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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-second Meeting  
Ouagadougou, 6-8 December 2000

**DRAFT BUSINESS PLANS FOR THE YEAR 2001 OF BILATERAL AGENCIES**

This document includes:

- (1) The consolidation of the draft business plans for the year 2001 by bilateral agencies
- (2) The draft business plans for the year 2001 of the bilateral agencies

## COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

### Introduction/Background

1. The Executive Committee decided to request bilateral agencies to submit their draft business plans, so that the Secretariat could transmit them to the Monitoring, Evaluation and Finance Sub-Committee for consideration during discussions of the draft business plans of the implementing agencies at the Executive Committee's third meeting of the year (Decision 25/13(a)).
2. The Governments of Canada, Germany, and Japan have submitted drafts of their 2001 business plans. The draft business plans are included as Annexes I through III. Additionally, Australia informed the Executive Committee that it would submit its draft business plan early in 2001 and the United Kingdom indicated that it could submit the remainder of its chiller project in Mexico in 2001.
3. Activities are proposed for the following countries: Algeria, Bangladesh, Bolivia, Burkina Faso, Central African Republic, Chile, China, Colombia, Cuba, Lebanon, Morocco, Namibia, Syria, and Venezuela. Also the preparation of a regional RMP supplement is proposed for: Botswana, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
4. Activities that appeared to be potentially in conflict with those planned 2001 activities of the implementing agencies were identified. Both bilateral donors and relevant implementing agencies have been asked to resolve any potential conflicts.
5. Table 1 presents planned bilateral activities by type of activity and sector. Historically, most bilateral activities have been non-investment activities. In 2001, 78 per cent of the planned level of expenditures for bilateral agencies are for investment projects and 22 per cent for RMP activities.

**Table 1****PLANNED 2001 BILATERAL ACTIVITIES BY TYPE AND SECTOR**

Type	Sector	Value	Number	Countries	Bilateral Agency
INV	Foam	500,000	1	Algeria	Germany
	Halon	580,000	3	Algeria, Morocco and 14 countries in Eastern and Southern Africa	Germany
	REF*	962,000	4	Bangladesh, China, Lebanon & Mexico	Germany, Japan, UK
	Solvent	1,200,000	1	China	Japan
	Transport	650,000	1	China	Germany
	Fumigant	720,000	3	Namibia, Syria and Venezuela	Germany & Canada
RMP		1,303,850	7	Bolivia, Burkina Faso, Central African Republic, Colombia, Lebanon, and 14 countries in E&S Africa	Canada and Germany
TOTAL		5,915,850	21	27 countries	5 bilateral agencies

\*Excluding the value of one investment project from Japan

INV-Investment; DEM-Demonstration, REF-Refrigeration, N/A-Not Available

6. Canada and Germany provided contingency projects to ensure that the 20 per cent allocation of contributions for bilateral activities would be fully utilised. Contingency list projects that are not considered in the year 2001 will be submitted for consideration in future years. Table 2 provides a summary of those activities by type and sector.

**Table 2****CONTINGENCY LIST ACTIVITIES BY TYPE AND SECTOR**

Type	Sector	Value	Number	Countries	Bilateral Agency
DEM	Fumigant	160,000	1	Egypt	Germany
INV	Fumigant	1,000,000	1	China	Germany
	Halon	50,000	1	Syria	Germany
	REF	800,000	2	China and Cuba	Germany
RMP		420,000	1	Chile	Canada
TOTAL		2,430,000	6	1 additional country	

**COMMENTS ON BILATERAL BUSINESS PLANS**

7. The Fund Secretariat reviewed each bilateral donor's business plan and provided comments on some proposed activities. This section of the document summarises some of the information contained in the bilateral business plan by donor country.

## **Canada**

8. Canada's 2001 business plan (Annex I) includes RMP implementation projects in Central African Republic and Bolivia, a revolving fund as part of the 50 per cent RMP supplement in Burkina Faso, a training and a recovery/recycling project in Chile, a customs training project in Columbia, and a methyl bromide alternatives project in Venezuela.

9. The Secretariat noted that Venezuela's latest consumption (1999) was 0 tonnes of methyl bromide and that it had indicated that the US \$40,000 technical workshop approved at the Executive Committee's 27<sup>th</sup> Meeting would be sufficient to facilitate the transition from methyl bromide to alternative substances/technologies.

## **Germany**

10. The Government of Germany submitted a list of 17 projects it plans to submit in 2001 and beyond (Annex II). Twelve of those projects are expected to be submitted in the year 2001.

11. Germany has included projects on halon banking in Algeria, Morocco, Syria, and 14 Eastern and Southern and African countries; a foam investment project in Algeria; retrofit projects in Bangladesh and Lebanon; investment projects in the refrigeration and transport sector in China; a RMP preparation and 50 per cent RMP supplement in Lebanon; the hospital chiller project in Cuba; the preparation for 50 per cent RMP supplement in 14 Eastern and Southern African countries and methyl bromide projects in China, Egypt, Namibia and Syria. Germany noted that the methyl bromide project in China would be submitted after China ratified the Copenhagen Amendment.

12. The Secretariat noted that countries availing themselves of the 50 per cent RMP supplement should indicate their understanding of Decision 31/48 and its prohibition of further funding until 2007. It also noted that the previous chiller project in Lebanon was supposed to have resulted in the total phase out of the commercial refrigeration sector in Lebanon.

## **Japan**

13. The Government of Japan indicated that it plans to submit two projects as bilateral activities in the year 2001 (Annex III). One project is for a CFC-113 LC display investment project in China for US \$1.2 million. The other project is to establish a training centre in China for refrigeration servicing technicians. Japan did not provide an estimated cost for the training centre project.

14. Paragraph (e) of the Executive Committee's agreement for ODS phase out in China's Solvent Sector specified that the CFC-113 project in China and another French project would "be the total involvement of bilateral [agencies] in the China Solvent Sector Plan covered by this agreement. China also agreed that, if approved by the Executive Committee, the funding for these bilateral projects and the ODP tonnes to be addressed will be deducted from the amounts specified [in the agreement]" (Decision 30/56).

## **RECOMMENDATIONS**

The Fund Secretariat recommends that the Executive Committee through the Monitoring, Evaluation, and Finance Sub-Committee consider:

1. Noting with appreciation the draft business plans for bilateral cooperation submitted by: Canada, Germany, and Japan and the letters sent by Australia and the United Kingdom.
2. Requesting Parties planning to submit bilateral cooperation projects in 2001 to submit final business plans to the 33<sup>rd</sup> Meeting.

**ANNEX I**

**DRAFT 2001 BUSINESS PLAN FOR CANADA**

## CANADIAN BILATERAL ASSISTANCE UNDER THE MLF - 2001 DRAFT BUSINESS PLAN

SECTOR	COUNTRY	YEAR	TITLE and NATURE OF PROJECT	ESTIMATED PROJECT VALUE (US \$)
Refrigeration	CENTRAL AFRICAN REPUBLIC	2001	<u>Refrigerant Management Plan Implementation Project</u> : Undertake the implementation of the refrigeration technician training <sup>1</sup> and customs officers training <sup>2</sup> components of the Central African Republic's Refrigerant Management Plan (RMP). The estimated project value includes an administration fee of 13% for UNEP <sup>3</sup> the implementing agency. Activities will be coordinated with UNDP, which will be implementing the recovery and recycling project.	80,000.00 <sup>1</sup> 60,000.00 <sup>2</sup> 18,200.00 <sup>3</sup> <b>158,200.00</b>
Refrigeration	BOLIVIA	2001	<u>Refrigerant Management Plan Implementation Project</u> : Undertake the implementation of the refrigeration technician training <sup>1</sup> and customs officers training <sup>2</sup> components of Bolivia's Refrigerant Management Plan (RMP), as developed by UNEP/TIE. The estimated project value includes an administration fee of 13% for UNEP <sup>3</sup> . Activities will be coordinated with UNDP, which will be implementing the recovery and recycling project.	120,000.00 <sup>1</sup> 80,000.00 <sup>2</sup> 26,000.00 <sup>3</sup> <b>226,000.00</b>
Refrigeration	BURKINA FASO	2001	<u>Revolving Fund (amendment to Refrigerant Management Plan)</u> : This project would establish a revolving fund within Burkina Faso to enable refrigeration and air-conditioning technicians to secure loans for the purchase of recovery and recycling machines. This work will be undertaken in collaboration with UNEP/TIE, as part of the overall implementation of the RMP's other components, approved in 1999 from Canada's allocation. The estimated project value includes an administration fee of 13% for UNEP <sup>1</sup> .	80,000.00 10,400.00 <sup>1</sup> <b>90,400.00</b>
Refrigeration	CHILE	2001  2002	<u>Technicians training in good refrigeration practice</u> : Undertake the implementation of the service technician training components of Chile's Refrigerant Management Plan (RMP). Although Environment Canada will be the executing agency for this project, work will be undertaken in collaboration with UNEP/TIE and the World Bank, who are to implement other components of the RMP. The estimated project value includes an administrative fee of 5% for Environment Canada <sup>1</sup> .  <u>Recovery and Recycling</u> : Although Canada will be seeking approval for this project at the same time that the other components of Chile's RMP are submitted for funding, we will ask that the project be financed from Canada's 2002 allocation, as there will be insufficient funds available in the 2001 allocation. The project involves the implementation of a recycling and recovery network for stationary installations as a component of Chile's Refrigerant Management Plan (RMP). The estimated project value includes an administrative fee of 5% for Environment Canada <sup>1</sup> . Although Environment Canada will be the executing agency for this project, work will be undertaken in collaboration with UNEP/TIE and the World Bank, who are to implement other components of the RMP.	225,000.00 11,250.00 <sup>1</sup> <b>236,250.00</b>  (400,000) (20,000 <sup>1</sup> ) <b>(420,000)</b> <b>to be financed from 2002 allocation</b>
Refrigeration	COLOMBIA	2001	<u>Customs training</u> : The aim of the project is to provide the customs officers of countries with the skills necessary to monitor and control the imports and exports of ODSs and products containing them. This work will be undertaken in collaboration with UNEP/TIE and UNDP, as part of the overall implementation of the RMP's other components. The estimated project value includes an administration fee of 13% for UNEP <sup>1</sup> the implementing agency.	100,000.00 13,000.00 <b>113,000.00</b>

SECTOR	COUNTRY	YEAR	TITLE and NATURE OF PROJECT	ESTIMATED PROJECT VALUE (US \$)
<b>TOTAL Refrigeration projects (2001)</b>				<b>823,850.00</b>
Methyl Bromide	VENEZUELA	2001	Development and implementation of training on the use of methyl bromide alternatives. As UNIDO already gave workshops on alternatives of methyl bromide, the users are now aware of different options but the NOU has identified a need for further training in the use of alternatives. Moreover, previously unknown methyl bromide uses have recently been found in grain storage and other applications. The NOU is preparing a survey of these uses. UNIDO is being consulted with regards to the development of the project and may be involved in its implementation.	<b>80,000.00</b>
<b>TOTAL Methyl Bromide projects</b>				<b>80,000.00</b>
<b>TOTAL - CANADA's 2001 BUSINESS PLAN</b>				<b>903,850.00</b>



**ANNEX II**

**DRAFT 2001 BUSINESS PLAN FOR GERMANY**

## **Proklima Business Plan 2001**

Similar to GTZ/Proklima's 2000 business plan, many of the projects in the business plan for the year 2001 are based on activities of the previous year(s). Phase out support by GTZ/Proklima will continue to take place in the refrigeration, foam, halon, solvent and methyl bromide sector whereby the infrastructure and experience from existing GTZ projects will continue to play an important role.

GTZ will finance most of the bilateral ODS phase out activities in A 5 Countries through the stipulated 20% of the German contribution to the MLF which totals US \$ 9,856,687 for the triennium 2000 - 2002.

GTZ/Proklima's MLF activities planned for submission and implementation in the year 2001 constitute the following proposals, classified by priority- and contingency list projects, according to our own evaluation which does not necessarily indicate an order of submission or implementation:

**Figures in [] constitute optional projects ("second line projects").**

### **Algeria**

#### Halon Bank

After completion of the installed capacity survey, approved at the 30<sup>th</sup> meeting, an investment project including equipment to set up a recovery and recycling network for halons will be developed and submitted in 2001.

Estimated Budget: US\$ 500,000

#### Foam conversion

Foam conversions in two to four Algerian foam companies to the following CFC alternative will be submitted:

- 2x continuous slabstock foaming to LCD technology (US\$ 300,000-400,000)
- 2x replacement of CFC in discont. Foaming – variable pressure (US\$ 400,000-600,000)

Estimated Budget: US\$ 500,000

### **Bangladesh**

#### Retrofit

Bangladesh has requested Germany to assist it in developing a

proposal for phasing out CFC use in the commercial refrigeration sector in the country. Retrofit has been viewed as an appropriate technical option for refrigeration equipment that still has a considerable working life ahead. The main users of commercial refrigeration units that are still CFC based are ice, ice cream and food processing sectors. These sectors contribute approximately 20% of the country's total CFC consumption and therefore any initiative that reduces the use of CFC in this sector will enable the country to meet its ODS phase out obligations.

The project will provide the technical equipment necessary for undertaking retrofit as well as provide training to a selected number of technicians.

The retrofit project is in keeping with the strategies planned in the RMP and as per the Decision 31/48, the 50% budget of the approved RMP will be requested to undertake this important activity.

Estimated Budget US\$ 212,000

## **China**

### CFC conversion in the transport sector

A proposal for an investment project to introduce a CFC alternative in the manufacture of insulated transport equipment will be prepared.

Estimated Budget: US\$ 650,000

#### (i) Refrigeration

An investment project to phase out the use of CFC-12 within refrigeration appliance thermostats will be prepared.

[Estimated Budget: US\$ 200,000]

### MeBr phase out – carried over from last year

After GTZ has implemented a pilot project for MeBr phase out in soil fumigation in China, financed through German bilateral development cooperation funds, a large scale phase out project will be submitted (given that China has ratified the Copenhagen Amendment).

[Estimated Budget: US\$ 1,000,000]

**Cuba****Replacement of CFC-11 chillers in Cuban hospitals – carried over from last year**

A project proposal for supplementary funding for the conversion of from the MLF will be submitted.

[Estimated Budget: US\$ 600,00]

**Eastern and Southern Africa****Assessment of the current CFC phase out status in the refrigeration sector in 14 South and East African countries – carried over from last year**

The regional approach to the Refrigerant Management Plan (RMPs) in the 14 Southern and Eastern African countries has been in the implementation stage for approximately a year. Over this time a number of activities agreed on in the RMP have been implemented. Through these activities there have been some direct impacts on the ODS consumption of the sector, however, several external factors have also led to changes in the ODS use pattern in the refrigeration and air conditioning sector in the country. At the present time there is no precise information/data on this change as there has been no update of the country programme in these countries. Therefore the only detailed sector/sub-sector specific information that is available is that which was used to develop the RMP nearly 2 years ago.

Since the regional approach to RMPs has been a one time approach adopted only in the 14 countries, the assessment will be a means of determining the relevance and successfulness of such an approach in other sectors requiring ODS phase out activities. Furthermore the planned assessment of the R&AC sector in the country will be in keeping with the Decision taken at the 31<sup>st</sup> Meeting of the Executive Committee (Decision 31/48).

The final output of this assessment will be detailed proposals requesting a further 50% of the existing RMP budget (approximately US\$ 650,000) for additional activities defined as necessary based on the status of the individual countries and within the countries comprehensive strategy for phase out in the refrigeration and air conditioning sector.

Estimated cost for assessment in each country is US\$ 10,000

Estimated Total Budget US\$ 140,000

Halon Bank

The development of halon banking in 14 Eastern and Southern African countries will be prepared.

US\$ 30,000

**Egypt**

Continuation of the demonstration project for the phase out of MeBr in the horticultural application – *carried over from last year*

Based on the promising results of the demonstration project for four alternatives to the use of MeBr in “horticulture” (for strawberries, tomatoes and cucurbits) in Egypt gained from the growing seasons 1999/2000 the project will continue in 2001. Besides the aforementioned crops cut-flowers will be included.

[Estimated budget: US\$ 160,000]

**Lebanon**

RMP

1. Phase: To supplement the update of the country programme done by UNDP GTZ/Proklima will submit a proposal for a study/survey on ODS consumption/production in South Lebanon and an evaluation of the RMP.

Estimated Budget: US\$ 40,000

2. Phase: Extension of RMP activities, based on decision 31/48

Estimated Budget: US\$300,000

Chiller

A joint project proposal with France, for the containment and retrofit of chillers will be submitted.

Estimated Budget: US\$250,000

**Morocco**

Halon Bank

After completion of the installed capacity survey, approved at the 30<sup>th</sup> meeting, an investment project including equipment to set up a recovery and recycling network for halons will be developed and submitted in 2001.

Estimated Budget: US\$ 50,000

**Namibia**MeBr phase out

Namibia has reported a MeBr consumption of bellow 300kg but in effect has a much higher consumption level. A non-investment project for the phase out of MeBr in Namibia will be submitted.

US\$ 30,000

**Syria**Halon Bank

After completion of the installed capacity survey, approved at the 30<sup>th</sup> meeting, an investment project including equipment to set up a recovery and recycling network for halons will be developed and submitted in 2001.

[Estimated Budget: US\$ 500,000]

Soil Fumigation

The Government of Syria has requested us to consider an IPM project in soil fumigation. A draft proposal is expected to be ready within this year 2000.

Estimated Budget US\$ 610,000

**TOTAL Budget US \$ 3322,000****[TOTAL Budget US \$ 2460,000]**

**ANNEX III**

**DRAFT 2001 BUSINESS PLAN FOR JAPAN**

**JAPAN – 2001 POSSIBLE BILATERAL PROJECTS (Provisional as of October 11, 2000)**

Note: Discussions regarding bilateral projects with beneficiary countries and Implementing Agencies are yet under way.

The nature of a project and its estimated project value could be changed when it is submitted. Also other projects could be formulated and then submitted in 2001. And some possible projects could be implemented by Implementing Agencies as their own projects and then deleted from Japan's bilateral projects planned for 2001.

<b>Sector</b>	<b>Country</b>	<b>Year</b>	<b>Nature of Project</b>	<b>Estimated Project Value (US\$)</b>
Solvent	China	2001	Elimination of the use of CFC 113 during the process of manufacturing LC display at 6 factories in the City of Shenzhen -Technology transfer, start up and training to implement the selected alternative cleaning system and technologies to convert cleaning process and equipment (CFC113 annual consumption: Total: 93MT) (Including factories whose local ownership are not 100%) (Implemented in close cooperation with UNDP)	1,200,000.00
<b>Total Solvent Projects</b>				<b>1,200,000.00</b>
Refrigeration	China	2001	Establishment of a training centre for refrigeration servicing technicians for recycling and servicing CFC12 and HFC134a. In close cooperation with the China Household Electrical Appliances Association (CHEA). Project in detail are yet under formulation at CHEA. (CFC12 servicing: N.A.) (Implemented in close cooperation with UNIDO)	N.A.
<b>TOTAL Refrigeration projects</b>				<b>N.A. for refrigeration servicing training centre</b>
<b>TOTAL POSSIBLE 2001</b>	<b>2 PROJECTS</b>			<b>1,200,000.00 + N.A. for refrigeration</b>