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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-second Meeting
Montreal, 29 March - 2 April 2004

PROJECT PROPOSAL: ARGENTINA

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposal:

Phase-out:

- National CFC phase-out plan (first tranche)

UNIDO

PROJECT EVALUATION SHEET ARGENTINA

SECTOR: Phase-out ODS use in sectors (2002): 2,139.0 ODP tonnes

Sub-sector cost-effectiveness thresholds: N/A

Project Titles:

(a) National CFC phase-out plan (first tranche)

Project Data	Commercial/Domestic
	Sector Plan
Enterprise consumption (ODP tonnes)	
Project impact (ODP tonnes)	2,729.0*
Project duration (months)	72
Initial amount requested (US \$)	2,800,000
Final project cost (US \$):	
Incremental capital cost (a)	
Contingency cost (b)	
Incremental operating cost (c)	
Total project cost (a+b+c)	7,390,850
Local ownership (%)	
Export component (%)	
Amount requested for first tranche (US \$)	2,800,000
Cost effectiveness (US \$/kg.)	2.70**
Counterpart funding confirmed?	N/A
National coordinating agency	OPROZ
Implementing agency	UNIDO

<i>Secretariat's Recommendations</i>	
Amount recommended (US \$)	
Project impact (ODP tonnes)	
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	
Total cost to Multilateral Fund (US \$)	

* The total impact of the plan is 2,729.0 ODP tonnes, which is the estimated total CFC demand in 2003. The impact of the first tranche is 0 ODP tonnes.

** The cost-effectiveness of the national CFC phase-out plan as calculated by UNIDO in its initial submission.

PROJECT DESCRIPTION

Sector background

CFC (Annex A Group I) Consumption and Phase-out Profile

According to Decision 35/37 Argentina has selected Option 1 as starting point amounting to:	2,609.10 ODP tonnes
- Remaining consumption of CFCs eligible for funding as at 42 nd Meeting (per Decision 35/57, proviso B)	2,284.90 ODP tonnes
- 2002 CFC consumption reported to the Ozone Secretariat	2,139.00 ODP tonnes
- 2002 CFC consumption reported to the Fund Secretariat	2,470.62 ODP tonnes
- Impact of all CFC projects submitted for funding at the 42 nd Meeting (based on 2002 CFC consumption reported to the Fund Secretariat)	2,370.62 ODP tonnes
- Remaining consumption of CFCs eligible for funding following approval of projects submitted to 42 nd Meeting	159.5 ODP tonnes

1. At the 41st Meeting, a Refrigeration Sector Phase-out plan for Argentina was submitted for consideration by the Executive Committee. A full description of the project can be found in UNEP/Ozl.Pro/ExCom/41/23. In the course of consideration of the draft Agreement, it was proposed to formulate a comprehensive CFC phase-out plan for Argentina incorporating the remaining CFC consumption in other sectors. It was recognized that certain amounts of CFCs would need to be stockpiled in Argentina, which would be reflected in a new draft Agreement consistent with already approved agreements in the production sector, including the needs for stockpiled CFCs to address the refrigeration servicing tail after 2010. In Decision 41/64, the Executive Committee decided to defer consideration of the project to the 42nd Meeting of the Executive Committee.

2. On behalf of the Government of Argentina, UNIDO has submitted a National CFC phase-out plan (the Plan) to phase out the remaining consumption of 2,429 ODP tonnes of Annex A, Group I controlled substances in Argentina over the period of 2004 – 2010. The CFC phase-out plan will enable the Government of Argentina to phase-out CFC consumption by 1 January 2010, except consumption in the metered dose inhaler (MDI) sector.

3. The majority of CFC consumption addressed in the Plan belongs to the refrigeration sector and the Plan is based on the previous refrigeration sector plan. The Plan incorporates also phase-out activities in on-going projects in the foam and aerosol sectors. Additionally, funding of US \$50,000 is requested to address the remaining CFC consumption of 3.7 ODP tonnes at four small manufacturers in the aerosol sector with a cost-effectiveness of US \$13.50/kg ODP. The Plan indicates that the consumption of 160 ODP tonnes in the metered dose inhaler (MDI) sector will be on-going until 2009 representing a part of the total CFC demand. However, funding for the MDI sector is not considered in the proposal and may be requested separately in the future. The proposal in the MDI sector will be based on the rules and policies of the Executive Committee prevailing at that time.

4. The Plan provides an analysis of data reported to the Ozone Secretariat and actual CFC demand in the country. The consumption data of CFC in the three recent years reported to the Ozone Secretariat differed from the actual CFC demand (being higher or lower), due to the accumulation or use of stock of CFCs in the consumption sectors.

5. According to the Plan, the estimated CFC demand increased in 2003 and 2004 compared with that in 2002 due to the recent recovery of the country's from its economic crisis. With the reduction in CFC consumption through the implementation of on-going projects and carrying out new activities under the present strategy, the demand for CFCs will then be reduced. The projected demand in 2007 and 2008 will exceed the controlled targets established by the Montreal Protocol using stockpiled CFCs, however CFC consumption to be reported under Article 7 will follow the maximum consumption limits established by Article 7 of the Protocol for Argentina. It is expected that the CFC consumption in the manufacturing sectors will be phased out by 2006. There will be a remaining demand for virgin CFCs in the refrigeration service sector. This demand will be reduced through the implementation of activities in recovery and recycling and retrofitting of the refrigeration equipment proposed in the Plan with the support from UNEP training programmes for service technicians and customs officers being under implementation.

6. The CFC production plant in Argentina (FIASA) will continue production of CFCs in accordance with the Agreement for the production phase-out strategy until 2009. It is expected, that in 2005, 2007 and 2008, the demand will exceed the supply. This difference will be satisfied by stockpiling in the preceding years, by keeping production at the maximum allowable level established in the production sector agreement and through increased imports. Thereby, Argentina will achieve the 85% reduction target in 2007 and total phase-out by 2010 according to its Article 7 consumption data (production + import – export).

7. The consolidated information on CFC demand and CFC reduction schedule is presented in the Table below.

Year	2004	2005	2006	2007	2008	2009	2010
	(in ODP tonnes)						
Montreal Protocol Reduction Schedule	4,697.2	2,348.6	2,348.6	704.6	704.6	704.6	0.0
Consumption as Article 7 data	3,220.0	2,047.0	1,997.0	686.0	636.0	586.0	0.0
Stockpiling	2,421.2	2,278.5	2,607.5	2,025.5	1,793.5	1,861.5	1,703.0
Total demand in all sectors (incl. MDI)	2,429.5	2,189.7	1,668.0	1,268.0	868.0	518.0	158.5
Total reduction by on-going projects, all sectors	149.1	139.8	317.7	0.0	0.0	0.0	0.0
Total reduction by new activity in all sectors	0.0	100.0	200.0	400.0	400.0	350.0	359.5
Total annual reduction, all sectors	149.1	239.8	517.7	400.0	400.0	350.0	359.5

Year	2004	2005	2006	2007	2008	2009	2010
	(in ODP tonnes)						
Aerosol sector demand, total							
Industrial aerosol sector demand	100.4	100.4	0.0	0.0	0.0	0.0	0.0
reduction by on-going activities		0.0	96.4	0.0			
reduction by new activities			4.0				
MDI	159.5	159.5	159.5	159.5	159.5	159.5	0.0
reduction by on-going activities							
reduction by new activities							159.5
Foam	286.4	192.3	0.0	0.0	0.0	0.0	0.0
reduction by on-going activities	82.6	94.1	192.3	0.0	0.0	0.0	0.0
reduction by new activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Refrigeration	1,883.2	1,737.5	1,508.5	1,108.5	708.5	358.5	158.5
reduction by on-going activities	66.5	45.7	29.0	0.0	0.0	0.0	0.0
reduction by new activities	0.0	100.0	200.0	400.0	400.0	350.0	200.0

8. The implementation of the proposed National CFC Phase-out Plan will require funding of US \$7,390,850. The disbursement of the requested resources is envisaged in three tranches. The proposed budget and disbursement schedule for the implementation of the sector plan is reproduced below:

Project component and activity	Total cost US\$	2004 Tranche	2005 Tranche	2006 Tranche
Project management and technical support	667,350	330,000	200,000	137,350
Refrigeration manufacturing sector phase-out programme	360,000	360,000	0	0
Industrial aerosol sector programme, (excluding MDI sector)	50,000	50,000		
National recovery and recycling project	5,313,500	2,060,000	2,250,000	1,003,500
Incentive program for retrofitting and replacement of industrial equipment	1,000,000	0	0	1,000,000
TOTAL PROJECT COST	7,390,850	2,800,000	2,450,000	2,140,850
IA Support cost	554,314	210,000	183,750	160,564
TOTAL GRANT	7,945,164	3,010,000	2,633,750	2,301,414

9. The overall management of the implementation of the Plan will be carried out by the Government of Argentina with assistance of UNIDO. The implementation will need to be closely aligned and coordinated with the various policy, regulatory, fiscal, awareness and

capacity-building actions which the Government of Argentina is taking to ensure that the implementation is consistent with Government priorities.

10. The National CFC Phase-out Plan is based on the CFC Phase-out Plan in the Refrigeration Sector in Argentina, which was presented at the 41st Meeting. The National CFC Phase-out Plan can be provided upon request.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

11. The national phase-out plan aims to phase-out the total remaining CFC consumption estimated at 2,429.5 ODP tonnes in 2003 (without CFC consumption in the metered dose inhaler (MDI) sector). The estimated consumption in 2003 was taken as a basis in formulating the CFC reduction schedule in the Agreement starting from 2004 onward. The implementation of the proposed plan will enable the Government of Argentina to phase out CFC consumption by 1 January, 2010 except for CFC usage in the MDI sector and residual use of 158.5 ODP tonnes in the refrigeration servicing tail. UNIDO has indicated that the total CFC consumption in the MDI sector is 159.5 ODP tonnes, which is included in the calculation of CFC demand. About 85 ODP tonnes are used by Argentinean companies, the remainder is consumed by multinational corporations.

12. Following consultations with the Secretariat, UNIDO has developed a proposed schedule for phase-out of CFC use in the refrigeration servicing sub-sector that will commence in 2005 with a reduction of 100 ODP tonnes, with annual reductions increasing progressively until 2009.

13. The Secretariat discussed with UNIDO the issue of the annual level of stockpiling which is included for information in the Plan and the Agreement. The stockpile varies from 2,421.2 ODP tonnes in 2004 to 1,703 ODP tonnes in 2010. The Secretariat had expected that the level of stockpiling would be closely linked to the requirements of the domestic demand of the country, including the servicing tail beyond 2010. The proposed closing balance of stockpile in 2010 is 1,703 ODP tonnes, which significantly exceeds the 2010 remaining CFC demand of 159 ODP tonnes.

14. UNIDO subsequently indicated the following:

- (a) The production schedule is already agreed with FIASA and approved by Executive Committee. This agreement cannot be changed at this stage. In the future, however, FIASA might not wish to use up all its production allowance if the market demand slowly diminishes;
- (b) The level of stockpiling is very much influenced by the estimated forecasts of import and export volumes. The major importers in the country have their own commercial interests to guarantee their timely supplies and safeguard their position in the market, not only in the country itself but also as important exporters to neighbouring countries. The import and export data are estimated

figures based on the current market situation. However, they are not fixed figures and the imports are indicating the ceiling;

- (c) It is also anticipated that the financial implication of holding large stockpiles will be a serious limiting factor for the private enterprises, which would probably force them to reduce stocks much more quickly;
- (d) There are some uncertainties with regard to the dynamics of the consumption, which is substantially influenced by the fast changes in the recovery of the Argentine economy;
- (e) In case it is necessary, the Government of Argentina will be prepared to adopt the required measures to create disincentives to the supply of virgin CFCs.

15. UNIDO also indicated that at this stage, the Government needs a certain flexibility to manage the complex process of production and import systems within the policy framework of the country and the conditions of the recovering economy.

16. The Secretariat requested that UNIDO reflect in the Plan the latest information regarding consumption in completed projects. The necessary adjustments have been incorporated in the CFC reduction schedule.

17. The Secretariat also noted that the cost-effectiveness of additional activities proposed to address the remaining consumption in the aerosol sector significantly exceeded the established cost-effectiveness threshold in the sector. UNIDO revised the funding request accordingly.

18. The total level of eligible incremental cost of the Plan was agreed at US \$7,360,850 with an overall cost-effectiveness of US \$4.92/kg based on the eligible level of CFC consumption of 1,493.4 ODP tonnes.

19. A draft Agreement between the Executive Committee and the Government of Argentina reflecting the phase-out in domestic demand and the proposed reduction in Article 7 consumption has been formulated, and is presented in Annex I.

20. The disbursement schedule requested by UNIDO indicated disbursement of all requested resources in 2004 - 2006 while about 45% of the total ODP phase-out is scheduled in last three years 2008 - 2010. Such a disbursement schedule is unusual for national CFC phase-out plans approved so far in which funding is distributed across each year of the project. UNIDO indicated that earlier disbursement of resources was needed to enable the agency and the Government of Argentina to initiate phase-out activities as early as possible given the significant lead time required for successful implementation of CFC phase-out activities in the refrigeration servicing sector. However, following discussions, UNIDO developed a revised disbursement schedule with funding spread over four years 2004 – 2007 as reflected in Appendix 2-A of the draft Agreement. A draft Agreement with a similar disbursement schedule was presented at the 41st Meeting as part of the proposal related to the Refrigeration Sector CFC Phase-out Plan in Argentina.

RECOMMENDATIONS

21. On the basis of the Secretariat's comments the Executive Committee might consider:
 - (a) Approving in principle the national CFC phase-out plan for Argentina at a total level of funding of US \$7,360,850 plus agency support costs of US \$552,064 for UNIDO, in accordance with the draft Agreement between the Government of the Argentina and the Executive Committee;
 - (b) Also approving US \$2,800,000 plus support costs of US \$210,000 for UNIDO for implementation of the first tranche of the national phase-out plan.

Annex I

DRAFT AGREEMENT BETWEEN ARGENTINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Argentina (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the country set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances of the country in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances, other than funding for the MDI sector which is not considered in this Agreement. The Country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 9 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of

Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

8. Specific attention will be paid to the execution of the activities in the servicing sector, in particular:

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding

by the amounts set out in Appendix 7-A in respect of each ODP tonne of the reductions in consumption* not achieved in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption or production sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide access to the Lead IA to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in the Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

Appendix 1-A: THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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Appendix 2-A: THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	4,697.2	2,348.6	2,348.6	704.6	704.6	704.6	0.0
1. Max allowable total consumption of CFCs ² (ODP tonnes)	3,220.0	2,047.0	1,997.0	686.0	636.0	586.0	0.0
2. Total demand of CFCs ¹ (ODP tonnes)	2,429.5	2,189.7	1,668.0	1,268.0	868.0	518.0	158.5 ³
3. Reduction from on-going projects (ODP tonnes)	149.1	139.8	317.7	0.0	0.0	0.0	0.0
4. New reduction under plan ⁴ (ODP tonnes)	0.0	100.0	200.0	400.0	400.0	350.0	359.5
5. Total annual reduction (ODP tonnes)	149.1	239.8	521.7	400.0	400.0	350.0	359.5
6. Stockpile ⁵ (ODP tonnes)	2,421.2	2,278.5	2,607.5	2,025.5	1,793.5	1,861.5	1,703.0
7. Lead I.A. agreed funding ⁶	2,740,000	2,350,000	1,103,500	1,167,350			
8. Lead I.A. support costs	205,500	176,250	82,763	87,551			
9. Total agreed funding (US \$ million)	2,945,500	2,526,250	1,186,263	1,254,901			

¹ Estimated.

² Article 7 data (production – export + import) constitute the target under this Agreement.

³ Save for essential uses.

⁴ Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

⁵ For information purposes

⁶ Funding for CFC reduction activities of eligible consumption in all sectors except the MDI sector. Funding for the MDI sector will be considered in the future in line with the prevailing eligibility and funding criteria.

* As measured according to Article 7 of the Protocol.

Appendix 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first meeting in the year for the annual plan.

Appendix 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. **Data**

Country

Year of plan

of years completed

of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Co-operating agency

2. **Targets**

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy control on ODS import	
Public awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees**Appendix 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The National Ozone Unit (OPROZ) monitors the consumption data of all ODS. Inspections at converted companies are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Argentina.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity will be done by:

- (a) Establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
- (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
- (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
- (d) Occasional visits to service workshops, recycling and reclamation centres.

5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type (commercial, MAC, domestic etc.) of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- Amount of virgin refrigerant by type consumed in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;
- Cost of reclaiming at every reclamation centre and parties who bear the cost;
- Price of reclaimed CFC refrigerants;
- Other financial information relevant to monitoring the recovery recycling and reclamation scheme.

6. Data and information collected will be analysed to check the adequate operations of the scheme.

7. In the manufacturing sector the implementation process and the achievement of the phase-out will be monitored through site visits at enterprise level.

8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

Appendix 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
 - (e) Report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
 - (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
 - (i) Verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
 - (j) Ensuring that disbursements are made to the Country in a timely and effective manner;
 - (k) Providing assistance with policy, management and technical support when required.

Appendix 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$9,840 per ODP tonne of reductions in consumption[†] not achieved in the year.

[†] As measured according to Article 7 of the Protocol.