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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-fourth Meeting
Montreal, 18-20 July 2001

BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
Implementation of the RMP: Regional programme for recovery and recycling of CFC12 refrigerant in Vietnam	Australia
Implementation of the RMP: Monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs in Central African Republic	France
Implementation of the RMP: Development and implementation of a tax/incentive programme in Central African Republic	France
Implementation of the RMP: Train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector in Central Africa Republic	France
Implementation of the RMP: Training programme for customs officers in Central African Republic	France
Implementation of the RMP: Recovery and recycling training and demonstration project in Lao People's Democratic Republic	France
Implementation of the RMP: Customs training in Lao People's Democratic Republic	France
Implementation of the RMP: Phase I: Training of trainers in good refrigerant management practices; Phase II: National technicians training project in Lao People's Democratic Republic	France
Sector phase out programme: Establishing a halon bank and umbrella a project for 63 manufacturers in Syria	France/Germany
Survey, awareness raising and preparation of investment project in methyl bromide sector in Algeria	Germany
Country Programme preparation in Angola	Germany
Pilot project: Training programme for the refrigeration maintenance sector in Brazil	Germany
Project preparation for the phase out of ODS use in the flexible molded foam sub-sector in 5 companies in India	Germany

PROJECT TITLE	BILATERAL AGENCY
Conversion of the use of CFC to LCD in the manufacture of flexible foam at Iranogharb in Iran	Germany
Project preparation/Technical assistance for the refrigeration sector in Lebanon	Germany
Project preparation/Technical assistance for the halon sector in Nigeria	Germany
Project preparation/Technical assistance for the halon sector in the Sultanate of Oman	Germany
Project preparation for development of a Refrigerant Management Plan (RMP) for Papua New Guinea	Germany
Preparation for phase out investment project for methyl bromide sector in Yemen	Germany
Global: Development of comprehensive decision support system for private and public sector executives concerning viable ODS alternatives in the foam sector (INFOAM)	Germany
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Flexo foam P. Ltd. in India	Italy
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Malvika Polymers in India	Italy
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Oto Industries P.Ltd. in India	Italy
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Sutlej coach Products P. Ltd. in India	Italy
Phase out of methyl bromide in horticulture in Romania	Italy
Replacement of CFC-11 with cyclopentane foam blowing agent and CFC-12 with HFC-134a refrigerant/freezers at Obod elektroindustrija in Yugoslavia	Italy
Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol in the Asia and Pacific region	Japan
Implementation of the RMP: custom training in Vietnam	Poland
Implementation of the RMP: development of import/export licensing system in Lao People's Democratic Republic	Sweden
Regional cooperation and monitoring and control of ODS consumption in the SEAP Region	Sweden
Workshop on RMP update for LVCs (including follow-up activities) in SEPA Region	Sweden

1. A total of 26 requests totalling US \$6,914,594 for bilateral cooperation were submitted for consideration at 34th Meeting by Australian, French, German, Italian, Japanese, Polish and Swedish bilateral agencies. A request was also received to transfer the country programme preparation of Angola from UNEP to Germany. This document contains, by bilateral agency, those projects that are before the Executive Committee for its consideration.

2. Table 1 presents a summary of the value and number of requests by bilateral agency before the Executive Committee for its consideration.

TABLE 1

VALUE AND NUMBER OF PROJECTS FOR BILATERAL COOPERATION, BY BILATERAL AGENCY

Bilateral Agency	Amount Requested (US\$)	Number of Projects
Australia	US \$379,653	1
France	US \$598,101	8
Germany*	US \$1,583,843	12
Italy	US \$3,374,639	6
Japan	US \$433,920	1
Poland	US \$143,388	1
Sweden	US \$401,050	3
TOTAL	\$6,914,594	32

* Includes the request to transfer a project from UNEP to Germany.

REQUESTS FROM THE GOVERNMENT OF AUSTRALIA

Introduction

3. The Government of Australia submitted a request for bilateral cooperation for a project in Vietnam. This project is to be implemented within the framework of Vietnam Refrigerant Management Plan. The amount requested (US \$379,653) does not exceed 20 per cent of Australia's total contributions for the years 2000 and 2001.

4. The comments and recommendations of the Fund Secretariat are found in "Project Proposals: Vietnam" (UNEP/OzL.Pro/ExCom/34/49).

REQUESTS FROM THE GOVERNMENT OF FRANCE

Introduction

5. The Government of France submitted requests for bilateral cooperation for projects in Central Africa Republic, Laos and Syria. The amount requested, plus the amount approved for France in 2000 and at the 33rd Meeting, does not exceed 20 per cent of France's total contribution for the years 2000 and 2001.

6. Table 2 presents a summary of France's requests by project title, country, amount requested, and amount recommended. The total amount recommended, once approved by the Executive Committee, should be offset against France's contributions for years 2000 and 2001.

TABLE 2

SUBMISSIONS FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)	Agency Fee
Implementation of the RMP: Monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs in Central African Republic	Central African Republic	26,250	26,250	3,413
Implementation of the RMP: Development and implementation of a tax/incentive programme in Central African Republic	Central African Republic	5,500	5,500	715
Implementation of the RMP: Train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector in Central Africa Republic	Central African Republic	60,900	60,900	7,917
Implementation of the RMP: Training programme for customs officers in Central African Republic	Central African Republic	77,440	77,440	10,067
Implementation of the RMP: Recovery and recycling training and demonstration project in Lao People's Democratic Republic	Laos	40,800	40,800	2,040
Implementation of the RMP: Customs training in Lao People's Democratic Republic	Laos	81,542	81,542	10,600
Implementation of the RMP: Phase I: Training of trainers in good refrigerant management practices; Phase II: National technicians training project in Lao People's Democratic Republic	Laos	78,750	78,750	10,237
Sector phase out programme: Establishing a halon bank and umbrella a project for 63 manufacturers (French component)	Syria	161,000	161,000	20,930
Sub-total		532,182	532,182	
Agency fee		65,919	65,919	
TOTAL		598,101	598,101	

7. Project descriptions as well as Secretariat comments and recommendations on the investment project from Central African Republic and Laos follow.

8. The Secretariat's comments and recommendations on the halon bank in Syria are found in the document "Project Proposals: Syria" UNEP/OzL.Pro/ExCom/34/44.

PROJECT EVALUATION SHEET CENTRAL AFRICAN REPUBLIC

SECTOR: Refrigeration ODS use in sector (1999): 30.6 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Titles:

- (a) Implementation of the RMP: monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs
- (b) Implementation of the RMP: development and implementation of a tax/incentive programme
- (c) Implementation of the RMP: train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector
- (d) Implementation of the RMP: training programme for customs officers

Project Data	Refrigerant management plan			
	Monitoring	Tax/incentive programme	Train the trainers	Training custom officers
Enterprise consumption (ODP tonnes)				
Project impact (ODP tonnes)				
Project duration (months)	24	72	24	24
Initial amount requested (US \$)	26,250	8,000	73,500	77,440
Final project cost (US \$):				
Incremental capital cost (a)				
Contingency cost (b)				
Incremental operating cost (c)				
Total project cost (a+b+c)	26,250	5,500	60,900	77,440
Local ownership (%)	100%	100%	100%	100%
Export component (%)	0%	0%	0%	0%
Amount requested (US \$)	26,250	5,500	60,900	77,440
Cost effectiveness (US \$/kg.)				
Counterpart funding confirmed?				
National coordinating agency		Bureau Nationale Ozone		
Implementing agency	France	France	France	France

Secretariat's Recommendations				
Amount recommended (US \$)	26,250	5,500	60,900	77,440
Project impact (ODP tonnes)				
Cost effectiveness (US \$/kg)				
Implementing agency support cost (US \$)	3,413	715	7,917	10,067
Total cost to Multilateral Fund (US \$)	29,663	6,215	68,817	87,507

PROJECT DESCRIPTION

Implementation of the RMP: monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs

Implementation of the RMP: development and implementation of a tax/incentive programme

Implementation of the RMP: train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector

Implementation of the RMP: training programme for customs officers

9. In 1999, total CFC consumption in the refrigeration sector in the country was estimated at 30.6 ODP tonnes for servicing domestic, commercial and industrial refrigeration equipment (28.4 tonnes) and MAC units (2.2 tonnes). Refrigeration equipment is serviced through 140 registered technicians working in 40 workshops. However, a large number of services is provided by non-registered technicians (informal sector).

10. The Government of Central African Republic proposes to enforce regulations on import of CFCs and CFC-based equipment, including taxation of CFC-based equipment and incentive for non-CFC-based equipment. Customs officers will be trained to enforce the proposed regulations on ODSs.

11. The Executive Committee approved at its 20th Meeting a refrigerant recovery and recycling project for Central African Republic and allocated US \$66,440 to UNDP for its implementation. The project included a nation-wide network comprising 17 recovery units, 2 recycling centres and 3 one-day workshops for refrigeration technicians on refrigerant recovery operations. A total of 44 kg were recycled from December 1999 to March 2000.

12. The RMP proposal includes the following sub-projects that will lead to the 50 per cent and 85 per cent CFCs phase out in 2005 and 2007, respectively:

- (a) Training programme for customs officers (US \$77,400) to enforce the regulation on ODSs, to control imports of ODSs and ODS-based equipment, to provide ODS identification kits, and to include a module on ozone related issues in the curriculum of customs officers training programmes;
- (b) Development and implementation of a tax/incentive programme (US \$5,500);
- (c) "Train the trainers" programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector (US \$60,900);

- (d) Monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs, both in the formal and informal sectors (US \$26,250).

13. The Ozone Unit will be responsible for monitoring and implementing the proposed sub-projects in the RMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

14. The RMP is to be implemented by the Government of France with the assistance from UNEP DTIE.

15. The Government of Central African Republic is committed to achieve the 50 per cent reduction in consumption of CFCs by 2005 and 85 per cent by 2007, without additional resources from the Fund. The Government has estimated the reduction levels in the consumption of CFC refrigerant necessary to achieve these objectives. The RMP addresses the needs of small service workshops, including those in the unorganised sector. Adequate provisions for monitoring the implementation of the activities in the refrigeration servicing sector have been included.

16. Based on data reported in the project proposal, it appears that almost all the CFC used in the country is imported by the informal sector. In this regard, the Government of France reported that the first survey on ODS consumption in the country was undertaken in 1994, with an estimated consumption of 30 tonnes of CFCs. Since that time, the country experienced some political difficulties that lead to the reduction of imports of CFCs because many owners of refrigeration equipment (registered importers) left the country. During that period, the equipment was in operation and was serviced by technicians in the informal sector.

17. The Secretariat pointed out the delay experienced in the implementation of the recovery and recycling project that was approved in October 1996. Pursuant to Decision 32/4, the Secretariat sent a notice to the Government informing on the possibility of cancellation of the project due to implementation delays. The UNDP progress report submitted to the 34th Meeting states that "no progress whatsoever in the implementation of this project, in spite of repeated efforts to get a progress report from the Government". In this regard, the Government of France stated that the recovery and recycling equipment was distributed to service technicians only in November 1999. The activities proposed in the RMP project are planned to ensure favourable conditions for the recovery and recycling of CFC-12. The tax/incentive programme will discourage imports of CFC-12 and encourage imports of non-CFC-based equipment. It is also expected that there will be an increase in the price of CFC-12 and a reduction in its supply. This programme together with the two training programmes, one for custom officers and the other for refrigeration service technicians (including the informal sector) will enhance refrigerant recovery and recycling operations.

RECOMMENDATIONS

18. The Fund Secretariat recommends blanket approval of the projects at the funding level indicated below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the RMP: monitoring the activities of the RMP project, including registration of refrigeration service technicians, distributors and importers of CFCs	26,250	3,413	France
(b)	Implementation of the RMP: development and implementation of a tax/incentive programme	5,500	715	France
(c)	Implementation of the RMP: train the trainers programme for refrigeration technicians in good management practices and a training programme to address technicians in the informal sector	60,900	7,917	France
(d)	Implementation of the RMP: training programme for customs officers	77,440	10,067	France

19. The Treasurer is authorised to offset the approved amount against the balance of the Government of France bilateral contribution to the Multilateral Fund for 2001.

PROJECT EVALUATION SHEET
LAO PEOPLE'S DEMOCRATIC REPUBLIC

SECTOR: Refrigeration ODS use in sector (1999): 13.2 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Titles:

- (a) Implementation of the RMP: recovery and recycling training and demonstration project
- (b) Implementation of the RMP: customs training
- (c) Implementation of the RMP: Phase I: Training of trainers in good refrigerant management practices; Phase II: National technicians training project
- (d) Implementation of the RMP: development of import/export licensing system
- (e) Implementation of the RMP: Monitoring the Activities in the RMP

Project Data	Refrigerant management plan				
	R&R training	Customs training	Training of trainers	Impor/export licensing system	Monitoring
Enterprise consumption (ODP tonnes)					
Project impact (ODP tonnes)					
Project duration (months)	36	24	36	13	36
Initial amount requested (US \$)	40,800	166,442	81,250	60,000	17,500
Final project cost (US \$):					
Incremental capital cost (a)	37,026	78,542	75,750		17,500
Contingency cost (b)	3,774	3,000	3,000		
Incremental operating cost (c)					
Total project cost (a+b+c)	40,800	81,542	78,750		17,500
Local ownership (%)	100%	100%	100%	100%	100%
Export component (%)	0%	0%	0%	0%	0%
Amount requested (US \$)	40,800	81,542	78,750	55,000	17,500
Cost effectiveness (US \$/kg.)					
Counterpart funding confirmed?					
National coordinating agency	Ozone Protection Unit				
Implementing agency	France	France	France	Sweden	UNEP

Secretariat's Recommendations					
Amount recommended (US \$)	40,800	81,542	78,750	55,000	17,500
Project impact (ODP tonnes)					
Cost effectiveness (US \$/kg)					
Implementing agency support cost (US \$)	2,040	10,600	10,237	0	2,275
Total cost to Multilateral Fund (US \$)	42,840	92,142	88,987	55,000	19,775

PROJECT DESCRIPTION

Implementation of the RMP: recovery and recycling training and demonstration project

Implementation of the RMP: customs training

Implementation of the RMP: Phase I: Training of trainers in good refrigerant management practices; Phase II: National technicians training project

Implementation of the RMP: development of import/export licensing system

Implementation of the RMP: Monitoring the Activities in the RMP

20. The Lao PDR country programme submitted for consideration by the Executive Committee at its 34th Meeting (UNEP/OzL.Pro/ExCom/34/55) includes a refrigerant management plan (RMP) project proposal which will be jointly implemented by the Governments of France and Sweden (bilateral co-operation).

21. In 1999, total CFC consumption in the refrigeration servicing sector in the country was estimated at 13.2 ODP tonnes for servicing domestic and commercial refrigeration equipment (5.2 tonnes) and MAC units (8 tonnes). This equipment is serviced by 300 technicians. Refrigeration equipment in breweries, dairy sector and large cold storage rooms are serviced by in-house technicians. Service of small units such as domestic refrigerators, display cabinets and bottle coolers, are serviced by semi-skilled technicians working in a number of small workshops mainly in the unorganised sector (100 workshops). There are two vocational schools providing courses in refrigeration and servicing practices in the country.

22. The Government of Lao PDR is proposing to restrict new installations and equipment using CFCs; to develop and implement a CFC import/export licensing system, including import quotas (if necessary) and tax incentives to promote use of non-CFC alternatives; to encourage industrial and commercial consumers to assess the feasibility of retrofitting their CFC-based refrigeration equipment and to recover and recycle CFC from this equipment.

23. The RMP includes a request for the development of a CFC licensing policy (US \$50,000), a training programme for customs officers (US \$166,442 including ODS identification kits), a “train the trainers” programme for refrigeration technicians in good management practices (US \$81,250); a CFC-12 recovery and recycling demonstration programme (US \$40,880); and other activities (incentives for retrofitting and/or additional training) that will be submitted at a future meeting.

24. With restrictions on imports of CFC-based equipment expected to be in place by mid-2002, and enforcement of the Government's decision to restrict import of used cars to 3 years or less, the use of CFC-12 will be limited to a gradually decreasing number of equipment in the country. HFC-134a based systems are already available and it is expected that with the conversion projects ongoing in Thailand, within the next 2 to 3 years all new refrigeration equipment imported into the country will be non-CFC based.

25. The Ozone Unit will be responsible for the monitoring, co-ordination and implementation of proposed phase-out activities in the RMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

26. The RMP is to be implemented by the Governments of France and Sweden, with the assistance from UNEP DTIE (for the training programmes).

27. The Secretariat pointed out that implementation of the recovery and recycling sub-project cannot proceed until incentives or regulatory measures are in place (Decision 22/24). UNEP stated that the proposed recovery and recycling sub-project is a demonstration sub-project, and the recycling equipment will be located at the Technical School, where the training programmes will be conducted.

28. The Fund Secretariat and UNEP discussed the level of funding for the Lao PDR RMP project in light of Decision 31/48 (i.e., the level of funding for a new RMP could be increased up to 50 per cent of the total project cost compared to the level of funding typically approved for other RMPs). Based on funds approved for a number of RMPs projects in Article 5 countries and taking into consideration the level of CFC consumption in the country (13 tonnes of which 8 tonnes are for servicing for MAC units), the total funding level for the Lao RMP was agreed at US \$273,592.

29. Taking into consideration that the Ozone Unit has not been established and it will be the governmental unit responsible for the implementation of the RMP and other ODS phase out related activities in the country, the Secretariat proposed that the request for the implementation of the RMP project should be deferred until the Ozone Unit is fully operational, and the ODS consumption in the country is more thoroughly understood. The preparation of an individual project (in the foam sector) will address immediate concerns about compliance. In this regard, the Secretariat was informed that the Government of Lao PDR has already set up an Ozone Office and that its staff have played a significant role in preparing the country programme and the RMP project (the Ozone Officer has attended a number of SEAP network meetings and hosted the 2000 main meeting). Therefore, it is expected that this existing institutional infrastructure will enable the RMP activities to begin immediately, without any need to wait for an ozone office to be set up under the institutional strengthening project.

30. Upon a request by the Fund Secretariat, the Government of Lao PDR has submitted an official letter stating its commitment, responsibilities and financial implications associated with Decision 31/48.

RECOMMENDATIONS

31. The Fund Secretariat recommends blanket approval of the projects at the funding level indicated below, with the understanding that the recovery and recycling sub-project cannot proceed until incentives or regulatory measures are in place.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the RMP: recovery and recycling training and demonstration project	40,800	2,040	France
(b)	Implementation of the RMP: customs training	81,542	10,600	France
(c)	Implementation of the RMP: Phase I: Training of trainers in good refrigerant management practices; Phase II: National technicians training project	78,750	10,237	France
(d)	Implementation of the RMP: development of import/export licensing system	55,000	0	Sweden
(e)	Implementation of the RMP: Monitoring the Activities in the RMP	17,500	2,275	UNEP

32. The Treasurer is authorised to offset the approved amounts against the balance of the Governments of France and Sweden bilateral contributions to the Multilateral Fund for 2001.

REQUESTS FROM THE GOVERNMENT OF GERMANY

Introduction

33. The Government of Germany submitted requests for bilateral cooperation for projects in Algeria, Brazil, India, Iran, Lebanon, Nigeria, Papua New Guinea, Sultanate of Oman, Syria and Yemen and a global project. UNEP is also requesting the transfer of the country programme preparation in Angola from it to Germany. The amount requested including the transferred project, plus the amount approved for Germany in 2000 and at the 33rd Meeting, does not exceed 20 per cent of Germany's total contribution for the years 2000 to 2001.

34. Table 3 presents a summary of Germany's requests by project title, country, amount requested, and amount recommended. The total amount recommended, once approved by the Executive Committee, should be offset against Germany's contributions for years 2000 and 2001.

TABLE 3
SUBMISSIONS FROM THE GOVERNMENT OF GERMANY AND
RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
Country programme/RMP preparation			
Country Program preparation in Angola	Angola	60,000	60,000
Technical assistance			
Survey, awareness raising and preparation of investment project in methyl bromide sector	Algeria	31,500	Issue
Pilot project: Training programme for the refrigeration maintenance sector	Brazil	247,400	Issue
Global: Development of comprehensive decision support system for private and public sector executives concerning viable ODS alternatives in the foam sector (INFOAM)	Global	324,500	Pending
Project preparation recommended for blanket approval			
Project preparation for the phase out of ODS use in the flexible molded foam sub-sector in 5 companies	India	23,750	23,750
Project preparation/Technical assistance for the halon sector	Nigeria	19,420	19,420
Project preparation/Technical assistance for the halon sector	Sultanate of Oman	17,000	17,000
Preparation for phase out investment project for methyl bromide	Yemen	44,000	44,000
Project preparation with a condition			

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
Project preparation/Technical assistance for the refrigeration sector	Lebanon	26,600	26,600 Condition
Project preparation with issue			
Project preparation for development of a Refrigerant Management Plan (RMP)	Papua New Guinea	60,200	Issue
Investment projects			
Conversion of the use of CFC to LCD in the manufacture of flexible foam at Iranogharb	Iran	386,260	386,260
Sector phase out programme: Establishing a halon bank and umbrella a project for 63 manufacturers (German component)	Syria	161,000	161,000
Sub-total		1,401,630	Pending
Agency fee		182,213	Pending
TOTAL		1,583,843	Pending

35. The Secretariat's comments and recommendations on Iranogharb flexible foam project are found in UNEP/OzL.Pro/ExCom/34/31.

36. Its comments and recommendations on the Syrian halon bank are found in the document "Project Proposals: Syria" UNEP/OzL.Pro/ExCom/34/44.

37. Comments on country programme transfer, project preparation and technical assistance in Algeria follow.

COUNTRY PROGRAMME TRANSFER

- **Country programme preparation in Angola (US \$60,000)**

38. UNEP is requesting that the country programme/RMP preparation for Angola approved at the 32nd Meeting (ANG/SEV/32/CPG/01) be transferred to the Government of Germany for implementation as a bilateral project. The Government of Angola sent a letter agreeing to the transfer.

39. The Secretariat recommends blanket approval of the transfer in the amount of the US \$60,000 plus US \$7,800 in agency fees. The amount should be offset against UNEP's approval at the 34th Meeting, and Germany's bilateral contributions for the years 2000 and 2001 should be credited, accordingly.

TECHNICAL ASSISTANCE

- **Survey. awareness raising and preparation of investment project in methyl bromide sector (US \$31,500)**

40. The Secretariat noted that methyl bromide consumption reported by the Government of Algeria to the Ozone Secretariat for 1999 was 6 ODP tonnes, used only for a systematic fumigation of stored dates. UNIDO's work programme amendment submitted to the 34th Meeting (UNEP/OzL.Pro/ExCom/34/23) included a request for the preparation of an investment project to address this consumption. In this regard, the Government of Germany was informed that in Algeria, methyl bromide is not only used for dates but also for other purposes; reliable and up-to-date methyl bromide consumption data is not available. The proposed activity has been re-designed as a two-phase activity; in phase I, a survey to determine accurate methyl bromide consumption data and its use and an awareness programme on the need to control methyl bromide consumption and alternative technologies, will be undertaken. Based on the results of Phase I, and contingent upon a report to be submitted to the Executive Committee, in Phase II an investment project may be prepared.

- **Brazil: Pilot project: Training programme for refrigeration maintenance sector (US \$247,400)**

41. The Secretariat pointed out that the Executive Committee at its 32nd Meeting approved under UNDP's work programme a technical assistance programme for the preparation of an RMP for Brazil, which includes: identification of training needs (such as refrigeration service technicians and customs officer training); assistance for legislative authorities and proposed a plan of action for the enforcement of a licensing system and legislative measures for the control of import/export of CFCs; determine the need for recovery and recycling; elaborate a comprehensive strategy and develop concrete project proposals for the consideration by the Executive Committee. Therefore, in light of the recently approved technical assistance for the preparation of the RMP in Brazil, the Secretariat considers that this request would constitute double counting.

- **Global: Development of comprehensive decision support system for private and public sector executives concerning viable ODS alternatives in the foam sector (INFOAM) (US \$324,500)**

Project description

42. The project intends to empower private and public sector executives to comply with the ODS phase out provisions of the Montreal Protocol by delivering hands-on decision supporting material concerning viable investment, management and policy alternatives in the foam sector. The project will provide an “interactive tutorial” that would allow instant access to the relevant technical, market, financial and regulatory information. The project would provide complementary simulation tools to allow on-line comparison of key technological, financial and environmental aspects of the different foaming alternatives available in each major application area. The project will also provide a foam expert referral system and a client support desk to

allow individual counsel via email, telephone and fax on enterprise specific issues and available specialists in the different client regions. The project has an 18 month duration. The main partner of this endeavour would be the UNEP-Global Environmental Facility Technology Transfer Network. The main justification of the activity is the lack of concrete independent information and advise on foam sector technologies and developments for decision makers in the public and private sector.

Comments and recommendations

43. The Secretariat raised the issue of the eligibility of this activity with the Government of Germany, but Germany has not indicated that it would withdraw the project as of this writing.

PROJECT PREPARATION

Project preparation recommended for blanket approval

44. Project preparation is recommended for blanket approval for four requests as indicated in Table 3.

Project preparation recommended with condition

- **Lebanon: Project preparation/Technical assistance for the refrigeration sector (US \$26,600)**

45. The Secretariat suggested that during the preparation stages of this technical assistance programme, the Government of Lebanon must be fully advised on the implications of decisions taken by the Executive Committee regarding RMPs, in particular Decisions 31/48, 32/28 and 33/13.

Project preparation with issues

- **Papua New Guinea: Project preparation for development of a Refrigerant Management Plan (US \$60,200)**

46. The Secretariat pointed out that the Executive Committee at its 21st Meeting, approved US \$ 30,000 for UNEP for the preparation of the RMP for Papua New Guinea. UNEP's progress report submitted at the 34th Meeting (UNEP/OzL/Pro/ExCom/34/12) states that the Papua New Guinea RMP is being implemented under the Regional Pacific Island Strategy (covering several LVC island-countries); in April 2001, a workshop was conducted where national compliance plans and regional strategies were discussed and agreed. Therefore, the Secretariat considers that this request would constitute double counting.

REQUESTS FROM THE GOVERNMENT OF ITALY

Introduction

47. The Government of Italy submitted requests for bilateral cooperation for projects in India, Romania and Yugoslavia. The amount requested does not exceed 20 per cent of Italy's total bilateral contributions for the years 2000 and 2001.

48. Table 4 presents a summary of Italy's requests by project title, country, amount requested, and amount recommended. The total amount recommended, once approved by the Executive Committee, should be offset against Italy's contributions for years 2000 and 2001.

TABLE 4

SUBMISSIONS FROM THE GOVERNMENT OF ITALY AND RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)	Agency Fee (US\$)
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Flexo foam P. Ltd.	India	185,291	185,291	24,081
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Malvika Polymers	India	196,610	196,610	25,559
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Oto Industries P.Ltd.	India	139,716	139,716	18,163
Conversion from CFC-11 to water blown technology in the manufacture of flexible molded polyurethane foam at Sutlej coach Products P. Ltd.	India	187,500	187,500	24,362
Phase out of methyl bromide in horticulture	Romania	630,517	630,517	79,357
Replacement of CFC-11 with cyclopentane foam blowing agent and CFC-12 with HFC-134a refrigerant/freezers at Obod Elektroindustrija	Yugoslavia	1,683,135	1,683,135	180,348
Sub-total		3,022,769	3,022,769	351,870
Agency fees		351,870	351,870	
TOTAL		3,374,639	3,374,639	

49. The Secretariat's comments and recommendations on the four Indian foam projects are found in the document "Project Proposals: India" UNEP/OzL.Pro/ExCom/34/30.

50. Its comments and recommendations on the request for a refrigeration project in Yugoslavia are found in document "Project Proposals: Yugoslavia" UNEP/OzL.Pro/ExCom/34/51.

51. The Secretariat's comments and recommendations on the methyl bromide request for Romania follow.

**PROJECT EVALUATION SHEET
ROMANIA**

SECTOR: Fumigant ODS use in sector (1998): 93.9 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Titles:

(a) Phase out of methyl bromide in horticulture

Project Data	Methyl bromide
Enterprise consumption (ODP tonnes)	93.90
Project impact (ODP tonnes)	93.90
Project duration (months)	48
Initial amount requested (US \$)	630,517
Final project cost (US \$):	
Incremental capital cost (a)	584,013
Contingency cost (b)	58,401
Incremental operating cost (c)	-11,897
Total project cost (a+b+c)	630,517
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	630,517
Cost effectiveness (US \$/kg.)	6.72
Counterpart funding confirmed?	
National coordinating agency	Ministry of Environment & Forests
Implementing agency	Italy

Secretariat's Recommendations	
Amount recommended (US \$)	630,517
Project impact (ODP tonnes)	93.90
Cost effectiveness (US \$/kg)	6.72
Implementing agency support cost (US \$)	79,357
Total cost to Multilateral Fund (US \$)	709,874

PROJECT DESCRIPTION

Phase-out of methyl bromide in horticulture

52. The Government of Italy is submitting a project through UNIDO to phase out 94 ODP tonnes of methyl bromide (MB) used in soil disinfestation in 220 ha of heated greenhouses for production of vegetables (tomatoes, cucumbers and peppers) in Romania. This surface area is distributed over 10 farms, owned by the State Ownership Fund (SOF).

53. The alternatives selected for phasing out MB are: solarization combined with metam sodium (covering 110 ha) and grafting (covering also 110 ha). These technologies would be applied in combination with an integrated pest management (IPM) programme. The application of metam sodium requires installation of polyethylene pipes, a storage tank and a pump to inject the pesticide into the irrigation flow.

54. The project includes a training programme in the use of the alternative technologies for farm managers, national experts and a group of employees selected from each farm's staff. It will be conducted at the Research and Development Institute for Horticultural Products Marketing (Horting Institute), and will include study tours.

55. The Government of Romania is committed to phasing out the entire consumption of MB by 2005. Upon completion of the project, the Government will issue a regulation forbidding the use of MB in the entire tobacco and horticultural producing subsectors.

56. The Government of Romania has already issued a regulation banning use of MB in the entire horticultural sector by the end of the year 2001; however, this regulation has not been enforced. In order to accomplish the proposed phase-out schedule, it will establish fixed limits on imports and national sale of MB. The Government is also considering the introduction of a labelling programme for vegetables produced without MB, possibly by 2004.

57. The project will be implemented by UNIDO under national co-ordination by the Ozone Office, in close cooperation with the Horting Institute.

58. The estimated time for the implementation of the project is 4 years.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

59. The project was first submitted for consideration by the Executive Committee at its 31st Meeting (July 2000). However, the project was deferred since the Government of Romania had not at the time ratified the Copenhagen Amendment. Romania has since then ratified the Copenhagen Amendment (28 November 2000).

60. There are two companies (SC Intor and SC Sinteza) producing MB for the national market. In 1995, about 21.4 ODP tonnes was produced in the country, 1.8 ODP tonnes exported

and 0.6 ODP tonnes imported. MB production was 31.2 ODP tonnes in 1998 and 13.2 ODP tonnes in 1999; all the production was for the local market. UNIDO informed the Secretariat that up to 1998, only one enterprise was producing MB in Romania, with an annual production capacity of 40 ODP tonnes. The Government of Romania will not allow local production of MB for soil fumigation but for quarantine and pre-shipment application, if necessary.

61. The Secretariat sought clarification from UNIDO on the reasons for not using solarization with metam sodium as the sole replacement technology, considering the large difference in cost between the two technologies selected (US \$6,850/ha for grafting and US \$2,915/ha for solarization with metam sodium). UNIDO indicated that they included both technologies based on the break period between production cycles (4 to 8 weeks), pathogens affecting the crops in each specific plot, and time available for application of treatment. For instance, some farmers will not be able to use a combination of metam sodium and solarization, which requires at least 4 weeks. In those cases, grafting would be a viable solution. Furthermore, the proposed alternatives are not resistant to the entire range of soil born diseases affecting the sector. The use of metam sodium in combination with grafting will reduce risks associated with application of chemicals.

62. The Secretariat also indicated to UNIDO that soiless cultivation is a more cost-effective technology to produce tomatoes and cucumbers than grafting and soil sterilization. UNIDO reported that soiless cultivation was not feasible in Romania since it requires a high level of investment and knowledge. This technology is used in countries where manpower is expensive, market conditions guarantee high revenues and soil availability is limited.

63. The Secretariat and UNIDO discussed issues regarding the request for a drip irrigation system. UNIDO stated that optimal application of metam sodium through irrigation systems occurs when the system is installed under the plastic sheet used to trap the gas produced by its evaporation. The irrigation system in greenhouses in Romania is on the roof and the water is spread on top of the plants. With the proposed drip irrigation system, lower volume of water is required and higher precision in the rate of application of metam sodium is achieved. Incremental operating costs were adjusted based on unitary prices of MB, other raw materials and labour.

64. The Secretariat and UNIDO discussed the cost elements of the training programme, considering the size of the production area and the participation of the Horting Institute during project implementation. UNIDO informed the Secretariat that no demonstration project was approved for Romania and there is no expertise available at national level for training farmers in the use of grafting. Many aspects of the technology have to be imported from other countries. Subsequently, UNIDO agreed to adjust the training programme.

65. The agreed incremental cost of the project is estimated to be US \$709,874, including agency's support costs.

66. The project proposal included a proposal for an agreement between the Executive Committee and the Government of Romania with the commitments proposed and an action plan for the phase out of MB in Romania (Annex I).

RECOMMENDATIONS

67. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Phase out of methyl bromide in horticulture	630,517	79,357	Italy

68. The Executive Committee may also wish to request the Government of Italy to disburse the funds allocated in tranches according to the proposed MB phase-out schedule indicated in the project proposal; if Romania does not meet the reduction requirements outlined in the proposal, the Multilateral Fund, through Government of Italy will withhold funding for the subsequent tranche until such time as the required reduction has been met.

REQUESTS FROM THE GOVERNMENT OF JAPAN

Introduction

69. The Government of Japan submitted a request for bilateral cooperation with Asia and Pacific countries in “Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol in the Asia and Pacific region”. The amount requested (US \$433,920) does not exceed 20 per cent of Japan’s total contributions for the years 2000 and 2001. The project would be implemented by UNEP.

70. See Annex II at the end of this document for a copy of the proposal.

71. The Fund Secretariat indicated to the Government of Japan that the objectives of the proposal appeared similar to the objectives of UNEP’s regional networks, and the Asia and Pacific Region networks (South Asia, SE Asia, and West Asia), namely to “Assist ozone officers to design and implement policies so that their countries meet Montreal Protocol control measures; encourage countries to adopt regional approaches and to co-operate to assist each other in achieving compliance; develop greater ownership of the phase-out and compliance process by the NOUs to promote country-driven strategic planning; and assist ozone officers to review, verify, correct and report data to Fund Secretariat and under Article 7, promote greater contact between member countries, and encourage the ratification of amendments and all countries to become Parties.

72. The Executive Committee approved UNEP’s recurring budget at the 32nd Meeting “as reprioritized to make available US \$191,000 to increase regional awareness programmes sought by Article 5 countries” in Decision 32/48. UNEP’s recurring budget is fixed with a growth rate for inflation by Decision 21/14.

73. The cost for this project (US \$433,920) exceeds the cost of the South and West Asia Networks (US \$124,000 and US \$225,000, respectively) combined.

74. The Secretariat proposed that the overall purpose of the proposal was to enable countries to plan on how to achieve and maintain compliance with the agreed control measures might be achieved through the Executive Committee’s current efforts to enable countries to update their country programmes. It suggested that such a proposal should have quantifiable outcomes resulting in the preparation of country programme updates in 10 countries in the region.

75. Japan replied that the proposed project was complementary to the regional network although the broad objectives may be similar (promoting compliance and capacity building). It indicated that as a result of its representative attending the South Asia network meeting in April 2001, it felt that there was a strong and urgent need for additional capacity building support if the countries were to manage the process themselves. Japan stated that National Compliance Action Plans would serve the same purpose as country programme updates, but they would be more than simple updates of the text in country programmes and they would require changes in concepts and responsibilities.

76. Japan agreed that outcomes should be quantified such as the number of countries to be assisted through the preparation of National Compliance Action Plans. It indicated that preparing 10 such plans might not be possible with the requested budget for the first stage. Moreover, it felt that such plans should follow from successful capacity building and other activities such as information dissemination, data gathering verification and analysis. The proposed project would cover these activities before any National Plans or country programme update would be undertaken.

Recommendation

77. In making its recommendations to the Executive Committee, the Project Review Subcommittee may wish to consider the bilateral request of Japan in the light of the above comments and the impending decision of the Executive Committee on country programme updates.

REQUESTS FROM THE GOVERNMENT OF POLAND

Introduction

78. The Government of Poland submitted a request for bilateral cooperation for a project in Vietnam. This project is to be implemented within the framework of Vietnam Refrigerant Management Plan. The amount requested (US \$143,388) does not exceed 20 per cent of Poland's total contributions for the year 2001.

79. The comments and recommendations of the Fund Secretariat are found in "Project Proposals: Vietnam" (UNEP/OzL.Pro/ExCom/34/49).

REQUESTS FROM THE GOVERNMENT OF SWEDEN

Introduction

80. The Government of Sweden submitted requests for bilateral cooperation for projects in Lao PDR and South East Asia and the Pacific region. The amount requested does not exceed 20 per cent of Sweden's total contribution for the years 2000 and 2001.

81. Table 5 presents a summary of Sweden's requests by project title, country, amount requested, and amount recommended. The total amount recommended, once approved by the Executive Committee, should be offset against Sweden's contributions for years 2000 and 2001.

TABLE 5

SUBMISSIONS FROM THE GOVERNMENT OF SWEDEN AND RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
Implementation of the RMP: development of import/export licensing system for ODS	Lao PDR	55,000	55,000
Regional cooperation and monitoring and control of ODS consumption	SEAP Region	250,000	Issue
Workshop on RMP update for LVCs (including follow-up activities)	SEAP Region	85,000	Issue
Sub-total		390,000	Pending
Agency fee		11,050	Pending
TOTAL		401,050	Pending

82. The Secretariat's comments and recommendations on the Lao RMP request are found in the comments on the requests from the Government of France.

Regional Cooperation for monitoring and control of ODS consumption (US \$250,000)

83. The Government of Sweden submitted a request for a workshop for monitoring and control of ODS consumption in the Asia and Pacific region. The objective of the workshop is to promote further regional co-operation for the control of transboundary movement of ODS, for the purpose of enabling the participating countries to gain control over their import and export of ODS. To ensure that ODS consumption data in the region is reliable and that phase-out strategies can be enforced, it proposes establishing a focal point for ODS issues at the customs in each participating country, establishing modalities for regional and national information exchange and informal networking, gathering data on ODS trade and developing management tools. The project would use the framework of the SEAP Regional Network to develop practical cooperation between customs and ODS officers in the region using the lessons learnt at the

workshop (the participating countries are: Brunei Darussalam, Fiji, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam).

Fund Secretariat's recommendation

84. The Government of Sweden and the Fund Secretariat are finalising their discussion on some cost-related issues. Results of the discussion will be communicated to the Executive Committee.

Workshop on RMP update for LVCs (\$85,000)

85. The Secretariat pointed out that so far, the Executive Committee has approved RMPs for Bahrain, Bangladesh, Fiji, Mongolia, Nepal, Sri Lanka and Western Samoa. Of these countries, Bangladesh is not an LVC country, the RMPs for Sri Lanka and Western Samoa were approved in December 2000 (after Decision 31/48); and that the RMP for Vietnam is being submitted to the 34th Meeting of the Committee. Furthermore, the Secretariat considers that issues related to implementation of approved RMPs and the implications of Decisions 31/48, 32/28 and 33/13 should be discussed at UNEP's network meetings taking into consideration that the Ozone Officers would be responsible for their implementation. The Government of Sweden indicated that several countries are actively preparing requests for the additional 50 per cent funding at this moment, often involving end user retrofit projects. In this context, the proposed project would assist countries to prepare a detailed analysis and to plan the complete phase-out needed in the refrigeration servicing sector. It is proposed to involve a few LVC countries to focus on their national details and identify additional activities that might be needed for a cost-effective phase-out of CFCs. However, the scope of the project be widened to include higher volume consuming countries with already approved RMPs (such as Jordan and Syria). While RMP issues are discussed at network meetings, there is not enough time to consider in detail each country. Also, an RMP review meeting would need to involve several representatives from a country (customs officials, licensing authority, industry representatives) and not only the Ozone Officer.

Recommendation

86. The Executive may wish to consider the eligibility of this project in the light of the above.

Annex I**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN ROMANIA (DRAFT)**

1. The Executive Committee agrees to approve in principle US \$630,517 as the total funds that will be available to achieve commitments noted in this document for the phase reduction in the use of methyl bromide in Romania, subject to the following understandings and considerations:

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Romania had a consumption of 93.9 ODP tonnes of methyl bromide in 1998. In accordance with the data submitted to the Ozone Secretariat by Romania for the years 1995-1998, Romania has a methyl bromide baseline of 111.49 ODP tonnes. Accordingly, Romania has achieved compliance with the Protocol's 2002 freeze obligation.

3. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Romania will exceed subsequent phase-out requirements of the Montreal Protocol. Specifically, Romania commits to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period of the following listed years:

2001	93.9 ODP tonnes
2002	84.5 ODP tonnes (reduction of 9.4 ODP tonnes)
2003	56.4 ODP tonnes (reduction of 28.1 ODP tonnes)
2004	28.5 ODP tonnes (reduction of additional 27.9 ODP tonnes)
2005	0.0 ODP tonnes (reduction of the last 28.5 ODP tonnes)

4. In addition, Romania commits to sustain this phase-out of methyl bromide by banning its use as a soil fumigant, completely ban production of MB for soil fumigation, and, if necessary and when required, produce MB only for storage and/or quarantine and pre-shipment applications. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project, will ensure that Romania exceeds subsequent phase-out requirements of the Montreal Protocol.

5. The Government of Italy shall report annually to the Executive Committee on the progress in meeting the reductions required by this project, as well as on annual costs related to the equipment being purchases with the project funds. The Government of Italy agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

Annex II**Project Proposal from Japan****Project Proposal**

Region:	Asia and the Pacific
Title	Bilateral co-operation of Japan with Asia and Pacific countries; Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol in the Asia and Pacific region.
Sectors Covered	All
Consumption in ODP tonnes	Zero. This project will not of itself phase out any ODP tonnes. It will assist National Ozone Units to put in place and ensure the proper functioning of a National Compliance Action Plan and infrastructure to enable the progressive phase out of ozone-depleting substances in line with the Montreal Protocol deadlines.
Project Duration	One year
Total Cost	\$433,920 from the Japanese bilateral contribution
Implementing Agency	UNEP in co-operation with Government of Japan.

Introduction:

The Executive Committee of the Multilateral Fund has adopted a framework of objectives, priorities, problems and modalities for strategic planning as a basis for its work during the compliance period of the Montreal Protocol. This approach explicitly recognises the need to promote the greater involvement of Article 5 country governments in managing the phase out process, the so-called “country-driven” approach. As has been frequently mentioned by Article 5 country representatives at Executive Committee and network meetings, this approach will require strengthening the capacity of National Ozone Units (NOUs) to assist them to take on the prime responsibility of managing the phase out of ozone-depleting substances (ODS) in their countries.

The Government of Japan recognises the prime role of Article 5 country governments and their NOUs in achieving the success of the Montreal Protocol. It therefore intends to provide bilateral co-operation under the Multilateral Fund to assist Article 5 country governments to successfully manage the phase out of ODS. The focus of this bilateral co-operation will be on building the capacity of NOUs to implement the country-driven and compliance-driven approaches recently adopted by the Executive Committee. This will involve putting the Montreal Protocol into the mainstream of national environmental policies of developing countries. Key activities will include country compliance meetings and capacity building of NOUs, together with setting up of a central database of

information to assist developing countries with meeting their Montreal Protocol commitments. In addition, NGOs in Japan will be linked with those in Article 5 countries. The project will also provide policy assistance to promote the successful management of recovery and recycling of ODS and help to reduce illegal trade.

To start the project in 2001, part of this bilateral assistance will be used for activities to be implemented in co-operation with UNEP to build the capacity of NOUs in participating countries and assist them to develop National Compliance Action Plans. These plans could also serve as Country Programme updates and would establish an up to date and relevant national framework and modalities for each country to ensure it remains in compliance with the Protocol. Such plans would need to embody the new concepts of national responsibility and management of the phase out process. They would need to be nationally specific, reflecting the reality of national circumstances and proposing activities most likely to succeed in each country. Further building of national capacity in the NOU and governments will be essential if such plans are to be accurate, relevant and useful. A consultant will be appointed by UNEP and the Government of Japan to explore in greater detail with the countries in the region their needs during the compliance period and to make proposals for future activities and projects in the region consistent with promoting compliance and the main objectives of this project.

Objectives:

1. To promote the phase out of ODS in the Asia and Pacific region in line with the commitments of Article 5 countries under the Montreal Protocol together with the enhanced awareness of these commitments among decision-makers and other stakeholders.
2. To build the capacity of National Ozone Units and other stakeholders in Article 5 countries actively to manage the phase out of ODS, including developing national compliance Action Plans.
3. To improve the accuracy and completeness of data reporting under Article 7 of the Montreal Protocol and annual data reporting to the Multilateral Fund Secretariat on the implementation of approved Country Programmes.
4. To enhance the capacity of Article 5 country governments to design, put in place and implement suitable policy control measures, including legislative and regulatory systems to control import, export and consumption of ODS, including reducing the risks of illegal trade.
5. To build the capacity of Article 5 governments in the South Asia and South-East Asia and Pacific regions to understand and access commercially-available alternative technologies and adopt policies that achieve the objectives of the Montreal Protocol in a sustainable manner coherent with other national and international environmental priorities.

Activities:

This project will include a number of activities designed to meet the needs of the countries in the South Asia and South-East Asia and Pacific regions. Some activities,

such as country consultation meetings, will be implemented at the national level while others will be implemented at sub-regional or regional levels. Co-operation with ASEAN and SAARC to facilitate the implementation of this project will also be promoted.

Proposed activities include the preparation and initiation of the following:

- Training of data specialists in countries and strengthening of information gathering and verification to improve the accuracy and consistency of data reporting.
- Provide emergency assistance to countries in danger of not complying with the CFC freeze or other imminent control measures, including assistance with project preparation and submission and implementation of priority activities.
- Provide information and advice on the formulation, implementation and monitoring of legislation to control imports, exports and use of ODS and equipment.
- Promoting interaction between NGOs in Article 5 countries and those in Japan to strengthen public awareness activities, especially those designed to minimise ODS consumption in the SME and small and micro user sectors.
- Explore and where possible encourage the implementation of market-based pricing and taxation policies to reduce ODS consumption.
- Promote recovery, recycling and destruction of ODS in Article 5 countries of the region.
- Organise, and provide support for, country consultation meetings, to include relevant national and international stakeholders and designed to build national consensus on the phase out strategy. These meetings, together with the wider capacity building activities under this project will result in countries preparing National Compliance Action Plans. Such plans could also serve as Country Programme updates and establish a relevant national framework and implementation modalities for each country to ensure it remains in compliance with the Protocol. Likely countries in the first tranche include Bangladesh, Iran, Malaysia, Mongolia and Sri Lanka.

Performance Indicators:

- Number of countries assisted that meet the CFC freeze and other control measures in an agreed time period.
- Number of countries assisted that put in place and implement an effective licensing system to control imports and exports of ODS and equipment in an agreed time period.
- Number of countries assisted that prepare National Compliance Action Plans.

The Government of Japan requests the Executive Committee to approve this project proposal under their bilateral contribution for 2001.

Project Budget

Project element	Proposed budget (\$)
Regional Consultant	20,000
National consultants	75,000
Country Consultations	194,000
Travel	20,000
Communications and equipment	10,000
Reporting	10,000
Collecting and analysing information	20,000
Contingency (10%)	35,000
Project support costs (UNEP 13%)	49,920
TOTAL	433,920
