCFC-22. The reported 2008 data shows a total consumption of 57.7 ODP tonnes consisting of 12.9 ODP tonnes of HCFC-141b and 44.7 ODP tonnes of HCFC-22. The Democratic People’s Republic of Korea received US \$50,000 for HPMP project preparation for implementation by UNIDO at the 55th Meeting.

7. In supporting the request for project preparation funds for the foam sector, UNIDO indicated that the Democratic People’s Republic of Korea’s consumption of HCFC-141b in 2008 amounted to 117 mt (13 ODP tonnes), and the country wishes to initiate the preparation of investment activities in this sector. The survey has identified four enterprises in the country that will be part of this preparation exercise. The submission also indicates that 226.27 mt of HCFC-22 are being used in the refrigeration manufacturing sector. Further details are attached as Annex III to this submission.

Secretariat’s comments

8. The Secretariat notes that these submissions are in line with decision 61/28, which deferred the submission of the request for additional project preparation for the HPMP and the request for project preparation for investment activities in the foam sector to the 64th Meeting. The third request for project preparation for investment projects in the refrigeration manufacturing sector is a new request submitted for the first time to this meeting.

9. The Secretariat sought clarification from UNIDO on whether the difficulties experienced in communicating with the country as well as the problems associated with fund disbursement have been resolved, so as to merit the consideration of these requests at the 64th Meeting in line with decision 61/27.

UNIDO was also requested to provide the basic information required in decision 56/16(d) to support the requests for investment project preparation in the foam and refrigeration manufacturing sectors. In responding to these issues, UNIDO indicated that both the National Ozone Unit in the country and UNDP are once again fully operational, therefore these activities can resume normally.

10. UNIDO also provided the Secretariat with the information required under decision 56/16 to support these request for project preparation. It has also been confirmed that the enterprises that will be covered under this request were established earlier than 2007, which is the cut-off date agreed in decision 60/44.

Secretariat's recommendation

11. The Fund Secretariat recommends blanket approval of the requests for additional funding for the preparation of HCFC phase-out management plan for the Democratic Republic of Korea at the level of US \$65,000, project preparation for a foam sector plan at US \$50,000 and project preparation for the refrigeration manufacturing sector at US \$30,000, as shown in Table 1 above.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Turkey: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNIDO
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Oct-92	300,000
	Phase II : Dec-00	200,000
	Phase III: Dec-04	260,000
	Phase IV: Jul-09	195,000
	Total:	955,000
Amount requested for renewal (phase V) (US \$):		260,000
Amount recommended for approval for phase V (US \$):		260,000
Agency support costs (US \$):		19,500
Total cost of institutional strengthening phase V to the Multilateral Fund (US \$):		279,500
Date of approval of country programme:		1992
ODS consumption reported in country programme (1990) (ODP tonnes):		3,607.8
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A, Group I (CFCs) (average 1995-1997)		3,805.7
(b) Annex A, Group II (halons) (average 1995-1997)		141.0
(c) Annex B, Group II (carbon tetrachloride) (average 1998-2000)		105.1
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)		37.4
(e) Annex E (methyl bromide) (average 1995-1998)		479.7
Latest reported ODS consumption (2009) (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)		609.9
	Total:	609.9
Year of reported country programme implementation data:		2010
Amount approved for projects (as at April 2011) (US \$):		48,653,511
Amount disbursed (as at December 2009) (US \$):		37,085,049
ODS to be phased out (as at April 2011) (ODP tonnes):		4,765.7
ODS phased out (as at December 2009) (ODP tonnes):		4,559.5

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

Summary of activities	Funds approved (US \$)
(a) Investment projects:	43,622,093
(b) Institutional strengthening:	955,000
(c) Project preparation, technical assistance, training and other non-investment projects:	4,076,418
Total:	48,653,511

Progress report

2. The strategic objective under phase IV of the institutional strengthening (IS) project was maintaining zero consumption for already phased out chemicals in parallel with development and implementation of an accelerated phase-out schedule for the HCFCs agreed through the Ozone Panel mechanism and initiated as of 1 January 2009.

Plan of action

3. The National Ozone Unit (NOU) will be responsible for monitoring the implementation of the HCFC phase-out plan. The NOU will be responsible for tracking the promulgation and enforcement of policy and legislation with a specific focus on HCFC management and will assist UNIDO, the lead implementing agency and UNEP as co-operating agency to further develop the appropriate activities in view of finalization of the HPMP and the implementation of needed measures in refrigeration and air conditioning sector.

4. 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 Environment and Forestry (MoEF) of Turkey. The MoEF foresees employment of additional staff paid through the State budget to support the capacity of the NOU.

Annex II

**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF
INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 64th MEETING**

Turkey

1. The Executive Committee reviewed the report presented with the institutional strengthening extension for Turkey and noted with appreciation that Turkey reported its country programme data for 2010 to the Multilateral Fund Secretariat indicating that the country has met the 2010 Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Turkey will continue the implementation of its planned activities with outstanding progress including the activities to meet the 2013 and 2015 control measures for HCFCs.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

64th Executive Committee of the
Multilateral Fund for the Implementation
of the Montreal Protocol

UNIDO Work Programme

64th Ex. Com.

UNIDO

**Work Programme - 64th Ex.Com.
(16 May 2011)**

Introduction

The UNIDO Work Programme for the consideration of the 64th Ex.Com. 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.

Focus has been put on the remaining preparatory needed activities to phase-out HCFCs in Article 5 countries, with a view to the forthcoming countries compliance needs in 2013 and 2015.

In addition, institutional strengthening extension proposal has been included for Turkey, as per the BP foreseen activities.

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 HCFCs phase-out through investment activities, HPMPs activities, and the above mentioned institutional strengthening support request.

Funding is requested as follows:

- IS extension Project preparation for Turkey 279,500 US\$ (including US\$ 19,500 representing 7.5% A.S.C.)
- HCFCs additional preparatory funding and preparatory funding for investment activities in DPR Korea: US\$ 155,875 (including US\$ 10,875 representing 7.5% A.S.C.)
- **Total: 435,375 US\$ including A.S.C.**

Section 2

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

Section 1

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
Project preparation for HCFC phase-out investment and HPMP									
DPR Korea	PRP	HCFC	Additional funding for HPMP preparation	65,000	4,875	69,875	7.5	12	
DPR Korea	PRP	HCFC	Preparation of investment activities for the phase-out of HCFCs in the PU Foam sector	50,000	3,750	53,750	7.5	12	
DPR Korea	PRP	HCFC	Preparation of investment activities for the phase-out of HCFCs in the Commercial refrigeration sector	30,000	2,250	32,250	7.5	12	
			HCFC INV-PRP TOTAL	145,000	10,875	155,875			
Institutional strengthening									
Turkey	IS	All	Extension of Institutional Strengthening - Phase V	260,000	19,500	279,500	7.5	12	
			Subtotal	260,000	19,500	279,500			
			Grand TOTAL	405,000	30,375	435,375			

UNIDO

Work Programme - 64th Ex.Com.

Section 2

Project concepts

**Project concept
Additional funding for HPMPs preparation**

Country: Korea DPR

Title: Additional funding for HPMP preparation

Project Duration: 12 months

Project Budget

Korea DPR: US\$ 69,875 (including 7.5% Agency Support Costs of US\$ 4,875)

Implementing Agency: UNIDO

Coordinating Agency: National Ozone Unit

Project Summary

In response to Decision 56/16 UNIDO is submitting a request for additional funds for the HPMP preparation in Korea DPR.

Korea DPR received US\$ 50,000 for HPMP preparation at the 55th ExCom Meeting based on the HCFC consumption reported at that time.

Since Korea DPR has revised its data reporting concerning HCFC consumption in 2007, the country is eligible for US\$ 150,000 for HPMP preparation funding in line with Ex.Com. Decision 56/16. In light of the above US\$ 65,000 excluding support cost is requested as additional HPMP preparation funding for Korea DPR.

Note: the NOU requested UNEP to be responsible for the preparation of the non-investment component of the HPMP and according to the joint agreement between UNIDO and UNEP the latter will submit its own request for additional funding in the amount of US\$ 35,000 plus support cost.

Project Concept

Country: Korea DPR

Title 1: Preparation of investment activities for the phase-out of HCFCs in the PU Foam sector

Title 2: Preparation of investment activities for the phase-out of HCFCs in commercial refrigeration

Project Duration: 12 months

Project Budget 1: US\$ 53,750 (incl. 7.5% Agency Support Costs)

Project budget 2: US\$ 32,250 (incl. 7.5% Agency Support Costs)

Implementing Agency: UNIDO

Coordinating Agency: National Ozone Unit, NCCE

Project Summary

Korea DPR 2007 and 2008 Article 7 consumption of HCFCs amounted to 85.3 and 57.7 ODP tonnes respectively.

In order to ensure that Korea DPR meets the 2013 and 2015 HCFC reduction targets urgent actions are required in all manufacturing sectors.

Based on the reported consumption, Korea DPR is eligible for additional funding for the preparation of the HCFC phase-out investment activities in the manufacturing sectors (to achieve the 2013 and 2015 control measures).

UNIDO was assigned to prepare HPMP including sector plans for the HCFC phase-out and already initiated the respective implementation activities specifically concentrating on the survey of the HCFC consumption in the foam, refrigeration manufacturing and servicing sectors.

The latest **Country Programme Progress implementation Report for the year 2009** shows the following HCFC consumption (in metric Tonnes):

	Foam	Refrigeration Manufacturing	Refrigeration servicing
Annex C Group I	2009	2009	2009
HCFC-22	-	218.9	646.1
HCFC-141b	129.0	-	-
<i>HCFC-142b</i>	-	-	-
HCFC-123	-	-	-
Other	-	-	-
HCFCs Total Consumption	129.0	218.9	994.0

Details on the consumption of HCFC-141b and HCFC-22 in the production of PU foams and commercial refrigeration equipment obtained so far are provided in the tables below

Consumption of HCFC-141b (MT)

Name of Foam Enterprises	Date of Establishment	HCFC-141b Consumption			
		2006	2007	2008	2009
Pyongyang Sonbong PU Foam Factory	1989	38.2	42.30	44.30	52.6
Puhung Building Material Factory	1988	21.4	36.20	38.60	36.9
Chongjin Sonbong PU Factory		30.01	33.10	34.70	39.5
Total Consumption of HCFC-141b:		89.61	111.60	117.60	129.00

The identified foam enterprises were established in 1988-1989.

Consumption of HCFC-22 in the commercial refrigeration equipment manufacturing (MT)

Name of Enterprise	Date of Establishment	HCFC-22 Consumption			
		2006	2007	2008	2009
Hamhung Commercial Machinery Factory	1995	228.77	215.42	226.27	218.90

An assessment of the country consumption data shows that 12.9% of the total HCFC consumption in Korea DPR (including refrigeration servicing sector) is used in the foam production and for this reason, the sector strategic approach is critical in achieving the consumption reduction targets.

Sector strategy and investment project for 4 identified foam producing companies will be prepared by UNIDO in cooperation with the Governmental institutions support, to enable Korea DPR to achieve the 2013 freeze as well as 2015 reduction targets, in line with the priorities of the HPMP.

Project Concept

Country: Turkey

Title: Extension of Institutional Strengthening for the implementation of Montreal Protocol in Turkey - Phase V

Project Duration: 24 months (July 2011 - July 2013)

Project Budget: 260,000 (including US\$ 17,124 representing 7.5% Agency Support Costs)

Implementing Agency: UNIDO

Coordinating Agency: Ministry of Environment and Forestry (MoEF) of Turkey / National Ozone Unit

Project Summary

The project aims at institutional strengthening and capacity building of the Ministry of Environment and Forestry of Turkey / National 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 in the Foam sector in line with the Agreement between Turkey and the Executive Committee, to ensure the compliance of the country with the 2013 HCFCs consumption freeze and meet the reporting obligations.

