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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-ninth Meeting
Montreal, 10-14 July 2006

OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

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.

Projects and activities presented to the 49th Meeting of the Executive Committee

Submissions by Implementing and Bilateral Agencies

1. The total value of multi-year agreements (all tranches), projects and activities received by the Fund Secretariat from implementing and bilateral agencies is US \$23,844,381 (including agency support costs where applicable). The requested level of funding, following project review, for approval at the 49th Meeting amounts to US \$22,956,755 for annual tranches of multi-year agreements, projects, and activities.

Secretariat's review of proposed projects and activities

2. The review by the Fund Secretariat of proposals for the funding of projects and activities has resulted in recommendations for blanket approval (see Annex I) of a total of 45 annual tranches, projects and activities amounting to US \$7,208,588. Two investment projects and other activities, with a total value of US \$523,825, have been withdrawn or deferred, including projects which did not provide adequate information or where the eligibility was in doubt.

3. The incremental costs of investment projects and annual tranches of sector plans and national phase-out plans, with a total value of requested funds amounting to US \$14,861,104 have been agreed with the relevant implementing agencies, and are submitted for individual consideration (see Annex II) either in keeping with past practice or because other non cost-related issues are pending.

Status of the Fund

4. At the time of preparation of this paper, Multilateral Fund resources available for commitment amounted to some US \$25.5 million which is sufficient to fund all the projects and activities submitted for consideration to the 49th Meeting.

Request for a change of technology in an approved project

5. The Secretariat received from UNDP a request for a change in the technology to be used in the project "Phase out of CFC-11 by conversion to liquid carbon dioxide (LCD) in the manufacture of flexible polyurethane foam at El Houria Unit Plant", approved at the 35th Meeting of the Executive Committee (decision 35/39) at a cost of US \$520,405, plus support costs of US \$67,245 for UNDP. Approval was on the understanding that funding of US \$50,000 for a licensing fee for the LCD technology would not be committed for expenditure until the Executive Committee had considered a report on revision of the guidelines for LCD.

6. The main production equipment had been purchased and delivered to the beneficiary in 2004. Since then, UNDP reports that serious difficulties have arisen in implementation of the project associated with significant increases in costs and with decreasing availability of auxiliary equipment, including a storage tank for carbon dioxide. It has not been possible to resolve these issues and the enterprise concerned has finally declined to implement the conversion using LCD technology. However, UNDP has ascertained that the enterprise would be prepared to phase out the use of CFC-11 by converting to methylene chloride as the blowing agent. UNDP proposes to use the uncommitted funds still remaining in the budget (US \$59,289 excluding the funding for

license fees), to make the necessary changes. The beneficiary will share the additional costs related to the change of technology.

7. The LCD equipment is not required for the alternative technology. UNDP will negotiate with the manufacturer with the intent of recovering the maximum possible portion of the equipment cost against return of the equipment. The recovered cost will be returned to the Multilateral Fund. However, the equipment is largely custom built and cost recovery may be minimal. According to the Secretariat's project information, there are no other ongoing projects using LCD technology for which equipment has not yet been purchased and therefore no possibilities for use of the existing equipment elsewhere.

8. UNDP has supplied the Secretariat with a detailed budget and relevant technical information. The request is in line with the relevant guidelines established in decision 22/69. As requested in decision 32/25, UNDP will return the US \$50,000 earmarked for license fees. The Secretariat supports UNDP's proposal as the most effective way of achieving phase-out at the enterprise and obtaining some return, albeit small, on the cost of the LCD equipment.

9. The Executive Committee might wish to approve the change of technology for the project "Phase out of CFC-11 by conversion to liquid carbon dioxide (LCD) in the manufacture of flexible polyurethane foam at El Houria Unit Plant", and note the intention of UNDP to return the US \$50,000 for licensing fees plus support cost prior to the 50th Meeting and, upon completion of the project, to return any additional funds recovered by UNDP from return of the equipment to the supplier of LCD technology.

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/49/19
Annex I

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
ALBANIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase II)	UNEP		\$109,200	\$0	\$109,200	
	Total for Albania		\$109,200		\$109,200	
BENIN						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNEP		\$18,000	\$2,340	\$20,340	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
	Total for Benin		\$18,000	\$2,340	\$20,340	
CAMEROON						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNIDO		\$30,000	\$2,250	\$32,250	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNIDO be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
	Total for Cameroon		\$30,000	\$2,250	\$32,250	
CENTRAL AFRICAN REPUBLIC						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNEP		\$30,000	\$3,900	\$33,900	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
	Total for Central African Republic		\$30,000	\$3,900	\$33,900	
COSTA RICA						
FUMIGANT						
Methyl bromide						
Total methyl bromide phase-out used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications (tranche IV)	UNDP	63.6	\$969,057	\$72,679	\$1,041,736	11.35
	Total for Costa Rica	63.6	\$969,057	\$72,679	\$1,041,736	

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			Project	Support	Total	
ECUADOR						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2006 annual programme	IBRD	70.0	\$227,410	\$17,055	\$244,465	7.19
Total for Ecuador		70.0	\$227,410	\$17,055	\$244,465	
GAMBIA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNEP		\$18,000	\$2,340	\$20,340	
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNDP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNDP		\$12,000	\$900	\$12,900	
Total for Gambia			\$30,000	\$3,240	\$33,240	
GRENADA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$37,000	\$4,810	\$41,810	
Terminal phase-out management plan for CFCs (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNDP		\$40,000	\$3,600	\$43,600	
Total for Grenada			\$77,000	\$8,410	\$85,410	
GUINEA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNIDO be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNIDO		\$15,000	\$1,125	\$16,125	

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			Project	Support	Total	
Project preparation for a terminal phase-out management plan	UNEP		\$15,000	\$1,950	\$16,950	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Total for Guinea			\$30,000	\$3,075	\$33,075	
KOREA, DPR						
PROCESS AGENT						
Sectoral phase out plan						
Supplementary plan for terminal phase-out of CTC as process agent	UNIDO	229.9	\$884,399	\$66,330	\$950,729	
PRODUCTION						
ODS closure						
Closure of ODS production plant: (third tranche)	UNIDO		\$488,750	\$24,438	\$513,188	
<i>UNIDO and the Government were requested to continue monitoring the production at the plant 2.8 Vinalon Complex to ensure the sustainability of the ODS production phase-out. UNIDO was also requested to submit a verification report to the last meeting in 2007 and 2008.</i>						
PHASE-OUT PLAN						
CFC phase out plan						
Implementation of the NPP: regulations, training programme and monitoring (second tranche)	UNEP		\$163,400	\$21,242	\$184,642	
CTC phase out plan						
Plan for terminal phase-out of CTC (fourth tranche)	UNIDO	100.0	\$500,000	\$37,500	\$537,500	
<i>Approved in accordance with an amended Agreement between the Government and the Executive Committee to make provision for submission to the second meeting of the year.</i>						
Total for Korea, DPR			329.9	\$2,036,549	\$149,510	\$2,186,059
LAO, PDR						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan for CFCs	France		\$30,000	\$3,900	\$33,900	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP France be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Total for Lao, PDR			\$30,000	\$3,900	\$33,900	

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			Project	Support	Total	
LIBERIA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNEP		\$18,000	\$2,340	\$20,340	
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNDP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNDP		\$12,000	\$900	\$12,900	
Total for Liberia			\$30,000	\$3,240	\$33,240	
MADAGASCAR						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan <i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>	UNEP		\$30,000	\$3,900	\$33,900	
Total for Madagascar			\$90,700	\$3,900	\$94,600	
MALAYSIA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2006 annual programme	IBRD	120.0	\$1,013,300	\$83,197	\$1,096,497	6.03
Total for Malaysia			120.0	\$1,013,300	\$83,197	\$1,096,497
MAURITANIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
Total for Mauritania			\$60,000		\$60,000	

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			Project	Support	Total	
NICARAGUA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for a terminal phase-out management plan	UNEP		\$15,000	\$1,950	\$16,950	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNEP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
Project preparation for a terminal phase-out management plan	UNDP		\$15,000	\$1,125	\$16,125	
<i>Approved on the understanding that in developing and subsequently implementing the TPMP UNDP be requested to take into account decision 47/10(e) regarding the inclusion of import controls in licensing systems for methyl bromide, CTC and/or TCA, as well as CFCs.</i>						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
Total for Nicaragua			\$90,000	\$3,075	\$93,075	
NIGERIA						
PHASE-OUT PLAN						
ODS phase out plan						
Terminal ODS phase-out umbrella project in the solvent sector (3rd tranche)	UNIDO		\$425,000	\$31,875	\$456,875	7.96
<i>Approved an adjustment to the condition for submission of requests for funding agreed in decision 43/31, to make provision for submission to the second meeting of each year.</i>						
Total for Nigeria			\$425,000	\$31,875	\$456,875	
SAINT LUCIA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000	
Total for Saint Lucia			\$60,000		\$60,000	
SAUDI ARABIA						
SEVERAL						
Project preparation/supervision						
Preparation of a country programme/national phase-out plan	UNIDO		\$65,000	\$4,875	\$69,875	
Total for Saudi Arabia			\$65,000	\$4,875	\$69,875	

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			Project	Support	Total	
TRINIDAD AND TOBAGO						
FUMIGANT						
Methyl bromide						
Technical assistance to phase out the use of methyl bromide	Canada	0.1	\$30,000	\$3,900	\$33,900	
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNDP	34.1	\$240,000	\$18,000	\$258,000	5.97
<i>Approved on the understanding that UNDP will continue to ensure performance and financial verification and will report to the Executive Committee that the control targets listed in the agreement and the associated activities have been met on an annual basis.</i>						
Total for Trinidad and Tobago		34.2	\$270,000	\$21,900	\$291,900	
URUGUAY						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase VII)	UNDP		\$150,800	\$11,310	\$162,110	
Total for Uruguay			\$150,800	\$11,310	\$162,110	
VENEZUELA						
SEVERAL						
Ozone unit support						
Renewal of institutional strengthening project (phase VIII)	UNDP		\$285,480	\$21,411	\$306,891	
Total for Venezuela			\$285,480	\$21,411	\$306,891	
VIETNAM						
PHASE-OUT PLAN						
ODS phase out plan						
National CFC and halon phase-out plan (second tranche)	IBRD	165.0	\$586,000	\$43,950	\$629,950	3.94
Total for Vietnam		165.0	\$586,000	\$43,950	\$629,950	
GRAND TOTAL		782.7	\$6,713,496	\$495,092	\$7,208,588	

Annex II

List of projects for individual consideration

Country	Project	Sector	Agency	Document No.
Fumigant sector				
Syria	Methyl bromide national phase-out plan (soil fumigation)	Fumigant	UNIDO	UNEP/OzL.Pro/ExCom/49/33
Phase-out plan				
D.R. Congo	National CFC phase-out plan (first tranche)	Phase-out plan	UNDP/ UNEP	UNEP/OzL.Pro/ExCom/49/24
Croatia	Terminal CFC phase-out management plan (4th, 5th and 6th tranches)	Phase-out plan	UNIDO	UNEP/OzL.Pro/ExCom/49/26
Syria	National CFC phase-out plan for Syria (first tranche)	Phase-out plan	UNIDO	UNEP/OzL.Pro/ExCom/49/33
Tunisia	National ODS phase-out plan	Phase-out plan	World Bank	UNEP/OzL.Pro/ExCom/49/35
Production sector				
India	CTC phase-out for the consumption and production sectors: 2006 annual programme	CFC production	France, Germany, UNIDO, World Bank	UNEP/OzL.Pro/ExCom/49/29
