



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

PROJECT PROPOSAL: INDIA

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

Phase out

- Foam sector phase-out plan (third tranche) UNDP
- National CFC consumption phase-out plan focussing on the refrigeration service sector (second tranche) UNDP, UNEP, UNIDO, Germany, and Switzerland
- Plan for phase-out of CFCs in the refrigeration manufacturing sector (third tranche) UNDP

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PROJECT EVALUATION SHEET - MULTI-YEAR PROJECTS
COUNTRY: INDIA

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

National Phase-out Plan for CFC Consumption in India focussing on the Refrigeration Service Sector	GTZ on behalf of Germany Infras on behalf of Switzerland UNDP, UNEP, UNIDO
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SUB-PROJECT TITLES

(a) Sectoral phase-out plan for elimination of CFCs in the foam sector	UNDP
(b) Plan for phase-out of CFCs in the refrigeration (manufacturing) sector	UNDP, UNIDO
(c) National Phase-Out Plan in service sector, customs and policy – service sector component	GTZ, Infras, UNDP, UNEP
(d) National Phase-Out Plan in service sector, customs and policy – customs and policy component	UNEP

NATIONAL CO-ORDINATING AGENCY:	MOEF
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP tonnes, 2002, as of October 2004)**

CFC	3,917.70
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B: COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, 2003, as of October 2004)

ODS	Foam	Ref.	Aerosol	Process agent
CFC	1,536.05	2,201.10	157	23.58

CFC consumption remaining eligible for funding (ODP tonnes)	0
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CURRENT YEAR BUSINESS PLAN: Total funding US \$3.633 million: total phase-out 884.5 ODP tonnes.

PROJECT DATA		2004	2005	2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	Montreal Protocol limits	6,681	3,340	3,340	1,005	1,005	1,005	0	n.a.
	Annual consumption limit	4,362	3,061	2,307	1,005	1,005	1,005	0	n.a.
	Annual phase-out from ongoing projects	926	115	0	0	0	0	0	1,041
	Annual phase-out newly addressed	749	739	496	147	145	173	0	2,448
TOTAL ODS CONSUMPTION TO BE PHASED OUT		1,301	754	1,302	0	0	1,005	0	4,362
Final Project costs (US \$):									
Funding for lead agency Germany	1 st tranche	2 nd tranche	\$105,090	\$436,200	\$436,200	\$923,400	\$0	\$0	\$2,415,260
	\$414,370	\$100,000							
Funding for Switzerland	\$353,020	\$256,650	\$256,650	\$367,140	\$367,140	\$0	\$0	\$0	\$1,600,600
Funding for UNDP	\$277,200	\$2,027,050	\$1,048,350	\$451,887	\$152,340	\$199,460	\$0	\$0	\$4,156,287
Funding for UNEP	\$256,300	\$256,300	\$85,000	\$85,000	\$85,000	\$32,400	\$0	\$0	\$800,000
Total project funding	\$1,300,890	\$2,640,000	\$1,495,090	\$1,340,227	\$1,040,680	\$1,155,260	\$0	\$0	\$8,972,147
Final Support costs (US \$)									
Support cost for lead agency Germany	\$53,868	\$13,000	\$13,662	\$56,706	\$56,706	\$120,042	\$0	\$0	\$313,984
Support cost for Switzerland	\$45,893	\$33,365	\$33,365	\$47,728	\$47,728	\$0	\$0	\$0	\$208,079
Support cost for UNDP	\$20,790	\$173,400	\$87,063	\$37,944	\$11,426	\$14,960	\$0	\$0	\$345,582
Support cost for UNEP	\$33,319	\$33,319	\$11,050	\$11,050	\$11,050	\$4,212	\$0	\$0	\$104,000
Total support costs	\$153,870	\$253,084	\$145,140	\$153,428	\$126,910	\$139,214	\$0	\$0	\$971,645
TOTAL COST TO MULTILATERAL FUND (US \$)	\$1,454,760	\$2,893,084	\$1,640,230	\$1,493,655	\$1,167,590	\$1,294,474	\$0	\$0	\$9,943,792
Final project cost effectiveness (US \$/kg)									n/a

FUNDING REQUEST: Approval of funding for second tranche (2004) as indicated above.

SECRETARIAT'S RECOMMENDATION	Pending
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PROJECT DESCRIPTION

Background

1. The “National Phase-out Plan for CFC Consumption in India focussing on the Refrigeration Service Sector” (NCCoPP) was approved by the Executive Committee of the Multilateral Fund at its 42nd Meeting in April 2004. Under the Plan, India will phase-out the consumption of all CFCs by 01 January 2010. The project combines several previously approved sector plans and new activities into one national plan. Table 1 below provides an overview.

Table 1: Overview of components of the National CFC Consumption Phase-out Plan

Title of former plan / component	Approved	Agency (Lead)	Total funding approved (US \$)	Tranche request 2004 (US \$)
Sectoral phase-out plan for elimination of CFCs in the foam sector	37th meeting	<u>UNDP</u>	5,424,577	1,500,000 (3 rd tranche)
Plan for phase-out of CFCs in the refrigeration (manufacturing) sector	38th meeting	<u>UNDP</u> <u>UNIDO</u>	3,609,186	250,000 (3 rd tranche)
National Phase-Out Plan in service sector, customs and policy – service sector component	42 nd meeting	<u>Germany</u> <u>Switzerland</u> <u>UNDP</u> <u>UNEP</u>	6,338,120	890,000 (2 nd tranche)
National Phase-Out Plan in service sector, customs and policy – customs and policy component	42 nd meeting	<u>UNEP</u>		

2. These four projects had originally different performance and reporting requirements, which were largely harmonized in the process of creating one unified national plan. The “Agreement between India and the Executive Committee of the Multilateral Fund for the National Phase-out Plan for CFC Consumption in India focussing on the Refrigeration Service Sector” (UNEP/OzL.Pro/ExCom/42/54, Annex XIII) specifies the reporting requirements from 2004 onwards, as well as the funding provided.

3. To achieve the targeted reductions in CFC consumption, the Plan includes investment, non-investment, technical assistance, and capacity building activities.

4. A first funding tranche for the two new components amounting to US \$1,300,890 was released on approval of the Plan in April 2004 for the implementation of the First Phase Implementation Work Plan covering the period April 2004 – March 2005. The 42nd Meeting approved the second tranches for the two former sector plans. This is the first time that under this

National CFC Consumption Phase-out Plan reporting is provided and funding requested in one document for all of the components and formerly independent sector plans. At the same time, the former sector plans move from a January-December implementation schedule to an April-March schedule.

5. The Government of Germany, as lead implementing agency, submitted on behalf of the Government of India the Progress Report for the period April 2004 - March 2005 and the Work Plan for the implementation of the period April 2005 - March 2006.

6. This report covers for the **new components** the progress made in the implementation of the planned activities in the First Phase Implementation Work Plan during the period April 2004 up to the time of reporting in September 2004. Since the new components have not to be accountable against performance targets, no performance related reporting is necessary. For the **former sector plans**, the report covers the progress made in the previous year, i.e. the 2003 reporting requirements.

7. GTZ, as the lead Implementing Agency, is submitting the report on implementation activities and achievements in 2004 for consideration by the Executive Committee of the Multilateral Fund at its 44th Meeting and requests approval of the Second Phase Implementation Work Plan covering the period April 2005 – March 2006 as also contained in this report. GTZ requests the release of the agreed second tranche of funding at the amount of US \$2,640,000 for all components plus the corresponding support fees for the implementation of the Second Implementation Work Plan. The Second Phase Implementation Work Plan covering the period April 2005 – March 2006 is presented in Section 3 of this report.

8. With this second funding tranche, India will be able to continue enterprise level and sectoral CFC phase-out activities, conduct training activities, and undertake policy, public relations, awareness and other actions as judged necessary to maintain the reductions in CFC consumption already achieved, and to ensure that the performance targets specified in the “Agreement” related to the second tranche of funding of US \$2,640,000 are achieved.

Service Sector, Customs and Policy

9. The Government of Germany, as the lead implementing agency, submitted the Second Phase Implementation Work Plan covering the period April 2005 – March 2006 and requests the release of the second tranche of funding in the amount of US\$ 890,000 plus the corresponding support fees. The Second Phase Implementation Work Plan provides detailed information on activities, objectives, impact in terms of ODP phase-out totalling 158 ODP tonnes, and planned expenditures, and indicates the agencies associated with the implementation of those specific activities.

10. The breakdown of the requested funding is provided in Table 2 below.

Table 2: Breakdown of funding for the Service Sector, Customs and Policy component

Agency	Tranche (US \$)	Support cost (US \$)
Govt. of Germany	100,000	13,000
Govt. of Switzerland	256,650	33,365
UNDP	277,050	20,779
UNEP	256,300	33,319
Total	890,000	100,463

Refrigeration Manufacturing Sector

11. The Plan for Phase-out of CFCs in the Refrigeration Manufacturing Sector in India was approved at the 38th Meeting of the Executive Committee, at a total funding level of US \$3,609,186, to be provided in five tranches, leading up to the complete phase-out of CFCs in the Refrigeration Manufacturing Sector in India by 1 January 2007. The Plan is to be implemented by two agencies. The portion of the Plan to be implemented by UNIDO covers phase-out in the transport refrigeration sub-sector, and the component of the plan to be implemented by UNDP, as the lead implementing agency, covers all other sub-sectors within the Refrigeration Manufacturing Sector excluding the transport refrigeration sub-sector. The Phase-out Plan will cover technology conversions in all the remaining eligible enterprises in the Refrigeration Manufacturing Sector (excluding the MAC Sector) through a combination of investment, technical support and management components. The breakdown of the approved overall funding is provided in Table 3 below.

Table 3: Breakdown of approved funding in the refrigeration (manufacturing) component

Activity	Funding	Agency
Investment activities (including contingencies) to be implemented by UNDP	US\$ 2,675,986	UNDP
Investment activities (including contingencies) to be implemented by UNIDO	US\$ 673,200	UNIDO
Policy/Management activities	US\$ 260,000	UNDP
Total	US\$ 3,609,186	

12. The progress report on the implementation of activities under the Refrigeration Manufacturing Sector Plan for the period 2003-2004 and the Work Plan for 2005 are provided by the Government of Germany as part of reporting under the National Phase-out Plan for CFC Consumption in India focusing on the Refrigeration Service Sector (NCCoPP). The 2003 target of the Refrigeration Manufacturing Sector Plan is the phase-out of 250 ODP tonnes through the implementation of 9 individual and umbrella projects approved earlier by the Executive Committee in the commercial refrigeration sector in India.

13. According to the progress report, all enterprises achieved project objectives and met all project obligations, such as phase-out of CFCs, phase-in of CFC-free production, depletion of

CFC stocks, destruction of redundant and replaced baseline equipment, etc. Handover protocols for the respective projects were issued and signed by all parties in 2003. By December 2003, a total phase-out of 286.10 ODP tonnes had been achieved, thus exceeding the 2003 annual CFC phase-out target.

14. The 2004 target associated with the implementation of ongoing projects is 187 ODP tonnes. As of September 2004, activities at three of the four remaining previously approved individual projects were completed. By late 2004, all remaining previously approved individual projects would be completed, leading to CFC phase-out of about 60 ODP tonnes.

15. The 2004 target for phasing out under the Refrigeration Manufacturing Sector Plan is established at 140 ODP tonnes for UNDP in the commercial refrigeration sub-sector and 40 ODP tonnes for UNIDO in the transportation refrigeration sub-sector. According to the progress report, the equipment procured for the first batch of enterprises under the Plan is now in the process of being delivered and distributed to the respective recipients. Activities at many of these enterprises are targeted for completion by November 2004. Together with the CFC phase-out achieved through the completion of all previously approved individual projects, this would facilitate achieving the 2004 phase-out target of 368 ODP tonnes.

2005 Annual Implementation programme

16. The 2005 annual implementation programme contains planning activities to be implemented by UNDP in the refrigeration manufacturing sector, including the transportation refrigeration sub-sector to be implemented by UNIDO. The estimated CFC consumption in 2004 of 547 ODP tonnes in the sector is expected to be reduced by 352 ODP tonnes to 195 ODP tonnes in 2006, which is lower than envisaged in the sector plan (203 ODP tonnes). The proposed activities cover the replacement of the ODS-based production equipment with non-ODS technology. The requested tranche is US\$ 250,000 with support costs for UNDP of US \$21,621.

Foam sector

17. The Sectoral Phase-out Plan for the Elimination of CFCs in the Foam Sector in India was approved at the 37th Meeting of the Executive Committee in July 2002 with a total value of US \$5,900,789 including agency support cost of US \$476,212 approved in principle to phase out 1,655.0 ODP tonnes. The Plan was to be implemented in five tranches from 2002 – 2006. The first tranche of US \$1.5 million with agency support cost of US \$131,000 was approved at the 37th Meeting in July 2002 with expected CFC phase-out of 221 ODP tonnes. The second tranche of US \$1.75 million with agency support cost of US \$153,300 was approved at the 41st meeting.

18. This original agreement, approved at the 37th Meeting, had stipulated the role of UNDP as, inter alia, “*providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met*”; and “*Ensuring that the required verification audits are undertaken by appropriate independent technical experts*”. The Executive Committee requested at the 41st meeting, in decision 41/44 “*...UNDP to make provision in the 2003 - 2004 annual implementation programme for development of methodology for an independent audit to be used to verify consumption limits for 2003 and subsequent years, as required under the agreement on the foam sector CFC phase-out plan*”.

19. At the 42nd Meeting, the Executive Committee approved the “National CFC Consumption Phase-Out Plan for India focusing on the refrigeration service sector” (National CFC Consumption Phase-out Plan), which incorporates previous sector agreements, including the “Agreement for phase-out of CFCs in the Foam Sector in India”. The agreement stipulates that “*This Agreement includes and supersedes the Agreements between the Executive Committee and India entered into at the 37th Meeting for phase-out of CFCs in the foam sector ... in India.*” It further specifies in Appendix 2-A a number of phase-out targets starting only in 2004. No provision for 2003 has been made. The reporting requirements under the Foam Sector Plan therefore remain in place for the 2003 activities.

20. The agreed CFC consumption limits and reduction targets, as well as disbursement schedule under the foam sector plan agreement are shown in Table 4 below. The National CFC Consumption Phase-out Plan has incorporated exactly the same targets.

Table 4: Disbursement Schedule and Control Targets for CFC Consumption / Phase-out in the Foam Sector in India

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC consumption limit in Foam Sector (ODP MT)	1,655	1,434	1,037	529	128	0	N/A
Annual CFC phase-out target in the Foam Sector (ODP MT)	221	397	508	401	128	0	1,655
Total Annual Funding Instalment (US\$)*	1,500,000	1,750,000	1,500,000	450,000	224,577	0	5,424,577
Agency Support Costs (US\$)	131,000	153,500	131,000	40,500	20,212	0	476,212
Total cost to the Multilateral Fund (US\$)	1,631,000	1,903,500	1,631,000	490,500	244,789	0	5,900,789

*Includes policy and management support cost of US \$100,000 for each of the years 2002-2004

Report on the 2003 - 2004 Implementation Programme

21. The following is a summary of the achievements of the 2003-2004 Implementation Programme, reported by GTZ on behalf of UNDP:

- (a) Preparatory activities started with the receipt of the first tranche of US \$1,500,000 in August 2002. The second funding tranche of US \$1,750,000 was released in November 2003 for the 2004 annual programme. It was agreed that the project would be implemented through the Direct Execution modality. UNDP and MOEF agreed on the Operational Mechanism for Implementation in February 2003.
- (b) The UNDP first-phase project document was submitted to MOEF in March 2003. The UNDP first-phase project document was fully signed by all parties in May 2003.

- (c) The first list of 28 participating enterprises was provisionally endorsed by MOEF in April/May 2003. Upon completion of all activities, the CFC phase-out achieved would contribute 279.20 MT to the 2004 annual CFC phase-out target.
- (d) UNDP carried out the necessary steps for awarding contracts between March 2003 and November 2003.
- (e) The National Programme Manager of the Sector Phase-out Plan Unit assumed duties from June 2003. The logistics and infrastructural arrangements were completed and SPPU is fully functional.
- (f) Verification of the baseline at the first batch of 28 enterprises was concluded in August 2003. The verification of enterprises in future batches of participation/procurement has been initiated and will be an ongoing exercise.

22. The annual CFC phase-out target for 2003 was 397 MT; to be achieved through the completion of previously approved individual projects. By December 2003, a phase-out of 481.11 ODP tonnes had been achieved through the completion of ten previously approved individual projects, thus exceeding the 2003 annual CFC phase-out target.

Report on activities in 2004

23. During March to July 2004, activities at all remaining previously approved individual projects were completed and a total of 278 ODP tonnes of CFCs were eliminated. A number of activities including delivery of a part of the equipment procured, commissioning and training is in progress. Together with the CFC phase-out achieved through the completion of all previously approved individual projects, this would facilitate achieving the 2004 phase-out target of 508 ODP tonnes.

24. The second batch of 42 participating enterprises in the Plan was endorsed by MOEF to UNDP in March/April 2004. The purchase orders for the second batch of 42 participating enterprises were issued in August 2004. The cumulative CFC consumption of these enterprises amounted to about 220 ODP tonnes, which would contribute to the 2005 phase-out target. The verification of baselines for the current and subsequent batches of participating enterprises was carried out on an ongoing basis by SPPU.

2005 Annual Implementation Programme

25. Funding of US \$1,500,000 plus US \$131,000 support costs for UNDP is requested for the implementation of the third tranche.

26. The plan targets phase out in 2005 of 401 ODP tonnes of CFCs, with none of this consumption related to projects approved prior to the sector plan. The 401 ODP tonnes might be reduced if the CFC phase-out in the 2004 programme turns out above plan; the combination of both years needs to yield 909 ODP tonnes of CFC phase-out.

27. Coordination and monitoring of ongoing projects will continue, whilst enterprise level baseline verification visits and one technical workshop for recipient enterprises will be implemented.

28. The 2005 Annual Implementation programme and the report on the 2003 Annual Programme are attached to this document.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

General

29. At the time of finalization of this document, India had not reported its consumption under Article 7 of the Montreal Protocol. Reporting of this consumption has been a requirement under the National CFC Consumption Phase-out Plan, although for the year 2003 there is no performance criterion for the national CFC consumption under the National CFC Consumption Phase-out Plan.

30. The funding request submitted by the Government of Germany covers three different components of the National CFC Consumption Phase-out Plan, implemented by four different agencies. Table 5 below provides an overview of the composition of the funding request.

Table 5: Overview of funding request

Agency	Component	Funding requested	Support cost requested
Germany	Service Sector, Customs and Policy	\$100,000	\$13,000
Switzerland	Service Sector, Customs and Policy	\$256,650	\$33,365
UNDP	Foam Sector	\$1,500,000	\$131,000
	Refrigeration (manufacturing) sector	\$250,000	\$21,621
	Service Sector, Customs and Policy	\$277,050	\$20,779
UNEP	Service Sector, Customs and Policy	\$256,300	\$33,319
Total		\$2,640,000	\$253,084

Service Sector, Customs and Policy

31. The component related to Service Sector, Customs and Policy had been approved in principle only in April 2004, and has just begun implementation; consequently, this component, being in its first year of implementation, has no reporting requirements. The annual implementation programme for 2005 is thorough.

Refrigeration

32. It is noted that the Government of India has not provided to the Multilateral Fund Secretariat the report on the implementation of the India country programme for the year 2003. As a result, 2003 CFC consumption data in relation to industrial sectors are not available in the Secretariat. The 2002 data indicate that CFC consumption in the refrigeration manufacturing sector was 849.04 ODP tonnes.

33. The Secretariat indicated to GTZ (Germany) and UNDP that the report received from GTZ/UNDP does not provide any information on the verification of the 2003 consumption in the refrigeration manufacturing sector, on the reduction level included in Annex 2 of the 2005 Annual Programme nor on the verification of reported phase-out at the enterprise level.

34. The issue of verification audits was raised prior to the 41st Meeting in relation to the UNDP request for the second tranche. UNDP responded at that time that UNDP and the Government of India would subcontract an independent entity in 2004 to conduct verification of the national consumption level in the refrigeration sector through auditing of the production, import, and export data. Verification was also planned at enterprises with ongoing projects to verify their baseline consumption level, and to make sure that actual phase-out did take place in 2003. It was expected that the independent entity would also verify activities stipulated in the 2003 Annual Programme. The Secretariat raised the issue of the independent verification in its comments to the 41st Meeting of the Executive Committee.

Foam

35. The report on the 2003-2004 programme indicated that 481.11 ODP tonnes of CFC were phased out from ongoing projects in 2003, exceeding the agreed target of 397.0 ODP tonnes. The report also showed that, as of September 2004, all individual or umbrella foam projects approved prior to the sector plan had been completed and had phased out 278 ODP tonnes.

36. UNDP confirmed that the consumption limit for the previous year and the associated phase-out targets have been achieved, and has provided a list of converted companies and their related consumption. The quantities of CFCs phased out from projects and CFC consumption in the foam sector have not been verified through independent audit.

37. Verification that the activities planned for the previous year were undertaken in accordance with the annual implementation program has not been received by the Secretariat. The report furthermore contains no reference to the explicit request from the Executive Committee to make provision in the 2003 - 2004 annual implementation programme for the development of a methodology for an independent audit to be used to verify consumption limits in the sector for 2003.

38. UNDP indicated that a verification report of the national level of consumption would be submitted shortly before the 44th Meeting of the Executive Committee (November 22, 2004). At the time of finalization of the present document, the Secretariat has not received the report and, therefore, was unable to assess whether said document would fulfil all of the reporting requirements. It is uncertain it will be possible to review it in time for the Executive Committee. Advice will be provided during the Meeting of the Executive Committee.

39. The amount of US \$1,500,000 and associated agency support costs of US \$131,000 requested for the implementation of the 2003 - 2004 annual implementation programme of the India foam sector phase-out plan is consistent with the Agreement.

RECOMMENDATION

40. The Executive Committee may wish to consider approving the request for funding related to:

- (a) the Service Sector, Customs and Policy component of the phase-out plan, including the related request for support cost, as shown in Table 5 above; and
- (b) the refrigeration (manufacturing) and foam sectors in light of the Secretariat's comments in paragraph 33 and 34 (refrigeration sector) as well as 37 to 39 (foam sector), with the transfer of the relevant tranches as indicated in Table 5 above being initiated once the outstanding verification has been received.

INDIA

NATIONAL CFC CONSUMPTION PHASE-OUT PLAN FOR INDIA FOCUSSING ON THE REFRIGERATION SERVICE SECTOR

IND/REF/42/INV/369

**Progress Report on the 1st Phase Work Plan
(April 2004 – March 2005)
And
Work Plan / Request for Funding for the 2nd Phase
(April 2005 – March 2006)**

Prepared by GTZ, the Lead Implementing Agency, with input from
INFRAS, UNDP, UNEP and UNIDO (Co-operating Executing Agencies)
In cooperation with the Ozone Cell / MoEF

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NATIONAL CFC CONSUMPTION PHASE-OUT PLAN FOR INDIA FOCUSSING ON THE REFRIGERATION SERVICE SECTOR (NCCoPP)

INTRODUCTION

The National Phase-out Plan for CFC Consumption in India focussing on the Refrigeration Service Sector (NCCoPP) was approved by the Executive Committee of the Multilateral Fund at its 42nd Meeting on April 2nd 2004. Under the Plan, India will phase-out the consumption of all Annex A Group I CFCs in the Refrigeration Service sector, by 01 January 2010. A total of US\$ 6.338 million in MLF funding was approved in principle for implementation of the Plan that includes a phased reduction in CFC consumption over the period 2004 – 2010 according to an agreed schedule enshrined in the “Agreement” between the Executive Committee and the Government of India (UNEP/OzL.Pro/ExCom/42/54, Annex XIII - 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).

To achieve the targeted reductions in CFC consumption, the Plan includes investment, non-investment, technical assistance, and capacity building activities.

The first funding tranche in the amount of US\$ 1'300'890 was released on approval of the Plan in April 2004 for the implementation of the First Phase Implementation Work Plan covering the period April 2004 – March 2005.

This report covers the progress made in the implementation of the planned activities in the First Phase Implementation Work Plan during the period April 2004 up to the time of reporting in September 2004, and the achievements versus the performance targets specified in the aforementioned “Agreement” related to the first tranche of funding of US\$ 1.3 million. Details of the progress made in implementation of the planned activities in the First Phase Implementation Work Plan are provided in Section 3 of this report.

As it is the starting phase of the project, mainly preparatory activities have been taken up and completed up to date.

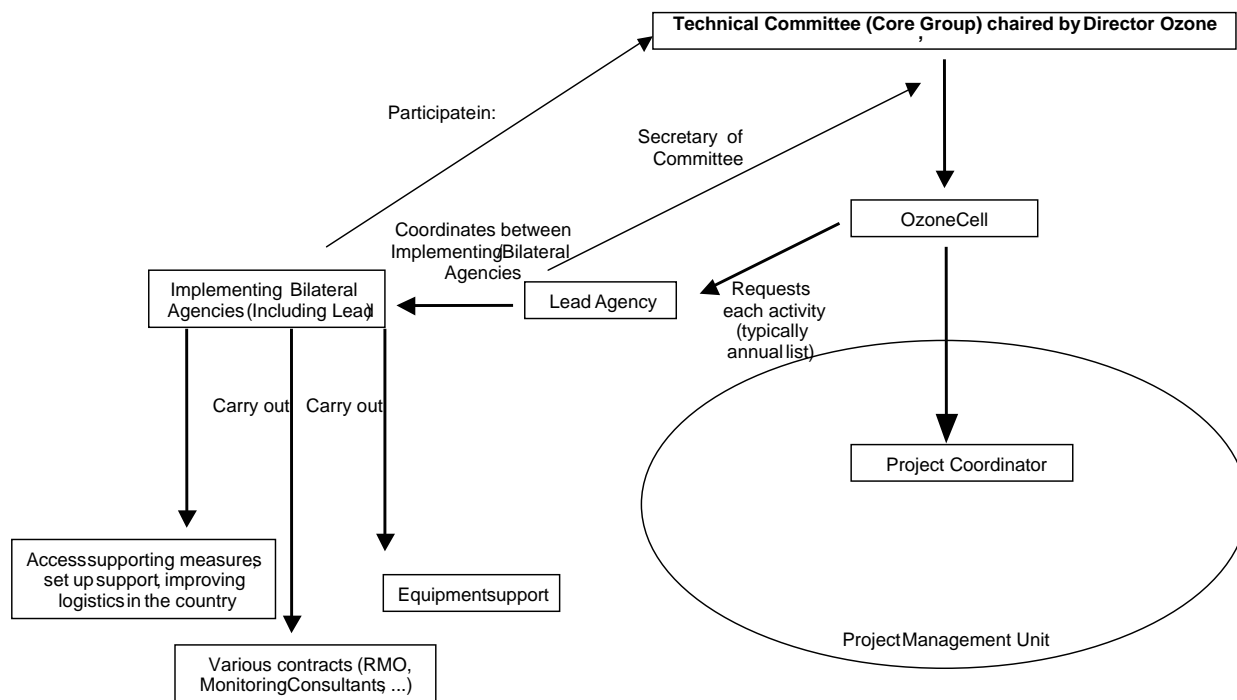
GTZ, as the lead Implementing Agency, is submitting the report on implementation activities and achievements in 2004 for consideration by the Executive Committee of the Multilateral Fund at its 44th Meeting and requests approval of the Second Phase Implementation Work Plan covering the period April 2005 – March 2006 as also contained in this report, and the release of the agreed second tranche of funding in the amount of US\$ 890'000 plus the corresponding support fees for the implementation of the Second Implementation Work Plan. The Second Phase Implementation Work Plan covering the period April 2005 – March 2006 is presented in Section 3 of this report.

With this second funding tranche, India will be able to continue enterprise level and sectoral CFC phase-out activities, conduct training activities, and undertake policy, public relations, awareness and other actions as judged necessary to maintain the reductions in CFC consumption already achieved, and to ensure that the performance targets specified in the “Agreement” related to the second tranche of funding of US\$ 890'000 are achieved.

ORGANISATIONAL RESPONSIBILITIES FOR IMPLEMENTATION OF NCCOPP

The overall responsibility for the management and implementation of NCCoPP activities is with the Government of India. The Government of Germany is assigned as lead implementing agency (the “Lead IA”), the Government of Switzerland, UNDP, UNEP and UNIDO (the “Cooperating IAs”) are cooperating implementing agencies under the lead of the Lead IA in respect of the Country’s activities under this Project. The Lead IA is responsible for carrying out the activities listed in Appendix 6-A of the “Agreement” which includes inter alia policy and management support to the Project Management Unit (PMU), planning, reporting, coordination and independent verification.

The Cooperating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The main responsibility of Switzerland is in the field of training, for UNEP in awareness activities while UNDP is mainly responsible for investment activities. UNIDO is jointly with UNDP responsible for all phase-out activities in the transport refrigeration sub-sector.



Several of the implementing agencies within this organisational structure have had limited time to adapt to the challenges of their new roles and responsibilities, and to contribute fully to progressing implementation the Plan. Only 6 months after approval of the project the momentum achieved in the start up of the project and progressing implementation of the NCCoPP is very high, not least because the project can bank on previous experiences in similar activities made under the Swiss bilateral project HIDECOR.

Section 1.
ACHIEVEMENTS VERSUS PERFORMANCE INDICATORS RELATED TO
THE 1st PHASE IMPLEMENTATION WORK PLAN
(April 2004 – March 2005)

Until the time of reporting mainly preparatory activities have been taken up. Due to the early stage of the project at the time of reporting, it is too early to report achievements related to CFC phase-out under NCCoPP. The relevant implementing activities are scheduled to start in October as the training season when firms are available starts only when the peak summer and monsoon periods are over. In the process of identification of training cells for the North and East of India market transformations initiated through Ozone rules 2000 and market driven technology change could be observed as compared to the data reported under the ORG MARG study. This suggests that a significant portion of open type compressor based systems have been retired since 2001. Through cooperation with the HIDECOR project a number of awareness and training activities could be jointly launched, so that the targeted reduction of 60 t CFC are in the reach of the current year. Details on the implementation status of the First Phase work plan is given below under section 2.

Section 2 A.
NCCoPP REPORT ON THE
FIRST PHASE IMPLEMENTATION WORK PLAN
(April 2004 – March 2005)

1. Introduction & Time Period Involved

A total of US\$ 6.338 million in MLF funding was approved in principle for implementation of NCCoPP. The agreed first tranche of funding was US\$ 1.3 million, and this was for the First Phase Implementation Work Plan covering the period April 2004 through March 2005.

This report covers the progress made in implementation of the first phase work plan up to 30 September 2004.

2. First Phase Implementation Work Plan – Planned Activities & Achievements

Taking into account the performance targets in CFC consumption that must be achieved, and in order to ensure that all conditions would be met for delivery of the funding tranche for 2005, it was critical that certain project activities be initiated in 2004. The first tranche of MLF funding of US\$ 1.3 million was therefore allocated to such individual project activities as illustrated in the following Table 1. Budget details and expenditure status by Implementing Agency can be seen from Appendix 1 to this document.

In Table 2 a brief summary on implementation status per activity already started is provided. As can be seen from there, until end of September US\$ 0.26 million or approx. 20 % of the total budget has been spent. This comparatively low share of expenditure is due to the fact that investment related activities (Equipment support Scheme) and training workshops with high direct costs and associated cash flow are scheduled to start in October 04 only.

Table 1: Budget and Expenditure for 1st Phase Implementation Work Plan 2004, Status 30/9/2004

Activity	Approved Budget	Expenditure as per 30. September 2004	Estimated Expenditure October 2004-March 2005
	Total	Total	Total
A. General			
PMU	\$15'000	\$750	\$14'250
Common database development / MIS webbased,	\$10'000	\$1'000	\$9'000
General project management, meetings, workshops and project office operation	\$40'000	\$20'000	\$20'000
Reporting, auditing, management costs	\$5'000	\$2'500	\$2'500
Travel, technical inputs annual planning	\$20'000	\$10'000	\$10'000
B. Training			
Institutional user retrofit preparation	\$17'500	\$10'500	\$7'000
Institutional user pilot retrofit demo programme - technical backstopping and management	\$22'000	\$0	\$22'000
Training workshops institutional user and larger commercial retrofit	\$4'800	\$0	\$4'800
Identification of RMO	\$15'000	\$15'000	
Capacity Building	\$20'000	\$8'000	\$12'000
MAC manual development (1st full draft)	\$15'000	\$9'000	\$6'000
MAC TC & preparation of training	\$6'000	\$1'800	\$4'200
MAC pilot training	\$4'554	\$0	\$4'554
Identification of training cells/partners	\$43'800		\$43'800
TOT WS	\$15'000	\$3'000	\$12'000
Handheld training	\$18'000	\$5'400	\$12'600
Technician training incl reporting	\$155'250	\$31'050	\$124'200
Professional backstopping for RMO and TC, target group assessment through key informants	\$25'000	\$10'000	\$15'000
Monitoring Training	\$14'400	\$0	\$14'400
Consolidated list of ITIs	\$12'000	\$3'600	\$8'400
Training material adaptation, printing/translation/procurement of training materials and consumables	\$18'000	\$5'400	\$12'600
C. Investment			
Concept note equipment support outreach incl. Equipment definition, TOR for equipment	\$20'000	\$20'000	
Training cell equipment	\$21'000	\$0	\$21'000
Technician equipment, long list facilitator	\$10'000	\$3'000	\$7'000
Technician equipment, consolidated list of RSE	\$15'750	\$4'725	\$11'025
Technician equipment	\$113'400	\$0	\$113'400
counterpart funding by technicians	-\$19'320	\$0	-\$19'320
ITI training equipment	\$204'000	\$0	\$204'000
D. Awareness			
Identification of national partner and agreement on annual activities	\$5'000	\$5'000	
Publication of articles in newspapers in local languages in areas where Training Cells are established	\$4'000	\$400	\$3'600
Publication of a newsletter	\$10'000	\$1'000	\$9'000
Dealer network workshops to support technician training (including workshops)	\$22'500	\$2'250	\$20'250
Initiate the Preparation of a awareness video/information kit—using lessons learned from HIDECOR and future work (includes translations into local languages)	\$20'000	\$0	\$20'000
outreach/awareness workshops on the deal offered under the equipment support scheme in 3 southern states	\$16'500	\$3'300	\$13'200
Initiate the development and launching of a website for the NCCoPP	\$10'000	\$0	\$10'000
Preparation of a user information poster	\$10'000	\$0	\$10'000
E. Customs and policy			
	\$140'000	\$28'000	\$112'000
Contingency			
	\$109'913	\$54'957	\$54'957
Carry Over			
	\$91'843	\$0	\$91'843
Grand Total	\$1'300'890	\$259'632	\$1'041'258

Table 2: Activity wise Implementation Status as per 30 September 2004

<i>Activity</i>	<i>Achievements</i>
A. General	
PMU	ToR for post of Head of Project Management Unit (PMU) developed and post advertised on Web.
Common database development / Management Information System webbased	Contract with local Consultant signed
General project management, meetings, workshops and project office operation	Two Meetings of Technical Committee held in April and September 2004
Travel, technical inputs annual planning	Two Meetings of Technical Committee held in April and September 2004
B. Training	
Institutional user retrofit preparation	Contract with local Consultant signed
Identification of RMO	Two Regional Management Organisations (RMO) for implementing training activities with refrigeration service enterprises have been identified and contract signed
MAC manual development	Contract with local Consultant signed
MAC TC identification and TOT	Training Cell (TC) has been identified
MAC pilot training	No activity started
Identification of training cells/partners	5 new training cells (TC) have been identified under NCCoPP, contracts with 11 TCs taken over from HIDECOR project have been prepared
TOT WS	Venue and date for Training of Trainers workshop has been finalised
Consolidated list of ITIs	Mandate for preparation of consolidated list of ITI training institutes to be strengthened under NCCoPP has been signed with local Consultant, work is in progress
Training material adaptation, printing/translation/procurement of training materials and consumables	Contract with local Consultant signed
C. Investment	
Concept note equipment support outreach incl. Equipment definition, TOR for equipment	Contract with local team of Consultants signed, draft document reviewed in 2 nd technical committee meeting
Technician equipment, long list facilitator	Contract with local Consultant signed
Technician equipment, consolidated list of RSE	Contract with local Consultant signed
ITI training equipment	Equipment specifications under preparation
R&R equipment	Equipment specifications under preparation
D. Awareness	
Identification of national partner and agreement on annual activities	ToR development completed, tender for selection of national partner awareness is notified
Dealer network workshops to support technician training (including workshops)	Contract with local Consultant in process
outreach/awareness workshops on the deal offered under the equipment support scheme in 3 southern states	Contract with local Consultant in process
Initiate the development and launching of a website for the NCCoPP	Contract with local Consultant signed
E. Customs and policy	
	National partner for Customs and Policy training identified

Section 2 B.

REPORT ON REFRIGERATION MANUFACTURING AND FOAM SECTOR ACTIVITIES UNDER THE NATIONAL PHASE OUT PLAN

1. Refrigeration Manufacturing Sector

For the year 2003 the phase out target in this sector was 250 ODP tonnes. The actual reported achievement, however, was 286.10 ODP tonnes through the completion of previously approved individual projects.

For the year 2004 the phase out target was 368 ODP tonnes. By the end of 2004 all previously approved individual projects will be completed with a total phase out of 60 ODP tonnes. For the first and second batches of enterprises under the Plan equipment purchase is well on its way. The total CFC consumption of the enterprises in the second batch amounts to about 304 ODP tonnes.

For the year 2005 a further CFC phase out target of 352 ODP tonnes has been set. In order to achieve this, the release of the third funding tranche of US\$ 250'000 is being requested.

The detailed Report on the Refrigeration Manufacturing Sector is attached as Appendix 3.

2. Foam Sector

For the year 2003 the phase out target in this sector was 397 MT. By December 2003 an actual phase out of 481.11 ODP tonnes was reported through the completion of 10 previously approved individual projects.

For the year 2004 the phase out target was 508 ODP tonnes. By the July 2004 all remaining previously approved individual projects were completed with a total phase out of 278 ODP tonnes. For the first batch of enterprises under the Plan equipment purchase has been completed. Installation and training is in progress. The equipment purchase orders for the second batch of enterprises under the Plan, is well under way. The total CFC consumption of these enterprises amounts to about 220 ODP tonnes.

For the year 2005 a further CFC phase out target of 401 ODP tonnes has been set. In order to achieve this, the release of the third funding tranche of US\$ 1'500'000 is being requested.

The detailed Report on the Foam Sector is attached as Appendix 4.

Section 3.
NCCoPP SECOND PHASE IMPLEMENTATION WORK PLAN –
APRIL 2005 to MARCH 2006 AND FUNDING REQUEST
(2005 Work Plan)

1. Data

Country	India
Year of plan (2ndPhase 2005)	April 2005 – March 2006
No. of years Completed at beginning of 2nd Phase	1 (12 months)
No. of years remaining under the plan at beginning of 2nd Phase	5
Target ODS consumption phase out for the year of this report (2004)	60 tonnes
Target ODS consumption phase out for the next year (2005)	158 tonnes
Level of funding requested for 2005	US\$ 890'000
Lead Implementing Agency	GTZ
Cooperating Implementing Agencies	Govt. of Switzerland, UNDP, UNEP, UNIDO

2. Targets

Indicators		Previous Year (2003 official data)	Reduction previous to present year (actual)	Present year (2004 planned data)	Reductions present year to year of plan (planned)	Year of Plan (2005 planned data)
Supply of ODS	Production			13,176		11,294
	Export					
	Total supply			3,489		2,266
Demand of ODS	Consumption refrigeration manufacturing sector	849	302	547	66	352
	Consumption foam sector	1,536	481	1,034	508	401
	Consumption other ongoing projects					
	Stockpiling as per Agreement, Annex 2-A row 4			0		452
	Sub-total: Demand except consumption in remaining uses under National CFC Consumption Phase-Out Plan				749	
Resulting consumption in uses under National CFC Consumption Phase-Out Plan				60		158

Table 3: Work Plan Second Phase Implementation (April 2005 – March 2006)

Work Plan 2005 - Funding Request

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	On line training testing and initial implementation	To see how the online training system developed in 2004 works, initiate its wider implementation to optimise training	Customs & enforcement officers		10	10000	UNEP / NACEN
	Organise train-the-trainers (TOT training for Target Group A)	Provide training to officers at the grass roots levels to ensure effective implementation of policies and regulations.	Target groups like customs & enforcement officers and other policy stakeholders as identified			60000	
	Final implementation of on-line training	To optimise number of trainees who receive quality training within available funding	Customs & enforcement officers and other potential online training users			26245	UNEP / NACEN
<i>Subtotal Customs and policy training</i>						\$96,245	
Awareness	Continue the publication of articles in newspapers in local languages in areas where Training Cells are established	To disseminate information about the sector strategy, and encourage technicians for training	Refrigeration Technicians and local stakeholders		10	10000	UNEP, Gov. of India
	Continue newsletter	Ensure review of	Refrigeration			20000	National
	Review the impact of the equipment support workshops vis-à-vis ES Scheme and see how further support can be provided	To support the training and equipment scheme, and certificate promotion	Supply Chain			15000	National partner, ITPI, UNEP
	Dissemination of the awareness video / info kit - and initiate translation into at least 3 languages	To record and disseminate achievements made in training and lessons learnt	Refrigeration Technicians and local stakeholders			20000	National partner, ITPI, UNEP
	Three General outreach workshops about the service sector strategy focusing on the initial results of the NCCoPP and disseminating these widely to decision-makers in government to support policy	Widely disseminate information on the sector strategy	Local public at the sub-regional level			30000	National partner/Gov. of India and cooperating agencies
	Continue to input into website developed in collab. with Germany, and ensure contents are what stakeholders really need within the NCCoPP.	To provide web-based information about materials available, and other achievements and status of the project	Refrigeration Technicians and local stakeholders and RACSSS agencies			5000	UNEP/ Germany
	Dissemination of a user information poster and translation into local dialects	To allow users/clients to see through a poster what needs to be done after training to promote good practice	Refrigeration Technicians and local stakeholders			10000	National partner, ITPI, UNEP
	Continue the ESS workshops in new training cells in 2005	To support the training and equipment scheme, and certificate promotion	Refrigeration Technicians and local stakeholders			50000	UNEP
	<i>Subtotal Awareness</i>						\$160,000

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
Establishing / upgrading training institutions (including equipment)	Establish and equip 1 Training Cell for MAC and upgrade 2 Training Cells taken over from HIDECOR for NCCoPP, Maintain already established 13 Training Cells	Provide appropriate institutional capacity for GP/retrofit training on national scale	Training institutions	enabling activity for training	no direct ODP impact	\$41,580	Switzerland, GTZ
Training	Training Workshops for number of participants: 1166 (standard service) / 44 (MAC)	Good Practice in handling CFCs	Technicians in RAC service enterprises	application of good practices, Impact study shows acceptance of Nitrogen flushing &	21	\$267,878	Switzerland, GTZ
Equipment supply	Supply of 200 Nos Evacuation and charging stations and tools to service enterprises and 26 Nos to ITIs	Enabling the Enterprises in applying Good Practice with CFCs	Service Enterprises and ITI Training Institutes with RAC trade	Good practices 30% reduction in consumption	6	\$308,697	UNDP, GTZ
Retrofit	Training workshops for retrofit of large Commercial Appliances and Railway Coaches: 64 Participants	Retrofit of large commercial systems and institutional user units such as Railway coaches	Institutional Users service workshops and owners of large commercial systems	Retrofitting of systems to non-CFC refrigerants	8	\$15,600	Switzerland
Other	Retirement of old equipment, effect of CFC cost increase, HC refrigerant supply chain, training/awareness impact HIDECOR			various: retirement, retrofit with Hydrocarbons, good practice by past level of	103	\$0	n/a
Total					158	\$890,000	
Cost by agency							
Agency	Type of cost						
Germany – GTZ Proklima	Expenditure					\$100,000	
	Support cost					\$13,000	
Switzerland	Expenditure					\$256,650	
	Support cost					\$33,365	
UNDP	Expenditure					\$277,050	
	Support cost					\$20,779	
UNEP	Expenditure					\$256,300	
	Support cost					\$33,319	
UNIDO	Expenditure					\$0	

Details on the Work Plan for the Second Phase Implementation (April 2005-March 2006) including Output targets per activity and budget per Implementing Agency can be seen from Appendix 2 to this document.

Appendix 1: NCCoPP Budget details and expenditure status by Implementing Agency (September 2004)

Activity	Approved Budget					Status of Completion as per Sept. 04				Expenditure as per 30. September 2004					Estimated Expenditure October 2004-March 2005	
	Total	Germany	Switzerland	UNDP	UNEP	Com	Sub	UC	UNE	Germany	Switzerland	UNDP	UNEP	Total	Total	
A. General																
PMU	\$15'000	\$15'000				100%				\$15'000					\$15'000	
Common database development / MIS webbased,	\$10'000	\$10'000				30%				\$3'000					\$3'000	
General project management, meetings, workshops and project office operation	\$40'000	\$40'000				50%				\$20'000					\$20'000	
Reporting, auditing, management costs	\$5'000	\$5'000				50%				\$2'500					\$2'500	
Travel, technical inputs annual planning	\$20'000	\$5'000	\$5'000	\$5'000	\$5'000	50%	50%	50%	50%	\$2'500	\$2'500	\$2'500	\$2'500		\$10'000	
B. Training																
Institutional user retrofit preparation	\$17'500	\$8'750	\$8'750			60%	60%			\$5'250	\$5'250				\$10'500	
Institutional user pilot retrofit demo programme - technical backstopping and management	\$22'000	\$12'100	\$9'900			0%	0%			\$0	\$0				\$0	
Training workshops institutional user and larger commercial retrofit	\$4'800		\$4'800				0%				\$0				\$4'800	
Identification of RMO	\$15'000	\$4'500	\$10'500			100%	100%			\$4'500	\$10'500				\$15'000	
Capacity Building	\$20'000		\$20'000				40%				\$8'000				\$8'000	
MAC manual development (1st full draft)	\$15'000		\$15'000				60%				\$9'000				\$9'000	
MAC TC & preparation of training	\$6'000		\$6'000				30%				\$1'800				\$1'800	
MAC pilot training	\$4'554		\$4'554				0%				\$0				\$0	
Identification of training cells/partners	\$43'800		\$43'800												\$43'800	
TOT WS	\$15'000		\$15'000				60%				\$9'000				\$9'000	
Handheld training	\$18'000		\$18'000				30%				\$5'400				\$5'400	
Technician training incl reporting	\$155'250	\$69'086	\$86'164			20%	20%			\$13'817	\$17'233				\$31'050	
Professional backstopping for RMO and TC, target group assessment through key informants	\$25'000		\$25'000				40%				\$10'000				\$10'000	
Monitoring Training	\$14'400		\$14'400				0%				\$0				\$0	
Consolidated list of ITIs	\$12'000	\$12'000				30%				\$3'600					\$3'600	
Training material adaptation, printing/translation/procurement of training materials and consumables	\$18'000		\$18'000				30%				\$5'400				\$5'400	
C. Investment																
Concept note equipment support outreach incl. Equipment definition, TOR for equipment	\$20'000	\$4'000	\$16'000			100%	100%			\$4'000	\$16'000				\$20'000	
Training cell equipment	\$21'000	\$21'000					0%			\$0					\$0	
Technician equipment, long list facilitator	\$10'000	\$10'000				30%				\$3'000					\$3'000	
Technician equipment, consolidated list of RSE	\$15'750	\$15'750				30%				\$4'725					\$4'725	
Technician equipment counterpart funding by technicians	\$113'400			\$113'400			0%				\$0				\$0	
ITI training equipment	\$204'000	\$51'000		\$153'000			0%			\$0	\$0				\$0	
D. Awareness																
Identification of national partner and agreement on annual activities	\$5'000				\$5'000								\$5'000		\$5'000	
Publication of articles in newspapers in local languages in areas where Training Cells are established	\$4'000				\$4'000								\$800		\$800	
Publication of a newsletter	\$10'000				\$10'000								\$2'000		\$2'000	
Dealer network workshops to support technician training (including workshops)	\$22'500				\$22'500								\$4'500		\$4'500	
Initiate the Preparation of a awareness video/information kit—using lessons learned from HIDECOR and future work (includes translations into local languages)	\$20'000				\$20'000								\$0		\$0	
outreach/awareness workshops on the deal offered under the equipment support scheme in 3 southern states	\$16'500				\$16'500								\$4'950		\$4'950	
Initiate the development and launching of a website for the NCCoPP	\$10'000	\$10'000				0%				\$0					\$0	
Preparation of a user information poster	\$10'000				\$10'000								\$0		\$0	
E. Customs and policy	\$140'000				\$140'000								\$42'000		\$42'000	
Contingency	\$109'913	\$29'319	\$32'087	\$25'208	\$23'300	50%	50%	50%	50%	\$14'659	\$16'043	\$12'604	\$11'650		\$54'957	
Carry Over	\$91'843	\$91'865	\$66	-\$88	\$0	0%	0%	0%	0%	\$0	\$0	\$0	\$0		\$0	
Grand Total	\$1'300'890	\$414'370	\$353'020	\$277'200	\$256'300	23%	33%	5%	29%	\$96'552	\$116'126	\$15'104	\$73'400		\$301'182	

Appendix 2: NCCoPP Work Plan for 2nd Phase (2005) and IA-Budgets

	Output Target 2005 Work Plan	Total Budget	Germany	Swiss	UNDP	UNEP
Support cost		\$100'463	\$13'000	\$33'365	\$20'779	\$33'319
Transfer from previous year		\$91'843	\$91'865	\$66	-\$88	\$0
Additional Budget requested from MLF for Work Plan 2005		\$890'000	\$100'000	\$256'650	\$277'050	\$256'300
Available Budget		\$981'843	\$191'865	\$256'716	\$276'962	\$256'300
Used Budget		\$967'364	\$178'692	\$256'574	\$275'852	\$256'245
Difference / Funds available for next years budget		\$14'479	\$13'173	\$141	\$1'110	\$55
A. General						
PMU	1	\$30'000	\$30'000			
Common database operation / MIS webbased, updated version	1	\$5'000	\$5'000			
General project management, meetings, workshops and project office operation	1	\$30'000	\$30'000			
Reporting, auditing, management costs	1	\$5'000	\$5'000			
Travel, technical inputs annual planning	1	\$20'000	\$5'000	\$5'000	\$5'000	\$5'000
B. Training						
Institutional user pilot retrofit demo programme - technical backstopping and management	1	\$6'000	\$1'200	\$4'800		
Training workshops institutional user and larger commercial retrofit	64	\$9'600	\$3'840	\$5'760		
Identification of consultants/contractors	1	\$7'500		\$5'625	\$1'875	
Capacity Building	1	\$14'000		\$14'000		
MAC manual development (full version)	1	\$4'000		\$4'000		
MAC manual update and TOT material preparation	1	\$3'000		\$3'000		
MAC TC & preparation of training	1	\$3'000		\$3'000		
MAC pilot training	44	\$4'752		\$4'752		
Identification of training cells/partners	2	\$14'800		\$14'800		
TOT WS	1	\$10'000		\$10'000		
Handheld training	4	\$6'000		\$6'000		
Technician training incl reporting	1166	\$125'928	\$21'408	\$104'520		
Professional backstopping for RMO and TC, target group assessment through key informants	1	\$18'000		\$18'000		
Monitoring Training	10	\$12'500		\$12'500		
Consolidated list of ITIs	26	\$5'200			\$5'200	
ITI Instructor Training preparation and management	1	\$10'560	\$10'560			
ITI Instructor training	180	\$19'440	\$19'440			
Training material adaptation, printing/translation/procurement of training materials and consumables	1166	\$13'992		\$13'992		
C. Investment						
Training cell equipment	2	\$7'000		\$3'500	\$3'500	
Technician equipment, long list facilitator	1	\$6'000	\$6'000			
Technician equipment, consolidated list of RSE	200	\$20'000	\$20'000			
Technician equipment counterpart funding by technicians	200	-\$56'000			\$208'000	
ITI training equipment	26	\$83'200			\$83'200	
D. Awareness						
Identification of national partner and agreement on annual activities	1	\$950				\$950
Publication of articles in newspapers in local languages in areas where Training Cells are established	1	\$4'000				\$4'000
Publication of a newsletter	1	\$10'000				\$10'000
Dealer network workshops to support technician training (including workshops)	5	\$15'000				\$15'000
Follow on and reach out of a awareness video/information kit—using lessons learned from HIDECOR and future work (includes translations into local languages)	1	\$18'000				\$18'000
outreach/awareness workshops on the deal offered under the equipment support scheme in 3 southern states	6	\$30'000				\$30'000
Communication through a website for the NCCoPP	1	\$5'000	\$5'000			
Preparation of a user information poster	1	\$10'000				\$10'000
E. Customs and policy						
	1	\$140'000				\$140'000
Contingency (automatically 10 % of budget)		\$87'942	\$16'245	\$23'325	\$25'077	\$23'295

NCCoPP Report 2004 - Appendix 3

*PLAN FOR PHASE-OUT OF CFCs IN THE REFRIGERATION
MANUFACTURING SECTOR IN INDIA*

*REPORT ON 2003 IMPLEMENTATION,
2005 ANNUAL IMPLEMENTATION PROGRAMME AND
REQUEST FOR THE RELEASE OF THE THIRD (2004) FUNDING TRANCHE*

Prepared By

**SECTOR PHASE-OUT PLAN UNIT (SPPU),
OZONE CELL/MOEF
AND
UNDP**

PLAN FOR PHASE-OUT OF CFCs IN THE REFRIGERATION MANUFACTURING SECTOR IN INDIA

**Report on 2003 Implementation, 2005 Annual Implementation Programme and
Request for Release of Third (2004) Funding Tranche**

1. Background

The Plan for Phase-out of CFCs in the Refrigeration Manufacturing Sector in India was approved at the 38th Meeting of the Executive Committee of MLF, at a total funding level of US\$ 3,609,186, to be provided in five tranches, leading up to the complete phase-out of CFCs in the Refrigeration Manufacturing Sector in India by 01 January 2007. The Plan is to be implemented by two agencies. The portion of the Plan to be implemented by UNIDO covers the phase-out in the transport refrigeration sub-sector and the component of the plan to be implemented by UNDP, as the lead Implementing Agency, covers all other sub-sectors within the Refrigeration Manufacturing Sector excluding the transport refrigeration sub-sector. The Phase-out Plan will cover the technology conversions in all the remaining eligible enterprises in the Refrigeration Manufacturing Sector (excluding the MAC Sector) through a combination of investment, technical support and management components. The breakdown of the approved overall funding was as below:

Investment Component (including contingencies):	US\$ 2,675,986 (UNDP portion)
Investment Component (including contingencies):	US\$ 673,200 (UNIDO portion)
Policy/Management Component:	US\$ 260,000
Total:	US\$ 3,609,186

The disbursement schedule and annual CFC consumption and phase-out control targets, in accordance with the agreement between Government of India and the Executive Committee of the Multilateral Fund (Document UNEP/OzL.Pro/ExCom/38/70, Annex-X) were as below:

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC Consumption limit in the Refrigeration Manufacturing Sector (ODP tonnes)	1,373	1,173	923	555	203	0	N/A
A. Phase-out from approved ongoing projects (ODP tonnes)	200	250	187	172	0	0	809
B. Phase-out from current Plan excluding ineligible enterprises (UNDP)	0	0	140	108	180	0	428
C. Phase-out from current Plan excluding ineligible enterprises (UNIDO)	0	0	40	67	0	0	107
D. Phase-out from ineligible enterprises (through legislative measures)	0	0	1	5	23	0	29
Total Annual CFC phase-out target in the Refrigeration Manufacturing Sector (ODP Tonnes)	200	250	368	352	203	0	1,373
Annual funding installment (US\$)	UNIDO	500,000	173,200	0	0	0	673,200
	UNDP	2,000,000	476,536	250,000	150,000	59,450	2,935,986
	Total	2,500,000	649,736	250,000	150,000	59,450	0
Agency support costs (US\$)	UNIDO	65,000	19,052	0	0	0	84,052
	UNDP	172,971	43,243	21,621	12,973	5,142	255,950
	Total	237,971	62,295	21,621	12,973	5,142	0
Total cost to Multilateral Fund (US\$)	2,737,971	712,031	271,621	162,973	64,592	0	3,949,188

In accordance with the Agreement reached between India and the Executive Committee of the Multilateral Fund in April 2004, the Refrigeration Manufacturing Sector Plan has now been merged into the National CFC Phase-out Plan (Document UNEP/OzL.Pro/ExCom/42/54 Annex-XIII).

2. Preparatory Activities

- The first tranche of US\$ 2,000,000 was received by UNDP in January 2003.
- It was agreed by UNDP and MOEF in February 2003, that the project would be implemented through the DEX (Direct Execution) modality.
- UNDP and MOEF agreed that the Operational Mechanism for Implementation (OMI), which delineated the roles and responsibilities of the various stakeholders and was earlier designed for implementing the IND/02/G68 – Sector Phase-out Plan for Elimination of CFCs in the Foam Sector in India would be also followed for implementation of the IND/03/G62 – Plan for Phase-out of CFCs in the Refrigeration Manufacturing Sector in India
- The UNDP first-phase project document covering the first tranche of US\$ 2,000,000 was prepared and submitted to MOEF in March 2003. The first phase project document was signed by Government in April 2003. UNDP obtained internal approval for implementation through DEX (Direct Execution) modality in May 2003. The UNDP first-phase project document was fully signed for all parties in May 2003.
- The second tranche of US\$ 476,536 was released in December 2003.

3. Investment Component

3.1 Enterprise Participation

UNDP Component

- The original funding proposal for this project was for about US\$ 6.9 million (for the UNDP portion). The actual funding for the UNDP portion was approved at US\$ 2,935,986. Due to the substantial reduction in funding level, it would not be possible to provide all the eligible participant enterprises with the level of assistance earlier envisaged. It was therefore agreed that about 10 medium-sized enterprises with a significant foaming baseline be provided with assistance for both foam and refrigerant equipment. Up to 125 SMEs would be provided with refrigerant equipment only. This approach would provide most remaining enterprises with assistance, while ensuring that the costs of equipment, trials and training could be met within the allocated budget.
- The first list of 10 medium-sized enterprises and 103 SMEs was provisionally endorsed by MOEF in September 2003 for participation. Upon completion of all activities in these enterprises targeted in 2004 and 2005), the CFC phase-out that would be achieved, would contribute about 300 ODP tonnes to the 2004 and 2005 annual CFC phase-out targets (amounting to a total of 359 ODP tonnes for these two years through the Plan).
- The baseline information at the participating enterprises has been progressively verified by the Sector Phase-out Plan Unit (SPPU).

UNIDO Component

- The mechanism of enterprise participation in the transport refrigeration sub-sector (UNIDO component of the Plan) was finalized between UNIDO and MOEF.

3.2 Procurement

UNDP Component

- UNDP announced the invitations for Expressions of Interest for prospective suppliers of the equipment to be procured under this project in May 2003. The invitations for Expressions of Interest were posted in the websites of UN Development Business, UNDP's Inter-Agency Procurement Services Office (IAPSO) and UNDP-Delhi for one month. The responses received were evaluated in October 2003 and a short list of vendors for the international competitive bidding exercise for procuring the refrigerant equipment was finalized based on the roster of existing suppliers and based on the evaluation of responses to the Expressions of Interest.
- UNDP prepared the technical specifications for the refrigerant equipment to be procured for the first batch enterprises in October 2003.
- The international bidding exercise for equipment was carried out during November and December 2003. The purchase orders for equipment were released in early 2004.

UNIDO Component

- The preparation for procurement activities at selected enterprises was carried out by end 2003.

4. Non-Investment (Policy and Management Support) Component (implemented by UNDP)

4.1 Sector Phase-out Plan Unit (SPPU)

The National Programme Manager recruited for the SPPU, to support the implementation of the Foam Sector Phase-out Plan, has also been assigned the task of supporting the implementation activities of the Refrigeration Manufacturing Sector Phase-out Plan, with the fully operational SPPU.

4.2 Enterprise Participation

- The operational mechanism for enterprise participation in the Sector Phase-out Plan was finalized by MOEF in consultation with UNDP.
- The verification of baseline at the first batch of participating enterprises was carried out during 2003. This included plant visits by MOEF/SPPU and collection of participation documentation and commitments from the enterprises in line with MOEF regulations.

- The verification of enterprises in future batches of participation/procurement would be an ongoing exercise.

4.3 Other Policy, Regulatory and Awareness Actions

MOEF continued the implementation and enforcement of the Government of India Ozone Rules, promulgated in January 2000. During the Ozone Day workshops held in 2003, information on the Sector Phase-out Plan was disseminated to Government policy makers and stakeholders. The empowered Steering Committee is fully briefed and aware of the commitments and obligations arising out of the agreement between Government of India and the Executive Committee of MLF, governing the approval of the Sector Phase-out Plan.

5. CFC Phase-out and Results

The annual CFC phase-out target for 2003 was 250 ODP tonnes; to be achieved through the completion of previously approved individual projects. By December 2003, **a total phase-out of 286.10 ODP tonnes was achieved** through the completion of previously approved individual projects, thus exceeding the 2003 annual CFC phase-out target.

6. Brief report on activities in 2004

Until September 2004, activities at the three of the four remaining previously approved individual projects were completed. By end 2004, all remaining previously approved individual projects would be completed, leading to a CFC phase-out of about 60 ODP tonnes.

The equipment procured for the first batch of enterprises under the Plan is now in the process of being delivered and distributed to the respective recipients. Activities at many of these enterprises are targeted for completion by November 2004. Together with the CFC phase-out achieved through the completion of all previously approved individual projects, this would facilitate achieving the 2004 phase-out target of 368 ODP tonnes.

The second batch of participating enterprises in the Plan was endorsed by MOEF to UNDP in April 2004. The equipment procurement exercise for the second batch of enterprises was completed during June 2004 and the purchase orders for the equipment for second batch of enterprises were issued in August 2004. The cumulative CFC consumption of these enterprises amounted to about 304 ODP tonnes, which would be phased out upon completion of all activities at these enterprises, which is expected by early 2005, thus contributing to the 2004 and 2005 phase-out targets.

The verification of baselines for the current and subsequent batches of participating enterprises was carried out on an ongoing basis by SPPU.

7. Annual Implementation Programme for CY 2005 and Funding

The 2005 annual implementation programme is attached in Annex-2, with a request for release of the third (2004) funding tranche for the Refrigeration Manufacturing Sector, as below:

Sector	Agency	Tranche Amount (US\$)	Agency Fees (US\$)	Total (US\$)
Foam	UNDP	250,000	21,621	271,621
Total		250,000	21,621	271,621

INDIA – REFRIGERATION MANUFACTURING SECTOR PHASE-OUT PLAN
Projects in the Refrigeration Manufacturing Sector completed during 2003

MLF Project Number	3. <u>Project Name</u>	Agency	Approved Grant (US\$)	ODS (MT/y)			ODP (MT/y)	Remark
				CFC-11	CFC-12	Total		
IND/REF/19/INV/91	Shakti Fabricators	IBRD	510,000	9.00	4.50	13.50	12.81	Completed
IND/REF/19/INV/92	Chandra Frig Co	IBRD	159,230	6.90	3.00	9.90	9.40	Canceled
IND/REF/32/INV/282	Sandlas Aircon	UNDP	228,517	18.20	6.45	24.65	23.31	Completed
IND/REF/32/INV/286	Group project: 9 enterprises	UNDP	789,425	43.36	13.34	56.70	53.52	Completed
IND/REF/34/INV/323	Group project: 5 enterprises	UNDP	323,627	17.76	5.50	23.26	21.96	Completed
IND/REF/35/INV/339	Group project: 14 enterprises	UNDP	960,097	53.56	18.37	71.93	68.01	Completed
IND/REF/35/INV/340	Ice-Make Refrigeration	UNDP	157,305	9.65	3.40	13.05	12.37	Completed
IND/REF/35/INV/341	Konark Refrigeration	UNDP	182,684	9.41	4.35	13.76	13.07	Completed
IND/REF/35/INV/342	Group project: 9 enterprises	UNDP	726,448	44.10	15.25	59.35	56.54	Completed
Total			4,037,333	211.94	74.16	286.10		

Notes:

All enterprises achieved all project objectives and met all project obligations, such as phase-out of CFCs, phase-in of CFC-free production, depletion of CFC stocks, destruction of redundant and replaced baseline equipment, etc. Handover Protocols (HOPs) for the respective projects were issued and signed by all parties in 2003.

INDIA - REFRIGERATION MANUFACTURING SECTOR PLAN
2005 Annual Implementation Program

1. Data

Country	India
Year of plan	2005
Number of years completed	2
Number of years remaining under the plan	2 (2005 and 2006)
Target ODS consumption in previous year (CY 2004)	547
Target ODS consumption in the next year (CY 2006)	129
Level of funding requested (US\$)	250,000
Lead implementing agency	UNDP
Co-operating agency (ies)	UNIDO

2. Targets

Indicators		Previous Year Data (official as reported in 2003)	Reduction previous year 2003 (actual)	Present year Data 2004 (planned)	Reductions present year 2004 (calculated)	Reductions year of plan 2005 (planned)
Supply of ODS in Sector (ODP MT)	Import					
	Production					
	Total (1)					
Demand of ODS in Sector (ODP MT)	Manufacturing	849	302	547	66	352
	Servicing	N/A	N/A	N/A	N/A	N/A
	Stock piling	N/A	N/A	N/A	N/A	N/A
	Total (2)	849	302	547	66	352

3. Activities and Costs

Type of Activity	Description of Activity	Objective	Target Group	Impact (General)	Impact (ODP MT)	Planned Expenditures (US\$)	Agency Associated
Customs & Policy Training							
Awareness Training							
Equipment	Replacement of baseline CFC-based equipment	Introduction of equipment suited for non-CFC technology	40-50 enterprises engaged in commercial refrigeration	Technology conversion & elimination of CFCs	285	250,000	UNDP
	Replacement of baseline CFC-based equipment	Introduction of equipment suited for non-CFC technology	Remaining enterprises engaged in transport refrigeration	Technology conversion & elimination of CFCs	67	0	UNIDO
Retrofit							
Total					352	250,000	
Support Cost by Agency							
UNDP						21,621	
UNIDO						0	

NCCoPP Report 2004 - Appendix 4

INDIA
FOAM SECTOR PHASE-OUT PLAN

REPORT ON 2003 IMPLEMENTATION,
2005 ANNUAL IMPLEMENTATION PROGRAMME
AND REQUEST FOR RELEASE OF THIRD FUNDING TRANCHE

Prepared By
SECTOR PHASE-OUT PLAN UNIT (SPPU),
OZONE CELL/MOEF
AND
UNDP

INDIA- FOAM SECTOR PHASE-OUT PLAN

Report on 2003 Implementation, 2005 Annual Implementation Programme and Request for release of the third (2004) funding tranche

1. Background

The project was approved at the 37th Meeting of the Executive Committee of MLF, at a total funding level of US\$ 5,424,577, to be provided in five tranches, leading up to the complete phase-out of CFCs in the Foam Sector in India by 01 January 2007.

The Phase-out Plan will be implemented through five annual implementation programmes and together with the implementation of the approved ongoing projects, will result in the complete phase-out of CFCs in the Foam Sector in India in four years. The Phase-out Plan will cover the technology conversions in all the remaining eligible enterprises in the Foam Sector and also ensure timely, sustainable and cost-effective phase-out in the Foam Sector through a combination of investment, technical support and management components.

The breakdown of the approved overall funding was as below:

Investment Component:	US\$ 5,124,577 (including contingencies)
Policy/Management Component:	US\$ 300,000
Total:	US\$ 5,424,577

The disbursement schedule and annual CFC consumption and phase-out control targets, in accordance with the Agreement between Government of India and the Executive Committee of the Multilateral Fund (Document UNEP/OzL.Pro/ExCom/37/71, Annex-VII) were as below:

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC Consumption limit in the Foam Sector (ODP tonnes)	1,655	1,434	1,037	529	128	0	N/A
Annual CFC phase-out target in the Foam Sector (ODP tonnes)	221	397	508	401	128	0	1,655
Phase-out from approved ongoing projects (ODP tonnes)	221	397	298	100	0		1,016
Phase-out from Sector Phase-out Plan (ODP tonnes)	0	0	210	301	128		639
Annual Funding Instalment* (US\$)	1,500,000	1,750,000	1,500,000	450,000	224,577	0	5,424,577
Agency Support Costs (US\$)	131,000	153,500	131,000	40,500	20,212	0	476,212
Total cost to Multilateral Fund (US\$)	1,631,000	1,903,500	1,631,000	490,500	244,789	0	5,900,789

In accordance with the Agreement reached between India and the Executive Committee of the Multilateral Fund in April 2004, the Foam Sector Plan has now been superseded into the National CFC Phase-out Plan (Document UNEP/OzL.Pro/ExCom/42/54 Annex-XIII).

2. Preparatory Activities

- The first tranche of US\$ 1,500,000 was received by UNDP in August 2002. The second funding tranche of US\$ 1,750,000 was released in November 2003 for the 2004 annual programme.
- It was agreed by UNDP and MOEF that the project would be implemented through the DEX (Direct Execution) modality.
- UNDP and MOEF agreed on the Operational Mechanism for Implementation (OMI), which delineated the roles and responsibilities of the various stakeholders, in February 2003.
- The UNDP first-phase project document covering the first tranche of US\$ 1,500,000 was prepared and submitted to MOEF in March 2003.
- The first phase project document was signed by Government in March/April 2003
- UNDP obtained internal approval for implementation through DEX (Direct Execution) modality in May 2003.
- The UNDP first-phase project document was fully signed by all parties in May 2003.

3. Investment Component

3.1 Enterprise Participation

- The first list of 28 participating enterprises was provisionally endorsed by MOEF in April/May 2003. Upon completion of all activities in these enterprises targeted in 2004, the CFC phase-out that would be achieved, would contribute 279.20 MT to the 2004 annual CFC phase-out target.
- Upon verification of the enterprise baselines by MOEF, the final endorsement of the 28 enterprises for participation in the first batch for implementation, was provided by MOEF to UNDP in August 2003
- The 28 enterprises were divided into three groups, based on the type of foam equipment needed for their conversion, which in turn was dictated by the respective foam type/foam sub-sector involved. Thus, out of the 28 enterprises, the first group of 5 enterprises was engaged in production of rigid foam (general), 12 enterprises were engaged in the production of rigid foam (thermoware) and 11 enterprises were engaged in the production of flexible molded/integral skin foam.

3.2 Procurement

- UNDP announced the invitations for Expressions of Interest for prospective suppliers of the equipment to be procured under this project in March 2003. The invitations for Expressions of Interest were posted in the websites of UN Development Business, IAPSO and UNDP-Delhi for one month.

- UNDP prepared the technical specifications for the foaming equipment to be procured for the first batch of 28 enterprises, in May 2003. UNDP also finalized the short list of vendors for the international competitive bidding exercise, based on the roster of existing suppliers and based on the evaluation of responses to the Expressions of Interest.
- The Invitations to Bid (ITB) for the equipment to be procured for the first batch of 28 enterprises, based on the above, were issued by UNDP in May 2003. Three different invitations to bid, covering the three types of foam equipment required were issued to a total of 6-8 vendors for each type of equipment.
- The bids received were evaluated end-June 2003. The local procurement committee approved the bid evaluation, recommendations and the bidding process in July 2003. UNDP-HQ procurement committee approved the same in July 2003.
- The results of the bidding process were shared with the 28 participant enterprises in July 2003. Some of the participant enterprise elected to opt for bidder(s) other than the recommended bidder(s). In accordance with UNDP procurement rules and procedures, the enterprises were entitled to select bidder(s) other than the recommended (lowest technically acceptable) bidder(s) provided they provided technically justified reasons and agreed to bear the additional costs.
- The process of finalization of the vendors was completed in November 2003. Issuance of purchase orders to vendors for the equipment to be procured for the first batch of enterprises was completed by in November/December 2003.

4. Non-Investment (Policy and Management Support) Component

4.1 Sector Phase-out Plan Unit (SPPU)

- The procedures for acquiring dedicated premises for the Sector Phase-out Plan Unit were completed and the premises assigned in April 2003.
- The position for the National Programme Manager of the Sector Phase-out Plan Unit was advertised locally by UNDP in April 2003.
- The recruitment process and appointment of the National Programme Manager of the Sector Phase-out Plan Unit was completed by UNDP with concurrence from Ozone Cell/MOEF in June 2003 and the selected candidate resumed duties from June 2003.
- The logistics and infrastructural arrangements, such as furniture, office equipment, communication, etc. for the functioning of SPPU were completed and SPPU is fully functional.
- The recruitment process for two support staff for the SPPU (one administrative assistant and one technical assistant) was completed in November 2003 and May 2004 respectively.

4.2 Enterprise Participation

- The operational mechanism for enterprise participation in the Sector Phase-out Plan was finalized by MOEF in consultation with UNDP.
- The verification of baseline at the first batch of 28 enterprises was concluded in August 2003. This included plant visits by MOEF/SPPU and collection of participation documentation and commitments from the enterprises in line with MOEF regulations.
- The verification of enterprises in future batches of participation/procurement has been initiated and would be an ongoing exercise.

4.3 Other Policy, Regulatory and Awareness Actions

MOEF continued the implementation and enforcement of the Government of India Ozone Rules, promulgated in January 2000. During the Ozone Day workshops held in 2002 and 2003, information on the Sector Phase-out Plan was disseminated to Government policy makers and stakeholders. The empowered Steering Committee is fully briefed and aware of the commitments and obligations arising out of the agreement between Government of India and the Executive Committee of MLF, governing the approval of the Sector Phase-out Plan.

5. CFC Phase-out and Results

The annual CFC phase-out target for 2003 was 397 MT; to be achieved through the completion of previously approved individual projects. By December 2003, a phase-out of **481.11 ODP tonnes has been achieved** through the completion of ten previously approved individual projects, thus exceeding the 2003 annual CFC phase-out target (see Annex-1).

6. Brief report on activities in 2004

During March to July 2004, activities at all remaining previously approved individual projects were completed and a total of 278 ODP tonnes of CFCs were eliminated. The equipment procured for the first batch of enterprises under the Plan has now been delivered and distributed to the respective recipients and the installation, commissioning and training for the same is in process at the respective project sites. Activities at these enterprises are targeted for completion by November 2004. Together with the CFC phase-out achieved through the completion of all previously approved individual projects, this would facilitate achieving the 2004 phase-out target of 508 ODP tonnes.

The second batch of 42 participating enterprises in the Plan was endorsed by MOEF to UNDP in March/April 2004. The equipment procurement exercise for the second batch of enterprises was completed during May to July 2004 and the purchase orders for the equipment for second batch of enterprises were issued in August 2004. The cumulative CFC consumption of these enterprises amounted to about 220 ODP tonnes, which would be phased out upon completion of all activities at these enterprises, is expected by early 2005, thus contributing to the 2005 phase-out target.

The verification of baselines for the current and subsequent batches of participating enterprises was carried out on an ongoing basis by SPPU.

7. Annual Implementation Programme for 2005 and Funding

The 2005 annual implementation programme for is attached in Annex-2, with a request for release of the third funding tranche for the Foam Sector, as below:

Sector	Agency	Tranche Amount (US\$)	Agency Fees (US\$)	Total (US\$)
Foam	UNDP	1,500,000	131,000	1,631,000
Total		1,500,000	131,000	1,631,000

5.

6. INDIA**Projects in the Foam Sector Completed during 2003**

UNDP Project Number	MLF Project Number	Project Name	Approved Grant (US\$)	ODS (MT/y)	ODP (MT/y)	Remark
IND/96/G92	IND/FOA/20/INV/101	Vora Cork Industries	264,500	39.60	39.60	Completed 7/2003
IND/00/G68	IND/FOA/29/INV/242	SME Group - III (24 enterprises)	777,198	107.10	97.72	Completed 4/2003
IND/01/G12	IND/FOA/34/INV/321	Spray Group – II	759,165	192.48	178.36	Completed 11/2003
IND/01/G62	IND/FOA/32/INV/289	Sawhney Seating Systems P. Ltd.	241,619	28.90	27.99	Completed 7/2003
IND/01/G63	IND/FOA/32/INV/285	Sun Steering Wheels Ltd.	144,379	17.00	15.65	Completed 2/2003
IND/01/G64	IND/FOA/32/INV/280	Netplast	177,224	18.00	18.00	Completed 11/2003
IND/01/G67	IND/FOA/34/INV/324	Apollo Steelcrafts	76,925	14.75	13.67	Completed 11/2003
IND/01/G73	IND/FOA/34/INV/330	Nu-Foam Rubber Industries	160,150	15.65	15.65	Completed 2/2003
IND/01/G77	IND/FOA/34/INV/312	Roome Plastics P. Ltd.	100,546	19.50	18.07	Completed 11/2003
IND/01/G78	IND/FOA/34/INV/334	Solvay Mouldings P. Ltd.	196,885	28.13	26.07	Completed 7/2003
TOTAL			2,898,591	481.11	450.78	

Notes:

1. All enterprises achieved all project objectives and met all project obligations, such as phase-out of CFCs, phase-in of CFC-free production, depletion of CFC stocks, destruction of redundant and replaced baseline equipment, etc.
2. Handover Protocols (HOPs) were issued and signed by all parties in 2003.

INDIA - FOAM SECTOR PLAN
2005 Annual Implementation Program

1. Data

Country	India
Year of plan	2005
Number of years completed	2.5
Number of years remaining under the plan	2 (2005 and 2006)
Target ODS consumption in previous year (2004)	1,034
Target ODS consumption in the next year (2006)	128
Level of funding requested (US\$)	1,500,000
Lead implementing agency	UNDP
Co-operating agency (ies)	N/A

2. Targets

<i>Indicators</i>		Previous Year Data (official – as reported in 2003)	Reduction previous year 2003 (actual)	Present year Data 2004 (planned)	Reductions present year 2004 (planned)	Reductions year of plan 2005 (planned)
Supply of ODS in Sector (ODP MT)	Import					
	Production					
	Total (1)					
Demand of ODS in Sector (ODP MT)	Manufacturing	1,536	481	1,034	508	401
	Servicing	N/A	N/A	N/A	N/A	N/A
	Stock piling	N/A	N/A	N/A	N/A	N/A
	Total (2)	1,536	481	1,034	508	401

3. Activities and Costs

Type of Activity	Description of Activity	Objective	Target Group	Impact (General)	Impact (ODP MT)	Planned Expenditures (US\$)	Agency Associated
Customs & Policy Training							
Awareness							
Establishing/upgrading Training Institutions							
Training							
Equipment	Replacement of baseline CFC-based equipment	Introduction of new equipment suited for non-CFC technology	30-35 Recipient enterprises engaged in production of foam	Technology conversion and elimination of CFC consumption	401	1,500,000	UNDP
Retrofit							
Total					401	1,500,000	
<i>Support Cost by Agency</i>							
UNDP						131,000	