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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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Addendum

PROGRESS REPORT OF UNDP AS AT 31 DECEMBER 2005

This document is issued to:

- **Add** the following to paragraph 27 in document UNEP/OzL.Pro/ExCom/49/11:

27 (bis) A revised proposal was submitted on 11 July 2006 and is provided as Annex III.
- **Replace** paragraph 44 (d) **with** the following:

44. (d) Approve the revised proposal for the halon banking project in Mexico (MEX/HAL/35/TAS/104) in the amount of US \$50,000 of the remaining balance of US \$70,218 for the project after considering the issue of the sustainability of the halon bank.
- **Add** Annex III as attached.

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

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

Annex III

PROJECT REVISION FOR MEX/HAL/35/TAS/104 - NATIONAL HALON MANAGEMENT AND BANKING PROGRAMME

Introduction

1. This paper does not request any additional funds, but proposes to use savings from some project components so that they may be applied towards other components for which the budgets have been exhausted.

Achievements of the project to date

2. The following summarizes the progress to date in the Mexican halon banking project:

- (a) A study tour to inspect a similar functioning halon bank facility in the United Kingdom has been completed.
- (b) The set up of the Mexico banking facility including construction alterations, electrical, plumbing, local equipment purchases etc has been completed. Halon decommissioning training equipment has been purchased locally.
- (c) Although the initial tendering procedure and subsequent selection of the successful contractor for supply and installation of various pieces of specialized equipment proceeded smoothly, a technical problem was encountered delaying the commissioning of the main halon reclamation machine. It was indeed ascertained at the time of commissioning that a major part had become damaged possibly in transit from the United States of America to Mexico which necessitated the machine being transported back to the United States of America. The machine was returned to Mexico where commissioning was attempted again. On this occasion, another part malfunction occurred with the non-ODS cooling refrigerant agent escaping. This time only the affected part was returned for repairs. The parts and refrigerant were returned to Mexico and finally it was possible to have the machine operational by the end of August 2004.
- (d) A mechanism was put in place to ensure meetings with involved parties including CAISA, SEMARNAT and UNDP Mexico, coordinated through the Halon Management Group/Advisory Forum and the associated Halon Essential Use Panel. Funds have been made available to CAISA from the project as planned for meetings of these groups for one year. However, due to the above-mentioned project delays further meetings and monitoring efforts need to be organized.
- (e) In October 2002, advice was provided on the establishment of a halons database including the design of sample collection forms covering both halon 1211 and 1301. Based on this, CAISA developed a web site specifically for the halon banking project and as part of that web site incorporated the halon database collection information that would therefore enable halon users / owners to send their halon quantity details electronically. Initial information that was obtained in

developing the project document was inserted into the database. Additional information has been obtained progressively to date but has stalled after about a year due to the reluctance by most halon owners, particularly those that are Government owned, to provide details of their installed halon due to confidentiality issues etc. It is in this connection that additional awareness and advocacy activities are urgently needed to reinvigorate efforts in this regard.

- (f) Several public education and awareness functions have been implemented:
- (i) A forum held in Mexico City in January 2003 at the premises of CANCINTRA where over 150 people attended where most key stakeholders were represented. The forum was to provide an official launch and information session on the Mexico Halon Management and Banking project. A folder with a CD and brochure containing details of the project and the electronic version of the halon database information activity was given to the participants.
 - (ii) In September 2003, CAISA participated in a seminar at one of the major universities in Mexico City at which the engineering faculties of all Mexican universities were present together with ecological groups. CAISA gave a presentation on the Montreal Protocol and ODS issues which was then followed by a presentation on the proposed halon banking operations.
 - (iii) At the end of January 2004, CAISA participated in the “Expo Security Las Americas” trade show where they hosted their own stand demonstrating aspects of halon banking and the project in general. Approximately 50 potential customers who were halon owners and users expressed specific interest in the program but stated that they would only become involved if some official documentation from the Government outlining the functions and objectives and responsibilities of halon owners was received.
 - (iv) Inauguration workshop of the halon bank held in December 2004.

As can be seen, actions have been taken in regards to the public education and awareness activities of the project, and funds allocated for this purpose have been fully expended. Due to late installation of the halon banking equipment however, momentum was lost and additional awareness activities are therefore needed to regain the interest and involvement of potential users to the halons bank.

Start-up of the Halons Banking Operations

3. It was expected that further to the above-mentioned activities and especially after the official inauguration workshop which was held in December 2004, the halons bank would go into full operation and that the project could be completed a year after the official inauguration workshop took place (i.e. completion in December 2005). As mentioned in UNDP’s progress report submitted in May 2006 however, results were very disappointing and the amounts of halons that were recovered very low.

4. The reasons for the lack of success to date are summarized as follows:
- (a) The delayed commissioning of the halon bank equipment has resulted in a disruption of the momentum gained during the earlier phase of the project.
 - (b) The Halon Management Group/Advisory Forum and the associated Halon Essential Use Panel only met before the commissioning of the equipment and should be asked to resume its leading / steering role (no funds requested for this).
 - (c) As time has elapsed, and as the equipment has been under-utilized, the contractor reported that the equipment needs maintenance to be put back in full working order.
 - (d) As most awareness activities took place too early (in view of the unexpected delays in installing the equipment), additional awareness and advocacy efforts are now needed to incite potential users of the halon bank to come forward and to finally make the whole project fully operational.

5. It is for this reason that Mexico has requested UNDP to utilize remaining funds for the organization of the following activities. As mentioned in the introduction, all of the proposed activities as listed below were in fact included in the original project, but the funds for the respective components they belonged to were exhausted. This request for a project revision therefore only asks to use some of the savings made in the equipment component towards an increase in the awareness and advocacy efforts to be realized as follows. While a balance of US \$70,218 is available, the Government does not request more than US \$50,000 to be applied for these proposed activities. Any remaining balance would thus be returned to the Executive Committee upon issuance of the final revision of the project.

Proposed Increase in Activities	US\$
Maintenance/spares	5,000
Public awareness (video, poster, brochures, mailing costs)	16,000
National consultant	11,000
Monterrey workshop	6,000
Guadalajara/Leon	6,000
Mexico-City	6,000
Total	50,000

6. Timeline: It is proposed that the revised monitoring phase would start on 1 September 2006, and that the project would be completed a year thereafter, i.e. 30 August 2007.