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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-sixth Meeting
Montreal, 4-8 July 2005

AMENDMENTS TO WORK PROGRAMMES FOR 2005 OF UNIDO

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COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee for US \$735,467 as amendments to its 2005 Work Programme, plus agency support costs of US \$62,510.
2. The activities proposed in UNIDO's Work Programme Amendments are presented in Table 1 below:

Table 1: UNIDO Work Programme Amendments

Country	Activity/Project	Amount Requested US \$	Amount Recommended US \$
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1. Project preparation:			
Korea, D.P.R.	Preparation of a terminal phase-out management plan	15,000	15,000
Oman	Preparation of a terminal phase-out management plan	30,000	30,000
Qatar	Preparation of a terminal phase-out management plan	30,000	30,000
Subtotal for project preparation:		75,000	75,000
A2. Renewal of institutional strengthening project:			
		ODP tonnes	
Oman	Renewal of institutional strengthening support, Phase II	7.5	68,467
Subtotal for institutional strengthening projects:		68,467	68,467
A3. Other activities:			
Algeria	HCFC survey	85,000	85,000
Cambodia	Training and awareness workshop in the fumigants sector (methyl bromide)	30,000	30,000
Croatia	HCFC survey	40,000	40,000
Egypt	HCFC survey	70,000	70,000
Libyan Arab Jamahiriya	HCFC survey	45,000	45,000
Niger	HCFC survey	30,000	30,000
Nigeria	HCFC survey	100,000	100,000
Romania	HCFC survey	45,000	45,000
Sudan	HCFC survey	45,000	45,000
Subtotal for other activities:		490,000	490,000
SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION			
B1. Project preparation:			
Algeria	Preparation of a national ODS phase-out plan (incl. CTC/TCA)	72,000	
Saudi Arabia	Preparation of a terminal phase-out management plan	30,000	
Subtotal for project preparation:		102,000	
Subtotal		735,467	
Agency support costs (7.5 per cent for project preparation and institutional strengthening, and for other activities over US \$250,000, and 9 per cent for other activities under US \$250,000):		62,510	
Total:		797,977	

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL

A1: Project preparation

D.P.R. Korea: Preparation of a terminal phase-out management plan (US \$15,000)

Fund Secretariat’s comments

3. UNIDO has sought project preparation funding of US \$15,000 plus support costs for preparation of a terminal phase-out management plan (TPMP) for D.P.R. Korea. The request is submitted as part of a joint project with UNEP. Discussion of the proposal can be found in paragraphs 4 to 11 of UNEP’s work programme amendments, document UNEP/OzL.Pro/ExCom/46/22.

Fund Secretariat’s recommendations

4. The Fund Secretariat recommends blanket approval of the activity at the level of funding listed in Table 1.

Oman: preparation of a terminal phase-out management plan (US \$30,000)

Qatar: preparation of a terminal phase-out management plan (US \$30,000)

Fund Secretariat’s recommendations

5. The Fund Secretariat recommends blanket approval of the above project preparation activities at the levels of funding indicated in Table 1.

A2: Renewal of institutional strengthening projects

(a)	Oman (phase II)	US \$68,467
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6. The description of the institutional strengthening project for the above country is presented in Annex I to this document.

Fund Secretariat’s recommendations

7. The Fund Secretariat recommends blanket approval of the above project at the level of funding shown in Table 1. The Executive Committee may wish to express to the Government of Oman the comments which appear in Annex II to this document.

A3: Other activities

Fund Secretariat’s recommendations

8. The Fund Secretariat recommends blanket approval of the activities listed in section A3 of Table 1 at the levels of funding indicated.

SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION

B1: Project Preparation

Algeria: preparation of a national ODS phase-out plan (incl. CTC/TCA) (US \$72,000)

Fund Secretariat's Comments

9. UNIDO has requested funding of US \$72,000 plus support costs to prepare a terminal phase-out plan (TPMP) for Algeria. At the 37th Meeting, the Executive Committee approved US \$42,000 plus support costs as bilateral cooperation from the Government of Germany to prepare a TPMP covering all remaining consumption other than the refrigeration sector for which an RMP had been approved under decision 31/48. In response to the Secretariat's request for clarification, UNIDO indicated that it had been requested to prepare the TPMP by Algeria and, further, that it had been advised that Algeria had requested Germany to cancel its project and return the unused funds. The Secretariat received a copy of an e-mail from the national ozone office of Algeria to GTZ to this effect. Subsequently, the Secretariat received correspondence from Germany indicating that Germany's project preparation activity was under discussion between the Governments of Algeria and Germany.

10. At the time of preparation of this document, the Secretariat had not received a request from the bilateral partner, Germany to cancel the existing preparatory activity. The project preparation request from UNIDO therefore appears to represent double counting.

11. In regard to the level of funding, assistance is eligible for phase-out of the balance of 15 per cent of the baseline consumption in the refrigeration sector, since the RMP will phase-out the remaining 85 per cent. This balance amounts to some 43 ODP tonnes. Funding of around US \$30,000 for preparatory activities would be eligible, consistent with decision 45/54 on guidelines for TPMPs. While these guidelines are for LVC countries, the level of project preparation assistance required is comparable in this case.

12. The Secretariat has been advised by the Government of Germany that its TPMP project preparation activities have been substantially completed and that little if any funding from the US \$42,000 approved at the 37th Meeting will remain unspent. The Secretariat is awaiting advice as to whether it is proposed that UNIDO take over the project prepared by Germany or engage in some other co-operative arrangement.

Fund Secretariat's recommendations

13. Pending.

Saudi Arabia: Preparation of a terminal phase-out management plan (US \$30,000)Fund Secretariat's Comments

14. UNIDO has requested funding of US \$30,000 plus support costs to prepare a terminal phase-out plan for Saudi Arabia.

15. At its 24th Meeting, the Executive Committee received a request from UNIDO for funding to establish a national ozone unit in Saudi Arabia. The Executive Committee decided “to send a letter to Saudi Arabia urging it not to seek funding from the Multilateral Fund” (decision 24/37). The Secretariat communicated this decision to Saudi Arabia on 24 April 1998.

16. At its 29th Meeting, the Executive Committee decided, *inter alia* that “UNEP should remove Saudi Arabia and the United Arab Emirates from its business plan” (decision 29/15(b)) and further, to “request the Secretariat to send a letter to Saudi Arabia and the United Arab Emirates, countries originally classified as non-Article 5, reminding them of decision VI/5(e) adopted by the Contracting Parties at their Sixth Meeting” (decision 29/16). The Secretariat communicated this decision to Saudi Arabia on 16 December 1999.

17. The Secretariat has no record of a response from Saudi Arabia to the above correspondence and advised UNIDO accordingly, seeking clarification on the background to the request for funding support. UNIDO advised that Saudi Arabia’s CFC consumption indicates that the country may have difficulties in meeting the 2005 CFC control measures. Saudi Arabia reported a consumption of 1,300 ODP tonnes of CFCs in 2003. The 50 per cent reduction step for Saudi Arabia in 2005 is 899 ODP tonnes.

18. UNIDO reported that at a recent network meeting attended by Saudi Arabia, UNEP and UNIDO had discussed with Saudi Arabia “how to assist Saudi Arabia to ensure their compliance with the Montreal Protocol obligations. It was agreed that although the first step of assistance should be the country programme, more immediate and concrete assistance is required and therefore it appears more suitable to request a CP/RMP or more appropriately a CP/TPMP, whereby the cooperation between UNEP, UNIDO and Saudi Arabia will start jointly in order to avoid delays and to reduce the risk of non-compliance.” UNIDO added that “the request of Saudi Arabia is not for the transfer of technology and conversion of the manufacturing facilities but more to eliminate consumption in the servicing sector, harmonisation of policies and legislations and addressing SMEs in the country. The concrete project proposal which will be prepared will look into the possibilities of mobilising funds within the country for this purpose”.

19. Subsequently the Secretariat received from UNIDO a copy of a letter from the Government of Saudi Arabia to UNEP and UNIDO dated 8 May 2005 requesting UNEP to include in its business plan for 2005 preparation of a country programme and set up of a national ozone unit and requesting assistance from UNIDO to prepare a terminal phase-out management plan with the understanding that the non-investment components will be handled by UNEP. A copy of the letter is attached.

20. The level of funding requested would be consistent with relevant criteria.

Fund Secretariat's recommendations

21. The Executive Committee may wish to consider the request for funding to prepare a CP/TPMP for Saudi Arabia in the light of the above information and noting the potential compliance problem the country might have.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Oman: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNIDO
Amounts previously approved for institutional strengthening (US \$):	
Phase I: December 2000	79,000
Total	79,000
Amount requested for renewal (Phase II) (US \$):	68,467
Amount recommended for approval (US \$)	68,467
Agency support costs (US \$)	5,135
Total cost of institutional strengthening Phase II to the Multilateral Fund	73,602
Date of approval of country programme	Dec. 2000
Date of approval of country programme update (if applicable)	--
Total ODS consumption reported in country programme (1999), (ODP tonnes)	269.3
Latest reported total ODS consumption (2004) (ODP tonnes)	168.6
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	248.4
(b) Annex A Group II (Halons) (Average 1995-1997)	13.7
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	0.1
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0
(e) Annex E (Methyl bromide) (Average 1995-1998)	1.0
Latest consumption of controlled substances (2004) (ODP tonnes):	
(a) Annex A Group I (CFCs)	98.7
(b) Annex A Group II (Halons)	0
(c) Annex B Group II (Carbon tetrachloride)	25.9
(d) Annex B Group III (Methyl chloroform)	24.0
(e) Annex C Group I (HCFCs)	20.0
(f) Annex E (Methyl bromide)	0
Amount approved for projects (US \$)	784,493
Amount disbursed (as at May 2005) (US \$):	328,304
ODS to be phased out (ODP tonnes)	13.1
ODS phased out (as at May 2005) (ODP tonnes)	0

Progress report

1. Implementation of Montreal Protocol activities in Oman is proceeding successfully. During the reporting period the National Ozone Unit of Oman implemented the activities in Oman's refrigerant management plan (RMP). Twenty two customs officers and refrigeration technicians were trained. The Government of Oman commenced development of a regulation for the control and management of ODS within the framework of Royal Decree No. 73/98. An ODS permit and quota system for companies that import and distribute ODS was established consistent with Montreal Protocol phase-out schedules. Additionally, public awareness activities were carried out via radio, television and printed media as well as through lectures in the local schools. Although methyl bromide consumption has stopped, knowledge about alternatives to

methyl bromide is lacking among farmers and there is concern that methyl bromide use may resume. In 2003, Oman was considered in non-compliance with its control obligations for methyl chloroform. In response Oman has introduced a ban on the import of methyl chloroform.

2. The programme of activities related to the Montreal Protocol forms part of Oman's commitment to phasing out the consumption of ODS in a controlled and cost-effective manner. The National Ozone Unit (NOU) is part of the Ministry of Regional Municipalities, Environment and Water Resources, and is the focal point for Montreal Protocol activities. The NOU coordinates the implementation of projects in co-operation with relevant Ministries. The strategy for ODS phase-out in Oman is based on containment, recovery and recycling of refrigerants, implementation of control measures, public awareness campaigns and training activities for refrigeration service technicians.

Plan of action

3. The Action Plan for the institutional strengthening project is integrated into the national planning process under the sustainable development sector. The NOU is responsible for the implementation of the institutional strengthening programme and for monitoring implementation of the phase-out. Oman will continue with the implementation of the remaining RMP projects, to achieve an 85% reduction in consumption of CFCs and halons by January 2007. Activities for 2006-2007 include implementing major improvements to the ODS database, strengthening existing ODS permit procedures, enforcing ODS regulations effectively, enhancing exchange of information with other Montreal Protocol parties and continuing a comprehensive public awareness programme to support ODS phase-out.

Annex II

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 46TH MEETING

Oman

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Oman and notes with appreciation that Oman has reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Oman therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Oman has taken significant steps to phase out its ODS consumption. Specifically, implementation of legislation to control ODS imports and a system for monitoring of ODS consumption, the organization of training workshops for customs officers and the organization of awareness activities to reinforce the commitment of stakeholders to ODS phase out. The Executive Committee greatly supports the efforts of Oman to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Oman will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption levels.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

46th Executive Committee of the
Multilateral Fund for the Implementation
of the Montreal Protocol

UNIDO 2005 Work Programme Amendment

UNIDO

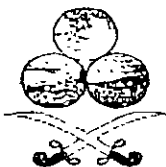
2005 Work Programme Amendment

Section 1

Consolidated table giving project preparation
and non-investment projects in all countries
and sectors

Item	Country	Title of Project	Sector	Type	Project Value (w/o A.S.C.) in US\$	A.S.C in US\$	Requested Amount (US\$) in Work Programme 2005 (incl. A.S.C.)	A.S.C %	Duration in months	Remarks
Institutional strengthening										
1	Oman	Renewal of institutional strengthening, Phase II	SEV	INS	68,467	5,135	73,602	7.5	24	
1	Total	INS projects			68,467	5,135	73,602			
Technical assistance projects										
1	Algeria	HCFC Survey	SEV	TAS	85,000	7,650	92,650	9	18	
1	Croatia	HCFC Survey	SEV	TAS	40,000	3,600	43,600	9	18	
1	Egypt	HCFC Survey	SEV	TAS	70,000	6,300	76,300	9	18	
1	Libya	HCFC Survey	SEV	TAS	45,000	4,050	49,050	9	18	
1	Niger	HCFC Survey	SEV	TAS	30,000	2,700	32,700	9	18	
1	Nigeria	HCFC Survey	SEV	TAS	100,000	9,000	109,000	9	18	
1	Romania	HCFC Survey	SEV	TAS	45,000	4,050	49,050	9	18	
1	Sudan	HCFC Survey	SEV	TAS	45,000	4,050	49,050	9	18	
8	Total	TAS projects			460,000	41,400	501,400			
Training projects										
1	Cambodia	Training and awareness workshop in the fumigants sector (methyl bromide)	SEV	TRA	30,000	2,700	32,700	9		
1	Total	TRA projects			30,000	2,700	32,700			
Project Preparation										
1	Algeria	Preparation of a national ODS phase-out Plan (incl. CTC/TCA)	SEV	PRP	72,000	5,400	77,400	7.5	12	
1	DPR Korea	Preparation of a Terminal Phase-out Management Plan	SEV	PRP	15,000	1,125	16,125	7.5	12	
1	Oman	Preparation of a Terminal Phase-out Management Plan	SEV	PRP	30,000	2,250	32,250	7.5	12	
1	Qatar	Preparation of a Terminal Phase-out Management Plan	SEV	PRP	30,000	2,250	32,250	7.5	12	
1	Saudi Arabia	Preparation of a Terminal Phase-out Management Plan	SEV	PRP	30,000	2,250	32,250	7.5	12	
5	Sub-Total	PRP projects			177,000	13,275	190,275			
15		GRAND TOTAL			735,467	62,510	797,977			

PME



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Dear colleagues,

The Kingdom of Saudi Arabia ratified the Vienna Convention, Montreal Protocol, London Amendment and the Copenhagen Amendment in March 1993. Since that date, Saudi Arabia has honored its obligations towards the Protocol by phasing out Ozone Depleting Substances (ODSs) through the national regulatory frameworks and voluntary measures taken by industries both in the public and private sectors.

To date, the actions taken by Saudi Arabia allowed it to comply with the freeze and reduction measures with no financial assistance from the Multilateral Fund of the Montreal Protocol, established for that purpose. However Saudi Arabia, among other Article 5 countries, is facing challenges in pursuing its task and fulfilling its obligations particularly in terms of its compliance towards the 2005 and beyond phase out measures.

In this connection, and taking into account the expertise gained by Montreal Protocol regime and the implementing agencies in ODS phase out particularly eliminating consumption in the servicing sector, updating and harmonization of policies and legislations, monitoring and combating illegal trade, capacity building and addressing SMEs, Saudi Arabia wishes to benefit from the knowledge that could be transferred through the implementing agencies to assist Saudi Arabia in complying with its obligations under the Montreal Protocol.

Accordingly, we would like to herewith request UNEP to include in its business plan for 2005 preparation of a country programme and set up of a national ozone unit.

Kingdom of Saudi Arabia

Ministry of Defense & Aviation
Presidency of
Meteorology & Environment

Number : _____
Date : _____
Attachment : _____

PME



On the other hand, we would like to request UNIDO for assisting to prepare a terminal phase out management plan with the understanding that non-investment components such as the training on good practices in refrigeration and the training of custom officers will be handled by UNEP.

مرفوض

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