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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-eighth Meeting
Montreal, 3-7 April 2006

BILATERAL AGENCIES BUSINESS PLANS FOR 2006-2008

This document includes:

- (1) The consolidation of the business plans submitted by bilateral agencies
- (2) The business plans of the bilateral agencies.

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.

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COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

Introduction/Background

1. At their Second Meeting, the Parties to the Montreal Protocol decided that:

“Bilateral and, in particular cases agreed by a decision of the Parties, regional cooperation may, up to twenty per cent and consistent with any criteria specified by decision of the Parties, be considered as a contribution to the Multilateral Fund, provided that such cooperation as a minimum:

- (a) Strictly relates to compliance with the provisions of the Protocol;
- (b) Provides additional resources; and
- (c) Meets agreed incremental costs” (decision II/8, para. 7).”

2. The terms of reference of the Executive Committee indicate that one of the functions of the Executive Committee is to:

“Assess annually whether the contributions through bilateral cooperation, including particular regional cases, comply with the criteria set out by the Parties for consideration as part of the contributions to the Multilateral Fund.” (Para. 10(i) of the Terms of Reference of the Executive Committee as modified by the Ninth Meeting of the Parties in decision IX/16, Annex V of the Report of the Ninth Meeting of the Parties)

3. The Executive Committee decided to allow flexibility in the year for which bilateral projects would be credited, provided that bilateral agencies submitted their work plans at the beginning of the year in time for the Secretariat to transmit them to the Executive Committee for consideration during discussions of the business plans at the Committee’s first meeting of the year (decision 25/13(a)). Nevertheless, it should be noted that in deciding the level of replenishment for 2006-2008 (and for previous triennia) the Parties apportioned contributions on an annual basis as per decision XVII/40, para. 2.

4. The Secretariat sent reminder letters to those countries with bilateral activities, and to those that were considering bilateral activities in 2006-2008, asking them to indicate their activities for the years 2006, 2007, and 2008, by country, including the amount of ODS to be phased out and the cost of the activity.

5. The following non-Article 5 countries provided business plans most of which consist solely of business plan tables: Australia, Canada, France, Germany, Japan and Sweden. These documents are included as Annexes I to VI to the present document.

6. Based on the submitted business plans, bilateral agencies intend to conduct activities during 2006 (excluding regional projects) in 29 Article 5 countries. Those countries include:

Afghanistan, Algeria, Angola, Benin, Bolivia, Brazil, Burkina Faso, Central African Republic, Gambia, Georgia, India, Iran, Kenya, Laos, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Namibia, Papua New Guinea, Saint Lucia, Serbia and Montenegro, Seychelles, Swaziland, Tanzania, Uganda, Uruguay and Zambia.

7. Table 1 presents planned bilateral activities in 2006 by type of activity. In the past, most bilateral activities had been non-investment activities. In 2006, 51 per cent of the planned level of expenditure for bilateral agencies is directed towards investment and phase-out plan projects.

Table 1
Planned Bilateral Activities by Type (US\$)

Type	2006	2007	2008
Demonstration	1,206,800	200,000	400,000
Institutional Strengthening	228,486	0	228,486
Investment	2,824,025	1,872,569	923,129
Phase-Out Plan	2,596,142	2,858,018	307,367
Preparation	401,600	101,700	0
Technical Assistance	3,316,388	3,656,155	1,030,655
Training	100,000	0	0
Total	10,673,441	8,688,442	2,889,637

8. The total value of activities included in the bilateral business plans for 2006 is US \$10,673,441 and US \$22,251,520 for the 2006 to 2008 triennium. Data for Switzerland for the annual tranches that will be submitted in 2006 is included despite the fact that Switzerland did not submit a business plan. It should be noted, however, that traditional bilateral donors such as Finland, Italy, Spain, Switzerland, the United Kingdom, and the United States of America did not submit bilateral business plans and, therefore, the total value of bilateral activities could increase.

Bilateral business plans and the three-year phase-out model

9. Table 2 presents the levels of phase-out expected to result from bilateral activities.

Table 2
Phase-out from Bilateral Activities by Substance (in ODP tonnes)

Substance	2006	2007	2008
CFC	502.3	562.2	201.9
Methyl Bromide	12.0	40.0	12.0
Several (CFC/CTC)	59.7	11.4	7.9
Total	574.0	613.6	221.8

10. Only Germany has specified ODS phase-out for its activities. The phase-out associated with the Swedish project is included in the implementing agencies' business plans, since the Swedish bilateral agency is working jointly with UNIDO.

COMMENTS ON BILATERAL BUSINESS PLANS

11. The Fund Secretariat reviewed each bilateral donor's business plan and provided comments on several of the proposed activities. This section of the document summarizes some of the information contained in the bilateral business plans by donor country.

Australia

12. Australia's 2006 business plan (Annex I) includes one activity valued at US \$103,500 for a regional network for 14 Article 5 countries in the Pacific. Twenty per cent of Australia's pledged contributions for 2006 amounts to US \$532,029.

13. Table 3 presents a summary of the resource allocation in Australia's 2006-2008 business plan.

Table 3

ALLOCATION OF RESOURCES (US \$)

	2006	2007	2008
Other New Activity	103,500	138,000	34,500
Total	103,500	138,000	34,500

14. The "Other New Activity" included in Australia's business plan is to provide support for a Pacific region network. Currently the Pacific Island Countries (PICs) that have participated in the PIC Strategy implemented by UNEP and Australia do not participate in the regional network programme of South East Asia sponsored outside of the Multilateral Fund by Sweden (except Fiji). Nor do they participate in the South Asia network supported by the Fund as part of UNEP's Compliance Assistance Programme (CAP).

15. The Government of Australia indicated that the special situation of the PICs poses challenges over and above those of other Article 5 countries due to their isolation, remoteness, vulnerability, and small populations and economies. Nine of these countries need further assistance with licensing systems, legislation and regulations. Two countries, the Federated States of Micronesia and Fiji, have been found to be in non-compliance with CFC and methyl bromide control measures, respectively. Data reporting is sporadic, especially with respect to Implementation of Country Programme data, which has been reported consistently only by a few PICs.

16. The proposed Pacific regional network would provide a regular, interactive forum for National Ozone Units (NOUs) to exchange experiences, develop skills, and share knowledge and ideas with counterparts from both developing and developed countries. Network meetings have

been planned on an annual basis and UNEP has been proposed as the Lead Agency although UNEP did not include any funding for this activity in its 2006-2008 business plan.

Comments

17. As indicated in Table 3, the proposed activity is considered an “other new activity” that is not required for compliance, and is not identified in the three-year ODS phase-out model. The reason that this activity is not required for compliance (despite the fact that some PIC countries are in non-compliance) is that the Executive Committee only agreed to fund the existing PIC Strategy “on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Governments would have flexibility on the use of the funding approved.” Therefore, based on the original approval, total eligible funding has already been provided by the Multilateral Fund. Moreover, regardless of whether the proposed activity is approved, UNEP’s CAP will continue to be responsible for providing assistance to PICs in non-compliance—countries need not be part of a network to receive UNEP CAP assistance.

18. The Fund Secretariat noted that networks generally are CAP activities and should have been proposed in that context within UNEP’s 2006-2008 business plan and as part of its 2006 CAP budget. It was also noted that UNEP had prepared the request for Australia. Australia indicated that all other Article 5 countries have access to a network except the PICs. The Executive Committee may wish to consider whether this activity is eligible for inclusion in business plan in light of the previous approval for the PIC Strategy and the fact that the PICs do not have access to regional networks while other countries without remaining funding eligibility do.

Canada

19. Canada’s 2006 business plan (Annex II) includes six activities valued at US \$450,000. Those activities include two project preparations and four phase-out plan projects. Twenty per cent of Canada’s pledged contributions for 2006 amounts to US \$940,073.

20. Table 4 presents a summary of the resource allocation in Canada’s 2006-2008 business plan.

Table 4

ALLOCATION OF RESOURCES (US \$)

	2006	2007	2008
New Activities Required in the three-year ODS Phase-out Model	410,000	500,000	105,000
Project Preparation Activities Required in the three-year Phase-out Model	40,000		
Total	450,000	500,000	105,000

Comments

21. Canada has included terminal ODS phase-out management plan (TPMP) preparation and/or activities in its 2006 business plan for Benin, Bolivia, Burkina Faso, St. Lucia and Uruguay . All of these activities are required by the three-year ODS phase-out model. In addition to TPMP activities in 2007 and 2008, Canada has included a halon banking update for the Caribbean region in 2007.

France

22. France's 2006 business plan (Annex III) includes seven activities valued at US \$1,828,000. Those activities include two project preparations, one demonstration project and four national phase-out plan projects. Twenty per cent of France's pledged contributions for 2006 amounts to US \$2,015,159.

23. Table 5 presents a summary of the resource allocation in France's 2006-2008 business plan.

Table 5**ALLOCATION OF RESOURCES (US \$)**

	2006	2007	2008
New Activities Required in three-year ODS Phase-out Model	395,500	226,000	
Project Preparation Activities Required in three-year ODS Phase-out Model	67,800		
Annual Tranches of Approved Multiple Year Agreements	957,900	585,000	202,367
Sub-total	1,421,200	811,000	202,367
Chiller	406,800		
Total	1,828,000	811,000	202,367

24. France is planning to prepare TPMPs in the Central African Republic and Laos. Some of the funds for the TPMPs for these countries will be disbursed in 2007. France has also submitted a request for US \$406,800 in chiller projects.

25. France has included a total of US \$1.7 million in annual tranches for approved multi-year agreements during the 2006-2008 triennium, excluding US \$380,000 that has been committed for French participation in Cuba's approved TPMP. The transfer of the activities represented by these funds to UNDP is discussed in the context of the Report on implementation of approved projects with specific reporting requirements (UNEP/OzL.Pro/ExCom/48/18).

Comments

26. Pursuant to decision 46/33, “resources remaining unspent after approval of the [chiller] proposals submitted to the 47th Meeting of the Executive Committee should remain as uncommitted obligations from the 2005 business plan”. A total of US \$2.26 million plus support costs remain in the chiller allocation. Therefore, these costs are to be offset against France’s bilateral contributions in the 2003-2005 triennium with any additional cash to be applied to France’s contributions for 2006-2008.

Germany

27. Germany’s 2006 business plan (Annex IV) includes 27 activities valued at US \$6,591,709. Twenty per cent of Germany’s pledged contributions for 2006 amounts to US \$2,894,744 .

28. Table 6 presents a summary of the resource allocation in Germany’s 2006-2008 business plan.

Table 6

ALLOCATION OF RESOURCES (US \$)

	2006	2007	2008
New Activities Required in three-year ODS Phase-out Model	945,000	3,143,155	996,155
Project Preparation Required in three-year ODS Phase-out Model	293,800	101,700	
Other New Activities		500,000	
Annual Tranches of Approved Multiple Year Agreements	4,924,423	1,872,569	923,129
Institutional Strengthening	228,486		228,486
Sub-total	6,391,709	5,617,424	2,147,770
Chiller	200,000		
Total	6,591,709	5,617,424	2,147,770

29. Germany had included US \$6,591,709 in its 2006 business plan, US \$5,617,424 in its 2007 business plan and US \$2,147,770 in its 2008 business plan for a total business plan value of US \$14,356,903 for the 2006-2008 triennium. Twenty per cent of Germany’s pledged contributions for the triennium is US \$8,684,232.

30. Germany has included a total of US \$7.7 million in annual tranches for approved multi-year agreements in the 2006-2008 triennium, excluding US \$283,000 that has been committed for German participation in Cuba’s approved TPMP. The transfer of the activities in Cuba from Germany to UNDP is discussed in the context of the Report on implementation of approved projects with specific reporting requirements (UNEP/OzL.Pro/ExCom/48/18).

31. Germany's business plan contains US \$4.48 million in activities for 12 African countries for TPMP preparation and projects during the triennium. It also includes US \$1 million for a phase-out plan for Algeria that is required by the three-year phase-out model. Therefore, a total of US \$5.48 million is included in Germany's business plan in new activities for the 2006-2008 triennium that is required for compliance plus an additional US \$531,000 (also required for compliance) for the 12 African countries to be funded in the 2009-2011 triennium.

32. Germany has also included US \$456,972 for institutional strengthening during the 2006-2008 triennium and US \$200,000 for participation in the chiller programme approved at the 46th Meeting.

33. The German business plan for the 2006-2008 triennium also includes US \$500,000 for a destruction activity in 2007 that is classified as an "other new activity" that is not required for compliance and is not included in the three-year phase-out model.

Comments

34. As mentioned in the Financial Planning document (UNEP/OzL.Pro/ExCom/48/5, para. 28), Germany has already made commitments for annual tranches of US \$8.9 million. This includes tranches deferred from the previous triennium which are included in the current triennium. Germany's commitments of US \$8.9 million therefore exceed Germany's maximum allocation for the 2006-2008 triennium of US \$8.7 million. However, if the US \$283,000 in commitments for Cuba is transferred to UNDP, then Germany's commitments in annual tranches are reduced to US \$8.6 million enabling this sum to be met during the triennium, leaving maximum funds for new activities amounting to US \$35,469.

35. It is also noted that Germany's business plan database included US \$7.7 million for annual tranches of multi-year agreements instead of US \$8.9 million for the years 2006 to 2008, as it appears that Germany moved US \$930,000 in its 2008 commitments for India to 2009. This change in the agreement has not been presented to the Executive Committee for approval, nor has the Fund Secretariat received a letter from India agreeing to this change.

36. Pursuant to decision 46/33, "resources remaining unspent after approval of the [chiller] sector proposals submitted to the 47th Meeting of the Executive Committee should remain as uncommitted obligations from the 2005 business plan". A total of US \$2.26 million plus support costs remain in the chiller allocation from the previous triennium. Although Germany has fully utilized its 2003-2005 bilateral allocation, it is returning US \$192,547 from funds approved during the previous triennium that could be used for German participation in the chiller programme.

37. The amount already committed for 2006 in approved multi-year agreements (US \$4,924,000) already exceeds the 20 per cent allocation for bilateral activities with Germany in 2006 (US \$2,894,744). Similarly, Germany's commitment for 2006 and 2007 exceeds Germany's 20 per cent allocation for bilateral activities in the two years together. Bilateral cooperation represents a percentage of contributions. Therefore, the Executive Committee may wish to consider if funding for a percentage of pledged contributions can be approved in advance of the receipt of cash and promissory notes that could be cashed in for use to address the cash

flow requirements of the Multilateral Fund. Alternatively, the issue might need to be addressed by the Meeting of the Parties in advance of the approval of funds beyond 20 per cent in any given year since the decision with respect to 20 per cent allocation for bilateral cooperation (Decision II/8) was taken by the Parties.

38. Germany indicated that it intends to stay within its 20 per cent allocation for the triennium and plans to resolve the matter during the course of the current year in light of the German Government's requirement to completely utilize its bilateral quota. Germany disagrees that it has to pay its contributions in cash before any contributions in kind could be considered. It indicated that the total amount had to be higher than Germany's bilateral contribution, otherwise Germany could not fulfil the directive given by its Parliament to fully use its bilateral contributions. Germany suggested that the Executive Committee accept its pledge to resolve the matter and monitor the implementation of the pledge.

39. Germany also stated that approved funds are usually substantially lower than levels included in business plans; that projects may not materialize as planned; that projects or tranches may be shifted between agencies; that some countries may not be able to meet set conditions for project approvals; and that ensuring compliance is a priority. Germany indicated that it has entered into negotiations with other bilateral and multilateral implementing agencies to make adjustments to reduce the over-commitments in its business plan.

40. The Fund Secretariat notes that the other activities included in Germany's business plan that are required for compliance are based on pre-determined funding levels for TPMPs (excluding Algeria) that are not likely to be reduced. Also, projects and tranches of multi-year agreements cannot be shifted to other agencies without the agreement of the relevant agency, the country concerned, and the Executive Committee. Finally, the funding that Germany included in its business plan that is required for the compliance of 13 African countries is not available to Germany to commit given its existing commitments for approved multi-year agreements with the exception of US \$35,469.

Japan

41. Japan's 2006 business plan (Annex V) includes three activities valued at US \$900,000. These activities include two demonstration projects and one training project. Twenty per cent of Japan's pledged contributions for 2006 amounts to US \$5,872,533.

42. Table 7 presents a summary of the resource allocation in Japan's 2006-2008 business plan.

Table 7**ALLOCATION OF RESOURCES (US \$)**

	2006	2007	2008
Annual Tranches of Approved Multiple Year Agreements		62,150	
Other New Activity	200,000	200,000	400,000
Sub-total	200,000	262,150	400,000
Chiller	700,000		
Total	900,000	262,150	400,000

43. In addition to the US \$62,150 for the annual tranche of the Mongolia TPMP in 2007, Japan has indicated activities amounting to US \$1.56 million for the 2006-2008 triennium. US \$100,000 of this amount is for a supplemental training programme in 2006, and US \$700,000 has been included as a demonstration project on ODS disposal in Asia amounting to US \$100,000 in 2006, US \$200,000 in 2007 and US \$400,000 in 2008. Japan has also submitted a request for US \$700,000 in chiller projects.

Comments

44. As mentioned above with respect to France and Germany, pursuant to decision 46/33, funds amounting to US \$2.26 million plus support costs remain in the chiller allocation as part of the 2005 business plan. Therefore, these costs must be offset against the bilateral contributions of Japan in the 2003-2005 triennium, with any additional cash to be applied to Japan's contributions for the years 2006-2008.

45. Japan also included a capacity building project in China in its business plan but it did not indicate a value for the activity. Japan indicated that the project was still in the development stage and therefore an indicative cost was difficult to estimate. However, an amount of US \$4.7 million was under consideration for the moment as a total cost for the activity.

46. With respect to the ODS destruction activity, it should be noted that during the January 2006 coordination meeting, implementing agencies and the Secretariat agreed that this activity should be moved from 2006 to later years since it was not required for compliance and all resources expected to be received in 2006 were needed for compliance activities. It should be recalled that the Executive Committee is considering the need for terms of reference for a study on destruction activities that would probably need to be completed in advance of the funding of any projects. Such a study is not expected to be completed in 2006.

Sweden

47. Sweden's 2006 business plan (Annex VI) includes three technical assistance activities valued at US \$385,364. Twenty per cent of Sweden's pledged contributions for 2006 amounts to US \$333,520.

48. Table 8 presents a summary of the resource allocation in Sweden's 2006-2008 business plan.

Table 8

ALLOCATION OF RESOURCES (US \$)

	2006	2007	2008
New Activities Required in three-year ODS Phase-out Model	60,000	50,000	
Annual Tranches of Approved Multiple Year Agreements	65,364		
Other New Activity	260,000	330,000	
Total	385,364	380,000	0

49. In addition to the US \$65,364 required for an annual tranche of a multi-year agreement in 2006, Sweden included US \$60,000 in 2006 and US \$50,000 in 2007 for a TPMP in Georgia that is required for compliance and is included in the three-year phase-out model. Sweden also included funds for activities that are classified as "other new activities" that are not required for compliance in 2006 and 2007. These activities include a Regional Enforcement Network to prevent illegal trade in the Latin America and Caribbean region for US \$260,000 in 2006, one in South East Asia and the Pacific for US \$260,000 in 2007, and one in the Europe Central Asia network for US \$70,000 in 2008.

Comments

50. Sweden included an activity related to combating illegal trade in its 2006 business plan. For consistency with the other agencies, this activity should be deferred until 2007 since it is not required for compliance and 2006 resources are expected to be needed for compliance activities only.

51. Sweden indicated that the objective with the enforcement network activities is, *inter alia*, to enable the participating countries to improve the monitoring and control of (illegal) trade in ODS by promoting further national and regional co-operation for the control of trans-boundary movement of these chemicals and improving the regulatory and enforcement systems in the region. It takes time to develop such cooperation and hence it is important to begin as soon as possible in order to achieve these objectives before 2010.

52. Sweden stated that it is entitled to plan for 20 per cent of its contribution for bilateral activities during the 2006-2008 triennium and that it considers measures aimed at preventing illegal trade to be of high importance in ensuring an effective phase-out of ODS. Sweden also indicated that in 2008 balances remaining would be calculated and made available for other activities.

Switzerland

53. Switzerland will be submitting one activity valued at US \$414,868 to be funded through bilateral cooperation in 2006. The activity consists of Switzerland's contribution to the 2006 annual funding tranche for India's servicing sector phase-out project. Twenty per cent of Switzerland's pledged contributions for 2005 amounts to US \$400,024.

RECOMMENDATIONS

54. The Executive Committee may wish to consider:

- (a) Noting with appreciation the 2006-2008 business plans on bilateral cooperation submitted by: Australia, Canada, France, Germany, Japan and Sweden, as addressed in UNEP/OzL.Pro/ExCom/48/7;
- (b) The eligibility of a network activity for the PICs included in Australia's business plan in light of the previous approval and the fact that the PICs do not have access to regional networks while other countries without remaining funding eligibility do have such access;
- (c) The German business plan in the light of the resources available to Germany for bilateral cooperation, and the fact that all but US \$35,469 is required for annual tranches of multi-year agreements that are due during the current triennium;
- (d) In view of the compliance requirements associated with the TPMPs identified in the business plan, requesting the Fund Secretariat to explore with Germany and other agencies the most effective way in which these activities required for compliance in 13 African countries could be expedited within the allocation of available funds, and for the relevant agencies to submit requests for project preparation funding required to develop those activities to the 49th Meeting of the Executive Committee, as appropriate;
- (e) Whether to maintain destruction activities in Japan's 2006 business plan in light of the need to address other activities that are required for compliance in 2006; and
- (f) Whether to maintain an illegal trade network activity in Sweden's 2006 business plan in light of the need to address other activities that are required for compliance in 2006.

Annex I

2006-2008 BUSINESS PLAN FOR AUSTRALIA

Draft Australian business plan for 2006-2008

Country	Title and nature of project	Chemical	Sector and sub-sector	2006 Estimated project value (US\$)	2007 Estimated project value	2008 Estimated project value	ODS phase-out (tonnes)	approved multi-year	i/m
Pacific (Cook Islands, Fiji, Kiribati, Republic of Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)	<u>Regional Network for 14 Article 5 Countries in the Pacific</u> To strengthen the capacity of National Ozone Units in the region for sustained compliance with the Montreal Protocol with UNEP/SPREP as the lead agency	CFC, MB and others	All	\$103,500	\$138,000	\$34,500	N/A (LVC)	Yes	M

Annex II

2006-2008 BUSINESS PLAN FOR CANADA

CANADA'S 2006-2008 BUSINESS PLAN UNDER THE MULTILATERAL FUND

1. INTRODUCTION

During the 2006-2008 triennium, Canada will be focusing on the implementation of approved bilateral projects in Benin, Bolivia, Chile, Colombia, Cuba, India, Jamaica, Mexico, the Caribbean Region and St. Lucia. It will also explore opportunities for Terminal Phase-out Management Plans (TPMPs) and Methyl Bromide (MeBr) technical assistance projects in several countries including Benin, Bolivia, Burkina Faso, Caribbean Region, St. Lucia and Uruguay.

2. PROJECTS TO BE SUBMITTED DURING 2006-2008

Benin TPMP:

Canada is currently working with UNEP on the implementation of Benin's RMP. The only remaining activity under this project is the training of environmental inspectors and an assessment of the results of the project. It is expected that all outstanding activities will be completed by the end of the first semester of 2006. As a result, it has been planned that Benin would request Canada and UNEP to solicit project preparation funding for its Terminal CFC Phase-out Management Plan, based on Decision 45/54. It is anticipated that project preparation would begin at the end of 2006, with submission to the first meeting of the ExCom in 2007. Canada and UNEP plan on implementing the project jointly. Funding under this project is estimated at \$345,000 and approximately one third of the total value of the project would be contributed through Canada's Bilateral Program.

Planned contribution from Canada in 2006-2008: US\$10,000 for PRP + US \$115,000 (excluding support costs) (see attached table for details)

ODP to be phased out in 2006-2008: to be determined

Planned date of submission: PRP: 49th Meeting of ExCom

Project: 51st Meeting of ExCom

Bolivia TPMP:

Canada is currently working with Bolivia on the implementation of its RMP. ODS legislation and regulations were developed and approved in March 2004. An ODS monitoring software and information network was developed and installed in June 2004. Training of refrigeration technicians was completed in June 2005. 118 customs officers have been trained in ODS import controls and ODS identification kits were distributed in Feb. 2005. Public awareness activities commenced in 2004 and will be completed by February 2006. Phase 1 of R&R equipment delivered in March 2005 and R&R technician training was completed in Dec. 2005. Phase 2 of R&R component to be completed by March 2006. As such, all RMP project activities are scheduled to be completed by the end of the first semester of 2006.

Based on Decision 45/54 Bolivia requested Canada to solicit project preparation funding for its Terminal CFC Phase-out Management Plan at ExCom 47. Project preparation work is at its initial phase. EC is planning to submit the project proposal to the last meeting of the ExCom in 2006. Part of the TPMP will be implemented by UNDP.

Planned contribution from Canada in 2006-2008: US \$320,000 (excluding support costs) (see attached table for details)

ODP to be phased out in 2006-2008: to be determined

Planned date of submission: 50th Meeting of ExCom

Burkina Faso TPMP:

Canada and UNEP jointly implemented Burkina Faso's RMP from 1999 through 2003, including the successful training of 138 refrigeration technicians, 20 local customs trainers, and an additional of 120 customs officers. Based on Decision 45/54 Burkina Faso requested Canada and UNEP to solicit project preparation funding for its Terminal CFC Phase-out Management Plan at ExCom 47. Project preparation work is presently at its initial phase. EC is planning on submitting the final project proposal for last meeting of the ExCom in 2006. Canada and UNEP will implement the project jointly. Half of the total value of the project, estimated at \$300,000, would be contributed through Canada's Bilateral Program.

Planned contribution from Canada in 2006-2008: US \$115,000 (excluding support costs) (see attached table for details)

ODP to be phased out in 2006-2008: to be determined

Planned date of submission: 49th Meeting of ExCom

Regional Caribbean: Halon Management Plan Update

Since 2000, Canada has been collaborating with UNEP in the implementation of a Regional Halon Management Plan for the English-Speaking Caribbean, with the participation of six countries. Significant progress has been made to date under the project, including the implementation of three technical workshops with stakeholders, the development of halon plans and inventories in five of the six countries, the implementation of halon legislation in four of the countries, the provision of halon recovery equipment to two countries and the establishment of a halon information clearing house for the region at the University of West Indies (Trinidad and Tobago). The budget of this project has been practically exhausted, but some work is remaining to sustain the activities of the clearing house and provide adequate halon recovery and recycling equipment to the countries which require it. Hence, in accordance with Decision 44/8, which allows submission of Halon Banking Updates for countries which received less than US \$50,000 for their halon banking projects, a proposal will be submitted for the consideration of the ExCom.

Total estimated cost of project (all from Canada): US \$60,000 (excluding support costs)

Total ODP to be phased out: n/a

Planned date of submission: 51st Meeting of ExCom

St. Lucia TPMP:

Canada is currently working with St. Lucia in the implementation of its RMP Update. Refrigeration technician training began in May 2005 and is to be completed by April 2006. Two shipments of recovery & recycling equipment were supplied in March 2005 and distributed to servicing workshops. All RMP Update project activities are scheduled to be completed by the end of the first semester of 2006. Based on Decision 45/54 St. Lucia has requested Canada to solicit project preparation funding for its Terminal CFC Phase-out Management Plan at ExCom 48.

Planned contribution from Canada in 2006-2008: \$30,000 for PRP + US \$205,000 (excluding support costs) (see attached table for details)

ODP to be phased out in 2006-2008: Estimated to be 0.79 tonnes

Planned date of submission: PRP: 48th Meeting of ExCom

Project: 50th Meeting of ExCom

Uruguay: TPMP

Canada implemented Uruguay's RMP from 1999 through to 2004, including: the successful training of refrigeration technicians, customs trainers, customs officers and policy assistance. Based on Decision 45/54, Uruguay has requested UNDP to solicit project preparation funding for its Terminal CFC Phase-out Management Plan at ExCom 47. Uruguay and UNDP have asked Canada to participate, as a co-implementing agency. Project preparation work is presently in the beginning stages. Submission of the project is anticipated for the last meeting of the ExCom in 2006. As Canada would implement the project jointly with UNDP, only a part of the total value of the project would be contributed through Canada's Bilateral Program.

Planned contribution from Canada in 2006-2008: US \$200,000 (excluding support costs) (see attached table for details)

ODP to be phased out in 2006-2008: N/A

Planned date of submission: 51st Meeting of ExCom

3. PLANNED ACTIONS IN 2006 TO IMPLEMENT APPROVED PROJECTSBenin: RMP

As described above

Bolivia: RMP

As described above

Chile: RMP

Canada is implementing two components of Chile's RMP: (1) Training Program for technicians and the establishment of refrigeration standards and (2) Recovery and Recycling Program. UNEP is the implementing agency for the other components of the RMP. The Technicians Training component will be completed by June 2006. Currently, over 1,600 technicians have been trained and 7 local training institutions have been equipped with modern refrigeration servicing equipment, with Refrigeration Good Practices incorporated into their curricula. Retrofitting demonstration activities are to be implemented by June 2006.

Regarding the R&R component, ODS control legislation was recently approved in Jan. 2006. Therefore, R&R activities will commence before the end of the first semester of 2006 and should be completed by mid-2007.

Colombia: Training of Customs Officers

Over 200 customs officers have received training. An evaluation of the project is now underway and expected to be finalized by the beginning of 2006.

Cuba: Chiller Demonstration Project

This project was approved at ExCom 47 and is co-implemented with UNDP. The project aims to facilitate integrated management of the centrifugal chiller sub-sector in Cuba through application of environmentally sound and energy-efficient alternative technologies for sustainable replacement/ retrofitting of CFC-based centrifugal chillers. In 2006, external counterpart funding for the project will be secured and it is estimated that project activities will initiate during the second semester of 2006.

Cuba: Terminal Phase-Out Management Plan (TPMP) for CFCs

This TPMP was approved at the 43rd ExCom meeting to eliminate Cuba's remaining unfunded CFC consumption, all in the refrigeration and air conditioning sector, between 2004 and 2009. It is implemented in cooperation with UNDP, France and Germany (lead agency) and will assist Cuba in complying with the 2005, 2007 and 2010 CFC phase-out targets. The Canadian component of the TPMP was initiated at the end of 2004 with the implementation of the first phase of public awareness activities and the first phase of the procurement of tools and recovery and recycling machines (R&R). Second phase activities commenced in Dec. 2005 and include R&R training workshops, distribution of tools and equipment, as well as further public awareness activities.

However, activities related to Germany's and France's contributions to the TPMP have not yet commenced due to funding problems. As a result, activities funded by Canada's contribution have not been able to proceed as quickly as originally planned.

India: National Halon Bank Management Plan

This project is being implemented in collaboration with Australia. The Canadian component of the project, installation and operation of a halon recycling/reclamation facility, was completed in 2003. The facility became operational and was officially inaugurated in August 2004, with representation by the High Commissioners of Australia and Canada. A Canadian evaluation mission to India in October 2005 determined that little progress had since been made on the remaining technical assistance activities to be completed with Australia's contribution. As a result, the halon facility has not been used to its potential. Canada and Australia will continue to monitor progress in 2006.

Jamaica: CFC Terminal Phase-Out Management Plan

Phase I of the TPMP, implemented in cooperation with UNDP, has been completed. A review of this phase was undertaken and presented to the ExCom. Phase II of the Canadian component began in late 2004 and should be completed by March 2006. This includes the completion of additional customs officer training, procurement of R&R equipment and training, refresher courses of good refrigeration practices

Jamaica: Technical Assistance to Phase Out Methyl Bromide

This project was approved at ExCom 47 and is aimed at phasing-out Jamaica's remaining non-QPS methyl bromide (MB) consumption of 1.5 ODP T, mostly concentrated in the storage sector. An agreement is currently being negotiated with Jamaica and it is anticipated that project activities will begin in April 2006, including training on integrated pest management techniques, as well as identification and promotion of alternatives to MB in the storage sector.

Mexico: Technical Assistance to Phase-out Methyl Bromide

Canada is responsible for implementing the component of this project focused on phasing out MB in the storage sector. Initiation of activities had been delayed until the completion of a demonstration project implemented by UNDP, but an agreement has now been signed and the project began implementation in January 2006. Planned activities for 2006 include information workshops on MB alternatives with MB consumers, selection of candidate MB users for technical assistance, and the development of individual technical assistance plans.

Regional: Halon Management Plan for English-Speaking Caribbean Region

As described above.

St. Lucia: RMP Update

Implementation of this RMP Update was initiated in 2004 with training activities and the purchase of recovery and recycling equipment. R&R equipment has been distributed to technicians, public awareness activities were implemented and additional technician training was

organized. Retrofit demonstration activities will be implemented during the first semester of 2006 and the project is planned to be completed by the end of 2006.

Annex III

2006-2008 BUSINESS PLAN FOR FRANCE

France - 2006-2008 Business Plan

Country	Project title	2006			2007			2008			Comments
		Project Cost (US\$)	Support Costs (US\$)	Total	Project Cost (US\$)	Support Costs (US\$)	Total	Project Cost (US\$)	Support Costs (US\$)	Total	
INDIA	National CTC Phase out Plan, 2nd tranche	\$500,000.00	\$85,000.00	\$585,000.00	\$500,000.00	\$85,000.00	\$585,000.00			\$0.00	In cooperation with GTZ
KENYA	Terminal Phase out plan	\$330,000.00	\$42,900.00	\$372,900.00			\$0.00	\$179,086.00	\$23,281.00	\$202,367.00	In cooperation with GTZ
CAF	Assistance in the Preparation of a Terminal Phase out Management Plan	\$30,000.00	\$3,900.00	\$33,900.00			\$0.00			\$0.00	Extra attention will be given to activities needed to solve bottlenecks.
CAF	Implementation of a TPMP	\$150,000.00	\$19,500.00	\$169,500.00	\$55,000.00	\$7,150.00	\$62,150.00			\$0.00	The Plan will be carried out in two phases in order to better identify and monitor stakeholder involvement.
LAOS	Assistance in the Preparation of a TPMP	30000	\$3,900.00	\$33,900.00			\$0.00			\$0.00	
LAOS	Implementation of a TPMP	\$200,000.00	\$26,000.00	\$226,000.00	\$145,000.00	\$18,850.00	\$163,850.00			\$0.00	The Plan will be carried out in two or three phases in order to better identify and monitor stakeholders involvement.
Africa	Chiller demonstration	\$360,000.00	\$46,800.00	\$406,800.00			\$0.00			\$0.00	In cooperation with UNIDO
TOTAL		\$1,600,000.00	\$228,000.00	\$1,828,000.00	\$700,000.00	\$111,000.00	\$811,000.00	\$179,086.00	\$23,281.00	\$202,367.00	

Annex IV

2006-2008 BUSINESS PLAN FOR GERMANY

Chemical/ Substance	MLF Chemical	Sector and Sub-Sector	Value (\$000) in 2006	ODP in 2006	Value (\$000) in 2007	ODP in 2007	Value (\$000) in 2008	ODP in 2008	Value (\$000) after 2008	ODP after 2008	Approved Multi- Year (Yes/ Blank)	I-Indiv M-MY	
CFC/ CTC	CFC/CTC	Refrigeration - service sector training of technicians	726	59.7	0	11.4	0	7.9	0	21.4	YES	M	
CFC	CFC	Chillers	200	16.5								I	
CFC	CFC	ODS Waste Management			500	41.3						I	
CFC	CFC	Terminal CFC Phase Out Management Plan	200	16.5	400	33.1	400	33.1			YES	M	
CFC	CFC	Institutional Strengthening	161	13.3			161	13.3				I	IS
CFC	CFC	Terminal CFC Phase Out Management Plan			200	16.5	200		188		YES	M	
CFC	CFC	Project Preparation TPMP			34	2.8						I	
CFC	CFC	Terminal CFC Phase Out Management Plan			232	19.1					YES	M	
CFC	CFC	Project Preparation TPMP			34	2.8						I	
CFC	CFC	Refrigeration - Project for service sector - training of technicians approved at the 37th ExCom	1,683	139.1							YES	M	
CFC	CFC	Refrigeration - Terminal Phase out Management Plan									YES	M	
CFC	CFC	Terminal CFC Phase Out Management Plan			390	32.2					YES	M	
CFC	CFC	Project Preparation TPMP			34	2.8						I	
CFC	CFC	Terminal CFC Phase Out Management Plan			60	3.3	60	3.3	47	3.3	YES	M	
CFC	CFC	Project Preparation TPMP	34	2.8								I	
CTC	CTC	CTC Phase Out Plan - Textiles sector	357.5		357.5						YES	M	
CFC	CFC	Refrigeration Service sector Phase out plan	493	59.1	493	59.1	113	13.5	930	111.4	YES	M	
CFC	CFC	Foam Sector Phase out strategy	1,118	110.1	1,022	102.0	810	100.9	797	75.9	YES	M	
MB	MBR	Fumigant - MeBr phase-out in vegetables and horticultural crops (except cut flowers)	130	12.0				12.0		5.0	YES	M	
CFC	CFC	Refrigeration - Terminal Phase Out	20	0.4							YES	M	
CFC	CFC	Terminal CFC Phase Out Management Plan			66	5.4	66	5.4	62	5.1	YES	M	
CFC	CFC	Project Preparation TPMP	34	2.8								I	
CFC	CFC	Terminal CFC Phase Out Management Plan	120	9.9	90	7.4	90	7.4	90	7.4	YES	M	
CFC	CFC	Project Preparation TPMP	34	2.8								I	
CFC	CFC	Refrigeration - Terminal Phase out	45	1.0							YES	M	
CFC	CFC	Terminal CFC Phase Out Management Plan			333	27.5					YES	M	
CFC	CFC	Project Preparation TPMP	34	2.8								I	
CFC	CFC	Refrigeration - Terminal Phase out	105	3.0		2.0		0.0			YES	M	
CFC	CFC	Refrigeration - Terminal Phase out	249	9.0		3.5		4.5			YES	M	
CFC	CFC	Institutional Strengthening	68	0.0			68	5.6				I	IS
CFC	CFC	Project Preparation TPMP	23	1.9							YES	M	
CFC	CFC	Terminal CFC Phase Out Management Plan	60	5.0	60	5.0	60	5.0	52	4.3	YES	M	
CFC	CFC	Terminal CFC Phase Out Management Plan	333	27.5							YES	M	

Annex IV

Chemical/ Substance	MLF Chemical	Sector and Sub-Sector	Value (\$000) in 2006	ODP in 2006	Value (\$000) in 2007	ODP in 2007	Value (\$000) in 2008	ODP in 2008	Value (\$000) after 2008	ODP after 2008	Approved Multi- Year (Yes/ Blank)	I-Indiv M-MY
CFC	CFC	Project Preparation TPMP	34	2.8								I
CFC	CFC	Terminal CFC Phase Out Management Plan			627	51.8					YES	M
CFC	CFC	Project Preparation TPMP	34	2.8								I
CFC	CFC	Terminal CFC Phase Out Management Plan	232	19.1							YES	M
CFC	CFC	Project Preparation TPMP	34	2.8								I
CFC	CFC	Terminal CFC Phase Out Management Plan			120	9.9	120	9.9	93	7.7	YES	M
CFC	CFC	Project Preparation TPMP	34	2.8								I
CFC	CFC	Refrigeration - Terminal Phase out project			565	85.0					YES	M
		Total	6,592		5,617		2,148		2,258			
		Total Triennium					14,357		2,258			
		Analysis (27 Feb 06):										
		Core priorities for Germany's bilateral funding	5,691		3,568		1,748		2,258			
		Total					11,007					
		Funding included for countries that may have difficulties with Dec. 38/64 and 45/54, up to					2,549					
		Other uncertainties affecting the plan may reduce Germany's total approvals by up to					4,900					
		Funding for negotiation with bilateral agencies	533		1,784		400					
		Funding for negotiation with IAs	367		266		0					
		Total for negotiations, up to					3,350					

Annex V

2006-2008 BUSINESS PLAN FOR JAPAN

JAPAN- Business Plan 2006-08

Status: Final

Current version update: 16/02/06

Number	Country/Project	Sector	Status of Approval	Leading national agency	Cooperating IA	ODS phase out	2006 48-50ExCom	2007 51-53ExCom	2008 54-56ExCom	Remarks	Total Triennium	Total Project
1	<i>China</i> <i>(capacity building project)</i> <u>Subject to consultation with the Chinese Government</u>			Min. of ...	UNEP		to be decided	to be decided		The project cost has been considered around 4.7 million USD in total as the indicative cost level. It should be recalculated based upon the project content.	\$0	to be decided
2	<i>Regional (Asia and the Pacific)</i> <i>Demonstration projects on ODS disposal</i> This project will seek to address emerging needs of ODS disposal in A5 countries based upon Decision IV/11 of the MOP. It will explore and choose practicable options in consideration of economical, technical and legislative factors in the target area and taking into account relations with other MEAs. The indicative components include the facility construction/modification for ODS disposal (reclamation, destruction, etc.), personnel training, technical assistance, logistics enhancement based upon the existing R&R and monitoring/inspection. The project itself will serve as a demonstration project and an on-site training project for other countries or regions to learn from. The recipient country is expected to be a center for ODS disposal on a regional basis and to disseminate the gained expertise to address specific situations in other countries in following years. This project will contribute to compliance by making the existing R&R system functional and enabling countries to reduce the calculated production/consumption by destruction with approved technologies when other measures are not available.			Min. of the Environment	being coordinated with IAs		\$100,000	\$200,000	\$400,000	The project cost will be re-calculated as the project components are elaborated. Funding requests are subject to the applicable decisions in ExCom and the activity in 2006 will be designed to the extent possible taking into account the request by MLFS to focus on 2007 and 2010 compliances.	\$700,000	\$700,000

Number	Country/Project	Sector	Status of Approval	Leading national agency	Cooperating IA	ODS phase out	2006 48-50ExCom	2007 51-53ExCom	2008 54-56ExCom	Remarks	Total Triennium	Total Project
3	<i>Mongolia</i> <i>Terminal Phase-out Management Plan: final tranche</i>	REF		Min. of the Environment	UNEP	1.0		\$62,150			\$62,150	\$62,150
4	<i>Several</i> <i>UNEP Supplementary Training Programme to be Carried Out in Conjunction with JICA (Japan International Cooperation Agency)'s Training Programme</i>	SEV		Min. of Foreign Affairs	UNEP JICA		\$100,000			The project content will be decided to meet the requests and needs of A5 countries in cooperation with IAs.	\$100,000	\$100,000
5	<i>Africa</i> <i>(Chiller Demonstration Project)</i>			Min. of Economy, Trade and Industry	UNIDO		\$700,000				\$700,000	to be decided

Total							\$900,000	\$262,150	\$400,000		\$1,562,150	
balance							\$4,972,533	\$5,610,383	\$5,472,533		\$16,055,449	
Budget cap for bilateral projects (20 % of Japanese contribution to MLF)							\$5,872,533	\$5,872,533	\$5,872,533		\$17,617,599	

ANNEX VI

2006-2008 BUSINESS PLAN FOR SWEDEN

Swedish Business Plan for 2006 - 2008

COUNTRY	Type TITLE and NATURE OF PROJECT	Chemical	SECTOR and SUBSECTOR	2006 ESTIMATED PROJECT VALUE (US\$)	2007 ESTIMATED PROJECT VALUE (US\$)	2008 ESTIMATED PROJECT VALUE (US\$)	ODS phase-out (tonnes)	Approved Multiyear	I/M
Georgia LVC	TAS <u>Terminal CFC Phase-out Plan</u> Technical Assistance to implement the TPMP in co- operation with UNDP	CFC	Refrigeration, servicing	60,000	50,000		8,55 ¹	No, is to be submitted in 2006	M
Serbia & Montenegro	TAS <u>National CFC Phase-out Plan for the servicing sector.</u> Technical Assistance to implement the NCPP in co-operation with UNIDO as the lead agency.	CFC	Refrigeration, servicing	65,364			410,0 ¹	Yes	M
Regional SEAP/SA	TAS <u>Regional Enforcement Networking to prevent illegal trade</u>	ODS	Trade	-	260,000		n.a	-	I
Regional ECA	TAS <u>Regional Workshop on enforcement systems to prevent illegal trade</u>	ODS	Trade		70,000		n.a	-	I
Regional LA	TAS <u>Regional Enforcement Networking to prevent illegal trade</u>	ODS	Trade	260,000-			n.a	-	I
Subtotal				385,364	380,000				
Total *)				Replenishm*).	Replenishm*).	Replenishm*).			

¹ This is the total remaining consumption figure. UNDP will include this figure in their BP