



**United Nations
Environment
Programme**



Distr.
GENERAL

UNEP/OzL.Pro/ExCom/49/21
11 June 2006

ORIGINAL: ENGLISH

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

AMENDMENTS TO UNDP WORK PROGRAMME FOR 2006

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.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

1. UNDP is requesting approval from the Executive Committee of US \$475,280 for its 2006 Work Programme Amendments, plus agency support costs of US \$35,646.
2. The activities proposed in UNDP's Work Programme Amendments are presented in Table 1 below:

Table 1: UNDP's Work Programme Amendments

Country	Activity/Project	Amount Requested US \$	Amount Recommended US \$
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1. Preparation of terminal phase out management plans in three low volume consuming countries:			
Gambia	Project preparation funds for a terminal phase-out management plan in the servicing sector	12,000	12,000
Liberia	Project preparation funds for a terminal phase-out management plan in the servicing sector	12,000	12,000
Nicaragua	Project preparation funds for a terminal phase-out management plan in the servicing sector	15,000	15,000
Subtotal for project preparation:		39,000	39,000
A2. Renewal of institutional strengthening projects:			
		ODP tonnes	
Uruguay	Renewal of institutional strengthening project: phase VII	n/a	150,800
Venezuela	Renewal of institutional strengthening project: phase VIII	23.59	285,480
Subtotal for institutional strengthening projects:			436,280
Subtotal		475,280	475,280
Agency support costs (7.5 per cent for project preparation and institutional strengthening, and for other activities over US \$250,000, and 9 per cent for other activities under US \$250,000):		35,646	35,646
Total:		510,926	510,926

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL**A1: Preparation of terminal phase-out management plans in three low-volume-consuming countries****Project description**

3. UNDP is seeking funding for preparation of terminal phase-out management plans (TPMPs) in the Gambia (US\$12,000) Liberia (US \$12,000) and Nicaragua (US \$15,000). In each country the project preparation activities are being undertaken in conjunction with UNEP and the project preparation funding available under decision 45/54 is being shared.

Secretariat's comments and recommendation

4. The three requests are consistent with decision 45/54, and within the funding limits specified therein. The requests for the Gambia and Liberia were not foreshadowed in UNDP's 2006 business plan, however they are consistent with the preparatory action required to implement decision 48/4 which requested bilateral and implementing agencies to strive to have as many terminal phase-out management plans as possible from their 2007 business plans ready for submission to the 50th Meeting of the Executive Committee. The Secretariat recommends blanket approval of the three proposals at the levels of funding indicated in Table 1, with the proviso that in developing and subsequently implementing the TPMPs UNDP be requested to take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for methyl bromide, CTC and/or TCA, as well as CFCs.

A2: Renewal of institutional strengthening projects

(a)	Uruguay (phase VII)	US \$150,800
(b)	Venezuela (phase VIII)	US \$285,480

Project description

5. The description of the institutional strengthening projects for the above countries is presented in Annex I to this document.

Fund Secretariat's comments and recommendation

6. The Fund Secretariat recommends blanket approval of the above projects at the level of funding shown in Table 1. The Executive Committee may wish to express to the Governments of the above countries the comments which appear in Annex II to this document.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Uruguay: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
Amount originally approved:		
	Phase I: June 1993	US \$202,800
	Phase II: Oct. 1996	US \$116,000
	Phase III: July 1998	US \$115,981
	Phase IV: July 2000	US \$115,804
	Phase V: July 2002	US \$150,800
	Phase VI: July 2004	US \$150,800
	Total	US \$852,185
Amount requested for renewal of Phase VII (US \$):		150,800
Amount recommended for approval for Phase VII (US \$)		150,800
Agency support costs (US \$)		11,310
Total cost of institutional strengthening Phase VII to the Multilateral Fund (US \$)		162,110
Equivalent amount of CFC phase-out due to institutional strengthening Phase VII at US \$12.1/kg (ODP tonnes)		n/a
Date of approval of country programme		June 1993
ODS consumption reported in country programme (1992), (ODP tonnes)		314.10
Latest reported ODS consumption (2005) (ODP tonnes)		129.56
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		199.1
(b) Annex A Group II (Halons) (Average 1995-1997)		0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		0.4
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		0
(e) Annex E (Methyl bromide) (Average 1995-1998)		11.2
Latest consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs)		97.56
(b) Annex A Group II (Halons)		0
(c) Annex B Group II (Carbon tetrachloride)		0
(d) Annex B Group III (Methyl chloroform)		0
(e) Annex C Group I (HCFCs):		
HCFC-22		22.54
HCFC-141b		0.30
(f) Annex E (Methyl bromide)		8.64
Amount approved for projects (US \$)		5,489,374
Amount disbursed (as at April 2006) (US \$):		4,324,445
ODS to be phased out (ODP tonnes)		197.8
ODS phased out (as at April 2006) (ODP tonnes)		172.7

1. Summary of activities and funds approved by the Executive Committee:

		<u>US \$</u>
(a)	Investment projects	4,234,099
(b)	Project preparation and institutional strengthening	1,255,275
	Total:	5,489,374

Progress report

2. During its sixth phase, the institutional strengthening (IS) project of Uruguay continued successfully, achieving and maintaining compliance with the Montreal Protocol control measures. In particular, the National Ozone Unit of Uruguay coordinated the implementation of several projects to phase out ODS including the investment project for conversion of MDI manufacturing approved at the 43rd Executive Committee meeting, the refrigeration sector end users incentive project included as part of the RMP update, and the start-up of a technical assistance project to assist the solvents sector to use non-ODS alternative substances,

3. Uruguay is one of the first Article 5 countries to commence activities related to its MDI Transition Strategy, and has implemented a workshop on hydrocarbons, the report of which will be disseminated in the region. The Government of Uruguay also completed the development of ODS-related legislation to support the ODS phase out. The relevant decree was approved in September 2004. Supplementary measures to complement the ODS import/export licensing system are expected to be approved during the next IS phase. Public awareness activities included the production of a licensed product label called *Ozono Amigo*, to be provided to companies that do not use ODS, and production of the video "*La Capa de Ozono: Una Aventura Llena de Vida*". The label and video were distributed to other ozone officers in the region.

Plan of action

4. The NOU of Uruguay has the following objectives: to phase out methyl bromide as a soil fumigant, to continue compliance with the 50% reduction of CFC consumption in 2005, and to achieve the 85 per cent reduction in 2007. During the next phase of the IS project, the NOU will continue implementation of current ongoing activities including the MDI investment project, the MDI transition strategy, the refrigeration end users incentive project and the technical assistance project in the solvent sector. In addition, during this phase, Uruguay will submit for the consideration of the Executive Committee its terminal phase-out management plan. Further to the implementation of specific projects, the NOU will continue raising public awareness through various activities, and will continue producing, proposing and negotiating national ODS related legislation for effective enforcement of the Montreal Protocol.

Venezuela: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency:		UNDP
Amount originally approved:		
	Phase I: March 1993	US \$329,192
	Phase II: July 1995 – May 1996	US \$109,800
	Phase III: Oct. 1996	US \$219,600
	Phase IV: July 1998	US \$219,600
	Phase V: July 2000	US \$219,600
	Phase VI: July 2002	US \$285,480
	Phase VII: July 2004	US \$285,480
	Total	US \$1,668,752
Amount requested for renewal of Phase VIII (US \$):		285,480
Amount recommended for approval for Phase VIII (US \$)		285,480
Agency support costs (US \$)		21,411
Total cost of institutional strengthening Phase VIII to the Multilateral Fund (US \$)		306,891
Equivalent amount of CFC phase-out due to institutional strengthening Phase IV at US \$12.1/kg (ODP tonnes)		23.59
Date of approval of country programme		July 1995
ODS consumption reported in country programme (1994), (ODP tonnes)		3,194.20
Latest reported ODS consumption (2005) (ODP tonnes)		1,380.55
Baseline consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs) (Average 1995-1997)		8,109.3
(b) Annex A Group II (Halons) (Average 1995-1997)		0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)		1,107.2
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)		4.6
(e) Annex E (Methyl bromide) (Average 1995-1998)		10.3
Latest consumption of controlled substances (ODP tonnes):		
(a) Annex A Group I (CFCs)		1,064.92
(b) Annex A Group II (Halons)		0
(c) Annex B Group II (Carbon tetrachloride)		0
(d) Annex B Group III (Methyl chloroform)		1.74
(e) Annex C Group I (HCFCs):		
HCFC-22		220.17
HCFC-123		0.84
HCFC-124		9.96
HCFC-141b		62.62
HCFC-142b		14.08
HCFC-143a		7.60
(f) Annex E (Methyl bromide)		0
Amount approved for projects (US \$)		39,568,762
Amount disbursed (as at April 2006) (US \$):		22,697,714
ODS to be phased out (ODP tonnes)		5,874.8
ODS phased out (as at December 2004) (ODP tonnes)		1,124.5

5. Summary of activities and funds approved by the Executive Committee:

		US \$
(a)	Investment projects	36,677,279
(b)	Project preparation and institutional strengthening	2,891,483
	Total:	39,568,762

Progress report

6. The seventh phase of the institutional strengthening (IS) project of Venezuela supported the country's successful compliance with the Montreal Protocol's control measures. The National Ozone Unit (NOU) of Venezuela coordinated the implementation of several projects to phase out ODS, particularly the activities in the national phase-out plan, the customs program to control illegal trade, 12 investment projects in the foam sector and the closure of the CFC production facility.

7. The Government of Venezuela also developed additional legislation to support ODS phase-out. The relevant decree, which was approved in March 2006, incorporated the plans for phase-out in the production sector and improved regulations on CFC use. Public awareness campaigns supported these actions. Specific outputs included the production of a video on good practices, the celebration of International Ozone Day and hosting of the Main Regional Meeting for Ozone Officers in Latin America in November 2005.

Plan of action

8. The objective of the NOU of Venezuela for this next phase will be to meet the 85 percent reduction of CFC consumption for 2007, while continuing to ensure the supply of refrigerants for the refrigeration servicing sector. In order to achieve this, special emphasis will be given to the completion of ongoing projects and the implementation of the national phase-out plan, in particular, the training programme on good practices in refrigeration servicing. It will also accelerate the implementation of recovery and recycling activities and the introduction of hydrocarbons as refrigerants in small equipment. The early closure of the CFC production facility will also be completed during this next phase.

Annex II

**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS
OF INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 49TH MEETING**

Uruguay

1. The Executive Committee has reviewed and notes with appreciation the terminal report presented with the institutional strengthening project renewal request for Uruguay. In particular, the Executive Committee notes that Uruguay has met the Montreal Protocol 50 per cent CFC reduction target on schedule. It also appreciates the progress made in the implementation of phase-out projects in key ODS-consuming sectors, specifically the MDI sector and the refrigeration/air-conditioning servicing sector. The Executive Committee also notes with appreciation that Uruguay has achieved compliance with the methyl bromide consumption target in the action plan approved under decision XVII/39 of the Meeting of the Parties in 2005. The Executive Committee commends the Government of Uruguay for these achievements and expresses the expectation that, in the next two years, it will continue the implementation of its planned activities with outstanding success in the reduction of current ODS consumption levels.

Venezuela

2. The Executive Committee has reviewed and notes with appreciation the terminal report presented with the institutional strengthening project renewal request for Venezuela. In particular, the Executive Committee notes that Venezuela has met the Montreal Protocol 50 per cent CFC reduction target on schedule. It also appreciates the progress made in the implementation of phase-out projects in key ODS-consuming sectors, specifically the national CFC phase-out plan and the CFC production facility closure project. The Executive Committee commends the Government of Venezuela for these achievements and expresses the expectation that, in the next two years, it will continue the implementation of its planned activities with outstanding success in the reduction of current ODS consumption levels.

**EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE
MONTREAL PROTOCOL
(49th Meeting, 10 – 14 July 2006, Montreal)**

**2006 WORK PROGRAMME AMENDMENT
OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME**

**Request for Project Preparation and Non-Investment Projects at the
49th Executive Committee Meeting**

15 May 2006

2006 UNDP WORK PROGRAMME AMENDMENT

49th Executive Committee Meeting (10-14 July 2006, Montreal)

UNDP is submitting the following project preparation, non-investment programmes and core-unit funding for consideration at the 49th meeting of the Executive Committee. The amounts being requested in this document total US\$ 475,280 plus US\$ 35,646 in agency support cost.

1) Extensions for Institutional Strengthening Projects.

Nr	Country	Short Title	ODP	US\$	Support
1	Uruguay	Institutional Strengthening: Phase 7	0	150,800	11,310
2	Venezuela	Institutional Strengthening: Phase 8	24	285,480	21,411
	TOTAL		24	436,280	32,721

Separate documents on each of the above requests were submitted individually. In addition, UNDP is submitting the following additional requests for Project Preparation:

2) Requests for additional Project Preparation.

Nr	Country	Short Title	ODP	US\$	Support
1	Gambia*	PRP for the preparation of a TPMP	NA	12,000	900
2	Liberia*	PRP for the preparation of a TPMP	NA	12,000	900
3	Nicaragua*	PRP for the preparation of a TPMP	NA	15,000	1,125
	TOTAL			39,000	2,925

Note*: In cooperation with UNEP. Liberia and Gambia chose not to continue with GTZ as per ExCom decision 48/5.

3) Other Non-Investment Projects.

There are no other non-investment projects requested for the 49th meeting of the Executive Committee.