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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

**Addendum**

**PROJECT PROPOSALS: INDIA**

This document is issued to add information on page 1 and to report on the conclusions of the discussions of outstanding issues on the project proposal: National CFC consumption phase-out plan.

- **Add** “UNEP” to list of the implementing agencies under “Refrigeration”.
- **Add** the following paragraphs 56(bis), 56(ter), 56(quarter) to the comments and 57(bis) to the recommendations.
- **Add** the draft Agreement between India and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances (Annex I).

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56(bis). The Secretariat and the Government of Germany had detailed and extensive discussions on the incremental costs of the Plan, which were concluded successfully. Several factors have been considered in determining the incremental cost of each component of the Plan. The incremental cost of phase-out in the refrigeration and air-conditioning service sector has been assessed on the basis of the total remaining eligible consumption in the sector (847 ODP tonnes) and the established level of cost-effectiveness of US \$5.00/kg ODP. The cost of the policy and custom training strategy is included as per the original proposal. Costs of US \$300,000 were acknowledged as eligible for technical assistance for enterprises partially involved in refrigeration manufacturing and not incorporated originally in the refrigeration service phase-out strategy. The costs for management and coordination, and monitoring and auditing have been developed taking into account the size and geographical diversity of the country and complexity of the implementation of the Plan involving several implementing agencies. The proposed incremental costs are presented in the Table below.

**India National CFC Consumption Phase-out Plan Focussing on  
the Refrigeration Servicing sector – Eligible Incremental Costs**

<b>Component</b>	<b>ODP tonnes eligible for funding</b>	<b>Cost-effectiveness US\$/kg</b>	<b>Total US\$</b>
Sector strategy in the refrigeration service sector	847.0	5.00	4,235,000
Policy and custom training strategy	n.a.	n.a.	493,120
Technical assistance for enterprises partially involved in refrigeration manufacturing	n.a.	n.a.	300,000
Management and coordination in implementation of the Plan	n.a.	n.a.	950,000
Auditing and monitoring	n.a.	n.a.	360,000
<b>Total</b>	<b>847.0</b>	<b>7.48</b>	<b>6,338,120</b>

56(ter). Subsequently, the Secretariat discussed with Germany the likely scenarios for reduction in national CFC demand and consumption measured under Article 7, taking into account phase-out in the investment projects and sector plans already approved and the proposed phase-out in the servicing sector. On the basis of consumption reported in 2002, and phase-out from approved projects achieved in 2003, the starting point for reductions in the national CFC phase-out plan was established as 3,489 ODP tonnes in 2004. This represents the eligible consumption in the refrigeration servicing sector plus the remaining consumption in other sectors that has already been funded. The plan provides that phase-out of this remaining eligible consumption will be achieved progressively by 2010. Accordingly, the schedules included in the draft agreement indicate nil consumption in 2010. However, total demand for CFCs in 2010 is estimated to remain at a level of 647 ODP tonnes and to continue until 2015. This demand is estimated to occur in the refrigeration servicing sector and in chillers, as well as for applications involving metered dose inhalers. The demand will be met from a stockpile. A stockpile of 1,752 ODP tonnes is proposed to be established for this purpose. The Government of Germany indicated that the estimated level of the stockpile can be explained primarily by a significant growth in number of domestic and small-scale commercial refrigeration equipment in the last decade in India which will require servicing until the end of their life-time in 2013 – 2015.

56(quarter). The reduction schedule discussed above served as a basis for formulating the consolidated draft Agreement and its Appendix 2A - Targets and Funding, taking into account all on-going phase-out activities in India, including two sector plans approved for foam and refrigeration manufacturing sectors. The draft Agreement is presented in Annex I.

## RECOMMENDATIONS

57 (bis). On the basis of the Secretariat's comments the Executive Committee may wish to address the proposal within the funding window for projects that involve accelerated phase-out or maintaining momentum and consider whether to:

- (a) Approve in principle the National CFC Consumption Phase-out Plan Focussing on the Refrigeration Servicing Sector for India at a total level of funding of US \$6,338,120 plus agency support costs of US \$757,536, in accordance with the draft Agreement between the Government of India and the Executive Committee;
- (b) Approve funding for the implementation of the first tranche of the project as follows:
  - (i) US \$414,370 plus agency support costs of US \$53,868 to the Government of Germany;
  - (ii) US \$293,140 plus agency support cost of US \$38,108 to the Government of Switzerland;
  - (iii) US \$277,200 plus agency support cost of US \$20,790 to UNDP;
  - (iv) US \$316,180 plus agency support cost of US \$41,103 to UNEP.



## **Annex I**

### **AGREEMENT BETWEEN INDIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE NATIONAL PHASE-OUT OF CFC CONSUMPTION IN INDIA FOCUSSING ON THE REFRIGERATION SERVICE SECTOR**

1. This Agreement represents the understanding of India (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) by 1 January 2010, in compliance with Protocol schedules. This Agreement includes and supersedes the Agreements between the Executive Committee and India entered into at the 37<sup>th</sup> Meeting for phase-out of CFCs in the foam sector and at the 38<sup>th</sup> Meeting for the phase-out of CFCs in the refrigeration (manufacturing) sector in India.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 3 of Appendix 2-A (the “Targets”) 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.
3. Subject to compliance 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 37 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 CFCs as indicated in row 3 of 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 these Targets 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 have the flexibility to reallocate the approved funds, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.

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

- (a) The Country would use the flexibility available as described under paragraph 7 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 states 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. The Government of Germany has agreed to be the lead implementing agency (the “Lead IA”), the Government of Switzerland, UNDP, UNEP and UNIDO (the “Cooperating IAs”) have agreed to be cooperating implementing agencies under the lead of the Lead IA 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 Cooperating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in row 38 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in the Sectors concerned 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. At 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 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 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 by the Lead IA and the Coordinating IAs 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 this 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**

Year	2004	2005	2006	2007	2008	2009	2010	
1. Max allowed production as per Agreement in the production sector	13,176 tonnes	11,294 tonnes	7,342 tonnes	3,389 tonnes	2,259 tonnes	1,130 tonnes	0 tonnes	
2. Montreal Protocol reduction schedule	6,681 tonnes	3,340 tonnes	3,340 tonnes	1,005 tonnes	1,005 tonnes	1,005 tonnes	0 tonnes	
<b>3. CFC consumption as per Article 7 of the Montreal Protocol</b>	<b>3,489 tonnes</b>	<b>2,266 tonnes</b>	<b>1,560 tonnes</b>	<b>964 tonnes</b>	<b>417 tonnes</b>	<b>273 tonnes</b>	<b>0 tonnes</b>	
4. Stockpiled CFC amount*	0 tonnes	452 tonnes	600 tonnes	500 tonnes	100 tonnes	100 tonnes	0 tonnes	
5. Total national CFC demand	3,489 tonnes	1,814 tonnes	960 tonnes	464 tonnes	317 tonnes	173 tonnes	0 tonnes**	
6. CFC reduction in on-going projects (without phase-out plans)	926 tonnes	115 tonnes	0 tonnes	0 tonnes	0 tonnes	0 tonnes	0 tonnes	
CFC reduction from activities proposed in the National CFC Phase-out Plan	7. National CFC consumption phase-out plan - total	749 tonnes	739 tonnes	496 tonnes	147 tonnes	145 tonnes	173 tonnes	0 tonnes
	8. Sectoral phase-out plan for elimination of CFCs in the foam sector (approved at 37 <sup>th</sup> Meeting)	508 tonnes	401 tonnes	128 tonnes	0	0	0	0
	9. Plan for phase-out of CFCs in the refrigeration (manufacturing) sector (approved at 37 <sup>th</sup> Meeting)	181 tonnes	180 tonnes	203 tonnes	0	0	0	0
	10. Additional CFC consumption phase-out activities for National Phase-out Plan in service sector, customs and policy	60 tonnes	158 tonnes	165 tonnes	147 tonnes	145 tonnes	173 tonnes	0 tonnes

\* Annual stockpiles; the cumulative stockpile in 2010 will be 1,752 tonnes.

\*\* Residual consumption of 647 ODP tonnes (ineligible for funding) will remain in the country and will be gradually phased out in subsequent years.



Year		2004	2005	2006	2007	2008	2009	2010
<i>Sectoral phase-out plan for elimination of CFCs in the foam sector (approved at 37<sup>th</sup> Meeting)</i>	11. <i>Agreed funding 2004 onwards for UNDP</i>	\$1,500,000	\$450,000	\$224,577	\$0	\$0	\$0	\$0
	12. <i>Support cost 2004 onwards for UNDP</i>	\$131,000	\$40,500	\$20,212	\$0	\$0	\$0	\$0
<i>Plan for phase-out of CFCs in the refrigeration (manufacturing) sector (approved at 38<sup>th</sup> Meeting)</i>	13. <i>Agreed funding 2004 onwards for UNDP</i>	\$250,000	\$150,000	\$59,450	\$0	\$0	\$0	\$0
	14. <i>Support cost 2004 onwards for UNDP</i>	\$21,621	\$12,937	\$5,142	\$0	\$0	\$0	\$0
	15. <i>Agreed funding 2004 onwards for UNIDO</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	16. <i>Support cost 2004 onwards UNIDO</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional CFC consumption phase-out activities for National Phase-Out Plan in service sector, customs and policy	17. <i>Germany (overall lead agency) agreed funding</i>	\$414,370	\$100,000	\$105,090	\$436,200	\$436,200	\$923,400	\$0
	18. <i>Germany (overall lead agency) support cost</i>	\$53,868	\$13,000	\$13,662	\$56,706	\$56,706	\$120,042	\$0
	19. <i>Switzerland agreed funding</i>	\$293,140	\$250,000	\$250,000	\$210,000	\$204,480	\$0	\$0
	20. <i>Switzerland support cost</i>	\$38,108	\$32,500	\$32,500	\$27,300	\$26,582	\$0	\$0
	21. <i>UNDP agreed funding</i>	\$277,200	\$200,000	\$200,000	\$190,000	\$180,000	\$160,420	\$0
	22. <i>UNDP support cost</i>	\$20,790	\$15,000	\$15,000	\$14,250	\$13,500	\$12,032	\$0
	23. <i>UNEP agreed funding</i>	\$316,180	\$340,000	\$340,000	\$220,000	\$220,000	\$71,440	\$0
	24. <i>UNEP support cost</i>	\$41,103	\$44,200	\$44,200	\$28,600	\$28,600	\$9,287	\$0
	25. <b>Total agreed funding</b>	<b>\$1,300,890</b>	<b>\$890,000</b>	<b>\$895,090</b>	<b>\$1,056,200</b>	<b>\$1,040,680</b>	<b>\$1,155,260</b>	<b>\$0</b>
26. <b>Total support cost</b>	<b>\$153,869</b>	<b>\$104,700</b>	<b>\$105,362</b>	<b>\$126,856</b>	<b>\$125,388</b>	<b>\$141,361</b>	<b>\$0</b>	
<i>Total for National Phase-Out Plan</i>	27. <i>Germany (overall lead agency) agreed funding</i>	\$414,370	\$100,000	\$105,090	\$436,200	\$436,200	\$923,400	\$0
	28. <i>Germany (overall lead agency) support cost</i>	\$53,868	\$13,000	\$13,662	\$56,706	\$56,706	\$120,042	\$0
	29. <i>Switzerland agreed funding</i>	\$293,140	\$250,000	\$250,000	\$210,000	\$204,480	\$0	\$0
	30. <i>Switzerland support cost</i>	\$38,108	\$32,500	\$32,500	\$27,300	\$26,582	\$0	\$0
	31. <i>UNDP agreed funding</i>	\$2,027,200	\$800,000	\$484,027	\$190,000	\$180,000	\$160,420	\$0
	32. <i>UNDP support cost</i>	\$173,411	\$68,437	\$40,354	\$14,250	\$13,500	\$12,032	\$0
	33. <i>UNEP agreed funding</i>	\$316,180	\$340,000	\$340,000	\$220,000	\$220,000	\$71,440	\$0
	34. <i>UNEP support cost</i>	\$41,103	\$44,200	\$44,200	\$28,600	\$28,600	\$9,287	\$0
	35. <i>UNIDO agreed funding</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
36. <i>UNIDO support cost</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
37. <b>Total agreed funding</b>	<b>\$3,050,890</b>	<b>\$1,490,000</b>	<b>\$1,179,117</b>	<b>\$1,056,200</b>	<b>\$1,040,680</b>	<b>\$1,155,260</b>	<b>\$0</b>	
38. <b>Total agreed support cost</b>	<b>\$306,490</b>	<b>\$158,137</b>	<b>\$130,716</b>	<b>\$126,856</b>	<b>\$125,388</b>	<b>\$141,361</b>	<b>\$0</b>	

**Appendix 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding will be considered for approval at the last meeting of the calendar year prior to the starting calendar year of the Annual Implementation Programme. For the servicing sector, awareness and customs/policy activities the Annual Implementation Programme will consist of a list of activities commencing in April of the year of the Annual Implementation Programme and concluding in March of the following year. For all other activities, the annual implementation programme will be based on the calendar year. The performance will be measured against the annual consumption of the year prior to the year of consideration of the Annual Implementation Programme, as reported under Article 7 of the Montreal Protocol to the Ozone Secretariat.

**Appendix 4-A: FORM OF ANNUAL IMPLEMENTATION PROGRAMME**

**1. Data**

Country: India  
 Year of Plan: .....  
 Number of years completed: .....  
 Number of years remaining under the plan: .....  
 Reported ODS consumption of the year prior to this reporting: .....  
 Target ODS consumption for the next year: .....  
 Level of funding requested: .....  
 Lead implementing agency: The Government of Germany, the  
 Cooperating agencies: Government of Switzerland, UNDP, UNEP  
 and UNIDO

**2. Targets**

Indicators		Previous Year (official data for supply)	Reduction previous to present year (calculated)	Present year (planned data)	Reductions present year to year of plan (calculated)	Year of Plan (planned data)
Supply of ODS	Production					
	Export					
	<b>Total supply</b>					
Demand of ODS	Consumption refrigeration manufacturing sector					
	Consumption foam sector					
	Consumption other ongoing projects					
	Stockpiling as per Agreement, Annex 2-A row 4					
	<b>Sub-total:</b> Demand except consumption in remaining uses under National CFC Consumption Phase-Out Plan					
<b>Resulting consumption in uses under National CFC Consumption Phase-Out Plan</b>						

### 3. Activities and Costs under National CFC Consumption Phase-Out Plan

General type of activity	Description of activity	Objective	Target group	Impact (general)	Impact (in terms of ODP tonnes phase-out, if applicable)	Planned expenditures (US \$)	Agency associated
Customs and policy training							
Awareness							
Establishing / upgrading training institutions (including equipment)							
Training							
Equipment supply							
Retrofit							
<b>Total</b>							
<b>Cost by agency</b>							
<b>Agency</b>	<b>Type of cost</b>						
Germany – GTZ Proklima	Expenditure						
	Support cost						
Switzerland	Expenditure						
	Support cost						
UNDP	Expenditure						
	Support cost						
UNEP	Expenditure						
	Support cost						
UNIDO	Expenditure						
	Support cost						

## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The Government of India agrees to ensure accurate monitoring of the phase-out. The consumption figures provided under this agreement will be consistent with India's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of India also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed and that the implementation of the Refrigeration (Manufacturing) Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programs.
2. The National CFC Consumption Phase-out Plan is implemented on a company and technician level, while being assessed on a national level. Consequently, the monitoring is focusing on these two levels: The monitoring of implementation, and the auditing of the data used to determine national consumption.
3. Since the implementation of this National CFC-Consumption Phase-out Plan consists of the implementation of several originally independent CFC consumption phase-out plans and projects, a consolidated reporting of all those plans and projects is required. Under this National CFC-Consumption Phase-out Plan, the Government of Germany as lead agency will facilitate a Consolidated Report of all presently active CFC consumption phase-out plans and projects in India.
4. In addition to monitoring of the implementation through the responsible agencies as well as the lead agency, the Project Management Unit (PMU) associated to the India Ozone Cell as well as the state governments will monitor implementation, being supervised by the Ozone Cell. Within the states, the local environmental administrations will perform that task. They are being activated and sufficiently informed for that task through visits of the Ozone Cell and/or PMU to higher state officials as well as the policy training which is being part of this National Phase-out Plan. The PMU will bundle the reports and perform further field checks where required.
5. The implementation part of a Consolidated Report to be submitted to the Executive Committee will be based on a preliminary report to be prepared and submitted by the lead agency on the basis of reporting from cooperating implementing agencies as well as from the Project Management Unit. It will be finalized on the basis of mutual agreement between India and agencies involved concerning the data to be reported. The release of funding under the existing CFC Phase-out Plans will be subject to consideration of progress reports on implementation of annual work programmes to be submitted as part of a consolidated report.
6. India as a CFC producing country has no CFC imports. Consequently, the consumption is being determined through production and exports. The production of CFC is already being audited as part of India's production sector phase-out, being agreed at the 29th meeting of the Executive Committee. Under direct contract from the Lead Agency, a national expert institution such as the national Environment Engineering Research Institute in Nagpur or an equivalent Indian independent institution will audit the export figures, which in combination with the production data will allow them to determine the level of consumption in India (Article 7 data), which will constitute a part of the consolidated report.

7. Under direct contract from the Lead Agency, a national expert institution such as the National Environment Engineering Research Institute in Nagpur or an equivalent Indian independent institution will audit the export figures, which in combination with the production data allows determination of the consumption figures. The related data will form the consumption part of the Consolidated Report.

8. Since the implementation of this National CFC-Consumption Phase-out Plan is parallel to the implementation of other CFC consumption phase-out plans and projects, a consolidated reporting of all those plans and projects is required. Under this National CFC-Consumption Phase-out Plan, Germany as lead agency will facilitate a consolidated reporting of all presently active CFC consumption phase-out plans and projects in India. A Consolidated Report to be submitted to the Multilateral Fund will be based on a preliminary report to be prepared and submitted by GTZ on the basis of reporting from the implementing or lead agencies, being finalised on the basis of mutual agreement between India and the those agencies about the data to be reported. Such a Consolidated Report will be a precondition for release of funding to any of the existing CFC Phase-out Plans.

9. The Consolidated Report will be submitted latest eight weeks prior to the last meeting of Executive Committee in any given year. It will concern the CFC consumption of the year prior to submission of the Consolidated Report.

10. In addition, the National CFC-Consumption Phase-Out Plan will submit a report about the activities carried out in the preceding activity period vs. the Annual Implementation Programme submitted for that period.

#### **Appendix 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (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 by drafting the Annual Implementation Programme in coordination with the Country's Project Management Unit;
- (d) Supporting the Country by facilitating the work of the Core Group, the Core Group being a body consisting of the Ozone Cell with its director as Chairperson, the representative of the lead agency as Secretary, the Project Management Unit and the cooperating agencies. The Core Group decides with mutual agreement on the Annual Implementation Programme and a more detailed annual work plan.

- (e) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (f) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2004;
- (g) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (j) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (k) Coordinate the activities of the Coordinating IAs;
- (l) Ensuring that disbursements made to the Country are based on the use of the Indicators;
- (m) Providing assistance with policy, management and technical support when required.

## **Appendix 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCIES**

1. The cooperating bilateral and implementing agencies have the following responsibilities in terms of management and overall coordination of work:

- 1) **The Government of Switzerland** is within the *service sector* phase-out activities jointly with UNEP responsible for all *training activities* and the identification of equipment needs. Within this joint responsibility, Switzerland is specifically responsible for the following activities:
  - (a) Switzerland is responsible for the development of training materials for commercial and household refrigeration technician training. Translation into the local languages of all training materials is the responsibility of the agency which conducts trainings in the region of the language from April 2005 onwards, as specified in this appendix;
  - (b) Under the responsibility of the Government of Switzerland (TORs, supervision), new training cells will be identified and established in Assam, Bihar, Chhattisgarh, Madhya Pradesh, Orissa, and West Bengal under the 2004 Implementation Programme. In states where UNEP will be conducting the training from 2005 onwards, UNEP will be involved in the identification process

and UNEP's national partner can participate as a member of the identification team to ensure a smooth transfer of capacity. The associated train of trainers and other capacity building activities as well as all trainings under the 2004 Implementation Programme will be under the responsibility of Switzerland. Switzerland hands over all training cells established in states which fall from April 2005 under UNEP responsibility to UNEP until end of March, 2005;

- (c) In addition to the above, the Government of Switzerland is throughout the implementation of the plan responsible for the training in the following states and territories: Andhra Pradesh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttaranchal, Uttar Pradesh, Chandigarh, Dadra and Nagar Haveli, Daman and Diu, Pondicherry. The states of Uttaranchal and Uttar Pradesh might be transferred from Switzerland to UNEP on the basis of a mutual agreement in the Core Group as part of any annual work plan. The responsibilities include conducting training, identifying and reporting of equipment needs in beneficiary enterprises and supporting equipment delivery to them, performing the necessary capacity building as well as other outreach functions.

## 2) UNDP

- (a) UNDP is within the *service sector* phase-out activities responsible for *investment activities* on the basis of pre-defined technical requirements and beneficiaries; the pre-definition will be carried out by Germany - GTZ Proklima if not otherwise specified in the respective Annual Implementation Programme;
- (b) UNDP is responsible for all *refrigeration manufacturing phase-out* activities. Within this joint responsibility, UNDP is specifically and solely responsible for the refrigeration manufacturing phase-out activities in all other sub-sectors of this activity except the sub-sector of transport refrigeration;
- (c) UNDP is solely responsible for all phase-out activities in the foam sector.

## 3) UNEP has the following responsibilities:

- (a) UNEP is within the service sector phase-out activities jointly with Switzerland responsible for all training activities and the identification of equipment needs. Within this joint responsibility, UNEP is specifically responsible for the following activities:
  - (i) UNEP is responsible for the development of training materials for Mobile Air Conditioning. Translation into the local languages of all training materials is the responsibility of the agency which conducts trainings in the region of the language from April 2005 onwards, as specified in this appendix;

- (ii) From April 2005 onwards, training cells established during 2004 in Assam, Bihar, Chhattisgarh, Madhya Pradesh, Orissa, and West Bengal by Switzerland with the involvement of UNEP as well as any potential additional training cell established by Switzerland in the states until August, 2004 will be taken over, managed and financed by UNEP. The associated train of trainers and other capacity building as well as all trainings in 2004 will be under the responsibility of Switzerland. Switzerland hands over the training cells in above mentioned states end of March, 2005, to UNEP. In addition to the above, UNEP is from April 2005 until the end of the plan responsible for the training in the following states and territories: Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Sikkim, Tripura, West Bengal, Andaman and Nicobar Islands as well as Lakshadweep Islands. The responsibilities include conducting training, identifying and reporting of equipment needs in beneficiary enterprises and supporting equipment delivery to them, performing the necessary capacity building as well as other outreach functions;
- (b) UNEP will be solely responsible for the implementation of the customs and policy training activities as defined in the project proposal, based on activities shown in the Annual Implementation Programme;
- (c) UNEP will be within the service sector phase-out activities responsible for the implementation of the necessary awareness activities as defined in the Annual Implementation Programme.

**4) UNIDO has the following responsibilities:**

- (a) UNIDO is jointly with UNDP responsible for all phase-out activities in the transport refrigeration sub-sector.

2. The agency (lead or cooperating) responsible in terms of management and coordination of work for specific tasks as specified above (“Responsible Agency”) will typically fund the associated activities. Should the budget of the Responsible Agency in a given year - as approved under this Agreement - be insufficient for the associated tasks, the Annual Implementation Programme will specify which activities will be funded by another agency. The development of TORs, management and coordination of the work as well as approving fulfilment of contracts continues to be the responsibility of the respective Responsible Agency.

**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 \$14,960 per ODP tonne of reductions in consumption not achieved in the year.

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