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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-seventh Meeting  
Montreal, 21-25 November 2005

**Addendum**

**PROJECT PROPOSALS: AFGHANISTAN**

This addendum is issued to:

- **Replace** page 2 **with** the attached project evaluation sheet on page 3.
- **Replace** paragraphs 22 and 23 **with** the paragraphs below.
- **Add** Annex I.

Draft agreement

22. UNEP and the Government of Germany had assisted the Government of Afghanistan to prepare a draft agreement between the Government of Afghanistan and the Executive Committee for the complete phase-out of ODSs. The draft agreement is attached to this document as Annex I (this agreement was received at the Secretariat after document UNEP/OzL.Pro.ExCom/47/22 was finalized and posted in the Secretariat's web page).

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

**RECOMMENDATIONS**

23. The Executive Committee may wish to consider:

- (a) Approving, in principle, the national phase-out plan for the Islamic Republic of Afghanistan, at the amount of US \$1,065,806 plus agency support costs of US \$138,555 for the Government of Germany and UNEP;
- (b) Approving the draft agreement between the Government of the Islamic Republic of Afghanistan and the Executive Committee for the implementation of the national phase-out plan as contained in Annex I to this document; and
- (c) Approving the first tranche of the plan at the funding levels shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	National phase-out plan	305,000	39,650	UNEP
(b)	National phase-out plan	118,438	15,397	Germany

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS  
AFGHANISTAN**

<b>PROJECT TITLES</b>		<b>BILATERAL/IMPLEMENTING AGENCY</b>
(a)	Refrigerant management plan: policy component: development and implementation of regulations	UNEP
(b)	Refrigerant management plan: training programme on good practices in refrigeration	UNEP
(c)	Refrigerant management plan: umbrella project foam sector	Germany
(d)	Refrigerant management plan: recovery and recycling	Germany
(e)	Refrigerant management plan: customs training	UNEP

<b>NATIONAL CO-ORDINATING AGENCY</b>	National Environmental Protection Agency (NEPA)
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**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**

**A: ARTICLE-7 DATA (ODP TONNES, 2004, AS OF OCTOBER 2005)**

179.7 ODP tonnes CFC			
0.2 ODP tonnes of CTC			

**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2004, AS OF MAY 2005)**

ODS Name	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity
n/a				

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	
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**CURRENT YEAR BUSINESS PLAN: Total funding US \$ 226,000: total phase-out 0 ODP tonnes.**

<b>PROJECT DATA</b>		<b>2005</b>	2006	2007	2008	2009	2010	Total
Annex A Group I (ODP tonnes)	Montreal Protocol limits	<b>190.0</b>	190.0	57.0	57.0	57.0	0.0	
	Annual consumption limit	<b>179.7</b>	179.7	57.0	41.0	30.0	0.0	
	Annual phase-out from ongoing projects							
	Annual phase-out newly addressed	<b>0.0</b>	122.7	16.0	11.0	30.0	0.0	179.7
	Annual unfunded phase-out							
Annex B Group II (ODP tonnes)	Montreal Protocol limit	<b>0.12</b>	0.12	0.12	0.12	0.12	0.00	
	Annual consumption limit	<b>0.12</b>	0.12	0.00	0.00	0.00	0.00	
	Annual phase-out from ongoing projects							
	Annual phase-out newly addressed	<b>0.00</b>	0.12	0.00	0.00	0.00	0.00	0.12
	Annual unfunded phase-out							
Total ODS consumption to be phased out		<b>0.0</b>	122.82	16.0	11.0	30.0	0.0	179.82
Total ODS consumption to be phased-in (HCFCs)								
Project cost as originally submitted (US \$)								
Final Project costs (US \$):								
	Funding for lead agency UNEP	<b>305,000</b>	40,000	0	0	0	0	345,000
	Funding for Germany	<b>118,438</b>	602,368	0	0	0	0	720,806
	Total project funding	<b>423,438</b>	642,368	0	0	0	0	<b>1,065,806</b>
Final Support costs (US \$):								
	Support cost for lead agency UNEP	<b>39,650</b>	5,200	0	0	0	0	44,850
	Support cost for Germany	<b>15,397</b>	78,308	0	0	0	0	93,705
	Total support costs	<b>55,047</b>	83,508	0	0	0	0	<b>138,555</b>
Total cost to Multilateral Fund (US \$)		<b>478,485</b>	725,876	0	0	0	0	1,204,361
Final project cost effectiveness (US \$/kg)								5.93

**FUNDING REQUEST:** Approval in principle of total ODS phase-out, total project funding and total support costs, and approval of funding for first tranche (2005) as indicated above.

<b>SECRETARIAT'S RECOMMENDATION</b>	For individual consideration
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**DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ISLAMIC REPUBLIC OF  
AFGHANISTAN AND THE EXECUTIVE COMMITTEE FOR THE  
IMPLEMENTATION OF THE NATIONAL PHASE-OUT PLAN (NPP)**

1. This Agreement represents the understanding of the Government of Islamic Republic of Afghanistan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol in accordance with the annual phase-out targets set out in Appendix 2-A and Appendix 2-B (the “Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances as described in the NPP document.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 11 of Appendix 2-A and Appendix 2-B (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A and Appendix 2-B. It will also accept independent verification by the relevant Bilateral Agency/Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Target for the applicable year;
  - (b) That the meeting of these Targets has been independently verified as described in paragraph 9;
  - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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

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

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

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

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

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee

## Annex I

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

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

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

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

### Appendix 1-A: The Substances

Annex A:	Group I	CFC-11, CFC-12,
Annex-B	Group-II	CTC

### Appendix 2-A: The Targets, and Funding Annex-A Group-I (CFC,s)

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	190.0	190.0	57.0	57.0	57.0	0.0	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)	179.7	179.7	57.0	41.0	30.0	0.0	
3. Reduction from ongoing projects							
4. New reduction under plan	0.0	122.7	16.0	11.0	30.0	0.0	179.7
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.0	122.7	16.0	11.0	30.0	0.0	179.7
6. UNEP agreed funding (US \$)	305,000	0					305,000
7. GTZ agreed funding (US \$)	118,438	602,368					720,806
8. Total agreed funding (US \$)	423,438	602,368					1,025,806
9. UNEP support costs (US \$)	39,650	-					39,650
10. GTZ support cost (US \$)	15,397	78,308					93,705
11. Total agency support costs (US \$)	55,047	78,308					133,455

**Appendix 2-B: Targets, and Funding Annex B Group-II (CTC)**

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	0.12	0.12	0.12	0.12	0.12	0.00	
2. Maximum agreed total consumption of Annex B Group II substances (ODP tonnes)	0.12	0.12	0.00	0.00	0.00	0.00	
3. Reduction from ongoing projects							
4. New reduction under plan	0.00	0.12	0.00	0.00	0.00	0.00	0.12
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.00	0.12	0.00	0.00	0.00	0.00	0.12
6. UNEP agreed funding (US \$)							
7. GTZ agreed funding (US \$)		40,000					40,000
8. Total agreed funding (US \$)		40,000					40,000
9. UNEP support costs (US \$)							
10. GTZ support cost (US \$)		5,200					5,200
11. Total agency support costs (US \$)		5,200					5,200

**Appendix 3-A: Funding Approval Schedule**

1. Funding will be considered for approval at the 47<sup>th</sup> and the 48<sup>th</sup> Executive Committee Meetings.

**Appendix 4-A: Format for Annual Implementation Programmes**

1. **Data**

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Co-operating agency(ies)	_____

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

3. **Industry Action**

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. **Annual Budget**



Activity	Planned Expenditures (US \$)
<b>Total</b>	

## 7. Administrative Fees

### Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the National Ozone Unit.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the NPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring and controlling illegal ODS imports into the country.
3. The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.
4. Each of the different projects within the NPP will need a different monitoring sub-programme suited to the objectives of the project.

#### Verification and reporting

5. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

#### Institution for conducting the verification

6. Based on the discussion with UNEP, the Government of Islamic Republic of Afghanistan should select the independent organization (auditing) to carry out the verification of the NPP results and the monitoring programme.

#### Frequency of verification and reporting

7. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

### **Appendix 6-A: Role of the Lead IA**

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2005 to be prepared and submitted in year 2006;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinating the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (l) Providing assistance with policy, management and technical support when required.

**Appendix 6-B: Role of Cooperating IA**

1. GTZ as cooperating implementing agency, will:
  - (a) Assist the Government of Islamic Republic of Afghanistan in the implementation and verification of the activities to be undertaken by UNEP as funded in rows 9 and 10 of Appendix 2-A and Appendix 2-B;
  - (b) Ensuring that disbursements are made to the Country in a timely and effective manner;
  - (c) Reporting to the lead IA on these activities; and
  - (d) Provide assistance relating to the activities being undertaken when required.

**Appendix 7-A: Reductions in Funding for Failure to Comply**

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$9,150 per ODP tonne of reductions in consumption not achieved in the year.

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