



**United Nations
Environment
Programme**

Distr.
LIMITED

UNEP/OzL.Pro/ExCom/44/19
2 November 2004

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fourth Meeting
Prague, 29 November-3 December 2004

AMENDMENTS TO THE 2004 WORK PROGRAMME OF UNDP

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COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

1. UNDP is requesting approval from the Executive Committee for US \$3,220,069 as amendments to its 2004 Work Programme, plus agency support costs of US \$129,306.
2. The activities proposed in UNDP's Work Programme Amendments are presented in Table 1 below:

Table 1: UNDP Work Programme Amendments

Country	Activity/Project	Amount Requested US \$	Amount Recommended US \$
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1: Renewal of institutional strengthening projects:			
		ODP tonnes	
Bangladesh	Extension of institutional strengthening project: phase IV	n/a	130,000
China	Extension of institutional strengthening project: phase VI	32.2	390,000
Kenya	Extension of institutional strengthening project: phase V	n/a	151,667
Malaysia	Extension of institutional strengthening project: phase VI	23.1	279,500
Trinidad and Tobago	Extension of institutional strengthening project: phase IV	n/a	60,000
Subtotal for institutional strengthening projects:			1,011,167
A.2: Other activities:			
Ghana	Technical assistance for the CTC sector		20,000
Subtotal for other activities:			20,000
SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION			
B1: Renewal of institutional strengthening projects:			
		ODP tonnes	
Iran	Extension of institutional strengthening project: phase V	14.3	173,511
Lebanon	Extension of institutional strengthening project: phase IV	n/a	155,090
Subtotal for institutional strengthening projects:			328,601
B2: Other activities:			
Global	Supplementary oversight services for refrigerant management plan activities		360,301
Subtotal for other activities:			360,301
CORE UNIT FUNDING			[1]
Subtotal			3,220,069
Agency support costs (nil for core unit funding, 7.5 per cent for project preparation, institutional strengthening, and for other activities over US \$250,000, and 9 per cent for other activities under US \$250,000):			129,306
Total:			3,349,375

[1] Considered under document UNEP/OzL.Pro/ExCom/44/9

ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL**A1: Renewal of institutional strengthening projects**

(a)	Bangladesh (phase IV)	US \$130,000
(b)	China (phase VI)	US \$390,000
(c)	Kenya (phase V)	US \$151,667
(d)	Malaysia (phase VI)	US \$279,500
(e)	Trinidad and Tobago (phase IV)	US \$60,000

Project description

3. The descriptions of the institutional strengthening projects for the above countries are contained in Annex I to the present document.

4. The information provided to the Executive Committee at its 43rd Meeting in document UNEP/OzL.Pro/ExCom/43/70 indicates that Trinidad and Tobago has reported to the Ozone Secretariat that it has established a licensing system, as required by Decision 43/37. It is indicated in the project submission that Trinidad and Tobago have a full-time national ozone officer.

Fund Secretariat's recommendation

5. The Fund Secretariat recommends the above activities for blanket approval at the level of funding shown in Table 1. The Executive Committee may wish to convey to the Governments of the above countries the comments that appear in Annex II to the present document.

A2: Other activitiesFund Secretariat's recommendation

6. The Fund Secretariat recommends blanket approval of the technical assistance activity listed in Table 1 above at the level of funding indicated.

SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION**B1: Renewal of institutional strengthening projects**

(a)	Iran (phase V)	US \$173,511
(b)	Lebanon (phase IV)	US \$155,090

Project descriptions

7. The descriptions of the institutional strengthening projects for the above countries are contained in Annex I to the present document. The remarks that the Executive Committee might wish to make to the Governments Iran and Lebanon appear in Annex II to the present document.

Fund Secretariat's comments

Iran

8. In the context of the progress report for 2003 on the implementation of its country programme, Iran reported to the Fund Secretariat the consumption of 2,169.2 ODP tonnes of CTC and 386.8 ODP tonnes of TCA in 2003. Both these amounts exceed the Montreal Protocol baseline consumption level for each substance (77.00 ODP tonnes for CTC and 8.7 ODP tonnes for TCA respectively). At the time of writing, Iran had not reported data under Article 7 for 2003. Iran has approached the Implementation Committee concerning changes to its CTC baseline. In regard to TCA consumption, on the basis of the 2003 data reported to the Fund Secretariat, Iran appears to be in non-compliance with the freeze at the baseline level that commenced on 1 January 2003.

Lebanon

9. In 2003, Lebanon's level of MB consumption reported under Article 7 of the Protocol (154.29 ODP tonnes) was above the Montreal Protocol MB baseline for Lebanon (152.40 ODP tonnes). Lebanon's request to change the MB baseline is to be reviewed by the Implementation Committee at its thirty-third meeting. If a decision to revise the MB baseline for Lebanon were taken by the Parties at their sixteenth meeting, Lebanon may have returned to compliance by the time this request is considered. Otherwise, funding for one year may be appropriate.

Fund Secretariat's recommendations

10. The Executive Committee might consider the requests for the renewal of the institutional strengthening projects for Iran and Lebanon in light of the Secretariat's comments above. In previous cases of actual or potential non-compliance, the Executive Committee decided to renew the institutional strengthening projects for a one-year period, without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance. A similar approach could be taken to the two requests presented here. The Executive Committee may also wish to convey to the Governments of the above countries the comments that appear in Annex II to the present document.

B2: Other activities

Global: Supplementary oversight services for refrigerant management plan activities (US \$360,301)

Project description

11. UNDP has submitted to the 44th Meeting of the Executive Committee a request for a programme to provide supplementary oversight services (SOS) for RMP projects in which UNDP is implementing the investment component, that is, recovery and recycling projects and retrofit incentive projects. The proposal would encompass a total of 36 countries. The total cost

of the project over a three year period is US \$1,080,903. Funding of US \$360,301 has been requested for the first year of the programme.

Objective

12. The proposal is intended to raise the quality and quantity of services that UNDP's staff and its consultants can provide to 36 countries with RMP activities. It would increase the frequency of monitoring visits and provide direct support to the NOU, thus ensuring that the RMP activities implemented have the impact they originally were designed to deliver. As a result, implementation delays would be avoided and the project objectives would be easier to reach.

13. With the assistance received, UNDP would be in a position to report annually to the Executive Committee about the progress achieved in each of the 36 RMP's covered under the SOS, and specifically about the compliance situation of the countries concerned. UNEP also implements components of RMPs in most of the countries listed. UNDP will cooperate with UNEP to obtain the status of implementation for the non-investment components wherever applicable and include this information in its reports.

Background.

14. UNDP has ongoing or planned RMP activities in 36 countries. Experience over the last two years has demonstrated that the services provided to the National Ozone Units may not be sufficient to ensure that the overall objective of an RMP, namely to reduce consumption in the refrigeration servicing sector and to meet the 2005 and 2007 Montreal Protocol control measures for CFCs, are being achieved.

15. An RMP consists of a number of sub-projects, including training, recovery/recycling and end-user incentive activities. These activities are not ends in themselves but assist the country in achieving the required reductions in CFC consumption. During the current discussions on reporting requirements for multi-year agreements, it has been noted that the reported completion of the individual activities usually means an end to any further information about the overall results achieved. The provision of funding for Supplementary Oversight Services would provide UNDP with the means to monitor the implementation of the RMP's annually in the countries concerned and inform the Executive Committee in a timely manner of the difficulties or challenges that LVCs will be facing before non-compliance becomes an issue.

Funding

16. UNDP is currently implementing RMP activities in 36 countries including 11 proposals that are being submitted for the 44th or 45th Executive Committee meetings. Table 1 below shows the level of support cost that UNDP receives by country (column "D"), which usually has to be spread over a 3-year period.

A	B	C	D	E
Region	Country	Budget	Agency Support Cost	SOS funds Requested (50,000 - "D")
AFR	BURKINA FASO	148,600	19,319	30,681
AFR	BURUNDI	52,500	4,725	45,275
AFR	CAPE VERDE*	86,400	7,776	42,224
AFR	CHAD	184,416	23,974	26,026
AFR	CONGO	118,078	10,627	39,373
AFR	CONGO DR	437,102	32,783	17,217
AFR	DJIBOUTI	161,463	20,990	29,010
AFR	GABON	75,277	6,775	43,225
AFR	GHANA	213,455	27,749	22,251
AFR	GUINEA-BUISSAU	282,900	21,218	28,782
AFR	GUINEA-CONAKRY*	30,800	2,772	47,228
AFR	MALI*	50,455	5,159	44,841
AFR	MAURITANIA	200,995	18,090	31,910
AFR	RWANDA	118,758	10,688	39,312
AFR	SAO TOME*	135,156	12,164	37,836
AFR	SIERRA LEONE	261,608	23,545	26,455
AFR	SOMALIA*	200,000	18,000	32,000
AFR	TOGO	275,000	35,750	14,250
ASP	BRUNEI DARUSSALAM*	434,430	32,582	17,418
ASP	CAMBODIA	625,000	46,875	3,125
ASP	KYRGYZSTAN	203,742	26,486	23,514
ASP	MALDIVES	115,000	14,950	35,050
ASP	MONGOLIA	108,600	14,118	35,882
ASP	NEPAL*	66,389	6,331	43,669
EUR	GEORGIA	117,350	15,256	34,744
EUR	MOLDOVA*	173,495	15,615	34,385
LAC	BARBADOS	198,761	17,889	32,111
LAC	BELIZE*	119,000	10,710	39,290
LAC	COSTA RICA	670,000	61,900	NA
LAC	EL SALVADOR	350,000	31,500	18,500
LAC	HAITI	249,656	22,469	27,531
LAC	HONDURAS*	212,000	19,080	30,920
LAC	PARAGUAY	285,158	37,071	12,929
LAC	PERU	123,000	11,070	38,930
LAC	SURINAME*	326,180	24,850	25,150
LAC	URUGUAY	154,934	20,141	29,859
36		7,565,658	730,997	1,080,903

Note: * indicates that the project will be presented at the 44th or 45th Executive Committee meeting

17. Total agency support costs for these activities are estimated to be US \$730,997, an average of US \$20,305 per country. This average level of funding is insufficient to ensure a thorough and frequent monitoring effort. The current allocation of support costs is as follows:

- Since the new support cost regime took effect, UNDP has raised the level of support for its central services from 1 to 2% of the project budgets. This amounts to US \$151,313 or US \$1,401 per country per year.
- UNDP country offices require 5% of the project budgets as their support cost. This amounts to US \$378,283 or US \$3,503 per country per year.
- The balance of the above-mentioned amounts (US \$730,997 minus US \$151,313 minus US \$378,283) would be used for sundries. It amount to US \$201,401, which comes to US \$1,865 per country per year.

18. UNDP is therefore requesting additional funding for Supplementary Oversight Services to provide for a sufficient level of monitoring and to organize the monitoring visits needed to keep the implementation of the various activities on track. The total additional funding would be US \$1,080,903 as shown in column "E" of the table. The amount is based on an allocation of US \$50,000 per country for a 3-year average duration, subject to the following considerations:

- National Ozone Units are often unable to fully participate in the organization of activities and delegate these activities to local subcontractors or national consultants. It is proposed to allocate an amount of US \$216,000 for this purpose which comes to US \$6,000 per country. This comes to US \$2,000 per country per year.
- The consultancy component of the projects concerned typically include one visit by a UNDP consultant to conduct the training workshops, but do not include any budget for monitoring visits. This is currently the greatest shortcoming. It is hereby proposed to allocate the balance of US \$864,903 for this purpose which comes to US \$8,008 per country per year. This component also includes travel costs.

19. The cost of UNDP's Montreal Protocol Unit staff is not considered in this calculation as it is already covered by the US \$1.5 million of core unit support UNDP receives annually. This proposal therefore does not include any additional cost for Montreal Protocol Unit staff.

20. The total funding available to assist countries, from support costs and from the SOS proposal, is indicated in the following summary table, Table 2:

Table 2

		Total	Per Country	Per Country and per Year
Budget		7,565,658	NA	NA
From Support Costs	Central Services	151,313	4,203	1,401
	Local UNDP Offices	378,283	10,508	3,503
	Sundries	201,401	5,594	1,865
A: Subtotal		730,997	20,305	6,768
SOS	Local Consultants	216,000	6,000	2,000
	Travel / Monitoring	864,903	24,025	8,008
B: Subtotal		1,080,903	30,025	10,008
GRAND TOTAL (A+B)			50,331	16,777

21. UNDP is requesting the amount proposed in three equal tranches at the last meeting of each year (2004, 2005, 2006). The amount being requested at the 44th meeting of the Executive Committee therefore equals US \$360,301 plus support costs.

22. For any new RMP activity being submitted between now and November 2007 (3 years), UNDP proposes that an additional amount for Supplementary Oversight Services would be determined on a case by case basis, taking into account that UNDP considers US \$50,000 per country for a 3-year duration to be the minimum funding needed for UNDP to operate successfully in countries and regions under the above circumstances.

Fund Secretariat's comments

23. When first presented, the UNDP proposal for supplementary oversight services was directed principally to the Africa region, where UNDP has been facing difficulties in providing what it considers to be an adequate level of monitoring and support for the smaller projects under implementation there, such as the recovery and recycling and retrofit incentive projects contained in RMPs.

24. The Secretariat indicated that there would be merit in ensuring that any proposal of this nature was based on a set of objective criteria for the inclusion of countries and had specific objectives and outputs. UNDP revised the proposal to encompass all countries with RMPs in which UNDP is the implementing agency for the investment component. UNDP also included annual reporting requirements that would include information provided by agencies implementing other parts of the RMPs, generally UNEP.

25. In regard to co-ordination UNDP indicated that the concept has been discussed with UNEP which had commented favourably on the principle. UNEP had subsequently been provided with a copy of the proposal.

26. UNDP also wished to point out that the proposal did not represent an increase in support costs for UNDP since UNDP staff travel and costs would continue to be met from UNDP's Core Unit Funding of US \$1.5 million. Funds under the SOS programme would be allocated fully to providing assistance to the countries.

27. The Secretariat noted that this proposal could have linkages to the review of institutional strengthening funding planned for 2005 under Decision 35/57 and to the study on assistance to be provided to countries after 2007 also planned for 2005 under Decision 31/48. Finally, the proposal has linkages to the reporting requirements for RMPs also required under Decision 31/48, the formats for which are under discussion at the 44th Meeting in document UNEP/OzL.Pro/ExCom/44/70. In this regard, while the responsibility for reporting on progress of implementation of RMPs rests with the country under Decision 31/48, the direct assistance of UNDP may enhance the assessment and reporting process, as well as implementation.

Fund Secretariat's recommendation

28. The Executive Committee might wish to consider the request from UNDP for funding of US \$360,301, plus support costs of US \$27,023 for the first year of a three year project to provide supplementary oversight services for countries having RMPs for which UNDP is an implementing agency, in the light of the Secretariat's comments above.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Renewal of institutional strengthening projects

Bangladesh: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: September 1994	150,000
Phase II: November 1999	100,000
Phase III: December 2001	100,000
Total	350,000
Amount requested for renewal (US \$):	130,000
Amount recommended for approval (US \$)	130,000
Agency support costs (US \$)	9,750
Total cost of institutional strengthening Phase IV to the Multilateral Fund	139,750
Date of approval of country programme	September 1994
Date of approval of country programme update (if applicable)	1999
Total ODS consumption reported in country programme (1999), (ODP tonnes)	820.80
Latest reported total ODS consumption (2003) (ODP tonnes)	324.31
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	581.6
(b) Annex A Group II (Halons) (Average 1995-1997)	
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	5.7
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0.9
(e) Annex E (Methyl bromide) (Average 1995-1998)	
Latest consumption of controlled substances (2003) (ODP tonnes):	
(a) Annex A Group I (CFCs)	308.64
(b) Annex A Group II (Halons)	0.00
(c) Annex B Group II (Carbon tetrachloride)	6.60
(d) Annex B Group III (Methyl chloroform)	0.85
(e) Annex C Group I (HCFCs)	8.22
(f) Annex E (Methyl bromide)	0.00
Amount approved for projects (US \$)	1,712,802
Amount disbursed (as at September 2004) (US \$):	1,068,690
ODS to be phased out (ODP tonnes)	172.2
ODS phased out (as at September 2004) (ODP tonnes)	124.00

Progress Report

1. During the reporting period, the NOU of Bangladesh was involved in assisting the Director General of the Department of Environment to grant import permits; obtaining the enactment of ODS rules to establish a licensing system; organization of annual awareness for Ozone Day including essay and painting competitions and a workshop for policy makers, NGOs and journalists. The NOU also established and updated an inventory of ODS, provided data and other reports regularly to the implementing agencies and the Fund and Ozone Secretariats and

assisted in the implementation of ongoing projects and in the formulation of the National Plan. It also helped to organize UNEP's South Asia – South East Asia Pacific network meeting and implemented procedures required for ratification of the Beijing Amendment.

2. The NOU of Bangladesh is located in the Department of Environment. The Director of the Department of Environment is the chairman of the unit. The National Technical Committee on ODS, constituted to implement the Montreal Protocol in Bangladesh, supervises the work of the NOU. The National technical committee on ODS helps the NOU gain access to senior decision makers.

Plan of Action

3. During the next phase of the institutional strengthening project, the NOU of Bangladesh will focus on controlling ODS imports through the enforcement of an import permit system, continue to expand awareness activities and augment its role in the implementation of projects. The Government will take a leading role in the implementation of the Bangladesh National ODS Phase Out plan.

China: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:	UNDP	
Amount originally approved:		
Phase I: February 1992	450,000	
Phase II: October 1996	300,000	
Phase III: November 1998	300,000	
Phase IV: December 2000	300,000	
Phase V: November 2002	390,000	
Total	1,740,000	
Amount requested for renewal (US \$):	390,000	
Amount recommended for approval (US \$)	390,000	
Agency support costs (US \$)	29,250	
Total cost of institutional strengthening Phase VI to the Multilateral Fund	419,250	
Date of approval of country programme	March 1993	
Date of approval of country programme update (if applicable)	1999	
Latest reported total ODS consumption (2003) (ODP tonnes)	55,178.10	
Latest reported total ODS production (2003) (ODP tonnes)	67,491.40	
Baseline production and consumption of controlled substances (ODP tonnes):	Production	Consumption
(a) Annex A Group I (CFCs) (Average 1995-1997)	47,003.9	57,818.7
(b) Annex A Group II (Halons) (Average 1995-1997)	40,993.0	34,186.7
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	29,367.4	55,903.8
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	112.8	721.2
(e) Annex E (Methyl bromide) (Average 1995-1998)	776.3	1,102.1

Latest production and consumption of controlled substances (2003) (ODP tonnes):	Production	Consumption
(a) Annex A Group I (CFCs)	29,964.4	22,808.5
(b) Annex A Group II (Halons)	5,653.4	4,969.2
(c) Annex B Group II (Carbon tetrachloride)	20,020.3	20,019.9
(d) Annex B Group III (Methyl chloroform)	86.8	21.5
(e) Annex C Group I (HCFCs)	11,745.2	7,808.7
(f) Annex E (Methyl bromide)	0.0-	-470.2
Amount approved for projects (US \$)	579,979,527	
Amount disbursed (as at September 2004) (US \$):	428,938,433	
ODS to be phased out (ODP tonnes)	92,447.1	
ODS phased out (as at December 2003) (ODP tonnes)	82,312.9	

4. During the reporting period, the National Ozone Unit of China was involved in reviewing existing policies and formulating further effective regulations and laws for future ODS phase-out. Public awareness was improved. The training of local ministries and departments was organized. 12 training workshops were conducted during 2003-2004, and about 900 officers received the training. A one-week training workshop was held for all ozone unit staff, the main topics being: international policies, project management, financial and procurement procedures and compliance. Celebrations were held for International Ozone Day and an award for ozone layer protection was established. "Ozone action in China" was also published monthly, along with reporting on ODS phase-out actions in newspapers and other media.

5. The NOU of China consists of staff from the Pollution Control Department and International Cooperation Department in the State Environmental Protection Administration (SEPA) and the Foreign Economic Cooperation Office of SEPA. SEPA is the leader of the National Ozone Leading Group (Leading Group), consisting of 18 ministries and Government agencies. The Leading Group is responsible for organizing and coordinating the implementation of the Vienna Convention and Montreal Protocol, as well as the China Country Programme. The Leading Group is also responsible for supervising implementation plans and making decisions on ODS phase-out. SEPA is responsible for the overall management of ODS phase-out activities in China at the ministry level. The Vice-Minister of SEPA is the leader of the Leading Group, and the NOU reports to the Vice-Minister.

Plan of Action

6. During the next phase of the institutional strengthening project, the main objective of the NOU of China will be to further enhance its overall programme management capacity for ozone matters in the State Environmental Protection Administration, particularly to enforce the control of illegal production, illegal consumption and illegal trade. The NOU of China will contribute to maintaining the momentum in phasing out ODS production and consumption, accelerating the CFC and Halon phase-out and effectively implementing China's national Montreal Protocol Programme for ODS phase-out, in order to meet the established reduction targets and to reach the target of total CFC phase-out in 2010.

Iran: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
	Amount originally approved:	
	Phase I: October 1992	200,000
	Phase II: November 1997	133,470
	Phase III: December 2000	133,470
	Phase IV: November 2002	173,511
	Total	640,451
Amount requested for renewal (US \$):		173,511
Amount recommended for approval (US \$)		173,511
Agency support costs (US \$)		13,013
Total cost of institutional strengthening Phase V to the Multilateral Fund		186,524
Date of approval of country programme		June 1993
Date of approval of country programme update (if applicable)		2000
Total ODS consumption reported in country programme (2000), (ODP tonnes)		5,703.5
Latest reported total ODS consumption (2003) (ODP tonnes)		6,753.58
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		4,571.7
(b) Annex A Group II (Halons) (Average 1995-1997)		1,420.0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		77.0
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		8.7
(e) Annex E (Methyl bromide) (Average 1995-1998)		26.7
Latest consumption of controlled substances (2003) (ODP tonnes):		
(a) Annex A Group I (CFCs)		4,088.8
(b) Annex A Group II (Halons)		
(c) Annex B Group II (Carbon tetrachloride)		2,169.2
(d) Annex B Group III (Methyl chloroform)		386.8
(e) Annex C Group I (HCFCs)		94.38
(f) Annex E (Methyl bromide)		14.4
Amount approved for projects (US \$)		56,525,730
Amount disbursed (as at September 2004) (US \$):		41,646,819
ODS to be phased out (ODP tonnes)		5,529.3
ODS phased out (as at September 2004) (ODP tonnes)		4,016.4

Progress Report

7. During the reporting period, the National Ozone Unit of Iran was involved in promoting decision making capabilities and performance of participating organizations in National Ozone Committee; establishing and using a system to monitor and effectively measure compliance and performance of the country in relation to Montreal Protocol commitments and enforcing the National Plan/Sector Phase-out Plans to meet Montreal Protocol phase-out targets. Another priority of the NOU in Iran was to raise ODS consumers' awareness about using non-ODS or ozone friendly products through public awareness campaigns, and by holding workshops, conducting interviews, and organizing training courses on protection of the ozone layer. The NOU was also involved in the training of trainers in relevant organizations.

8. The NOU of Iran, as the focal point for implementation of Montreal Protocol activities in the country, is under the direct supervision of the Deputy Director of the Department of the

Environment (DOE). The Director of the DOE is a Vice President in the government. The NOU is functionally treated as part of the DOE and reports to it on a quarterly basis. The Ozone Office Manager reports to the inter-ministerial National Ozone Committee (NOC). The National Ozone Committee is the highest decision making body for the implementation of the Montreal Protocol in the country and comprises representatives from the Ministries of Industry and Mines, Commerce, Agriculture, Foreign Affairs, the Meteorological Organization, the Management and Planning Organization, Petroleum, Customs Administration, and Department of the Environment.

Plan of Action

9. During the next phase of the institutional strengthening project, the NOU of Iran will develop new projects for the introduction of long-term alternative technology for methyl bromide replacement. It will also continue the awareness campaign and intensify its monitoring work, as well as increase stakeholder training. The NOU will be involved in enhancing the capacity of the Institute of Standard and Industrial Research in the area of ozone layer protection and in ensuring the effective functioning of the Policy and Enforcement Centre from 2006 on. Promoting the cooperation of neighbouring countries to prevent trade in ODS and ODS-containing products through the involvement of the Economic Cooperation Organization (to which most neighbouring countries belong) is another goal of the NOU of Iran.

Kenya: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
	Amount originally approved:	
	Phase I: March 1993	175,000
	Phase II: July 1998	116,667
	Phase III: December 2000	116,667
	Phase IV: November 2002	151,667
	Total	560,001
Amount requested for renewal (US \$):		151,667
Amount recommended for approval (US \$)		151,667
Agency support costs (US \$)		11,375
Total cost of institutional strengthening Phase V to the Multilateral Fund		163,042
Date of approval of country programme		July 1994
Date of approval of country programme update (if applicable)		1998
Total ODS consumption reported in country programme (1998), (ODP tonnes)		550.80
Latest reported total ODS consumption (2003) (ODP tonnes)		297.49
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		239.5
(b) Annex A Group II (Halons) (Average 1995-1997)		5.3
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		65.9
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		1.1
(e) Annex E (Methyl bromide) (Average 1995-1998)		217.5

Annex I

Latest consumption of controlled substances (2003) (ODP tonnes):	
(a) Annex A Group I (CFCs)	168.59
(b) Annex A Group II (Halons)	
(c) Annex B Group II (Carbon tetrachloride)	
(d) Annex B Group III (Methyl chloroform)	
(e) Annex C Group I (HCFCs)	28.22
(f) Annex E (Methyl bromide)	100.68
Amount approved for projects (US \$)	3,842,958
Amount disbursed (as at September 2004) (US \$):	2,445,292
ODS to be phased out (ODP tonnes)	242.2
ODS phased out (as at September 2004) (ODP tonnes)	212.6

Progress Report

10. During the reporting period, the NOU of Kenya helped draft documents in preparation for ratification of the Beijing Amendment. The NOU collaborated with the Customs and Excise Department of the Kenya Revenue Authority to control imports of ODS through licensing, import permits and quota allocations, and to monitor and curtail illegal ODS importation. It also formulated a methyl bromide investment project that is currently being implemented in Kenya by both UNDP (for cut flowers) and GTZ (for seedbeds, vegetables, fruits, and horticultural crops). The project will continue until 2010 and will culminate in the widespread adoption of viable methyl bromide alternatives in the horticultural sector leading to the phase-out of 97 ODP tonnes of methyl bromide used in soil fumigation. Through a terminal CFC phase-out management plan (TPMP), Kenya hopes to meet its 2005 and 2007 CFC phase-out obligations, but may also achieve early CFC phase-out by 2009. The NOU of Kenya conducted workshops, seminars and awareness programmes for the public on the human-health and environmental implications of Ozone Layer depletion and the necessity of phasing out ODS and phasing in ozone-friendly technologies. A public awareness campaign was undertaken using print media, radio and television.

11. The NOU is a Division within the National Environment Management Authority (NEMA) under the Ministry of Environment and Natural Resources (MENR). A National Sub-Committee on Ozone Depleting Substances (NACODS), that operates under the auspices of the Inter-Ministerial Committee on Environment (IMCE), advises the Ozone Unit on the process of formulating policies, strategies and regulations for ODS phase-out in Kenya.

Plan of Action

12. During the next phase of the institutional strengthening project, the NOU of Kenya will continue to sustain projects aimed at the phase-out of its ODS consumption. In this regard, it will address, in particular, Kenya's consumption of methyl bromide and work to develop a programme to eliminate consumption of CTC. The NOU will also focus on country-wide monitoring of imports, exports, and domestic consumption of ODS and will continue its activities related to raising public awareness on ODS issues.

Lebanon: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: May 1996	179,000
Phase II: July 2000	119,300
Phase III: July 2002	155,090
Total	453,390
Amount requested for renewal (US \$):	155,090
Amount recommended for approval (US \$)	155,090
Agency support costs (US \$)	11,632
Total cost of institutional strengthening Phase IV to the Multilateral Fund	166,722
Date of approval of country programme	May 1996
Date of approval of country programme update (if applicable)	2000
Total ODS consumption reported in country programme (2000), (ODP tonnes)	760.0
Latest reported total ODS consumption (2003) (ODP tonnes)	670.16
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	725.5
(b) Annex A Group II (Halons) (Average 1995-1997)	
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	
(e) Annex E (Methyl bromide) (Average 1995-1998)	152.4
Latest consumption of controlled substances (2003) (ODP tonnes):	
(a) Annex A Group I (CFCs)	497.02
(b) Annex A Group II (Halons)	
(c) Annex B Group II (Carbon tetrachloride)	0.11
(d) Annex B Group III (Methyl chloroform)	
(e) Annex C Group I (HCFCs)	18.74
(f) Annex E (Methyl bromide)	154.29
Amount approved for projects (US \$)	10,553,380
Amount disbursed (as at September 2004) (US \$):	7,587,437
ODS to be phased out (ODP tonnes)	1,120.1
ODS phased out (as at September 2004) (ODP tonnes)	613.4

Progress Report

13. During the reporting period, the NOU of Lebanon was involved in ongoing ODS data collection and needs assessment, including the management of a comprehensive national consumption survey conducted during preparation of the CP Update. It also commissioned five aerosol projects and completed nine commercial refrigeration projects. Another important activity of the NOU was the establishment of a halon bank. The NOU of Lebanon was involved in the control of ODS consumption and updating national legislation on ODS; ongoing implementation of the MB phase-out projects; formulation of a National Phase-out Management Plan (NPMP); launching a request for revision of MB baseline data based on the completion of a comprehensive survey in 2001; and increasing public awareness and enhancing the partnership with private-sector interests on ozone-related issues, including additional resource mobilization for outreach activities.

14. The NOU of Lebanon is the National office responsible for coordinating, monitoring and implementing all Montreal Protocol Activities including ODS Phase-out in Lebanon. The NOU is supervised jointly by the Directorate General's office of the Ministry of Environment and the UNDP country office. The NOU regularly seeks the advice of representatives of governmental authorities, NGOs, the private sector and academia.

Plan of Action

15. During the next phase of the institutional strengthening project, the NOU of Lebanon will continue to implement and monitor activities that will allow it to remain in compliance with the Montreal Protocol, as well as ensure the sustainable phase-out of ODS. The NOU will concentrate on co-ordination of all activities required to effectively and efficiently phase out ODS in the country by extending and increasing national awareness about the dangers of using ODS, implementing ODS phase-out activities, monitoring & evaluation, disseminating information, and developing and enforcing legislation in order to meet the obligations of the Montreal Protocol and its Amendments.

Malaysia: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: March 1993	322,520
Phase II: October 1996	215,000
Phase III: November 1998	215,000
Phase IV: December 2000	215,000
Phase V: November 2002	279,500
Total	350,000
Amount requested for renewal (US \$):	279,500
Amount recommended for approval (US \$)	279,500
Agency support costs (US \$)	20,963
Total cost of institutional strengthening Phase VI to the Multilateral Fund	300,463
Date of approval of country programme	February 1992
Date of approval of country programme update (if applicable)	2000
Total ODS consumption reported in country programme (2000), (ODP tonnes)	1,904.0
Latest reported total ODS consumption (2003) (ODP tonnes)	1,510.16
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	3,271.1
(b) Annex A Group II (Halons) (Average 1995-1997)	8.0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	4.5
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	49.5
(e) Annex E (Methyl bromide) (Average 1995-1998)	14.6
Latest consumption of controlled substances (2003) (ODP tonnes):	
(a) Annex A Group I (CFCs)	1,174.4
(b) Annex A Group II (Halons)	
(c) Annex B Group II (Carbon tetrachloride)	
(d) Annex B Group III (Methyl chloroform)	11.44
(e) Annex C Group I (HCFCs)	324.33
(f) Annex E (Methyl bromide)	

Amount approved for projects (US \$)	44,615,685
Amount disbursed (as at September 2004) (US \$):	36,415,311
ODS to be phased out (ODP tonnes)	5,225.0
ODS phased out (as at September 2004) (ODP tonnes)	4,772.3

Progress Report

16. During the reporting period, the NOU of Malaysia conducted enforcement visits to 143 premises to ensure that those industries were not consuming CFCs and complied with Multilateral Fund funding criteria and Environmental Quality Regulations. Of the 143 premises visited, only 30 percent still did not comply with the regulations. The NOU also conducted visits to 48 project sites to ensure that project implementation met requirements. All projects visited followed the target date. About 253 notices of enforcement under the Environmental Quality (Refrigerant Management) Regulations 1999 were issued to building owners with chillers as a reminder for them to comply with the regulations, and also to practice recycling of refrigerants with the help of the ODS Centre. Several activities were undertaken in the context of the public awareness campaign, including different dialogue sessions, workshops and the publishing of posters and other information material to reflect ODS issues like illegal ODS import practices and CFC phase-out.

17. The NOU acts as a National Focal Point for ODS Phase-out Program and is also the Secretariat to the National Steering Committee (NSC) on the Protection of the Ozone Layer (NSC). The NOU acts as a chairman for the various working groups and is responsible for providing information on the progress and development of ODS issues to the cabinet ministers. The NOU is located in the Department of Environment and has access to decision-makers, including cabinet ministers.

Plan of Action

18. During the next phase of the institutional strengthening project, the main objective of the NOU of Malaysia will be to strengthen enforcement and monitoring activities in order to ensure that beneficiaries of Multilateral Fund projects do not switch back to ODS consumption, and that Malaysia complies with Montreal Protocol obligations. Another very important objective is to monitor illegal importing of CFCs and to organize awareness campaigns aimed at giving the public and the industry a more proactive role.

Trinidad and Tobago: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: October 1996	66,000
Phase II: December 2000	44,000
Phase III: November 2002	57,200
Total	167,200
Amount requested for renewal (US \$):	60,000
Amount recommended for approval (US \$)	60,000
Agency support costs (US \$)	4,500
Total cost of institutional strengthening Phase IV to the Multilateral Fund	64,500

Annex I

Date of approval of country programme	October 1996
Date of approval of country programme update (if applicable)	2000
Total ODS consumption reported in country programme (2000), (ODP tonnes)	120.4
Latest reported total ODS consumption (2003) (ODP tonnes)	74.8
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	120.0
(b) Annex A Group II (Halons) (Average 1995-1997)	46.6
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0.7
(e) Annex E (Methyl bromide) (Average 1995-1998)	1.7
Latest consumption of controlled substances (2003) (ODP tonnes):	
(a) Annex A Group I (CFCs)	62.5
(b) Annex A Group II (Halons)	
(c) Annex B Group II (Carbon tetrachloride)	
(d) Annex B Group III (Methyl chloroform)	
(e) Annex C Group I (HCFCs)	11.5
(f) Annex E (Methyl bromide)	0.79
Amount approved for projects (US \$)	1,148,938
Amount disbursed (as at September 2004) (US \$):	836,027
ODS to be phased out (ODP tonnes)	89.4
ODS phased out (as at September 2004) (ODP tonnes)	18.0

Progress Report

19. During the reporting period, the NOU of Trinidad and Tobago prepared a Terminal Phase-out Management Plan (TPMP), and undertook its subsequent launching and national execution, which mark important milestones in Trinidad and Tobago's overall strategy to control and eliminate ODS use. A quota system was adopted to control CFC imports and a strong partnership has been entered into with the private sector. The NOU of Trinidad and Tobago participated in the development and enforcement of national legislation aimed at reducing the demand for ODS. Awareness activities were another focus of the NOU. It also participated in regional meetings and shared its experience with newer National Ozone Units.

20. The NOU of Trinidad and Tobago reports to the Manager, Environmental Resource Management and the Chief Executive of the Environment Management Authority which is accountable to the Minister of the Environment.

Plan of Action

21. During the next phase of the institutional strengthening project, the NOU of Trinidad and Tobago will be involved in managing the country's imports to meet the 2008 CFC phase-out target and the continued reduction in imports of Methyl Bromide. It will also develop and implement stricter policies and legislation on the retail sale, wholesale, and use of Methyl Bromide specifically for Quarantine and Pre Shipment. It will also develop a comprehensive database on the formal and informal mobile air-conditioning and refrigeration sector, including the commercial refrigeration sector, and develop and implement mandatory refrigerant standards. The NOU's institutional capacity will be increased through exchange training with more advanced countries, either regionally or internationally. Public awareness campaign activities will be also continued.

Annex II**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS
OF INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 44TH MEETING***Bangladesh*

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bangladesh and notes with appreciation that Bangladesh reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Bangladesh therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Bangladesh has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the enactment of ODS legislation to provide for an import licensing system; preparation and initial implementation of a national ODS phase-out plan; establishment of an inventory of ODS, and public awareness activities including Ozone Day celebrations. The Executive Committee greatly supports the efforts of Bangladesh to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Bangladesh will continue with the implementation of its country programme and national ODS phase-out plan with outstanding success in the reduction of current ODS consumption levels.

China

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for China and notes with appreciation that China has reported data to the Ozone Secretariat below the respective baseline levels for all ODS. China therefore appears to be in compliance with the consumption freeze levels for CFCs, TCA and methyl bromide. The Executive Committee also notes that China has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the conclusion of agreements with the Executive Committee for phase-out of the production of CFCs and the production and consumption of CTC, as well as the preparation of a plan for accelerated phase-out of CFCs. Additionally, the Executive Committee notes that China has reviewed all issued policies in order to form a comprehensive system of laws and has formulated further effective regulations and laws for future ODS phase-out. The Executive Committee greatly supports the efforts of China to reduce the production and consumption of CFCs and other ODS. The Executive Committee is therefore hopeful that, in the next two years, China will continue with the implementation of its country programme and phase-out activities in the production and consumption sectors with outstanding success in the reduction of current ODS consumption levels.

Iran

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Iran and notes with concern that the 2003 consumption levels of CTC and TCA reported to the Fund Secretariat are higher than its current Montreal

Protocol baselines. Iran therefore appears to be in non-compliance with the TCA freeze requirement. Despite this, the Executive Committee notes that 2003 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline for CFCs. The Executive Committee also notes that Iran has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the establishment and use of a system of annual import quotas for CFCs, commencement of implementation of a national CFC phase-out plan, and raising consumer awareness about ODS through public information initiatives. The Executive Committee is therefore hopeful that, in the next year, Iran will continue with the implementation of its country programme, national CFC phase-out plan and methyl bromide activities with outstanding success in the reduction of current ODS consumption levels.

Kenya

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Kenya and notes with appreciation that Kenya reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Kenya therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Kenya has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, improvements in data collection; preparations necessary for ratification of the Beijing Amendment; commencement of voluntary measures to control ODS imports, development of a methyl bromide investment project; continuation of public awareness campaigns and participation in regional activities. The Executive Committee greatly supports the efforts of Kenya to reduce the consumption of CFCs and other ODS. The Executive Committee is therefore hopeful that, in the next two years, Kenya will continue with the implementation of its country programme and with legislation to control CFC imports so that it can achieve outstanding success in the reduction of current CFC consumption levels.

Lebanon

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Lebanon and notes with concern that the 2003 consumption level of methyl bromide reported to the Ozone Secretariat is higher than its Montreal Protocol compliance baseline. Despite this, the Executive Committee notes that Lebanon has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the management of a comprehensive national CFC consumption survey; the establishment of a halon bank; the updating of national legislation on ODS and control of ODS imports; formulation of a national phase-out plan, and; increased public awareness and enhanced partnerships with the private sector. The Executive Committee is therefore hopeful that, in the next year, Lebanon will continue with the implementation of its country programme and CFC and methyl bromide phase-out activities with outstanding success in the reduction of current ODS consumption levels.

Malaysia

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Malaysia and notes with appreciation that Malaysia reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Malaysia therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Malaysia has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the continuation of successful implementation of its national CFC phase-out plan; interaction with industries and enterprises to ensure sustainability of phase-out; the issuing of notices to enforce the national refrigerant management regulations, and; public awareness activities for prevention of illegal imports. The Executive Committee greatly supports the efforts of Malaysia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Malaysia will continue with the implementation of its country programme and national CFC phase-out plan with outstanding success in the reduction of current CFC consumption levels.

Trinidad and Tobago

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Trinidad and Tobago and notes with appreciation that Trinidad and Tobago reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Trinidad and Tobago therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Trinidad and Tobago has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the preparation of a terminal phase-out plan; development and enforcement of legislation on ODS, including an import quota system; the development of partnerships with the private sector, and; the development of awareness activities. The Executive Committee greatly supports the efforts of Trinidad and Tobago to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Trinidad and Tobago will continue with the implementation of its country programme and terminal phase-out plan activities with outstanding success in the reduction of current CFC consumption levels.

**EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE
MONTREAL PROTOCOL
(44th Meeting, 29 November – 3 December 2004, Prague)**

**2004 WORK PROGRAMME AMENDMENT
OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME**

**Request for Project Preparation and Non-Investment Projects at the
44th Executive Committee Meeting**

2 November 2004

2004 UNDP WORK PROGRAMME AMENDMENT

44th Executive Committee Meeting (29 November – 3 December 2004, Prague)

UNDP is submitting the following non-investment programmes for consideration at the 44th meeting of the Executive Committee. The amounts being requested in this document total US\$ 3,220,069 plus US\$ 129,306 in agency support cost.

1) Extensions for Institutional Strengthening Projects.

Nr	Country	Short Title	ODP	US\$	Support
1	Bangladesh	Institutional Strengthening: Phase 4	n/a	130,000	9,750
2	China	Institutional Strengthening: Phase 6	32.2	390,000	29,250
3	Iran	Institutional Strengthening: Phase 5	14.3	173,511	13,013
4	Kenya	Institutional Strengthening: Phase 5	n/a	151,667	11,375
5	Lebanon	Institutional Strengthening: Phase 4	n/a	155,090	11,632
6	Malaysia	Institutional Strengthening: Phase 6	23.1	279,500	20,963
7	Trinidad & Tobago	Institutional Strengthening: Phase 4	n/a	60,000	4,500
	TOTAL		69.6	1,339,768	100,483

Separate documents on each of the above requests were submitted individually. In addition, UNDP is submitting the following two additional requests for Project Preparation:

2) Requests for additional Project Preparation.

Nr	Country	Project	Budget (US\$)	9% Support Cost
1	Ghana	Technical Assistance for CTC	20,000	1,800

Further to ExCom decision 43/3-d, a letter was sent to Ghana requesting them to clarify what actions were envisaged to address the risk of potential non-compliance with the Montreal Protocol in the area of CTCs. As a result a letter was received from Ghana-EPA dated 13 September 2004, requesting UNDP to submit a proposal to undertake surveys in this sector in 2005. UNDP has agreed with the Secretariat on costs for a technical assistance project which will enable Ghana to identify CTC uses and provide assistance to develop legislation needed to prohibit imports of CTC in order to allow Ghana to comply with the MP controls. While UNDP had originally put this activity in its 2005 business plan, it is hereby requesting that this proposal is funded already at the 44th meeting of the Executive Committee. UNDP will try to carry out this project in Ghana in conjunction with similar projects in the region.

3) Montreal Protocol Unit Core Funding.

The table related to UNDP's request for US\$ 1,500,000 for the yearly Core Funding is included as annex 1. No support costs are requested on this amount.

4) Other requests.

4.1. Supplementary Oversight Services (SOS) for RMP activities implemented by UNDP.

A separate project document was submitted with a 2004 budget request of US\$360,301 (plus US\$ 27,023 of agency support) which would enhance UNDP's capabilities in connection to the RMP's that are implemented by UNDP in 36 countries. The reader is referred to the detailed document for more information.

4.2. Other RMP Components. It should be noted that "RMP components" no longer figure in the work programme even though some of them contain "TAS" activities. Instead, they are included and fully described in the respective RMP documents themselves.

Annex 1 – Table Related to the Core Funding.

Agency: UNDP	2003 (actual)	2004 (estimated)	2005 (proposed)
Core Components	\$	\$	\$
Core unit personnel and contractual staff	867,039	900,000	910,000
Travel	160,961	170,000	180,000
Space (rent and common costs)	82,218	85,000	90,000
Equipment supplies and other costs (computers, supplies, etc)	29,991	15,000	15,000
Contractual services (firms)		65,000	70,000
Reimbursement of central services for core unit staff	366,902	440,000	440,000
Adjustment (over-exp/budget charge against supervisory budget) a/	-7,111	-175,000	-205,000
Total core unit cost	1,500,000	1,500,000	1,500,000
Reimbursement of Country offices & Nat'l execution <u>including overhead</u> b/	313,556	550,000	550,000
Executing agency support cost (internal) <u>including overhead</u>	637,557	750,000	750,000
Financial intermediaries <u>including overhead</u> c/		208,923	220,000
Adjustment (travel and central services) a/	7,111	175,000	205,000
Total Administrative Support Costs	2,458,224	3,183,923	3,225,000
Supervisory Costs incurred by MPU d/	53,346	171,679	200,000
Grand Total Administrative Support Costs	2,511,570	3,355,602	3,425,000

Notes /

a/ As can be seen, the cost of the core unit is higher than the allowed subtotal of US\$ 1,500,000. An adjustment line was therefore introduced to arrive at the required ceiling. The same amounts then appear in the supervisory portion of the budget (see second a/).

b/ Not all 2003 country office support costs earned were settled in 2003.

c/ Payments related to the China-Solvents Financial Intermediary.

d/ The actual 2004 costs to date, incurred by MPU for the Regional Implementation set-ups.