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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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THE WORLD BANK BUSINESS PLAN FOR THE YEARS 2006-2008

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

1. The World Bank prepared its 2006-2008 business plan on the basis of decisions 41/93, and 47/3, 4 and 5. The plan is provided in an annex to this document.
2. This document presents a summary of the World Bank's planned activities for the phase-out of ozone depleting substances (ODS) during the 2006-2008 triennium. It also provides the World Bank's business plan performance indicators, general comments, and recommendations for consideration by the Executive Committee.

Planned activities 2006-2008

3. The business plan is a rolling three-year business plan. Most of the detail provided is for 2006, but there is less information with regard to commitments for activities in 2007 and 2008, except for those associated with existing multi-year agreements.

Planned activities for 2006

4. In 2006 the total value of projects planned for submission by the World Bank amounts to US \$83.47 million leading to the phase-out of 29,714 ODP tonnes. The plan includes:
 - 20 ongoing multi-year performance-based agreements for sector and substance phase-out which, taken together, are valued at US \$73.59 million and represent ODS phase-out of 29,187 ODP tonnes;
 - Three new multi-year performance-based agreements amounting to funding of US \$6.77 million in 2006 (US \$13.68 million in total for the triennium) with an associated ODS phase-out in 2006 of 495 ODP tonnes (1,051 ODP tonnes in total for the triennium);
 - One individual investment project valued at US \$688,000 that will be submitted in 2006;
 - Four institutional strengthening projects valued at a total of US \$871,500; and
 - Core unit costs amounting to US \$1.55 million.

Planned activities for 2007

5. In 2007 the World Bank plans to submit projects with a total value of US \$70.02 million with an associated phase-out of 17,853 ODP tonnes. This includes US \$58.87 million for ongoing multi-year agreements and US \$1.59 million for core unit costs.

Planned activities for 2008

6. In 2008 the World Bank plans to submit projects with a total value of US \$43.26 million with an associated phase-out of 10,014 ODP tonnes. This includes US \$39.13 million for ongoing multi-year agreements and US \$1.64 million for core unit costs.

Resource Allocation

7. Table 1 presents a summary of the resource allocation in the World Bank's 2006-2008 business plan.

Table 1**RESOURCE ALLOCATION (in US \$000)**

	2006	2007	2008
New Activities Required in 3-year ODS Phase-out Model	1,398	1,117	323
New Metered Dose Inhaler (MDI) Activities	5,375	7,525	1,290
Other New Activities	688	189	
Annual Tranches of Approved Multiple Year Agreements	73,591	58,869	39,132
Institutional Strengthening	872	732	872
Agency Core Unit	1,545	1,591	1,639
Total	83,469	70,023	43,256

8. The World Bank is seeking funding at a level of US \$83.47 million in 2006. Most of its 2006 allocation (US \$73.6 million) is for annual tranches associated with multi-year agreements. The World Bank included US \$688,000 in its 2006 business plan for a methyl bromide project in Ecuador that is classified as an activity not required for compliance since Ecuador has received support to achieve the 2005 methyl bromide control measures. This issue is discussed further in paragraphs 15-17 of this document.

9. The World Bank has also included the first tranche of a pharmaceuticals project in China in its 2006 business plan, which is classified under "New MDI Activities". During the coordination meeting in January 2006, it was agreed that only activities required for compliance should be considered in 2006. This activity was classified as not being required for China's compliance in 2007. However, in light of financial planning constraints and because China is eligible for remaining funds to achieve the 2010 target for phase-out of CFCs this activity was submitted in 2007. This issue is discussed further in paragraph 19 of this document.

10. For 2007, the World Bank has included US \$189,000 for "other new activities" not required for compliance.

11. No “other new activities” are foreseen by the World Bank in 2008.

Implementation and Compliance Assistance

12. During the 2006-2008 triennium, the World Bank plans to phase out 74,701 ODP tonnes through ongoing projects and multi-year agreements. In addition, the World Bank has indicated that a further 1,124 ODP tonnes will be phased out through projects that will be submitted for approval during the triennium.

13. The World Bank has provided a section in its business plan, supported by a descriptive annex arranged by-country, on expediting project implementation. The World Bank has indicated that it will continue to assist countries in which it is doing business to sustain their consumption and production freeze obligations and achieve the control measures in 2005 and 2007. It will conduct its tenth Annual Workshop for Financial Intermediaries in the 2nd quarter of 2006 emphasizing the importance of enabling compliance and implementation of national phase-out plans focusing on verification, monitoring, and reporting issues.

14. The Fund Secretariat noted that the World Bank’s plan to expedite project implementation appeared to focus on one primary activity—the annual workshop for financial intermediaries in Washington, DC. The World Bank has indicated that the workshop allows countries to gauge their rate of implementation of projects relative to other countries. The success of the workshop comes from this interaction, the exposure of government officials to implementation alternatives, and from the discussion of challenges that may arise in the future. The workshops consistently have generated positive feedback from participants. The dialogue that begins in Washington, DC is continued, on an individual country basis, during supervision missions.

Comments

Methyl bromide project in Ecuador

15. As mentioned above, the World Bank plans to submit a \$688,000 methyl bromide project in 2006 on behalf of Ecuador. Ecuador had a project approved at the 38th Meeting of the Executive Committee entitled “Technology change for the phase-out of methyl bromide in the rose plant nursery sector”, implemented by the World Bank. This project was approved on the understanding that:

- (a) Ecuador had a baseline consumption of 66.2 ODP tonnes;
- (b) Ecuador would maintain compliance with the methyl bromide freeze during 2003 and 2004;
- (c) A 56 per cent reduction in the baseline consumption of methyl bromide would be achieved through implementation of the project, bringing the national level of consumption of controlled uses of methyl bromide to a maximum level of 29 ODP tonnes by January 2005;
- (d) The Government of Ecuador would commit to permanently sustain this reduction

at the maximum level of consumption of controlled uses of methyl bromide (29 ODP tonnes) through implementation of the project and the use of import restrictions and other policies that it might deem necessary; and

- (e) The World Bank would submit annual progress reports to the Executive Committee with a final report in 2006 once the project had been completed and the phase-out had been achieved.

16. The Fund Secretariat informed the World Bank that Ecuador did not need additional support to achieve the 2005 reductions. The World Bank indicated that during a survey in 2005, it was discovered that methyl bromide had been imported under different customs codes. As a result, the country is concerned about compliance and a project was needed for Ecuador to remain in compliance.

17. The Fund Secretariat also enquired if the planned project in 2006 would be a total phase-out project with an accelerated phase-out of methyl bromide. The World Bank indicated that the possibility of putting in place an accelerated phase-out schedule had not yet been discussed. It should be recalled that the study on the 2006-2008 replenishment did not consider the phase-out of methyl bromide required by 2015 to be a compliance requirement during 2006-2008. Moreover, the three-year phase-out plan presented at the 47th Meeting did not include phase-out for methyl bromide activities beyond the requirements for the 2005 controls. The Executive Committee may wish to consider whether the project for Ecuador should be maintained in the 2006-2008 business plan in light of compliance needs and any commitment on behalf of Ecuador to significantly advance a country's methyl bromide phase-out before the year 2015.

Pharmaceuticals Project in China

18. As mentioned above, the World Bank was requested, along with all other implementing agencies, to move projects not required for the 2007 CFC control measures to 2007 or 2008. Subsequent to the coordination meeting where this issue was discussed, the Bank informed the Fund Secretariat that the pharmaceuticals project was necessary to assist China to meet its obligations under the Accelerated CFC Phase-Out Plan approved by the Executive Committee at its 44th Meeting. The project is required because the accelerated phase-out plan stops all production of CFCs by 30 June 2007 with the exception of those required for MDI production. This project proposal therefore covers non-MDI pharmaceutical aerosols. The World Bank expects the project to be submitted to the last meeting of the Executive Committee in 2006. The Executive Committee may wish to consider this project in 2006 in light of its relationship to China's accelerated CFC phase-out, should sufficient funds become available.

Phase-out of CTC in chlor-alkali sector study

19. Based on the agreement at the coordination meeting to address activities with compliance needs as a priority in 2006, the World Bank agreed to move a study on the phase-out of carbon tetrachloride (CTC) in the chlor-alkali sector from 2006 to 2007. The Executive Committee had asked the World Bank to prepare such a study as referred to in decision 47/39 when it approved a CTC project for the World Bank's implementation in Colombia (COL/PAG/47/INV/64). It should be noted that the World Bank is requesting to transfer this project to UNIDO at the

present meeting. Therefore, the Fund Secretariat requested the World Bank to describe its approach to the study, the project duration, and the relationship of the study to compliance.

20. The World Bank indicated that it anticipated that a desk study would be commissioned to evaluate the alternatives for conversion from the CTC used by the chlor-alkali sector in Europe and in the United States, consistent with the intervention made by Sweden at the 47th Meeting. The World Bank planned to collaborate with Sweden to develop terms of reference for this study. It was expected that the study would take roughly three to four months to complete and that the results would be presented to the Executive Committee. The World Bank stated that the study would compile lessons learned and experiences in other countries with a view to developing information to assist countries with low volumes of CTC consumption that are not eligible for exemptions but may have problems meeting the CTC phase-out targets. The Executive Committee may wish to consider whether this activity should be brought forward to 2006 in light of its possible contribution to compliance.

Ecuador Methyl Chloride (TCA) phase-out project

21. At its 45th Meeting, the Executive Committee approved project preparation for a TCA phase-out project in Ecuador because Ecuador had been found to be in non-compliance with the control measure. The World Bank indicated that the Government of Ecuador had decided not to include this project in the 2006 Business Plan, but rather to present it in 2007 because more time was needed to develop a comprehensive project for this sector. The World Bank also indicated that because regulations have been introduced to control imports of TCA there was no immediate risk of non-compliance. The Executive Committee may wish to note the request of Ecuador to submit the TCA phase-out project in 2007.

Performance indicators

22. A summary of the World Bank's performance indicators pursuant to decision 41/93 is provided below in Table 1.

Table 2

PERFORMANCE INDICATORS

Item	2006 Target
Number of annual programmes of multi-year agreements approved versus those planned	24 ¹
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved versus those planned	1
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches versus those planned	21
ODS phased-out for individual projects versus those planned per progress reports	2,288 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	20 ²
Percentage of policy/regulatory assistance completed versus that planned	N/A

¹ Includes three annual programmes of new multi-year projects expected to be approved by the Executive Committee in 2006.

² Represents the number of projects expected to be completed in 2006, which will lead to an expected phase-out of 2,288 ODP tonnes.

Item	2006 Target
Speed of financial completion versus that required per progress report completion dates	11 months
Timely submission of project completion reports versus those agreed	100%
Timely submission of progress reports and responses unless otherwise agreed	100%

23. The World Bank's target for the number of annual programmes approved includes one approved multi-year agreement for which no annual work programme will be submitted in 2006. For consistency with the other agencies, the World Bank's target for the number of annual programmes approved should therefore be 23.

24. The World Bank's target for the activities completed for approved multi-year annual tranches versus those planned is 21. However, its business plan indicates that the World Bank has only 20 approved multi-year agreements for submission in 2006. For consistency with the other agencies, the World Bank's target for activities completed for approved multi-year agreements should be 20.

25. The World Bank did not set a target of providing policy assistance to countries in 2006. The World Bank is currently operating in 19 countries based on their last progress report. The Fund Secretariat inquired whether the World Bank assisted its client countries to develop policies and regulations noting that Annex I of the World Bank's business plan indicated that several countries, including Ecuador, Turkey, and Viet Nam, planned to implement policies or regulations. The World Bank indicated that that all national and sectoral plans involve policy-related activities and that it has provided policy assistance as integral components of its projects but not as stand-alone activities. It did not modify its performance indicator, however.

26. During the compliance period, countries may need policy and regulatory assistance that might not be anticipated at the beginning of the year. The Executive Committee may wish to request the World Bank to provide a target for policy and regulatory assistance to countries requesting that assistance to reflect the efforts it plans to undertake in this regard within its approved projects and multi-year agreements.

RECOMMENDATIONS

27. The Fund Secretariat recommends that the Executive Committee consider:

- (a) Endorsing the 2006-2008 business plan of the World Bank, as contained in UNEP/OzL.Pro/ExCom/48/11, while noting that endorsement did not denote approval of the projects identified therein or their funding levels with any modifications based on consideration of the following activities:
 - (i) Methyl bromide project in Ecuador to be submitted in 2006;
 - (ii) Phase-out of CTC in chlor-alkali sector study to be submitted in 2007;

- (b) Noting the decision of the Government of Ecuador to include a TCA phase-out project in the World Bank's 2007 business plan instead of the business plan for 2006;
- (c) Approving the pharmaceuticals project in China at the last meeting of the year, should any funds become available; and
- (d) Approving the performance indicators for the World Bank set out in Table 2 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/48/11 while setting a target of 23 for the number of annual programmes approved and a target of 20 for the number of milestone activities to be completed, and requesting the World Bank to provide a target for policy and regulatory assistance to countries requesting that assistance to reflect the efforts it plans to undertake in this regard within its approved projects and multi-year agreements.

2006 BUSINESS PLAN

WORLD BANK

INVESTMENT AND NON-INVESTMENT
OPERATIONS FUNDED BY THE
MULTILATERAL FUND OF THE
MONTREAL PROTOCOL

Presented to the 48th Meeting
Of the Executive Committee

February 21, 2006

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I. MULTILATERAL FUND TARGETS

A. Meeting the Objectives of the Multilateral Fund

1. The proposed 2006 Business Plan for the World Bank is prepared on the basis of the 2006-2010 Phase-out Plan for the Multilateral Fund, prepared by the Multilateral Fund Secretariat. Results of the model three-year phase-out plan, which includes all approved activities through December 2005, are summarized in Table I-1:

*Table I-1: 2006-2008 Business Plan Activities Required by Model
(Multilateral Fund Secretariat, 2006)*

Phaseout in ODP tons	Total ODP
CFC in non-LVC countries	927.7
CFC non-LVC with plans	1,321.0
CFC in LVC countries for RMP or updates	37.0
CFC in LVC for TPMP	686.6
Halon	26.8
Methyl Bromide	66.0
CTC	536.0
TCA	23.9
Total ODS to be funded	3,625.0

2. In response to the three-year model phase-out plan, the proposed 2006 Business Plan of the World Bank includes new investment and non-investment activities that will assist Article 5 countries in reducing their consumption and production of CFCs, halons, CTC, TCA and methyl bromide. The expected impact of proposed new investment activities for 2006 is summarized in Table I-2. Information for each individual project is presented in Annex II through IV.

3. In accordance with Decision 38/66, Table I-2 also includes information on new activities for 2007 and 2008. It is important to note that activities planned for 2007 and 2008 are included on a tentative basis only, and that they may be revised during the course of implementation of the final 2006-2008 Business Plan.

Table I-2: Expected impact of new investment activities included in proposed 2006-2008 Business Plan (ODP tonnes)

ODP to be phased out	2006	2007	2008	Total
CFC consumption in non-LCV countries	495	546	30	1,071
CFC consumption in LCV countries	-	-	-	-
CFC production	-	-	-	-
MB consumption	32	-	20	52
CTC consumption	-	-	-	-
CTC production	-	-	-	-
TCA consumption	-	-	-	-
TCA production	-	1	-	1
Halon consumption	-	-	-	-
Halon production	-	-	-	-
Total	527	547	50	1,124

Note: Figures include individual investment activities as well as multi-year investment plans

4. Other than the ODP to be phased out from new investment activities proposed for the 2006-2008 period, additional phase-out will be achieved through the implementation of previously approved investment projects, sector plans and national plans. This additional phase-out is summarized in Table I-3.

Table I-3: Impact of investment activities implemented by the World Bank approved prior to 48th Executive Committee meeting (ODP tonnes)

ODP to be phased out	2006	2007	2008	Total
CFC consumption in non-LCV countries	9,040	2,344	548	11,932
CFC consumption in LCV countries	81	52	22	155
CFC production	9,202	13,927	7,980	31,109
MB consumption	-	-	-	-
CTC consumption	579	439	440	1,458
CTC production	7,221	9,759	10,396	27,376
TCA consumption	-	-	-	-
TCA production	-	-	-	-
Halon consumption	1,559	118	-	1,677
Halon production	1,000	-	-	1,000
Total	28,682	26,639	19,386	74,707

Note: Figures include individual investment activities as well as multi-year investment plans

Strategic approach to ODS phase-out in the proposed 2006 Business Plan

5. Funding of Closure Projects in the Production Sector: The proposed 2006 Business Plan allocates US\$58.1 million (roughly 72% of the total investment deliverables for the year) to support annual work programs of the Argentina, China, India and Venezuela CFC production closure projects, the China Halon and TCA production projects, and the China and India CTC production closure activities. The total impact of the combined production closure projects in 2006 is approximately 17,423 ODP tonnes, equivalent to 65% of the impact expected from activities implemented in 2006.

6. Sector Strategies and Terminal Phase-Out Plans: In response to the direction provided by the Executive Committee with regards to strategic planning under the Multilateral Fund, the 2006 Business Plan includes: a) a Terminal Phaseout Management Plan (TPMP) for Tunisia; b) a Pharmaceutical Aerosol sector plan for China; and c) a methyl bromide phase-out plan for Viet Nam.

B. Resource Allocation

7. The proposed 2006 Business Plan includes deliverables of 25 investment activities in 16 countries, including Antigua and Barbuda, Argentina, Bahamas, Chile, China, Ecuador, India, Indonesia, Jordan, Malaysia, The Philippines, Thailand, Tunisia, Turkey, Venezuela and Viet Nam. The total amount of funds requested for *investment activities* in the proposed 2006 Business Plan is US\$80.6 million.

8. **The total amount of deliverables in the proposed 2006 World Bank Business Plan, including investment and non investment activities amounts to US\$81.5 million** (including agency support costs). The breakdown of these deliverables is summarized in Table I-4:

Table I-4: Summary of all activities included in proposed 2006-2008 Business Plan

Type of activity included in proposed 2006-2008 Business Plan	Number of activities	Amount of funds requested*
Annual/Biennial Work Programs for sector/ national plans previously approved by Executive Committee	20	US\$73.16 million
New multi-year projects in China, Tunisia and Viet Nam	3	US\$6.77 million
New investment project in Ecuador	1	US\$0.69 million
Institutional Strengthening program renewals in Ecuador, The Philippines, Tunisia and Turkey	4	US\$0.86 million

(*) Figures include agency support costs

9. The funding distribution for investment activities included in the proposed 2006 Business Plan is summarized in Table I-5, while a summary of resource allocations for the triennium is presented in Table I-6:

Table I-5: Summary of proposed funding distribution for investment activities in proposed 2006 World Bank Business Plan

Sector	Total amount of funds requested in 2006 (US\$ 000s)	Percent of total (%)	Estimated impact in 2006 (ODP tonnes)	Percent of total (%)
CFC consumption	14,874	18.45	8,321	30.99
· Foam	4,204	5.21	6,820	25.40
· National CFC phase-out plans	4,492	5.57	786	2.93
· Refrigeration (including MAC)	803	1.00	370	1.38
· MDI	0	0.00	0	0.00
· Aerosols	5,375	6.67	345	1.28
CFC production	24,567	30.47	9,202	34.26
CTC consumption	5,137	6.37	579	2.16
CTC production	33,087	41.04	7,221	26.89
TCA consumption	0	0.00	0	0.00
TCA consumption	0	0.00	0	0.00
Halon consumption	0	0.00	500	1.86
Halon production	430	0.53	1,000	3.72
Methyl bromide consumption	2,529	3.14	32	0.12
Total	80,623	100	26,855	100

Note 1: Figures include agency support costs

Note 2: Figures do not include impact of individual investment projects approved prior to 2006 that are expected to be completed in 2006

Table I-6: World Bank's proposed resource allocation plan for 2006-2008 (in US\$000s)

	Value (\$000) in 2006	ODP in 2006	Value (\$000) in 2007	ODP in 2007	Value (\$000) in 2008	ODP in 2008
Planned New Activities	7,461	527	8,642	547	1,613	50
Approved Multiple Year	73,162	26,394	58,869	26,340	39,162	19,231
Institutional Strengthening	858	-	732	-	872	-
Technical Assistance	-	-	-	-	-	-
Project Preparation	-	-	-	-	-	-
Total	81,481	26,921	68,243	26,887	41,647	19,281

Note: Figures include agency support costs

10. **The proposed 2006 Business Plan will capture an estimated 26,921 ODP tonnes at a cost effectiveness of US\$2.80/kg ODP.**

11. A request for US\$1.55 million for Core Unit Costs is included in the proposed 2006 Business Plan.

C. Special Initiatives

12. National CFC Phase-out Plans: The proposed 2006 Business Plan includes one new TPMP for Tunisia. Activities encompassed in this plan will enable the country to meet its CFC reduction commitments by 2010.

13. Sector Plans: Consistent with its strategy of supporting integral sectoral approaches for ODS elimination, the Bank is submitting four new phaseout plans in the following sectors:

- Pharmaceutical Aerosols – A non-MDI pharmaceutical aerosol plan will address CFC-11 and CFC-12 consumption by the sector.
 - Methyl bromide – One proposed activity will assist the Governments of Viet Nam to completely eliminate its consumption of Methyl Bromide.
-

II. PLANNED BUSINESS ACTIVITIES

A. Ongoing Activities

14. Investment projects: By the beginning of 2006, the World Bank's Montreal Protocol portfolio consists of 20 ongoing individual investment projects and 21 multi-year projects.

15. Non-Investment Projects and Activities: By the beginning of 2006, the Bank's portfolio included 18 ongoing non-investment activities, such as demonstration projects, institutional strengthening, technical assistance and training.

16. Annex I presents a country-by-country analysis of the progress and status of ongoing Montreal Protocol operations, provided by members of the various countries' task teams.

B. Program Expansion

17. The following sections provide brief descriptions of new activities that have been included in the Bank's proposed 2006 Business Plan. Annex II summarizes ODP impact from new and from approved activities implemented during the period 2006 to 2008 and beyond. A list of all activities to be implemented during 2006-2008 and of their levels of funding is included in Annex III and IV.

New submissions

18. *Ecuador* - The Government of Ecuador has requested the Bank to include a methyl bromide elimination activity in its 2006 Business Plan. The project aims at eliminating all remaining consumption of methyl bromide in the country, with an estimated impact of 32 ODP tonnes.

19. *China* - The proposed 2006 Business Plan includes one new submission on behalf of the Government of China, for the phaseout of the use of CFCs by the non-MDI pharmaceutical aerosol sector. This specific sector plan will address an estimated consumption of CFC-11 and CFC-12 of 691 ODP tonnes. Project preparation funds were approved in 2004, and the project will be presented in the course of 2006.

20. The submission of this project for consideration of the Excom in 2006 is in fact necessary to assist China in meeting its obligations under the Accelerated CFC Phaseout Plan (APP) approved by the Excom at its 44th Meeting. The non-MDI part of the pharmaceutical aerosol sector is affected by the reduction targets of the APP. As per the agreement with Excom, China will stop all production of CFCs by June 30 2007, with the exception of that required for MDI production. The APP agreement allows China to produce 550 tonnes of CFCs, annually, for MDI production until January 1, 2010. On the other hand, production of CFC for non-MDI pharmaceutical aerosols will stop by June 30, 2007.

21. The APP agreement further states that an accelerated phaseout will only be feasible if the MLF approves funding for i) the servicing sector plan; and ii) the non-MDI pharmaceutical aerosol sector plan "as soon as possible" and before the deadline of the APP. The Government of China has therefore concentrated on the development of these two sector plans. The non-MDI pharmaceutical aerosol plan is currently under preparation and will be presented to the Excom at its 50th Meeting. Its approval in 2006 will be critical for China to remain in compliance with its commitments under the APP.

22. *Tunisia* – At the 42nd Executive Committee meeting, the Government of Tunisia received funds for the preparation of a Country Program Update (CPU). The CPU was presented to the Committee in 2005. Responding to the recommendations of the Executive Committee and on based on the results of the CPU, a Terminal Phaseout Management Plan (TPMP) was prepared, which will be submitted in the course of 2006.

23. *Viet Nam* – On behalf of the Government of Viet Nam, the Bank is submitting a project that aims at completely phasing out of Methyl Bromide consumption in the country. The plan will address a level of consumption of 60 ODP tonnes. The Government received project preparation funds for the development of this plan in 2004.

Submissions of annual or biennial work plans for approved multi-year projects

24. As per previously approved agreements, 20 annual or biennial work plans will be submitted for the consideration of the Executive Committee in 2006. Table II-1 provides the breakdown of these work plans:

Table II-1: Annual or biennial work programs of previously approved multi-year plans that will be submitted to the EXCOM in 2006

Approved multi-year agreement	Country
National CFC phase out plans	Antigua and Barbuda, Bahamas, Ecuador, Malaysia, the Philippines, Thailand and Vietnam
CFC production closure	Argentina, China, India and Venezuela
Foam phaseout plan	China and Indonesia
MAC refrigeration sector plan and Commercial Refrigeration sector plan	Indonesia and Turkey
CTC and Process Agents phaseout plans	India and China
CTC production closure	China and India
Halon consumption and phaseout plans	China
Methyl Bromide phaseout plans	Thailand

Renewal of institutional strengthening

25. Requests for renewal of institutional strengthening programs will be submitted for Ecuador, the Philippines, Tunisia and Turkey.

C. Measures to Expedite Implementation of Approved Projects and Those Critical to Compliance:

26. Throughout 2006, the focus of the implementation activities involving the Bank will be primarily on: i) assisting client countries in meeting 2007 and 2010 compliance targets; and ii) assisting countries, as much as possible, in completing ongoing investment and non-investment activities that will be critical for compliance.

27. As has been the case for the last decade, the World Bank will continue to work closely to assist its Article 5 client countries in sustaining their consumption and production freeze obligations, achieving the required 85% production and consumption reductions of Annex A chemicals in 2007, and fulfilling all other obligations to the Montreal Protocol that are due by 2010. The Bank will work closely with countries to ensure timely implementation of approved projects.

28. The Bank will conduct its Tenth Annual Financial Intermediaries workshop in the second semester of 2006. The focus of this year's workshop will be compliance with 2007 obligations and completion of ongoing activities. Other topics that will be covered in the 2006 workshop include a review of the implementation of national phaseout plans, focusing on verification issues, monitoring and reporting requirements.

III. PERFORMANCE INDICATORS

29. As per Decision 41/93, the following performance indicators are included in the World Bank's 2006 Business Plan:

A. Quantitative Performance Indicators

30. Approval Performance Indicators

a) Number of annual programs of multi-year agreements approved vs. those planned (Weighting: 20)

Table III-1: Number of annual programs of multi-year agreements planned for 2006

Item	Planned for 2006
Annual Work Programs of previously approved multi-year agreements to be presented to EXCOM in 2006	20
Approved multi-year agreements for which no Annual Work Program will be submitted to EXCOM in 2006	1
New multi-year agreements that will be submitted for consideration of EXCOM	3

b) Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned. (Weighting: 20)

Table III-2: Number of individual projects/activities planned for 2006

Item	Planned for 2006
New individual investment activities to be presented to EXCOM	1
New institutional strengthening renewals to be presented to EXCOM	4
New technical assistance activities to be presented to EXCOM	0

31. Implementation Performance Indicators

a) Activities completed/ODS levels achieved for approved multi-year annual tranches vs. those planned. (Weighting: 20)

In the year 2006, the World Bank expects to complete every milestone of its 21 approved multi-year agreements, including ODP phased out and policy milestones. The Bank also expects the approval of three new multi-year agreements that will be submitted to the Executive Committee in 2006.

b) ODP phased-out for individual projects vs. that planned per progress reports (Weighting: 5)

In the year 2006, the World Bank expects to phaseout a total 2,288 ODP tonnes through implementation and completion of ongoing individual projects.

c) Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports (Weighting: 5)

In 2006, the World Bank expects to complete 20 individual projects, including investment and non-investment activities.

d) Percentage of policy/regulatory assistance completed vs. those planned (Weighting: 10)

Not applicable. No stand-alone policy activities were included in the World Bank's Business Plan of 2006.

32. **Administrative Performance Indicators**

a) Speed of financial completion vs. that required per progress report completion dates (Weighting: 10)

The Bank expects to achieve financial completion of its projects within an average 11 months from the required date.

b) Timely submission of project completion reports (Weighting: 5)

The Bank plans to submit project completion reports of all projects that are completed between July 1, 2005 and June 30, 2006, by the end of 2006.

c) Timely submission of progress reports and responses unless otherwise agreed (Weighting: 5)

The Bank plans to submit its 2005 Progress Report on May 1, 2006 or at least eight weeks before the subsequent meeting of the Executive Committee, whichever is the earlier.

33. A summary of the World Bank's 2006 performance indicators is included in Table III-3, below.

Table III-3 – Summary of World Bank's performance indicators

Category of Performance Indicator	Item	Weighting	2006 Target
Approval	Number of annual programs of multi-year agreements approved vs. those planned	20	24/24 ⁽¹⁾
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	20	1/1
Implementation	Activities completed/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	21/21
Implementation	ODP phased-out for individual projects vs. that planned per progress reports	5	2,288 ODP tonnes
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	20 ⁽²⁾
Implementation	Percentage of policy/regulatory assistance completed vs. those planned	10	N/A
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	11 months
Administrative	Timely submission of project completion reports	5	100%
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	100%

(1) Includes three annual programs of new multi-year projects expected to be approved by EXCOM in 2006

(2) Represents the number of projects expected to be completed in 2006, which will lead to an expected phaseout of 2,288 ODP tonnes

IV. POLICY ISSUES

Financial planning for the 2006-2008 triennium

34. During an inter-agency coordination meeting that took place in Montreal in January 23-24, 2006 the MLF Secretariat informed implementing agencies of potential financial constraints in 2006, and thus asked agencies to make efforts to address financial planning in their 2006-2008 business plans. Agencies agreed to give priority in 2006 to compliance-required activities, including approved multi-year agreements and new activities needed for compliance as per the MLF's three year phaseout model. It was also agreed that activities not required for compliance would be deferred to 2007 and 2008.

35. After consulting with the pertinent countries, the World Bank has complied with the agreements reached during the interagency coordination meeting by postponing to 2007 the following activities, which would have been submitted in 2006 if no cash flow issues had arisen. Should additional funds become available the Excom may wish to consider these activities in 2006:

- a) *Vietnam HCFC survey* – A request for funds to conduct a survey of HCFC uses in Vietnam has been postponed to 2007.
- b) *Global CTC phaseout in the chlor-alkali sector* – At the 47th Meeting of the Excom, the World Bank was requested to examine technologies and eventual sector plans relevant to the phaseout of CTC in the production of chlorine, with a view to identifying cost-effective alternatives for the conversion of the chlor-alkali sector (Decision 47/39). The Bank proposes to defer to 2007 a request for funds to carry out a global study that would address the concerns of the Excom.

36. At the coordination meeting, the World Bank agreed to defer to 2007 the submittal of a second project on behalf of the Government of Ecuador, namely the Methyl Bromide elimination project. The Government of Ecuador also received preparation funds in 2005 for the development of this project, which aims at eliminating all remaining consumption of methyl bromide in the country, with an estimated impact of 32 ODP tons. This project was originally not believed to be an activity needed for compliance. However, upon consultation with the Government, it was in fact established that there are significant risks that the country may be in non-compliance with respect to its Methyl Bromide obligations in 2006. In fact, results from the survey work that has been conducted under project preparation show that illegal Methyl Bromide trade may be increasing. The Government will address this problem through the new project and has thus urged the Bank to submit it for consideration of the Excom in 2006. Given that this is an activity that may be required for compliance, it has been included in the Bank's 2006 Business Plan.

HCFC and ODS destruction activities

37. The World Bank has chosen not to include any activity related to HCFC phaseout or to ODS destruction in its 2006-2008 Business Plan until guidance from the Excom and

from the Parties has been provided on these matters. The Bank believes that it is premature and inappropriate for implementing agencies to include such activities in their 2006-2008 Business Plans, in light of: i) the current financial constraints of the MLF and the need to prioritize, in this triennium, financing of activities that will be critical for compliance; ii) the lack of guidelines, either from the Parties or from the Excom, on the scope and the eligibility of potential projects addressing either topic; iii) the limited amount of information, at a global and at a country-level, which would allow the development of strategic and cost-effective initiatives to address both the phaseout of HCFCs and the options for management and potential disposal of ODS stocks.

38. Specifically with regards to projects focusing on ODS destruction, the Bank believes that it would not be effective to embark in the development of strategies for ODS destruction with client countries without having determined, among others: i) estimates of the volume of ODS that will require ultimate disposal, at the regional and at the global level, in order to consider, if appropriate, the option of establishing regional disposal facilities; ii) the existing installed destruction capacity in developed and developing countries, and the potential for using those facilities over time for the disposal of a *finite* volume of unwanted and unusable ODS; iii) the need to put in place additional destruction capacity and the potential sources of funding to construct, update and operate environmentally sound facilities that meet adequate discharge standards; iv) the future use of new or upgraded destruction facilities once all ODS stocks have been disposed; and v) alternatives for financing activities involving locating, collecting, transporting and disposing of ODS stocks. The Bank believes that the technical complexity associated with ODS destruction, the costs entailed and the potential environmental liabilities that this topic involves make it difficult to engage in a strategic dialogue with countries, in the absence of guidelines from the Executive Committee. Once the scope of destruction activities eligible for financing under the MLF has been defined, the Bank will be able to develop country and regional strategies that can possibly be linked to ongoing waste and hazardous waste management projects or to initiatives under the Stockholm, Basel and Rotterdam Conventions.

39. In March 2006, the Fund Secretariat will hold an experts meeting to address the extent of current and future requirements for the collection and disposal of non-reusable and unwanted ODS. Recommendations from this workshop will be presented to the 48th Excom Meeting. It is likely that following discussions at the 48th Meeting, agencies will receive more concrete directions on the type of activities that may be financed under the guidelines of the Montreal Protocol. Until those guidelines have not been issued, and given the fact that disposal activities will not impact on countries' compliance in this triennium or in the future, the Bank has chosen not to include them in its proposed 2006-2008 Business Plan. The Bank will intensify its ongoing dialogue on waste management and disposal issues with China, Ecuador, Chile, Jordan, Malaysia, Thailand, Tunisia and Turkey, once clear directives from the Excom have been issued or when the disposal of unwanted ODS becomes a critical issue to countries' ability to meet their obligations of the Protocol. The Bank would then develop concrete proposals, following a programmatic approach, to address this issue in a cost-effective and sustainable manner.

40. On the issue of HCFC phaseout activities, the Bank has a comparable position. The Bank believes that the uncertainties surrounding HCFCs, such as: i) accelerated phaseout schedules proposed by some European Union countries; ii) global HCFC market trends, as feedstock and as substitute; iii) availability of funds, under the MLF, for HCFC phaseout in Article 5 countries; iv) potential commitments that Article 5 countries may need to make in order to receive financing for HCFC phaseout; and others, are currently too significant to allow the development of strategic and far-reaching country-level projects. The Executive Committee will provide some additional guidance on this topic once HCFC surveys in China and in other countries have been completed. At present, and in absence of findings from earlier surveys already approved by the Excom or of specific guidelines from the Excom, the Bank believes that it is too early to include HCFC phaseout activities in its proposed Business Plan for this triennium. Given the dynamics of the HCFC issue, the Bank and its client countries will, however, continue to monitor the situation and may include this type of activities in the subsequent years of this triennium. This is to ensure that the Bank's client countries will be able to maintain their ability to contribute to the overall objectives of the Montreal Protocol with minimum adverse impact to their economies.

Delays in the submission of Annual Work Plans by lead agencies

41. In 2005, The World Bank prepared two Annual Work Programs (AWPs) for its Foam and MAC phaseout projects in Indonesia. As per the established procedure, these AWP's were subsequently sent to UNDP, the lead agency of the overall CFC phaseout plan in Indonesia. Delays in the preparation of the country's consumption verification report for 2004 prevented UNDP's timely submission of the overall CFC phaseout AWP. The Bank's Foam and MAC AWP's were thus not submitted, and therefore the country did not receive its allocated funds for 2005. While this has not yet caused major implementation delays to the Bank's projects in Indonesia, further delays in the receipt of funds could severely impact the progress of the two projects. UNDP is planning to submit requests for both 2005 and 2006 tranches for approval in 2006. The country expects to receive funding for the two years, in order to move forward with its commitments under the Foam and MAC agreements.

42. As implementing agencies have been requested by the Parties to facilitate timely implementation of approved activities, in order to assist countries to meet their commitments to the Protocol in the upcoming years, the Excom may wish to consider taking measures to ensure that when multiple agencies collaborate in the implementation of a project, countries and co-agencies are not penalized for the delays of the lead agency.

V. ADMINISTRATIVE AND FINANCIAL MATTERS

43. *Transfer of Colombia CTC Project* – At its 47th Meeting, the Excom approved a project in Colombia aiming at phasing out the CTC consumption by a chlor-alkali firm (Decision 47/39). With the agreement of the Government of Colombia, UNDP and the

World Bank, the Bank would like to seek the Excom's approval to the transfer of this project to UNDP.



ANNEX I

Country-by-Country Review

ARGENTINA

The program in Argentina for 2006 will continue monitoring the closure of the CFC Production Plant. The Bank and the Government will explore the possibility of an early closure in FIASA during the next Bank's mission. Neba was bought by a new company, and is now called ALKALA S.A. Production has restarted in the new company, and there is strong interest to complete the SGA signed between GOA and Neba. The two aerosol projects were finished last year, and are awaiting financial completion. The Halon Bank has started operations, and the project is expected achieve financial and physical completion during the first semester of 2006. Tests under the MB project restarted February 2006, and the project is expected to be finished by August 2006. Two missions are planned to Argentina in 2006.

THE BAHAMAS

The government of the Bahamas is entering the final phase of implementation of the Terminal Phaseout Management Plan. The phaseout of CFC consumption is moving forward and the country has consistently met its targets under the Excom Agreement. Activities are now primarily focused on training, technical assistance and public awareness. The Bank has provided support to the Government in developing an action plan for the implementation of regulation to control of imports and exports of CFCs. One mission is planned to the Bahamas in 2006.

CHILE

The only remaining activities in Chile are the Institutional Strengthening and the Halon projects. The halon project is expected to be completed in 2006. The government has put in place an import/export control system for ODS, through the issuance of quotas. Chile will not carry out an accelerated phase out of Methyl Bromide, but instead will follow the phaseout schedule of the Montreal Protocol. Methyl Bromide quotas have been issued to ensure that the country remains in compliance with its commitments.

CHINA

In addition to the normal regular supervision missions (about three a year), there are several training capsules in the Annual Programs (AP) of each sector plan which will help the National Ozone Unit (NOU) and others to more effectively implement the overall MP program. Policy issues are also addressed specifically in the sectoral annual programs. It is expected that all remaining PCRs for individual projects under ODS III will be submitted in 2006.

The Pharmaceutical Aerosol sector plan will be submitted at the last Executive Committee meeting in 2006. In addition, there will be five annual programs in the year: the 2006 Accelerated Phaseout Plan's (APP) progress report prepared by the Bank and submitted by the U.S., the Halon Sector AP, the CFC Sector AP, the Foam Sector AP, the

CTC/PAI Sector AP and the PAII AP. Meeting of project targets in all APs is essential for China to meet its obligations and sector targets. No implementation delays are expected.

COLOMBIA

All World Bank implemented projects in Colombia have been completed. The Bank is working with the country in the preparation of the two PCRs that remain to be submitted.

ECUADOR

The Program in Ecuador in 2006 expects to continue with the successful implementation of the National CFC Phaseout Plan and ensure compliance with the MP control measures. The import/export licensing quota system has been developed and will continue to be monitored during 2006. This year, the program will provide recovery and recycling equipment to over 40 workshops, as well as to the Customs office. The Bank will continue supporting the GOE carry out public awareness activities as in 2005. A MB phase out project will be developed during this year, and a TCA/solvents project will be presented to the Excom in 2007. Two missions to Ecuador will take place in 2006

INDIA

There are two ongoing projects in India, namely ODSIII and ODS IV. As half the India MP task team is based in New Delhi, dialogue with the Government is on a continuous basis, with close interactions for developing and finalizing activities, plans and strategies. There are two formal review missions planned for ODSIII this year.

There are no new projects proposed for 2006. No significant implementation delays have been experienced in the implementation of the program. Given that there are only 4 years remaining, 2006 will be a crucial year in terms of understanding what critical activities are to be undertaken to ensure that the transition to zero CFC production scenario is relatively smooth.

INDONESIA

There are two ongoing sector plans (MAC and Foam), two TA projects (Aerosol TA, and Strengthening of import/export control). Remaining individual investment project will be completed in 2006 and PCRs submitted accordingly. Disbursement for these activities is currently progressing very well. The team has instituted several activities which will be carried out in 2005 to assist the NOU and/or FI to speed up implementation – a local consultant have been hired to help follow up with government and the FI in Jakarta, we are conducting several meetings with the related departments (such as the Ministry of Finance, and Planning, Industry and Trade, Customs) to expedite disbursements and the import control system. We have also planned two supervision missions in 2006 which include dialogue with the Government with regard to policy issues and TA issues.

JORDAN

The implementation of the National ODP Phase-out Plan is progressing in accordance with plans and Jordan has been able to meet the 2005 50% MP control target. The main activities in 2006 will be the continuation of the 2005 training and recycling activities.

The Bank is working with Jordan on the verification of the 2005 CFC, CTC and halon imports. All ongoing individual projects have been completed and remaining PCR's are under preparation and will be submitted in 2006.

MALAYSIA

Implementation of the National CFC Phaseout Plan (NCFCP) is ongoing and significant progress has been achieved in the past year. It is expected that by the end of 2006: a) considerable advances will have been made in the implementation of the MAC servicing component; and b) progress will have been made in the implementation of the refrigeration servicing component; and d) the solvent component will be completed.

Two World Bank missions will take place during 2006, to monitor the process of the various program activities.

MEXICO

The project will close during 2006. Consumption of industrial solvents will cease by March 2006. The sterilization subproject is expected to be completed by June 2006. The second phase of the chillers project will start during 2006.

PAKISTAN

The portfolio of ongoing Pakistan projects under the World Bank is shrinking with a number of project completions in 2005. All projects are expected to be completed in 2006. In 2005, complete ODS phaseout was achieved for the two Thermoware projects, representing the largest CFC phaseout for individual projects in the portfolio.

The Bank has worked closely with the Government of Pakistan and its Financial Intermediary to expedite project completion after a period of project delays and will continue to do so in 2006 in order to phase out all remaining uses of CFC in the manufacturing sector (with the exception of MDIs). The Bank will have two, 6-10 day supervision missions in 2006 (with at least two Bank staff, the Financial Intermediary and two technical consultants). In addition, two additional technical visits are expected by the Bank's national and international consultants to assist the larger, remaining refrigeration manufacturers to finish their conversions.

THE PHILIPPINES

The Government of the Philippines has made measured progress in implementing its National CFC Phase-out Plan (NCPP) and has achieved all its CFC consumption targets under its agreement with the Executive Committee. The Bank continues its broad program of support for the country as it implements three projects: the NCPP, the Methyl Bromide Phaseout Strategy and the Institutional Strengthening project. This support has been strengthened with the World Bank project manager now being located in the Bank's Manila office. This permits more direct interaction and dialogue which will be beneficial during the launching of the full phase of the voucher scheme in the servicing sector. In addition, the Bank continues its regular official supervision missions to the country which will include in 2006, several staff from headquarters along with the Manila team. Two supervision missions are expected.

The Government plans on renewing its institutional strengthening project at the first meeting of the Executive Committee in 2006. In addition, with the 47th Executive Committee's approval of a chiller project for the Philippines, the country will conduct a chiller stakeholder's workshop in order to complete the GEF component of the project preparation for submission in early 2006.

THAILAND

Implementation of the NCFCP is underway and significant progress has been achieved since 2005. It is expected that by the end of 2006: a) conversion of the foam sector will be completed; b) the implementation of the MAC servicing component will have advanced considerably; c) phaseout of the solvent sector will be completed; and d) implementation of the refrigeration servicing sector component will be underway.

All individual non-halon activities will be completed in 2006, and implementation of the revised Halon Management and terminal Halon Conversion projects is expected to advance steadily.

Implementation of the National Methyl Bromide phaseout plan started in 2005. The Grant Agreement between the Bank and the Government of Thailand was amended and the Project Management Unit is being established. Training and Public Awareness activities will be launched in 2006.

Two World Bank missions will take place during 2006, to monitor the process of the various program activities.

TUNISIA

The country program update was submitted in 2005, as planned, and approved by the Executive Committee at its 47th meeting in November 2005. Tunisia has met its 2005 MP target. A National ODP Phase-out Plan is presently under finalization by the National Ozone Unit and will be submitted to the 49th meeting of the Excom when agreed and approved by the relevant ministries. The NOPP is essential for Tunisia in meeting its 2007 85% CFC reduction target and total phaseout by 2010. Ongoing individual investment projects have been completed and PCRs will be prepared and submitted accordingly. Renewal of the institutional strengthening is scheduled for 2006.

TURKEY

Turkey's 3rd Institutional Strengthening project has now been signed by MoEF (the NOU) and MARA (Agriculture) and will support a number of important activities during 2006. Also, a contract will be signed with the Industry Chamber of Ankara to install and manage Turkey's Halon Banking facility within one of its laboratories in the Sincan Organized Industrial Zone. The Industry Chamber of Ankara has good collaboration with KOSGEB and will also be operating a refrigerant reclaim center in Ankara under Turkey's Refrigeration Sector Project (RSP).

In 2006, MoEF is anticipating Government approval of a new CFC decree updating regulations which were first published in 1999. TTGV has requested and in due course

we anticipate receiving further details from MoEF on the specific changes envisaged. The second meeting of the newly-established MeBr Resource Group (participants include MoEF, MARA and project staff from both World Bank and UNIDO supported MeBr projects), which was proposed for establishment during the Bank's June 2005 mission as a way to enhance national coordination of MeBr research, information dissemination, training, and phase-out activities across Turkey, is scheduled to take place end-January/early February 2006. The Group's first meeting reviewed an Action Plan which has since been submitted to MARA for their comments and approval. The proposed Plan would include both an intensification of present MeBr activities and extension into other regions of Turkey where the potential for MeBr use is high. Finally, the next Ozone Panel Meeting will be convened by MoEF in the autumn of 2006 to review overall progress in Turkey's ODS phase-out program.

With regard to the RSP, we anticipate completion of the Reclaim Centers to be located in Ankara and Izmir (the Center in Istanbul has already been established), as well as the establishment of the network of Recycle Centers, in conjunction with distribution of associated recovery equipment, in other cities throughout Turkey. The RSP end-user project is also finally getting underway following the Bank's no objection approval to TTGV to sign a contract with Coca-Cola retrofit 1500 end-user refrigeration units at Coca-Cola's refurbishing centers located in Ankara, Istanbul, Izmir and Manisa. Coca-Cola Turkey is 60% domestically owned and support will be proportioned accordingly. Financial assistance will be 50% grant and 50% loan from Turkey's Revolving Fund. Following review of results in retrofitting the 1500 units, decision will be made regarding extending additional end-user support for up to 2500 more units, i.e., 4,000 in total.

VENEZUELA

CFC production is expected to cease by the end of 2006, but PRODUVEN will continue operating as a HCFC-22 plant. The Government will continue to monitor CTC imports via licenses in order to prevent production of CFCs.

VIETNAM

The agreement of the Vietnam National CFC and Halon Phase-out Plan between the ExCom and Vietnam was approved in April 2005. By early August 2005, the import-export licensing system for ODS was approved by the Government and published in the Government Gazette. To ensure full compliance with the import target stipulated in the agreement, MONRE had entered into a voluntary agreement with all importers at the beginning of 2005 on the import level allowed by each importer. Immediately after the import-export licensing system became officially effective in August 2005, the import quota for the remaining months taking into account the quantity already imported earlier in the year was issued.

The Ministry of Natural Resources and Environment established the Project Management Unit in the second half of 2005. The Deputy Director General of the International Cooperation Department has been appointed as the Manager of the Project Management Unit. The Project Management Unit has been staffed and functioning since the third

quarter of 2005. The Grant Agreement between Vietnam and the Bank has been finalized. It will become effective as soon as it is signed by the Government of Vietnam. Expenditures incurred by the PMU will be retroactive reimbursed once the Grant Agreement becomes effective.

ANNEX II
Implementation and New Activities

Country	LVC/ Non LVC	Type	Chemical/ Substance	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 ODP phase out 2006/ Project Completion	Approved ODP phase out 2007/ Project Completion	Approved ODP phase out 2008/ Project Completion	Approved ODP phase out after 2008	I-Individual M-Multi-year
Non LVCs																	
Argentina	Non-LVC	PHO	CFC	Production CFC closure	2,100	-	120	961	1,120	-	1,047	686					M
Argentina	Non-LVC	INV	CFC	MDI Phaseout			2,150	50									M
Chile	Non-LVC	INV	MeBr	Methyl bromide phaseout plan	575	10	711	41	118	19	591	65					M
Chile	Non-LVC	INS		Renewal of Institutional Strengthening			201				201						M
China	Non-LVC	PHO	CFC	Foam Phaseout Plan	2,917	6,600	1,926	400	1,926	-	-	-					M
China	Non-LVC	PHO	CFC	Production CFC closure	13,975	5,250	25,800	6,100	8,063	6,850	8,063	550					M
China	Non-LVC	PHO	Halon	Halon Phaseout Plan (Production)	430	1,000	323	-	108	-	-	1,000					M
China	Non-LVC	PHO	Halon	Halon Phaseout Plan (Consumption)		500						1,000					M
China	Non-LVC	PHO	CTC	Process Agents Phaseout Plan		-	-	-	-	-	-	1,220					M
China	Non-LVC	PHO	CFC	Phase-out CFC as Process Agent	17,200	3	5,375	2	3,225	8	1,075	-					M
China	Non-LVC	PHO	CTC	Production CTC closure		6,642		9,320		9,956		551					M
China	Non-LVC	PHO	TCA	Production TCA closure		-	-	-	753	-	-	79					M
China	Non-LVC	PHO	CTC	Process Agents Phaseout Plan (Phase II)	10,750		10,750		10,750		1,613						M
China	Non-LVC	PHO	CFC	Pharmaceutical Aerosols Phaseout	5,375	345	5,375	346									M
India	Non-LVC	PHO	CFC	Production CFC closure	6,611	3,952	6,450	3,953	6,450	1,130	6,450	2,259					M
India	Non-LVC	PHO	CTC	CTC Phase-out plan	10,273	579	4,323	439	3,453	440	3,453	268					M
India	Non-LVC	PHO	CTC	Production CTC closure		579		439		440		268					M
Indonesia	Non-LVC	PHO	CFC	Foam Phaseout Plan	1,287	286	38	66	-	-	-	-					M
Indonesia	Non-LVC	PHO	CFC	Refrigeration MAC	273	220	-	365	-	-	-	-					M
Indonesia	Non-LVC	INV	CFC	MDI phaseout					1,290	30							M
Jordan	Non-LVC	INS		Renewal of Institutional Strengthening			158				158						I
Malaysia	Non-LVC	PHO	CFC	CFC Phaseout plan		120		89		89		401					M
Malaysia	Non-LVC	PHO	CTC	CFC Phaseout plan	1,097	-	300	-	300	-	300	1					M
Malaysia	Non-LVC	PHO	TCA	CFC Phaseout plan		-	-	-	-	-	-	18					M
Philippines	Non-LVC	PHO	CFC	CFC Phaseout plan	359	149	116	907	-	53	-	100					M
Philippines	Non-LVC	INS		Renewal of Institutional Strengthening	195	-	-	-	195	-	195	-					M
Thailand	Non-LVC	PHO	CFC	CFC Phaseout plan		243		209		208		704					M
Thailand	Non-LVC	PHO	CTC	CFC Phaseout plan	920	-	600	-	600	-	420	1					M
Thailand	Non-LVC	PHO	TCA	CFC Phaseout plan		-	-	-	-	-	-	5					M
Thailand	Non-LVC	PHO	MeBr	Fumigants Phaseout plan	1,518	-	-	-	1,013	-	-	147					M
Thailand	Non-LVC	INS		Renewal of Institutional Strengthening		-	373	-	-	-	373	-					I
Tunisia	Non-LVC	INS		Renewal of Institutional Strengthening	247	-	-	-	247	-	247	-					I
Tunisia	Non-LVC	INV	CFC	Terminal Phaseout Management Plan	1,075	150	1,075	150									M
Turkey	Non-LVC	PHO	CFC	Refrigeration Phaseout plan	530	150	30	-	30	-	25	-					M
Turkey	Non-LVC	INS		Renewal of Institutional Strengthening	280	-	-	-	280	-	280	-					M
Venezuela	Non-LVC	PHO	CFC	Production CFC closure	1,881	-	2,473	2,913	1,129	-							M
Vietnam	Non-LVC	PHO	CFC	CFC Phaseout plan		40		125		35		40					M
Vietnam	Non-LVC	PHO	Halon	CFC Phaseout plan	630	-	-	-	192	-	-	19					M
Vietnam	Non-LVC	PHO	CTC/TC	CFC Phaseout plan		-	-	-	-	-	-	-					M
Vietnam	Non-LVC	PHO	MeBr	Methyl Bromide phaseout plan	323	-	-	-	323	20	129	40					M
Vietnam	Non-LVC	TAS	HCFE	HCFE survey			81										I
Global		TAS	CTC	Phaseout of CTC in chlor-alkali sector			108										I
				Agency Core Unit Costs	1,545		1,591		1,639								
LVCs																	
Antigua and Barbuda	LVC	PHO	CFC	CFC Phaseout plan	30	0.4	-	0.4	-	0.5	-	0.5					M
Bahamas	LVC	PHO	CFC	CFC Phaseout plan	136	11	-	14	-	-	-	-					M
Ecuador	LVC	PHO	CFC	CFC Phaseout plan	245	70	245	38	20	21	-	21					M
Ecuador	LVC	INV	MeBr	Methyl Bromide Elimination	688	32											I
Ecuador	LVC	INV	TCA	TCA phaseout			42	1									I
Ecuador	LVC	INS		Renewal of Institutional Strengthening	136	-	-	-	136	-	136	-					I

Notes:

(1) Funding request includes US\$1,128,750 and US\$158,631 corresponding to the 2005 and 2006 tranches

(2) Funding request includes US\$136,892 and US\$135,802 corresponding to the 2005 and 2006 tranches

Figures include agency support costs

ANNEX III
Database of New and Ongoing Activities
(Actual ODP)

Notes:

- **ODP values shown for multi-year agreements are based on actual reduction targets specified in agreements**
 - **Figures include agency support costs**
-

ANNEX IV
Database of New and Ongoing Activities
(ODP based on overall cost effectiveness)

Notes:

- **ODP values shown for approved multi-year agreements are estimate based on overall cost effectiveness of agreement and on value of yearly tranches.**
 - **Figures include agency s upport costs**
-

ANNEX V
Value and Year of ODP Phase-out



Country	LVC/ Non LVC	Type	Chemical/ Substance	Sector and Sub-sector	ODP in 2006	ODP in 2007	ODP in 2008	ODP after 2008	Approved ODP phase out 2006/ Project Completion	Approved ODP phase out 2007/ Project Completion	Approved ODP phase out 2008/ Project Completion	Approved ODP phase out after 2008	I-Individual M-Multi-year	A-Appr. P-Plan'd	Plan'd Date of Completion
Antigua and Barbuda	LVC	PHO	CFC	CFC Phaseout plan	0.4	0.4	0.5	0.5					M	A	
Argentina	Non-LVC	PHO	CFC	Production CFC closure	-	961	-	686					M	A	
Argentina	Non-LVC	INV	CFC	MDI Phaseout		50							I	P	
Argentina	Non-LVC	INV	CFC	Domestic Refrigeration Projects					29				I	A	
Argentina	Non-LVC	TAS	Halon	Halon Banking					200				I	A	
Bahamas	LVC	PHO	CFC	CFC Phaseout plan	11	14	-	-					M	A	
China	Non-LVC	PHO	CFC	Foam Phaseout Plan	2,000	6,600	400	-					M	A	
China	Non-LVC	PHO	CFC	Production CFC closure	5,250	6,100	6,850	550		7,400			M	A	
China	Non-LVC	PHO	Halon	Halon Phaseout Plan (Production)	1,000	-	-	1,000					M	A	
China	Non-LVC	PHO	Halon	Halon Phaseout Plan (Consumption)	500	-	-	1,000					M	A	
China	Non-LVC	PHO	CTC	Process Agents Phaseout Plan	-	-	-	1,220					M	A	
China	Non-LVC	PHO	CFC	Phase-out CFC as Process Agent	3	2	8	-					M	A	
China	Non-LVC	PHO	CTC	Production CTC closure	6,642	9,320	9,956	551					M	A	
China	Non-LVC	PHO	TCA	Production TCA closure	-	-	-	79					M	A	
China	Non-LVC	PHO	CTC	Process Agents Phaseout Plan (Phase II)									M	A	
China	Non-LVC	PHO	CFC	Pharmaceutical Aerosols Phaseout	345	346							I	P	
Ecuador	LVC	PHO	CFC	CFC Phaseout plan	70	38	21	21					M	A	
Ecuador	LVC	INV	MeBr	Methyl Bromide Elimination	32								I	P	Dec. 09
Ecuador	LVC	INV	TCA	TCA phaseout		1							I	P	Dec. 09
Ecuador	LVC	TAS	MeBr	Methyl bromide Demonstration Project						15			I	A	
India	Non-LVC	PHO	CFC	Production CFC closure	3,952	3,953	1,130	2,259					M	A	
India	Non-LVC	PHO	CTC	CTC Phase-out plan	579	439	440	268					M	A	
India	Non-LVC	PHO	CTC	Production CTC closure	579	439	440	268					M	A	
Indonesia	Non-LVC	PHO	CFC	Foam Phaseout Plan ⁽¹⁾	286	156	66	-					M	A	
Indonesia	Non-LVC	PHO	CFC	Refrigeration MAC ⁽²⁾	220	110	365	-					M	A	
Indonesia	Non-LVC	INV	CFC	MDI phaseout			30						I	P	Dec. 10
Indonesia	Non-LVC	INV	Halon	Halon banking					859				I	A	
Indonesia	Non-LVC	INV	CFC	Flexible Foam					859				I	A	
Jordan	Non-LVC	INV	CFC	ODS Phaseout Plan							125		I	A	
Malaysia	Non-LVC	PHO	CFC	CFC Phaseout plan	120	89	89	401					M	A	
Malaysia	Non-LVC	PHO	CTC	CFC Phaseout plan	-	-	-	1					M	A	
Malaysia	Non-LVC	PHO	TCA	CFC Phaseout plan	-	-	-	18					M	A	
Mexico	Non-LVC	INV	CFC	Conversion at aerosol filling plant					57				I	A	
Mexico	Non-LVC	INV	CFC	Strerilants Sterilization Services					15				I	A	
Pakistan	Non-LVC	INV	CFC	Foam multiple-subsectors					107	181			I	A	
Pakistan	Non-LVC	INV	CFC	Domestic Refrigeration					91				I	A	
Pakistan	Non-LVC	INV	CFC	Commercial Refrigeration					14				I	A	
Philippines	Non-LVC	PHO	CFC	CFC Phaseout plan	149	907	53	100					M	A	
Philippines	Non-LVC	TAS	MeBr	Fumigants Phaseout plan							9		I	A	
Thailand	Non-LVC	PHO	CFC	CFC Phaseout plan	243	209	208	704					M	A	
Thailand	Non-LVC	PHO	CTC	CFC Phaseout plan	-	-	-	1					M	A	
Thailand	Non-LVC	PHO	TCA	CFC Phaseout plan	-	-	-	5					M	A	
Thailand	Non-LVC	PHO	MeBr	Fumigants Phaseout plan	-	-	-	147					M	A	
Tunisia	Non-LVC	INV	CFC	Terminal Phaseout Management Plan	150	150							M	P	Dec. 10
Tunisia	Non-LVC	INV	CFC	Rigid Foam projects					57				I	A	
Turkey	Non-LVC	PHO	CFC	Refrigeration Phaseout plan	150	-	-	-					M	A	
Turkey	Non-LVC	INV	Halon	Halon banking						118			I	A	
Venezuela	Non-LVC	PHO	CFC	Production CFC closure	-	2,913	-						M	A	
Vietnam	Non-LVC	PHO	CFC	CFC Phaseout plan	40	125	35	40					M	A	
Vietnam	Non-LVC	PHO	Halon	CFC Phaseout plan	-	-	-	19					M	A	
Vietnam	Non-LVC	PHO	CTC/TC	CFC Phaseout plan	-	-	-	-					M	A	
Vietnam	Non-LVC	PHO	MeBr	Methyl Bromide phaseout plan	-	-	20	40					M	P	

Notes:

(1) Includes reduction targets for 2005 and 2006

(2) Includes reduction targets for 2005 and 2006