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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
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**CONSOLIDATED DRAFT BUSINESS PLAN OF THE MULTILATERAL FUND FOR  
THE YEAR 2002**

## **INTRODUCTION**

1. This document provides the consolidated draft 2002 business plan of the Multilateral Fund, which is based on the draft business plans of the bilateral and implementing agencies found in documents UNEP/OzL.Pro/ExCom/35/6 through 35/10. This document consists of the following parts:

- Part I: Methodology, Data and Actions to Facilitate Compliance
- Part II: Resource Allocation
- Part III: Activities included in the Draft 2002 Business Plans
- Part IV: Performance Indicators
- Part V: Comments and Recommendations of the Fund Secretariat

## **PART I: METHODOLOGY, DATA AND ACTIONS TO FACILITATE COMPLIANCE**

2. Part I addresses the methodology used to develop the 2002 draft business plan; efforts to verify data and data discrepancies identified in the preparation of the plans; activities and assistance to achieve compliance; and reducing implementation delays focusing on projects critical to compliance.

### **Methodology**

3. The principles used in developing the draft 2002 business plans of the implementing agencies were:

- (a) Assistance should be provided first to those countries at risk for achieving compliance with the freeze and 2005 reductions
- (b) Assistance should then be provided to those activities intended to maintain and sustain phase out momentum
- (c) Projects with longer durations should be submitted early (such as methyl bromide projects) while projects with shorter durations could be submitted later to best assist countries in the 2005 reductions.

4. To accomplish these objectives, the Secretariat and the implementing agencies followed a similar methodology to the one used for the preparation of the 2001 business plan with additional and continuing analysis of latest available data. Article 5 countries were sent letters requesting them to verify their latest consumption data and indicate the activities each country considered necessary to achieve and/or maintain compliance with the freeze and subsequent reductions through the year 2005, and to also indicate their choice of implementing agencies. 77 Article 5 countries responded to the request, 12 more countries responded than in 2001.

5. The letters, as well as updated status of compliance analysis and a ODS sector data, were made available to all implementing agencies and the regional co-ordinators. The Secretariat analysed the compliance assessment and then convened a co-ordination meeting in Montreal from 6-7 September 2001. In the light of compliance needs, the agencies and the Secretariat reviewed the responses of the countries and discussed possible activities in countries that did not respond to the business plan letters. Subsequently, the Secretariat prepared detailed comments on the proposals contained in country responses and the initial programmes of the implementing agencies.

### **Data Verification**

6. Decision 34/12 requested the implementing and bilateral agencies to take into consideration the sector analysis contained in the report on the Status of Compliance (contained in UNEP/OzL.Pro/ExCom/34/16) for the purposes of planning activities for their 2002 draft business plan. Pursuant to this decision, Article 5 countries were asked to verify their ODS consumption data as part of their submission of activities for the 2002 business plan. Countries verified the data. Few countries suggested substantial changes. Some countries have proposed changes to their baseline consumption data. However, it should be noted that Decision XIII/15 requires countries that change their baseline data to report to the Implementation Committee and provide a justification for the change. A summary of the results of the data verification exercise is presented in Annex I.

### **Activities in Countries with Data Discrepancy Issues**

7. Pursuant to Decision 34/12 mentioned above, the Secretariat reviewed the latest sector data in the light of approved activities and those activities included in the submissions of the agencies.

8. This was also done in the context of Decision 34/18(a) that requested the Secretariat and the implementing agencies not to submit project proposals which showed inconsistencies between project data and the latest reported sector consumption data. The Secretariat reminded the implementing agencies about this decision and identified projects, sectors and countries included in their draft business plans that may not be able to be submitted until such time as the data discrepancy is resolved.

9. Annex II includes the latest reported sector consumption for Article 5 countries with investment projects contained in the 2002 draft business plans. It also includes the level of phase out from approved but unimplemented projects, and the level of phase-out from planned 2002 activities. The sum of these two amounts was compared with the latest verified consumption of each country. A negative balance indicates that planned activities could result in a higher consumption than that reported by the country concerned and verified by it. Therefore there is a data discrepancy to be resolved.

10. Annex II indicates that there are 27 countries with potential data discrepancy issues for which investment projects are planned activities in 2002. Some countries have data discrepancy

issues in more than one sector. The Executive Committee may wish to request agencies to resolve these issues in advance of including projects from these countries in their final business plans.

### **Activities and Assistance for Compliance**

11. The Secretariat analysed the impact of activities included in the 2002 business plan on assisting countries in achieving compliance. A similar analysis was provided for each implementing agency in the Secretariat's comments on their draft business plans.

12. Table 1 indicates the number, value, and impact on phase-out of activities in the 2002 draft business plan by controlled substance. It indicates the extent to which assistance is provided for countries at risk to meet the freeze and 2005 reductions for CFCs, halons, and methyl bromide. The category freeze at risk means that either the country is in non-compliance or appears to be so. All of the "freeze at risk" countries would also be at risk for subsequent reductions. The category "50 per cent at risk" indicates that the country may achieve the freeze but not the 50 per cent reduction. The "maintain momentum" category is for those that appear to be able to achieve both of initial reductions. The "several" category contains activities that cannot be associated with a specific activity. This would include most non-investment project activities as well as projects involving more than one controlled substance such as CTC/TCA projects.

**Table1**

**PLANNED ACTIVITIES ACCORDING TO STATUS OF COMPLIANCE FOR CFC,  
HALON AND METHYL BROMIDE INITIAL CONTROL MEASURES**

<b>Substance/Control Measure</b>	<b>Number of Activities</b>	<b>Value (US\$)</b>	<b>Phase-out (ODP tonnes)</b>
<b>CFCs</b>			
Freeze at Risk	17	2,589,000	186
50% at Risk Only	92	26,374,400	2,634
Maintain Momentum	110	41,042,554	5,687
Insufficient Data	30	3,800,000	112
<b>Halon</b>			
Freeze at Risk	3	480,000	76
50% at Risk Only	2	80,000	0
Maintain Momentum	3	580,000	3,121
Insufficient Data	1	610,000	0
<b>Methyl Bromide</b>			
Freeze at Risk	10	4,350,000	339
20% at Risk Only	1	529,000	30
Maintain Momentum	18	9,435,000	640
Insufficient Data	8	2,830,000	126
<b>Several</b>	<b>93</b>	<b>20,601,000</b>	<b>680</b>

13. In summary, Table 1 indicates that including activities for countries without data, US \$32.7 million is planned to assist countries to achieve the reductions through 2005 of CFCs and US \$41 million to maintain momentum although there are less activities planned to maintain momentum. For halons, Table 1 indicates that about US \$1.2 million is planned to assist countries to achieve the initial halon controls and US \$580,000 to maintain momentum, not including the funds for the China Halon Plan. For methyl bromide, US \$7.7 million is planned to assist countries to achieve the control measures through 2005 and US \$9.4 million to maintain momentum.

14. Table 2 presents similar information for the initial controls for CTC and TCA.

**Table2****PLANNED ACTIVITIES ACCORDING TO STATUS OF COMPLIANCE FOR TCA AND CTC INITIAL CONTROL MEASURES**

<b>Substance/Control Measure</b>	<b>Number of Activities</b>	<b>Value (US\$)</b>	<b>Phase-out (ODP tonnes)</b>
TCA			
Freeze at Risk	2	500,000	34
Insufficient Data	1	1,000,000	37
CTC			
Maintain Momentum	1	200,000	10
Insufficient Data	6	8,000,000	750

15. A total of US \$1.5 million is provided for TCA in the 2002 draft business plans for countries at risk to achieve the freeze or for those without data. No TCA activities are planned for those countries at risk of not achieving compliance with the 30 per cent reduction in 2005 or to maintain momentum. No CTC activities are planned for those at risk to achieve the 85 percent reduction although 6 activities valued at US \$8 million are planned for those that have not provided data.

16. Table 3 indicates how much project preparation would be directed to countries according to their apparent status with regard to the initial control measures for CFCs, halons and methyl bromide.

**Table3****PLANNED PROJECT PREPATION ACTIVITIES ACCORDING TO STATUS OF COMPLIANCE FOR CFC, HALON AND METHYL BROMIDE INITIAL CONTROL MEASURES**

<b>Substance/Control Measure</b>	<b>Number of Activities</b>	<b>Value (US\$)</b>
CFCs		
Freeze at Risk	6	120,000
50% at Risk Only	37	1,030,000
Maintain Momentum	41	1,178,000
Insufficient Data	6	85,000
Methyl Bromide		
Freeze at Risk	2	40,000
Maintain Momentum	8	155,000
Insufficient Data	2	70

17. US \$1.2 million in project preparation is planned for 2002 to assist in the CFC control measures through 2005 and US \$1.2 million to maintain momentum. No halon project

preparation is planned. Total project preparation for methyl bromide is US \$265,000 of which US \$155,000 is planned for countries to maintain momentum .

18. A similar table (Table 4) shows project preparation for TCAs and CTCs by applicable control measure.

**Table4**

**PLANNED PROJECT PREPARATION ACTIVITIES ACCORDING TO STATUS OF COMPLIANCE FOR TCA AND CTC INITIAL CONTROL MEASURES**

<b>Substance/Control Measure</b>	<b>Number of Activities</b>	<b>Value (US\$)</b>
TCA		
Freeze at Risk	1	20,000
CTC		
85% at Risk	1	50,000
Maintain Momentum	1	20,000

**Projects Under Implementation Critical to Compliance/Reducing Implementation Delays**

19. Decision 34/11(b) requested the implementing agencies to concentrate on the implementation of approved but unimplemented projects and to reduce the number of investment and on-investment projects with implementation delays for the purposes of their draft 2002 business plans. The Secretariat requested implementing agencies to indicate their plans for reducing implementation delays and requested specific information about projects under implementation in countries that the Parties indicated were in non-compliance as well as those countries that appear to be at risk for achieving the initial control measures. The Secretariat's comments on each agency's business plan presents the responses of the implementing agencies.

**PART II: RESOURCE ALLOCATION**

20. The total allocation for the draft 2002 business plan is US \$168.4 million, including US \$3.3 million for the budget of Secretariat/Executive Committee. The implementing agencies and the Secretariat agreed to the following allocations: US \$130 million for investment projects, US \$20 million for bilateral activities, and US \$15.1 million for non-investment projects.

21. Pursuant to Decision 28/23, para. (a), the US \$130 million was allocated according to the shares for investment projects (including project preparation) as follows:

UNDP	US \$39.0 million
UNIDO	US \$32.5 million
World Bank	US \$58.5 million

Table 5

**RESOURCE ALLOCATION AND DRAFT 2002 BUSINESS PLANS FOR  
IMPLEMENTING AGENCIES\***

ALLOCATION (US\$ million)		RESOURCES REQUIREMENT OF FINAL 2002 BUSINESS PLAN AMOUNT (US\$)				
BUDGET ITEMS	Allocation	UNEP**	UNDP	UNIDO	World Bank	TOTAL
<b>Investment share</b>	130.0		39,000,000	32,500,000	58,500,000	130,000,000
<i>Investment projects</i>			37,980,041	31,776,522	56,860,000	126,616,563
<i>Project preparation</i>			1,429,450	1,344,756	1,641,890	4,416,096
<b>Sub-total INV</b>			39,409,491	33,121,278	58,501,890	131,032,659
<b>Non-investment</b>	15.1					
<i>Institutional strengthening</i>		3,448,760	2,931,793	226,000	832,810	7,439,363
<i>Other non-investment</i>		8,438,451	4,047,660	2,599,000	135,600	15,220,711
<b>Sub-total NON-INV</b>		11,887,211	6,979,453	2,825,000	968,410	22,660,074
<b>Sub-total INV&amp;NON-INV</b>		11,887,211	46,388,944	35,946,278	59,470,300	153,692,733
<b>Excess</b>						(8,592,733)
<b>Bilateral Co-operation</b>	20.0					20,000,000
<b>Secretariat/Executive Committee/M&amp;E function</b>	3.3					3,300,000
<b>TOTAL BUDGET</b>	168.4					168,400,000

\* Figures in the table include agency fees, but not over-programming.

\*\* Resource allocation assumed 13 percent agency fees pending clarification by UNON.

22. Decision 26/8(b) requires agencies to stay within their allocations. Concerning investment projects, the primary reason agencies did not or do not appear to have stayed within their investment project allocations is due to the inclusion of 15 per cent over-programming. Also, it appears that some agencies did not include project preparation for activities in their contingency lists. The Secretariat will co-ordinate with the implementing agencies to ensure that the agencies stay within their resource allocation in the final business plan.

23. Concerning non-investment projects, the overall US \$15.1 million allocation was exceeded by almost US \$7.6 million. This is due largely to the fact that UNDP, UNIDO and the World Bank have included other non-investment projects valued at about US \$6.8 million in 2002. UNDP included end user projects in its non-investment allocation this year because they are considered technical assistance. Last year, UNDP included these activities in its investment project share. UNIDO's allocation for non-investment activities is higher due to its increased activities in RMP implementation which is consistent with previous practice. UNIDO included the equipment part of its RMP activities in its investment project allocation which is also consistent with previous practice.

Possible adjustment to resource allocations in 2002

24. Since 2002 is the last year in the triennium, and in accordance with Decision XI/7 of the Meeting of the Parties which requested the Executive Committee to ensure as far as possible the commitment of the triennium budget during the triennium, the resource allocations to



implementing agencies as indicated in their draft business plans could be adjusted upward by funds resulting from: cancelled projects, project balances, 2001 interest and unused bilateral contributions during the triennium.

### **PART III: ACTIVITIES INCLUDED IN THE DRAFT 2002 BUSINESS PLAN**

25. Part III provides the distribution of the activities included in the draft 2002 business plans by region and country, LVCs, sector, non-investment and investment projects, and institutional strengthening.

#### **Distribution of planned activities by region and country**

26. The draft 2002 business plans include funding for activities in 111 Article 5 countries - 11 more than in the 2001 business plan. UNEP is expecting that another 5 countries will ratify the Protocol in 2002 at which time requests for support will be made. A total of 57 countries included in the draft business plans are slated to receive investment, recovery and recycling and/or methyl bromide projects in 2002.

#### Non-investment projects

27. Most of the Fund's resources for non-investment activities are global or regional in nature such as UNEP's those planned to be administered by and through the Compliance Action Programme. Training is directed to 16 countries and two sub-regions. Institutional strengthening projects are ongoing or planned for 121 Article 5 countries.

#### Investment projects

28. A total of 57 countries (as opposed to 54 in the 2001 business plan) are slated to receive investment projects in 2002 of which 22 are low-volume-consuming countries (LVCs).

#### *Investment projects in low-ODS-volume-consuming countries (LVCs)*

29. The definition of an LVC consuming country is a country whose consumption is below 360 ODP tonnes excluding methyl bromide. LVCs are expected to receive US \$8,967,750 in 2002 for investment, recovery and recycling, and methyl bromide demonstration projects. This is an increase of US \$2.4 million over the 2001 plan.

#### **Distribution of planned investment projects by sector**

30. The agencies planned to submit projects in most of the consumption sectors, as well as in the production sector during the year 2002. The distribution of planned activities by sector is presented in Table 6.

Table 6

**APPROVALS (BY SECTOR) FOR INVESTMENT, RECOVERY AND RECYCLING,  
AND METHYL BROMIDE DEMONSTRATION/INVESTMENT PROJECTS, TO-DATE  
AND PLANNED FOR 2002**

Sector	Funds Approved To-Date		Funding Planned for Year 2002		ODS Phase out To-Date		ODS Phase out Planned for year 2002	
	Amount (US\$)*	% of Total	Amount (US\$) **	% of Total	Amount (ODP tonnes)	% of Total	Amount (ODP tonnes)	% of Total
Aerosol	26,788,487	3%	2,226,087	2%	24,894	13%	583	3%
Foam	281,116,622	30%	23,775,130	20%	49,685	26%	4,642	21%
Fumigant	35,292,610	4%	15,053,913	13%	1,604	1%	1,135	5%
Halon	49,467,362	5%	1,069,565	1%	30,883	16%	3,197	14%
Multiple Sectors	3,819,515	0%	0		670	0%	0	0%
Others	7,059,360	1%	2,173,913	2%	530	0%	180	1%
Process Agent	4,322,310	0%	7,739,130	6%	1,096	1%	750	3%
Production	73,607,120	8%	29,469,565	24%	44,210	23%	8,072	36%
Refrigeration	412,919,587	44%	28,471,395	24%	32,337	17%	2,562	11%
Several Sector			2,108,000	2%	0	0	629	3%
Solvent	43,268,069	5%	8,247,826	7%	3,136	2%	784	3%
Sterilant	395,095	0%	0	0%	21	0%	0	0%
<b>Total</b>	<b>938,056,137</b>	<b>100%</b>	<b>120,334,524</b>	<b>100%</b>	<b>189,066</b>	<b>100%</b>	<b>22,533</b>	<b>100%</b>

\* Agency fees are not included.

\*\* Includes 15% over-programming for IBRD. However, agency fees are not included.

31. The draft 2002 business plans continue to reflect the trend of funding away from investment projects in the refrigeration sector. This is due largely to recent approvals of multi-year production phase-out projects. In the 1999 business plan, 52 per cent of funding was allocated to the refrigeration sector. The draft 2002 business plan allocates 24 per cent of investment project resources for refrigeration sector investment projects.

32. With the approval of the Argentina, China, India and Venezuela CFC and Halon production phase-out projects, the total amount of production sector funding for 2002 will represent 24 per cent of total funding. The World Bank was the only agency involved thus far in production sector projects, however UNIDO is proposing to undertake such activities in their 2002 draft business plan.

#### Aerosol and halon investment projects

33. As in previous years, the shares of aerosol and halon projects are expected to receive the lowest share of Fund resources in 2002. US \$500,000 of the US \$1.1 million is for the halon sector in for Turkey. The freeze for halon will occur in the year 2002. Of those countries at risk of not achieving compliance, some have received halon banking, projects have been submitted for others to the 35<sup>th</sup> Meeting for halon banking, or projects are foreseen for 2002. Belize,

Cameroon, Congo, Dominican Republic and Tanzania are countries at risk but with no halon phaseout activities foreseen for them in the draft business plans.

### Methyl bromide projects

34. The draft 2002 business plans have a total value of US \$15.05<sup>1</sup> million for 32 activities in methyl bromide sector including the funding for disbursement against approved multi-year projects.

### **Project preparation**

35. The agencies are indicating that their draft business plans include US \$4.1 million to prepare projects that will be delivered in or after the year 2002. This is an increase over that for 2001. (See Table 7). Additionally, US \$299,506 is being requested for the preparation of projects, in the agencies' contingency lists.

**Table 7**

### **PROJECT PREPARATION**

<b>Agency</b>	<b>Programme Development (US\$)</b>	<b>Contingency (US\$)</b>	<b>Total (US\$)</b>
UNDP	1,237,350	192,100	1,429,450
UNIDO	1,237,350	107,406	1,344,756
World Bank	1,641,890	0	1,641,890
<b>Grand Total</b>	<b>4,116,590</b>	<b>299,506</b>	<b>4,416,096</b>

Including agency fees.

### **Contingency**

36. Agencies indicated that of the US \$120.33 million excluding agency fees in their business plans for investment projects, projects valued at US \$19.37 million might raise policy issues (16.5 per cent of the total). This is an increase of US \$10 million above that included in the contingency list for the 2001 business plan. The following amounts are included in the agencies' contingency lists for 2002 (excluding agency fees): UNDP (US \$8.72 million), UNIDO (US \$10.5 million), and the World Bank (US \$4.2 million).

### **Non-investment projects**

37. The resource allocation for non-investment projects includes country programme preparation, technical assistance, methyl bromide (excluding investment and demonstration projects), and training not included in investment projects, in addition activities contained in or

<sup>1</sup> Excluding over-programming for UNIDO and UNDP.

administered by UNEP's planned Compliance Assistance Programme. A separate resource allocation is provided for institutional strengthening. Table 8 presents the funding level for the four types of non-investment activities.

**Table 8**

**PLANNED NON-INVESTMENT ACTIVITIES IN 2002 (US\$)\***

Agency	Country Programme	Refrigerant Management Plan	Technical Assistance	Training	Total
Bilateral	84,750	1,382,499	1,644,150	135,600	3,246,999
UNDP	344,650	0	3,703,010	0	4,047,660
UNEP**	440,700	0	6,816,901	1,180,850	8,438,451
UNIDO	0	2,316,500	113,000	169,500	2,599,000
World Bank	0	0	135,600	0	135,600
<b>Total</b>	<b>870,100</b>	<b>3,698,999</b>	<b>12,412,661</b>	<b>1,485,950</b>	<b>18,467,710</b>

\* Including agency fees but excluding institutional strengthening.

\*\* Resource allocation assumed 13 per cent agency fee pending clarification by UNON.

Country programme/Updates/RMP preparation

38. As shown above, implementing agencies plan to request US \$870,100 for country programme development or updates, US \$3.7 million for refrigerant management plan preparation and non-investment activities in 2002. UNEP plans to use CAP to ensure that its ongoing RMP preparation activities are included in country programme updates. It plans to submit one-time funding requests for new country programmes/RMPs/compliance action plans.

Technical assistance

39. US \$5.2 million of the technical assistance funding (US \$12.4 million) is for the administration of UNEP's OzonAction programme (CAP). UNEP's technical assistance amount in Table 8 includes an assumed agency fee of 13 per cent and other technical assistance. As mentioned in Part II of this document, UNDP has included end user incentive projects as technical assistance.

Training

40. UNEP and UNIDO are the only agencies that included training activities in its business plans as non-investment projects, although training is included with most investment projects and through technical assistance projects indicated in the business plans as a total project called implementation of RMP. UNEP is planning to reduce its requests for funding for training activities from US \$5 million in 2001 to US \$1.2 million in 2002. UNIDO is requesting US \$169,500 for training activities in 2002.

## Institutional strengthening

41. Implementing agencies are planning to request US \$7.5 million for institutional projects and renewals in 2002. This is an increase of US \$2 million over US \$5 million for institutional strengthening in the 2001 plan. (See Table 9).

**Table 9**

### INSTITUTIONAL STRENGTHENING, TO-DATE AND PLANNED FOR 2001\*

Agency	Approved Funds to date (US\$)	Planned For Year 2001 (US \$)
Bilateral	439,428	90,400
UNDP	15,339,887	2,931,793
UNEP	10,429,488	3,448,760
UNIDO	2,545,214	226,000
World Bank	3,121,096	832,810
<b>TOTAL</b>	<b>31,875,112</b>	<b>7,529,763</b>

\* Including Agency fees.

42. Implementing agencies plan on submitting 76 requests for institutional strengthening in 2002. Of this amount, 69 requests are for institutional strengthening renewals. Seven first time requests for institutional strengthening are expected to be submitted in 2002 for the following countries: Angola, Djibouti, Haiti, Kuwait, Kyrgyzstan, Liberia, and Suriname.

## PART IV: PERFORMANCE INDICATORS

43. Table 10 presents the agencies' proposed investment project performance indicator targets for 2002.

**Table 10****PERFORMANCE INDICATORS FOR INVESTMENT PROJECTS**

ITEMS	UNDP 2001	UNDP 2002	UNIDO 2001	UNIDO 2002	WORLD BANK 2001	WORLD BANK 2002
<b>Weighted indicators</b>						
Actual ODS phased out from completed projects (ODP tonnes)	6,000	5,000	2,416.5	2,500.0	5,510	8,100
Disbursement (US\$)	\$39,200,000	\$38,080,000 a/	\$24,455,000	\$21,938,000	54,520,000	46,200,000
PCRs received (%)	100%	100%	100%	100%	100%	100%
Countries in business plan (number)	35	43 b/c/	27	34	15	15
<b>Non-weighted indicators</b>						
Net emissions (reductions) of due to delays (early completion) (ODP tonnes)	27,612	To be determined	14,100	7,058	(1,600)	26,000
Value of Projects Approved (US\$) (e)	\$38,779,440	\$38,652,254	\$28,612,173 (excl. support cost)	\$28,120,000 (excl. support cost)	52,220,000	56,860,000
ODP from Projects Approved	4,514	3,850	3,684.7	3,014	15,933	15,669
Cost of Project Preparation	2.7%	2.7%	2.1%	2.8%	3.64%	2.7%
Cost-effectiveness from Approvals (US\$/ODP in kg)	\$7.6	\$9.6	a) \$7.51 excl. MeBr b) \$7.76 incl. MeBr	a) 8.30 excl. MeBr b) 9.12 incl. MeBr	\$3.57	\$3.44
Speed of delivery (first disbursement)	14 months	13 months	9 months	12 months	25 months	26 months
Speed of delivery (completion)	36 months	33 months	36 months (incl. MeBr projects)	36 months (incl. MeBr projects)	38 months	39 months

a/ US \$34 million plus an assumed 12% agency support costs.

b/ Includes countries in non-investment and investment projects.

c/ This will be valid only if the Executive Committee in 2001 approves UNDP submitted projects in LVCs.

44. Detailed comments on the agencies' performance indicators are found in the Secretariat's comments on their business plans.

45. Table 11 presents the proposed non-investment project performance indicator targets for 2002.

**Table 11****NON-INVESTMENT PERFORMANCE INDICATORS**

<b>ITEMS</b>	<b>UNDP 2001</b>	<b>UNDP 2002</b>	<b>UNEP 2001</b>	<b>UNEP 2002</b>	<b>UNIDO 2001</b>	<b>UNIDO 2002</b>	<b>WORLD BANK 2001</b>	<b>WORLD BANK 2002</b>
<b>Weighted indicators</b>								
Number of Projects to be Approved	11	12	60% of total projects approved	56 projects	3	11	9	8
Funds Disbursed (US\$(a))	\$2,053,960	\$3,390,000	73% of approved funding	73% of approved funding	\$971,000	\$1,448,000	\$2,300,000	\$1,390,000
Speed of delivery (1st disbursement)	12 months	11 months	6 months	6 months	8 months	10 months**	19 months	19 months
Speed of delivery (completion)	36 months	34 months	17 months	24 months*	24 months	24 months	24 months	35 months
<b>Non-weighted indicators</b>								
Policies in countries resulting from non-investment activities (countries)	5	3	10 countries	10 countries to adopt policies during 2002	At least one country	Not provided	Specific polices identified for 2 countries	Specific policies identified for 1 country
Reduction in ODS consumption from non-investment projects (ODP tonnes)	30	160	40	ODP tonnes Not Provide 10 countries	At least one country	Not Provide	5 ODP tonnes from four recovery and recycling projects	20 ODP tonnes from four recovery and recycling projects
N/P – Not provided in business plan narratives as requested.								

(a) Includes agency fees.

(b) UNDP disbursement is based on \$1,799,127 plus agency fees.

\*\* Provisions of Executive Committee upon approvals prevent earlier disbursements.

**PART V: COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT****COMMENTS**

46. The implementing and bilateral agencies have addressed most of the needs identified on the basis of the latest consumption data and letters from Article 5 countries. Article 5 country involvement continues to improve. Additional work toward reducing implementation delays is needed to assist countries in their compliance efforts and their data discrepancies.

## RECOMMENDATIONS

The Monitoring, Evaluation and Finance Sub-Committee may wish to consider recommending to the Executive Committee to consider:

1. Noting the Consolidated Draft Business Plan of the Multilateral Fund for the year 2002 contained in UNEP/OzL.Pro/ExCom/35/5.
2. Requesting implementing agencies to resolve the data discrepancy issues in advance of including projects from countries with data inconsistencies in their final 2002 business plans.
3. Approving a resource allocation of US \$176 million for the purposes of the 2002 final business plan including US \$130 million for investment projects, US \$22.7 million for non-investment projects, US \$20 million for bilateral co-operation, and US \$3.3 million for the Secretariat/Executive Committee/Monitoring and Evaluation function.
4. Requesting bilateral agencies to submit their final business plans by the due date indicating the total level of funds needed and authorise the Secretariat to adjust the resource allocation for investment projects by the amount of any shortfall.
5. Further authorising the Secretariat to adjust the resource allocation by the amount of interest and funds returned from completed and cancelled projects when the final Accounts of the Fund for 2001 are available taking into account the balances to be returned through the 37<sup>th</sup> Meeting.

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## Annex I

### DATA INFORMATION PROVIDED IN BUSINESS PLAN LETTERS FROM ARTICLE 5 COUNTRIES

#### ODS Sector Data

1. Article 5 countries indicated different ODS sector data from that they reported in the context of their annual reports to the Executive Committee on the status of implementation of their country programmes. Five countries verified sector consumption data that varied by more than 2 tonnes from their latest reported data. Indonesia indicated 15 tonnes more of consumption in its refrigeration sector, Peru indicated 37 tonnes more consumption, and Yemen indicated 40 tonnes more of consumption in the same sector. Indonesia also indicated a consumption of 200 tonnes in its solvent sector where zero consumption had been previously reported.

2. Argentina revised its submission on 7 November that was received after the comments on the agencies' business plans were posted on the web. Argentina indicated an increase in consumption for the solvent sector from 64 ODP tonnes to 653 ODP tonnes, a sector consumption of 776 ODP tonnes for the fumigants/methyl bromide sector where no data had been reported, a sector consumption of 4,226 ODP tonnes for the process agent sector that is consistent with Argentina's report on process agents to the Parties, and decreases in the foam sector from 1189 tonnes to 899 tonnes and in consumption in the refrigeration sector from 1452 tonnes to 1211 tonnes including reductions in both the manufacturing and servicing sub-sectors.

#### Article 7 Data

3. Concerning Article 7 data, the following countries indicated different baselines than those recorded by the Ozone Secretariat: Bahrain (methyl bromide), Brazil (CTC and TCA), China (CFC and methyl bromide), Indonesia (CFC, halon and methyl bromide), Moldova (methyl bromide), Mozambique (CFC, halon, and methyl bromide), Nicaragua (CFC and methyl bromide), Panama (methyl bromide), Sri Lanka (methyl bromide and TCA), and Yemen (CFC, halon and methyl bromide). Most of the changes to the baseline were small and some decreased their baseline consumption. The largest increases to baseline Article 7 data are for: in Indonesia (where CFC consumption increased by 363 tonnes to 8,696 tonnes and methyl bromide that was changed from 135 ODP tonnes to ODP 226 tonnes), China (methyl bromide increased from 1102 ODP tonnes to 1201 ODP tonnes), and Nicaragua (where the CFC baseline increased from 83 to 99 tonnes). Yemen made significant changes to its baseline including an increase from 349 tonnes of CFCs to 1796 tonnes, an increase from 2.8 ODP tonnes of halon to 140 ODP tonnes, and an increase in methyl bromide consumption from 1 ODP tonne to 54 ODP tonnes.

4. Several countries also reported changes to their latest consumption data that was reported pursuant to Article 7 although, again in most cases these were minor changes.

## Annex II

**ODS SECTOR DATA FOR COUNTRIES WITH INVESTMENT PROJECTS IN THE  
DRAFT 2002 BUSINESS PLAN AND DATA DISCREPANCIES**

Country	Sector	Year	Source	Latest Sector Consumption (1)	Approved but unimplemented (2)	Planned Activities in 2002 Business Plan (3)	Comparison (1)-((2)+(3))
Albania	Solvent	NDR	NDR	NDR		3	N/A
Algeria	Refrigeration	2000	CP	712.2	27.3	20	664.9
Argentina	Aerosol	2000	CP	116	0	90	26
	Foam	2000	CP	898.77	945.2	125	-171.43
	Fumigant	2000	CP	492.6	331	50	111.6
	Refrigeration	2000	CP	1312.79	333.3	94	885.49
Bolivia	Refrigeration	1999	CP	61.92	13.8	28	20.12
Bosnia and Herzegovina	Aerosol	2000	CP	0	0	15	-15
	Foam	2000	CP	52	0	26	26
	Refrigeration	2000	CP	123.5	0	15	108.5
Brazil	Foam	2000	CP	2004	2769.59	641	-1406.59
	Refrigeration	2000	CP	7272	276.6	190	6805.4
Cameroon	Refrigeration	1999	CP	109.2	0	40	69.2
Chile	Fumigant	2000	CP	284.52	76.2	300	-91.68
China	Foam	1999	CP	23143	10501.9	2000	10641.1
	Halon	1999	CP	18602	5101	2889	10612
	Other	1999	CP	1037	90	120	827
	Process Agent	1999	CP	0	0	250	-250
	Refrigeration	1999	CP	15953.8	7448.9	400	8104.9
	Solvent	1999	CP	4106.7	1267.3	580	2259.4
Colombia	Foam	2000	CP	253.85	326.92	90	-163.07
	Refrigeration	2000	CP	888.5	14.2	45	829.3
	Solvent	2000	CP	8.181	7.6	10	-9.419
Congo, DR	Foam	2000	CP	23	0	75	-52
	Refrigeration	2000	CP	241	0	15	226
Costa Rica	Fumigant	2000	CP	510	0	30	480
	Refrigeration	2000	CP	135.64	23.2	25	87.44
Cuba	Aerosol	2000	CP	100.68	28.2	150	-77.52
Dominican Republic	Foam	1999	CP	45.5	79.1	33	-66.6
	Fumigant	1999	CP	77.4	0	60	17.4
	Refrigeration	1999	CP	705.8	37.4	50	618.4
	Solvent	1999	CP	34.5	0	20	14.5
Korea, DPR	Solvent TCA	2000	CP	1062.1	67.8	37	957.3
Ecuador	Fumigant	1999	IA	0	0	75	-75
Egypt	Fumigant	2000	CP	441	0	100	341

Country	Sector	Year	Source	Latest Sector Consumption (1)	Approved but unimplemented (2)	Planned Activities in 2002 Business Plan (3)	Comparison (1)-((2)+(3))
	Other	2000	CP	0	0	60	-60
Georgia	Fumigant	2000	CP	0	0	27	-27
Ghana	Fumigant	2000	CP	0	0	10	-10
Guatemala	Fumigant	1999	CP	513.96	0	60	453.96
Honduras	Fumigant	2000	CP	327.6	0	35	292.6
India	Aerosol	2000	CP	419	317.7	200	-98.7
	Foam	2000	CP	2898	1685.42	225	987.58
	Process Agent	2000	CP	4066.7	1095.82	500	2470.88
	Refrigeration	2000	CP	2297.33	1328.16	231.82	737.35
	Solvent	2000	CP	8080.6	95.3	20	7965.3
Indonesia	Foam	2000	CP	2281.34	2619.4	149	-487.06
	Refrigeration	2000	CP	2429.8	149.7	144	2136.1
Iran	Foam	2000	CP	1520	786.1	280	453.9
	Fumigant	2000	CP	60	12.4	28	19.6
	Refrigeration	2000	CP	2634.53	858.96	330	1445.57
Jordan	Solvent	2000	CP	63	6.4	34	22.6
Kenya	Foam	1998	CP	2.1	0	25	-22.9
	Fumigant	1998	CP	234.6	0	50	184.6
	Refrigeration	1998	CP	151.3	8.5	105	37.8
Laos	Foam	NDR	NDR	NDR	0	33.33	N/A
Lebanon	Aerosol	2000	CP	53.11	158.2	18	-123.09
	Foam	2000	CP	18.17	0	15	3.17
	Fumigant	2000	CP	222	31.8	40.1	150.1
	Refrigeration	2000	CP	466.59	132.35	18	316.24
Liberia	Refrigeration	NDR	NDR	NDR	0	10	N/A
Libya	Foam	2000	CP	853.52	167	127.5	559.02
	Refrigeration	2000	CP	164.15	53.4	15	95.75
Macedonia	Halon	2000	CP	0	0	32	-32
Malawi	Fumigant	1998	CP	126	131.8	21	-26.8
Malaysia	Fumigant	2000	CP	60.6	0	5	55.6
Mexico	Foam	2000	CP	400	266.7	145	-11.7
	Fumigant	2000	CP	1082.4	0	13	1069.4
	Refrigeration	2000	CP	2206.63	40.2	200	1966.43
Morocco	Fumigant	1999	CP	409.02	325.8	52.9	30.32
Mozambique	Fumigant	1997	IA	4.35	0	50	-45.65
Nigeria	Aerosol	2000	CP	58	0	57	1
	Foam	2000	CP	3125	1060.71	270	1794.29
	Refrigeration	2000	CP	911.8	149.9	30	731.9
Pakistan	Foam	1999	CP	260	756.6	46	-542.6
	Refrigeration	1999	CP	1161.8	373.6	8	780.2
	Solvent	1999	CP	566.8	40.7	80	446.1
Somalia	Refrigeration	NDR	NDR	NDR	0	10	N/A

Country	Sector	Year	Source	Latest Sector Consumption (1)	Approved but unimplemented (2)	Planned Activities in 2002 Business Plan (3)	Comparison (1)-((2)+(3))
Sri Lanka	Fumigant	2000	CP	4.83	3.9	3	-2.07
Sudan	Aerosol	2000	CP	40	45.1	40	-45.1
	Foam	2000	CP	6	0	6	0
Syria	Foam	2000	CP	110	308.2	15	-213.2
	Fumigant	2000	CP	112.5	5	5	102.5
	Refrigeration	2000	CP	861.66	308.05	45	508.61
Togo	Refrigeration	NDR	NDR	NDR	0	10	N/A
Tunisia	Foam	2000	CP	360	347.4	25	-12.4
	Fumigant	2000	CP	10.8	0	3.6	7.2
Turkey	Foam	2000	CP	NDR	461.9	190	N/A
	Fumigant	2000	CP	NDR	80	86	N/A
	Halon	2000	CP	10	0	200	-190
	Refrigeration	2000	CP	NDR	0	380	N/A
Uruguay	Aerosol	2000	CP	13.27	0	13	0.27
Venezuela	Foam	2000	CP	523	192.85	100	230.15
	Refrigeration	2000	CP	2139.73	276.7	40	1823.03
Vietnam	Halon	1999	CP	76	0	76	0
Yemen	Refrigeration	2000	CP	867.62	0	43	824.62
Yugoslavia	Refrigeration	1998	IA	449	154.5	20	274.5
Zimbabwe	Fumigant	2000	CP	373.34	132	30	211.34