



**Programme des  
Nations Unies pour  
l'environnement**



Distr.  
GENERALE

UNEP/OzL.Pro/ExCom/51/11  
19 février 2007

FRANÇAIS  
ORIGINAL: ANGLAIS

COMITE EXECUTIF  
DU FONDS MULTILATERAL AUX FINS  
D'APPLICATION DU PROTOCOLE DE MONTREAL  
Cinquante et unième réunion  
Montréal, 19 – 23 mars 2007

**PLAN D'ACTIVITÉS DE LA BANQUE MONDIALE  
POUR LA PÉRIODE 2007-2009**

Les documents de présession du Comité exécutif du Fonds multilatéral aux fins d'application du Protocole de Montréal sont présentés sous réserve des décisions pouvant être prises par le Comité exécutif après leur publication.

Par souci d'économie, le présent document a été imprimé en nombre limité. Aussi les participants sont-ils priés de se munir de leurs propres exemplaires et de s'abstenir de demander des copies supplémentaires.

## **OBSERVATIONS ET RECOMMANDATIONS DU SÉCRÉTARIAT DU FONDS**

1. Le plan d'activités 2007-2009 de la Banque mondiale se trouve à l'Annexe I au présent document.
2. Le présent document comprend un résumé des activités prévues par la Banque mondiale pour éliminer les substances appauvrissant la couche d'ozone (SAO) durant la période 2007-2009. Il contient aussi les indicateurs d'efficacité du plan d'activités de la Banque mondiale, des observations générales et des recommandations proposées au Comité exécutif.

### **Activités prévues pour 2007-2009**

3. Le plan d'activités est un plan triennal à horizon mobile. La plupart des détails fournis concernent 2007. Les activités prévues pour 2008 et 2009 sont incluses à titre indicatif seulement et pourraient être révisées durant la mise en œuvre du plan d'activités final pour 2007-2009.

#### Activités prévues pour 2007

4. En 2007, la valeur totale des projets que la Banque prévoit présenter s'élève à 88,47 millions \$US (coûts d'appui inclus) pour l'élimination de 21 541 tonnes PAO. Son plan d'activités comprend :
  - a) Dix-huit accords pluriannuels en cours, fondés sur le rendement, pour l'élimination de secteurs et de substances qui totalisent 62,6 millions \$US et entraîneront l'élimination de 19 621 tonnes PAO de SAO ;
  - b) Un nouvel accord pluriannuel, d'une valeur de 13,63 millions \$US en 2007 (17,12 millions \$US au total pour la période triennale) qui entraînera l'élimination de 386 tonnes PAO de SAO en 2007 (485 tonnes PAO pour la période triennale) ;
  - c) Trois nouveaux projets d'investissement d'une valeur totale de 9,26 millions ;
  - d) Cinq renouvellements de projets de renforcement des institutions (Chili, Équateur, Jordanie, Thaïlande et Turquie), d'une valeur totale de 1,2 million \$US ;
  - e) Une activité globale d'assistance technique, évaluée à 0,108 million \$US ; et
  - f) Des coûts de base s'élevant à 1,664 millions \$US.

#### Activités prévues pour 2008

5. La Banque mondiale prévoit déposer en 2008 des projets d'une valeur totale de 45,86 millions \$US pour l'élimination de 11 552 tonnes PAO. Ce montant inclut 40,2 millions \$US pour les accords pluriannuels en cours et 1,753 millions \$US pour les coûts de base.

Activités prévues pour 2009

6. La Banque mondiale prévoit déposer en 2009 des projets d'une valeur totale de 28,79 millions \$US pour l'élimination de 7 371 tonnes PAO. Ce montant inclut 22,45 millions \$US pour les accords pluriannuels en cours et 1,847 millions \$US pour les coûts de base.

**Affectation des fonds**

7. Le Tableau 1 récapitule l'affectation des fonds dans le cadre du plan d'activités 2007-2009 de la Banque mondiale.

Tableau 1**AFFECTATION DES FONDS (en milliers de \$US)**

	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Requises pour la conformité</b>			
Accords pluriannuels approuvés	62 604	40 202	22 446
Coûts de base des agences d'exécution	1 664	1 753	1 847
Renforcement des institutions	1 202	461	1 001
Audits/études	108		
Activités pour les inhalateurs à doseur	18 438	1 290	3 491
<b>Sous total (requises pour la conformité)</b>	<b>84 016</b>	<b>43 706</b>	<b>28 785</b>
<b>Non requises pour la conformité</b>			
Destruction des SAO		1 075	
Étude sur les HCFC		1 075	
Élimination accélérée du bromure de méthyle	688		
Élimination accélérée de la production de SAO	3 763	0	0
<b>Sous total (non requises pour la conformité)</b>	<b>4 451</b>	<b>2 150</b>	<b>-</b>
<b>Total</b>	<b>88 467</b>	<b>45 856</b>	<b>28 785</b>

8. La Banque mondiale demande un financement de 88,5 millions \$US dans son plan d'activités de 2007. De ce montant, 84 millions \$US vont à des activités requises pour la conformité selon le modèle axé sur la conformité et 4,5 millions \$US à des activités non requises pour la conformité. La majorité des fonds sollicités pour 2007 sont affectés à des tranches annuelles d'accords pluriannuels approuvés (62,6 millions \$US). Pour 2008 et 2009, la Banque n'a inclus que 2,2 millions \$US pour deux études, une sur la destruction des SAO et l'autre sur les HCFC. Le niveau du financement escompté passe de 88,5 millions \$US en 2007 à 45,9 millions en 2008 et à 28,8 millions en 2009. La Banque a mentionné un montant de 235 000 \$US pour des activités au-delà de 2009, toutes reliées à un accord pluriannuel approuvé pour le bromure de méthyle au Vietnam.

**Mise en œuvre et aide à la conformité**

9. Au cours de la période 2007-2009, la Banque mondiale prévoit éliminer 49 733 tonnes PAO à travers des projets et des accords pluriannuels en cours. La Banque a ajouté que 1 564

tonnes PAO supplémentaires seront éliminées par des projets soumis pour approbation pendant la période triennale.

10. En 2007, la Banque concentrera ses activités ainsi : i) aider les pays clients dans les dernières étapes de l'élimination de leur consommation et de leur production en vue des objectifs de conformité de 2010 ; ii) aider les pays à achever des activités en cours, d'investissement et autres, essentielles pour atteindre la conformité ; iii) travailler avec les pays pour élaborer et mettre en œuvre des activités qui assureront la pérennité de l'élimination au-delà de 2010. La Banque a consacré une section de son plan d'activités à la mise en œuvre accélérée de projets, assortie d'une annexe descriptive pour chaque pays.

11. La Banque mondiale tiendra son onzième atelier annuel pour les intermédiaires financiers à la fin mars 2007 qui portera sur "la gestion de la consommation dans la perspective de l'objectif de réduction de 85%". L'atelier comprendra aussi des discussions sur le secteur de l'entretien et l'incidence des frigorigènes contaminés, les inhalateurs à doseur sans CFC, le projet mondial sur les refroidisseurs et les objectifs de conformité au-delà de 2010.

12. En 2007, la Banque organisera aussi la troisième rencontre régionale des pays d'Asie du Sud-Est afin de réunir tous les pays de cette région dans lesquels elle met en œuvre les opérations du Protocole de Montréal. Les pays partageront leurs expériences, renforceront les pratiques existantes d'échange d'informations sur la réglementation des SAO, l'application et autres sujets.

13. Bien que la mise à jour du modèle axé sur la conformité/plan triennal d'élimination des SAO révèle un besoin éventuel d'aide pour respecter les mesures de réglementation sur le tétrachlorure de carbone et le méthyle chloroforme, la Banque mondiale a indiqué que le Gouvernement de l'Équateur avait décidé, pour l'instant, de ne pas solliciter une aide additionnelle du Fonds multilatéral pour des activités d'élimination impliquant ces deux substances. La Banque a précisé que l'Équateur ayant mis en place une réglementation pour contrôler les importations de méthyle chloroforme, il n'y avait de risque immédiat de non-conformité.

14. A sa 47<sup>e</sup> réunion, le Comité exécutif a demandé à la Banque mondiale d'examiner les technologies et les plans sectoriels éventuels pertinents pour l'élimination du tétrachlorure de carbone (CTC) dans la production d'eau de Javel afin d'identifier les solutions de remplacement présentant un meilleur rapport coût-efficacité pour la conversion du secteur chloro-alkalin (décision 47/39). Le plan d'activités de la Banque mondiale pour 2007 contient une requête de 108 000 \$US pour mener cette activité. La Banque a décrit l'étude proposée dans son plan d'activités de 2006-2008. Elle prévoyait qu'une étude théorique serait commandée pour évaluer les solutions de remplacement pour la conversion du CTC utilisé dans le secteur chloro-alkalin en Europe et aux Etats-Unis, dans le sens de l'intervention de la Suède à la 47<sup>e</sup> réunion. L'étude devait durer environ trois à quatre mois et par la suite, les résultats seraient présentés au Comité exécutif. La Banque mondiale a indiqué que l'étude regrouperait les leçons et les expériences d'autres pays afin de préparer des informations qui aideront les pays à faible volume de consommation de CTC qui ne sont pas admissibles à des exemptions, mais qui pourraient avoir de la difficulté à atteindre les objectifs d'élimination du CTC.

## Observations générales

15. Ces observations générales portent sur les activités qui ne sont pas requises pour la conformité selon le modèle axé sur la conformité ainsi que sur les risques de double comptage dans la préparation de projets et sur d'autres chevauchements de projets potentiels.

### Activités non requises pour la conformité

16. Les activités non requises pour la conformité sont présentées au Tableau 1, avec le montant des requêtes pour 2007, 2008 et 2009.

### Destruction des SAO

17. La Banque mondiale a proposé un projet global de destruction des SAO dans son plan d'activités de 2008 – Analyse mondiale de la destruction des SAO dans des programmes sur les déchets dangereux – avec un financement de 1,08 millions \$US. Le projet s'efforcerait d'intégrer les résultats de la réunion d'experts tenue en 2006 sur la destruction des SAO désuets et ceux de l'étude sur la destruction des SAO en cours de préparation par le Secrétariat, avec une évaluation des cadres politiques actuels et des capacités techniques pour le traitement et l'élimination des déchets dangereux dans plusieurs pays visés à l'article 5. La Banque précise que ces informations alimenteraient les discussions sur l'assistance financière potentielle dont pourraient bénéficier les pays visés à l'article 5 pour détruire leurs stocks de SAO indésirables. Elle ajoute que les conclusions de cette étude aideraient les pays non visés à l'article 5 dans leurs discussions sur le montant des ressources requises pour le financement des activités de destruction par le Fonds multilatéral.

18. La Banque a indiqué que le Comité exécutif pourrait considérer cette activité comme une priorité et lui demander de l'inclure plutôt dans son plan d'activités de 2007 en dépit de la décision du Comité exécutif (décision 50/6) stipulant que la destruction des SAO et les projets sur les HCFC soient reportés aux plans d'activités de 2008. Le Comité exécutif a décidé (décisions 48/5, 48/6, 48/8) que toutes les activités de destruction des SAO seraient retirées des plans d'activités des agences d'exécution pour la période 2006-2008 (sauf pour le Japon). Compte tenu de l'étude en cours dans ce domaine, confiée au Secrétariat et approuvée à la 50<sup>e</sup> réunion (décision 50/42), le Comité exécutif pourrait envisager si le projet est prématuré pour l'instant, avant l'achèvement du rapport du Secrétariat et compte tenu des activités en cours.

### Activités portant sur les HCFC

19. La Banque mondiale a proposé aussi un projet global sur les activités portant sur les HCFC dans son plan d'activités de 2008 – Analyse mondiale des technologies concernant les HCFC – avec un financement de 1,08 millions \$US. Le projet vise à améliorer les informations qui alimentent les discussions sur une éventuelle élimination accélérée des HCFC. L'analyse a pour objectif d'identifier les moteurs des tendances actuelles de la consommation et de la production mondiale de HCFC. La Banque propose d'effectuer une évaluation détaillée des enjeux techniques au niveau mondial et de se concentrer sur un minimum de 6 pays pilotes à travers le monde (d'économie petite, moyenne et forte) où il est possible d'évaluer les incidences spécifiques d'une élimination accélérée des HCFC selon différents scénarios d'élimination. La

Banque constate que le HCFC -22 sera un candidat particulièrement difficile pour plusieurs raisons, notamment parce qu'un sous-produit de la production du HCFC-22, le HFC-23, est un gaz dont le potentiel d'effet de serre est 11 700 fois supérieur à celui du dioxyde de carbone.

20. La Banque mondiale avance que les conclusions de cette évaluation alimenteront de futures discussions sur l'éventuelle élimination accélérée des HCFC qui aideront les pays visés à l'article 5 à mieux comprendre les incidences techniques, économiques et politiques de l'élimination. La Banque souligne que l'étude fournira aussi des informations susceptibles d'être pertinentes pour les pays non visés à l'article 5 lors des discussions futures sur le réapprovisionnement du Fonds, au sujet des ressources nécessaires anticipées pour financer l'élimination accélérée des HCFC.

21. La Banque a indiqué que le Comité exécutif pourrait examiner cette activité dans le cadre des résultats des enquêtes sur les HCFC menées par le PNUD (décision 45/28) et de l'étude menée en Chine par l'Allemagne (décision 43/19(b)) qui seront présentés à la 51<sup>e</sup> réunion. Il pourrait aussi examiner cette activité à la lumière de la décision prise à sa 48<sup>e</sup> réunion voulant, suite à l'achèvement des rapports existants, que le Comité puisse choisir de décider, à sa première réunion en 2008, s'il veut entreprendre des activités concernant les HCFC. Le Comité exécutif pourrait considérer la proposition de la Banque mondiale comme prématurée puisque aucune décision n'a encore été prise quant à la poursuite des travaux sur les HCFC.

#### Bromure de méthyle (élimination accélérée)

22. La Banque mondiale a proposé une activité pour aider le Gouvernement de l'Équateur à éliminer complètement sa consommation de bromure de méthyle (BM) pour les usages autres que les applications sanitaires et préalables à l'expédition. Le Gouvernement de l'Équateur ne respecte pas le Protocole de Montréal pour sa consommation de bromure de méthyle (décision XVIII/23). La Banque assiste le Gouvernement dans la préparation d'un plan d'action pour ramener le pays à la conformité en 2007. Parallèlement, elle prépare un plan d'élimination accélérée visant toute la consommation résiduelle de BM dans ce pays, avec une incidence évaluée à 32 tonnes PAO. A sa 48<sup>e</sup> réunion, le Comité exécutif a accepté de maintenir cette activité dans le plan de la Banque sous réserve que le Gouvernement de l'Équateur s'engage à accélérer l'élimination du bromure de méthyle (décision 48/9(a)).

#### Production de SAO (élimination accélérée)

23. Au nom du Gouvernement de l'Argentine, la Banque a inclus dans son plan une activité pour financer l'élimination accélérée des installations de production de CFC en Argentine. Elle demande 3,76 millions \$US pour cette activité. La date prévue de l'élimination est 2010. Si le Comité exécutif approuve la proposition d'élimination accélérée, toute la production de CFC en Argentine devrait cesser d'ici décembre 2007, avec trois ans d'avance sur le calendrier. Cette activité spécifique a été séparée de la demande de financement déjà convenue pour l'Argentine en 2007. Le Comité exécutif a approuvé un projet d'élimination accélérée de la production qui a conduit à l'acceptation par la Chine d'éliminer sa consommation de CFC en 2007. Le Comité exécutif pourrait en tenir compte dans le cadre de son examen des activités non requises pour la conformité, inscrites dans le plan d'activités pour 2007-2009.

Lettres provenant des pays qui ont des activités dans le plan d'activités pour 2007-2009

24. A la réunion de coordination en janvier 2007, le Secrétariat a demandé à toutes les agences d'exécution de soumettre des lettres ou des aide-mémoire concernant les activités à inclure dans les plans d'activités. Les lettres des pays sont nécessaires pour être incluses dans les plans d'activités, pour confirmer que les gouvernements sont au courant des activités incluses dans les plans d'activités en leurs noms et pour résoudre les chevauchements potentiels. La Banque mondiale n'a transmis aucun *aide-mémoire*, ni aucune lettre.

Transfert au PNUD

25. Après l'achèvement de son projet en cours, la Banque mondiale ne sera plus impliquée dans le renforcement des institutions au Chili. C'est le PNUD qui mettra en œuvre le prochain renouvellement. La Banque mondiale sollicite l'approbation du Comité exécutif pour transférer au PNUD les projets de renforcement des institutions et d'élimination des halons au Chili (CHI/HAL/42/TAS/156).

**Indicateurs d'efficacité**

26. Le Tableau 2 présente un récapitulatif des indicateurs d'efficacité de la Banque mondiale conformément aux décisions 41/93, 47/51 et 49/4(d).

Tableau 2**INDICATEURS D'EFFICACITÉ**

<b>Élément</b>	<b>Objectif 2007</b>
Nombre de programmes annuels d'accords pluriannuels approuvés, par rapport au nombre prévu	21/21 <sup>1</sup>
Nombre d'activités/projets individuels (projets d'investissement, PGF, stockage des halons, assistance technique) approuvés, par rapport au nombre prévu	8/8
Activités déterminantes réalisées (par ex. mesures politiques, assistance en matière de réglementation) / niveaux de SAO atteints par les tranches de programmes pluriannuels approuvées, par rapport au nombre prévu	21/21 <sup>2</sup>
Quantités de SAO éliminées dans le cadre de projets individuels par rapport aux quantités prévues dans les rapports périodiques	1 334 tonnes PAO
Achèvement de projets (conformément à la décision 28/2 pour les projets d'investissement) et autres projets définis comme ne portant pas sur des investissements, par rapport au nombre prévu dans les rapports périodiques	10 <sup>3</sup>
Nombre de projets d'assistance en matière de mesures politiques/réglementations achevés, par rapport au nombre prévu	9/9
Rapidité d'achèvement du volet financier par rapport aux échéances prévues dans le rapport périodique	11 mois
Remise des rapports d'achèvement de projet dans les délais prescrits par rapport aux échéances convenues	100 %
Remise des rapports périodiques et des réponses dans les délais prescrits sauf accords contraires	100 %

<sup>1</sup> Ce chiffre comprend deux programmes annuels pour de nouveaux projets pluriannuels que le Comité exécutif devrait approuver en 2007.

<sup>2</sup> Ce chiffre comprend les activités déterminantes à réaliser par les deux nouveaux projets pluriannuels que le Comité exécutif devrait approuver en 2007. Il n'inclut pas les activités déterminantes des accords pour lesquels aucun plan annuel ne sera déposé en 2007.

<sup>3</sup> Représente le nombre de projets dont l'achèvement est attendu en 2007 et qui entraîneront l'élimination anticipée de 1 334 tonnes PAO

27. L'objectif de la Banque mondiale concernant le nombre de programmes annuels approuvés comprend un accord pluriannuel approuvé pour lequel elle dépose un programme de travail annuel en 2007 mais le financement ne sera reçu qu'en 2008 et un projet pluriannuel qui devrait être classé comme projet individuel. Dans un souci d'uniformité par rapport aux autres agences, la Banque mondiale devrait avoir pour objectif 19 programmes annuels approuvés (18 approuvés et un nouveau pluriannuel).

28. L'objectif de la Banque mondiale concernant le nombre de projets individuels approuvés exclut un projet qui aurait dû être classé comme projet individuel et non pluriannuel et inclut cinq projets de renforcement des institutions. Dans un souci d'uniformité par rapport aux autres agences, la Banque mondiale devrait exclure le renforcement des institutions et son objectif serait donc de quatre.

29. L'objectif de la Banque mondiale concernant le nombre d'activités déterminantes réalisées/les niveaux de SAO atteints par les tranches annuelles des accords pluriannuels est de 21. Toutefois, cet indicateur s'applique uniquement aux projets pluriannuels approuvés. Dans un souci d'uniformité par rapport aux autres agences, la Banque mondiale devrait donc avoir pour objectif 18 activités déterminantes réalisées.

## **RECOMMANDATIONS**

30. Le Comité exécutif pourrait :

- a) Endosser le plan d'activités 2007-2009 de la Banque mondiale, présenté dans le document UNEP/OzL.Pro/ExCom/51/11, tout en prenant note que l'approbation du plan n'entraîne pas l'approbation des projets qu'il contient ni de leurs niveaux de financement, et des modifications apportées après l'examen des points suivants :
  - i) Analyse de la destruction des SAO ;
  - ii) Analyse des technologies pour les HCFC ;
  - iii) Élimination accélérée de l'activité de production de CFC en Argentine, proposée en 2007 ; et
- b) Transférer le projet d'élimination de la consommation de halons au Chili (CHI/HAL/42/TAS/156) de la Banque mondiale au PNUD, avec un montant de 60 000 \$US, plus des coûts d'appui de 4 500 \$US;
- c) Approuver les indicateurs d'efficacité pour la Banque mondiale, présentés au Tableau 2 dans les observations du Secrétariat du Fonds, tel que contenu dans le document UNEP/OzL.Pro/ExCom/51/11, tout en fixant un objectif de 19 pour le nombre de programmes annuels approuvés, un objectif de 4 pour le nombre de projets individuels approuvés et un objectif de 18 pour le nombre d'activités déterminantes à réaliser.

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2007 BUSINESS PLAN

WORLD BANK

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

Presented to the 51<sup>st</sup> Meeting  
Of the Executive Committee

January 29, 2007

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### Annexes (available on request)

Annex I:	Country-by-Country Review
Annex II:	Implementation and New Activities (available on request)
Annex III:	Database of New and On-going Activities (Actual ODP) (available on request)
Annex IV:	Database of New and On-going Activities (ODP based on overall cost effectiveness) (available on request)
Annex V:	Value and Year of ODP Phase-out (available on request)

## I. MULTILATERAL FUND TARGETS

### A. Meeting the Objectives of the Multilateral Fund

1. The proposed 2007 Business Plan for the World Bank is prepared on the basis of the 2007-2009 phase-out plan for the Multilateral Fund, prepared by the Multilateral Fund Secretariat. The total maximum amount of ODS that needs to be funded during the 2007-2009 triennium is summarized in Table I-1. These figures do not include ODS that will be phased out as part of approved multi-year sectoral and national phaseout plans in the 2007-2009 triennium:

*Table I-1: ODS to be funded for phase-out during 2007-2009 (in ODP tonnes)  
(Multilateral Fund Secretariat, 2006)*

ODS	2007	2008	2009	Total
CFC in non-LVC countries	1,431.0	1,431.0	---	<b>2,862.0</b>
CFC in LVC countries *	1,006.5	508.0	---	<b>1,514.6</b>
CFC production sector **	---	---	---	---
Halon	9.8	9.8	---	<b>19.5</b>
Methyl Bromide (consumption) **	31.0	---	---	<b>31.0</b>
Methyl Bromide (production)	---	---	---	---
CTC **	551.8	97.4	---	<b>649.1</b>
TCA **	77.2	102.9	---	<b>180.2</b>
<b>Total ODS to be funded</b>	<b>3,107.2</b>	<b>2,149.1</b>	---	<b>5,256.3</b>

(\*) Based on the remaining CFC consumption eligible for funding (Decision 35/57)

(\*\*) Based on baselines and not current (2004/2005) reported consumption

2. In response to the three-year model phase-out plan, the proposed 2007 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 2007 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 2008 and 2009. It is important to note that activities planned for 2008 and 2009 are included on a tentative basis only, and that they may be revised during the course of implementation of the final 2007-2009 Business Plan.

Table I-2: Expected impact of new investment activities included in proposed 2007-2009 Business Plan (ODP tonnes)

ODP to be phased out	2007	2008	2009	Total
CFC consumption in non-LCV countries	130	515	-	645
CFC consumption in LCV countries	-	-	-	-
CFC production	1,372	-	-	1,372
MB consumption	32	-	-	32
CTC consumption	-	-	-	-
CTC production	-	-	-	-
TCA consumption	-	-	-	-
TCA production	-	-	-	-
Halon consumption	-	-	-	-
Halon production	-	-	-	-
<b>Total</b>	<b>1,534</b>	<b>515</b>	<b>-</b>	<b>2,049</b>

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 2007-2009 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 51<sup>st</sup> Executive Committee meeting (ODP tonnes)

ODP to be phased out	2007	2008	2009	Total
CFC consumption in non-LCV countries	2,362	463	407	3,232
CFC consumption in LCV countries	52	22	22	95
CFC production	13,927	7,980	1,129	23,036
MB consumption	-	-	78	78
CTC consumption	439	440	220	1,099
CTC production	9,759	10,396	220	20,375
TCA consumption	-	-	-	-
TCA production	-	-	-	-
Halon consumption	1,290	-	19	1,309
Halon production	-	-	-	-
<b>Total</b>	<b>27,829</b>	<b>19,301</b>	<b>2,095</b>	<b>49,224</b>

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

### Strategic approach to ODS phase-out in the proposed 2007 Business Plan

5. Funding of Closure Projects in the Production Sector: The proposed 2007 Business Plan allocates US\$44.3 million (roughly 52% 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 2007 is approximately 25,333 ODP tonnes, equivalent to almost 90% of the impact expected from activities implemented in 2007.

6. On behalf of the Government of Argentina, the Bank is submitting to the Excom a proposal for financing the accelerated phaseout of the Argentine CFC production facility. The scheduled date for the phaseout, as per the existing Excom Agreement, is 2010. If the Excom approves the accelerated phaseout proposal, all CFC production in Argentina would stop by December 2007, three years ahead of schedule. If the proposal is approved, both Argentina and China will have committed to advancing their production phaseout targets, and to stop CFC production in 2007.

7. 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 2007 Business Plan includes i) a pharmaceutical aerosol sector plan for China; and ii) an accelerated methyl bromide phase-out plan for Ecuador; and iii) an MDI sector plan for Argentina.

### B. Resource Allocation

8. The proposed 2007 Business Plan includes deliverables of 23 investment activities in 12 countries, including Antigua and Barbuda, Argentina, Bahamas, China, Ecuador, India, Indonesia, Malaysia, the Philippines, Thailand, Turkey, and Venezuela. The total amount of funds requested for *investment activities* in the proposed 2007 Business Plan is US\$85.5 million.

9. **The total amount of deliverables in the proposed 2007 World Bank Business Plan, including investment and non investment activities amounts to US\$86.8 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 2007 Business Plan

Type of activity included in proposed 2007-2009 Business Plan	Number of activities	Amount of funds requested*
Annual/Biennial Work Programs for sector/ national plans previously approved by Executive Committee	18	US\$62.6 million
New multi-year projects	2	US\$17.4 million
New investment projects	2	US\$5.5 million

Type of activity included in proposed 2007-2009 Business Plan	Number of activities	Amount of funds requested*
Institutional Strengthening program renewals in Chile, Ecuador, Jordan, Thailand, and Turkey	5	US\$1.2 million
Global technical assistance activities	1	US\$0.1 million

(\*) Figures include agency support costs

10. The funding distribution for investment activities included in the proposed 2007 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 2007 World Bank Business Plan

Sector	Total amount of funds requested in 2007 (US\$ 000s)	Percent of total (%)	Estimated impact in 2007 (ODP tonnes)	Percent of total (%)
CFC consumption	25,428	29.74	2,515	8.97
• Foam	5,039	5.89	466	1.66
• National CFC phase-out plans	1,785	2.09	1,554	5.54
• Refrigeration (including MAC)	166	0.19	365	1.30
• MDI	4,807	5.62	130	0.46
• Aerosols	13,631	15.94	0	0.00
CFC production	38,606	45.16	15,299	54.55
CTC consumption	15,073	17.63	439	1.57
CTC production	5,375	6.29	9,759	34.80
TCA consumption	0	0.00	0	0.00
TCA consumption	0	0.00	0	0.00
Halon consumption	0	0.00	0	0.00
Halon production	323	0.38	0	0.00
Methyl bromide consumption	688	0.80	32	0.11
<b>Total</b>	<b>85,493</b>	<b>100</b>	<b>28,044</b>	<b>100</b>

Note 1: Figures include agency support costs

Note 2: Figures do not include impact of individual investment projects approved prior to 2007 that are expected to be completed in 2007

Table I-6: World Bank's proposed resource allocation plan for 2007-2009 (in US\$000s)

	Value (\$000) in 2007	ODP in 2007	Value (\$000) in 2008	ODP in 2008	Value (\$000) in 2009	ODP in 2009
Planned New Activities	22,889	1,809	1,290	515	3,491	-
Approved Multiple Year	62,604	26,510	40,202	19,231	22,446	2,095
Institutional Strengthening	1,202	-	461	-	1,001	-
Technical Assistance	108	-	2,150	-	-	-
Project Preparation	-	-	-	-	-	-
<b>Total</b>	<b>86,803</b>	<b>28,044</b>	<b>44,103</b>	<b>19,746</b>	<b>26,938</b>	<b>2,095</b>

Note: Figures include agency support costs

11. **The proposed 2007 Business Plan will capture an estimated 28,044 ODP tonnes at a cost effectiveness of US\$2.86/kg ODP.**

12. A request for US\$1.664 million for Core Unit Costs is included in the proposed 2007 Business Plan.

### C. Special Initiatives for 2007

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:

- Accelerated phaseout plan – The 2007 World Bank Business Plan includes a proposal, on behalf of the Government of Argentina, for the accelerated phaseout of its CFC production facility.
- Metered Dose Inhalers (MDI) – Also on behalf of the Government of Argentina, the World Bank will submit a proposal to phase out consumption of CFCs by its MDI sector.
- Pharmaceutical Aerosols – A non-MDI pharmaceutical aerosol plan that would phase out CFC-11 and CFC-12 consumption was submitted to the 50<sup>th</sup> Excom Meeting by the World Bank, on behalf of the Government of China. The proposal was withdrawn in order to incorporate additional information on the sector, and it will be resubmitted to the 51<sup>st</sup> Excom Meeting.
- Methyl bromide – One proposed activity will assist the Government of Ecuador to completely eliminate its consumption of Methyl Bromide for non-QPS uses.

## II. PLANNED BUSINESS ACTIVITIES

### A. Ongoing Activities

14. Investment projects: At the beginning of 2007, the World Bank's Montreal Protocol portfolio consists of 7 ongoing individual investment projects and 23 multi-year projects.

15. Non-Investment Projects and Activities: At the beginning of 2007, the Bank's portfolio included 17 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 in 2007

17. The following sections provide brief descriptions of new activities that have been included in the Bank's proposed 2007 Business Plan. Annex II summarizes ODP impact from new and from approved activities implemented during the period 2007 to 2009 and beyond. A list of all activities to be implemented during 2007-2009 and of their levels of funding is included in Annex III and IV.

#### New submissions

18. *Argentina* – The World Bank has included two new investment activities on its proposed 2007 Business Plan, on behalf of the Government of Argentina. The first activity is a request for financing the accelerated phaseout of the Argentine CFC production facility, FIASA. The accelerated phaseout proposal would involve the shutdown of CFC production by the end of 2007, two years ahead of schedule, foregoing the 2008 and 2009 production quotas allocated to FIASA under the original Excom Agreement. The Government is requesting additional US\$3.5 million from the Multilateral Fund for this accelerated closure.

19. The second project included in the proposed 2007 Business Plan on behalf of Argentina is the phaseout of the MDI production sector. The Government is requesting US\$4.47 million for the phaseout of 130 ODP tonnes of CFC used in the manufacturing of MDIs. The National ODS Phaseout Plan currently under implementation by UNIDO did not include funding for the MDI sector. Consideration of the MDI sector was explicitly excluded from the Excom Agreement approved at the 47<sup>th</sup> Meeting, which noted that funding for the sector would be considered in the future, in line with prevailing eligibility and funding criteria. Project preparation funds for this activity were received in 2005, and the Bank has been working with the Government in the preparation of an MDI phaseout strategy. The proposed project would follow recommendations from this strategy and would eliminate all remaining consumption by the sector.

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20. *China* – The proposed 2007 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 485 ODP tonnes. Project preparation funds were approved in 2004, and the project was initially proposed to the Excom at its 50<sup>th</sup> Meeting. The Bank withdrew the proposal at that time in order to include additional information on the sector, and it will resubmit it for consideration of the Excom at its 51<sup>st</sup> Meeting.

21. The submission of this project is 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. 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 approval of the non-MDI pharmaceutical aerosol in 2007 will be critical for China to remain in compliance with its commitments under the APP.

22. *Ecuador* - The Government of Ecuador is in non-compliance with the Montreal Protocol on its methyl bromide consumption. The World Bank is assisting the Government in the preparation of an Action Plan that will address the high methyl bromide consumption and that will bring the country back to compliance in 2007. In parallel to the preparation of the Plan, the Government has requested the World Bank to include a methyl bromide phaseout activity in its 2007 Business Plan. The project aims at eliminating all remaining consumption of methyl bromide in the country, with an estimated impact of 32 ODP tonnes. The Government is aware that, as per the Excom's decision, any additional requests for funding of methyl bromide projects must commit to an accelerated phaseout of the substance (*i.e.* prior to 2015). The proposal that will be presented to the Excom in 2007 will therefore incorporate an accelerated phaseout schedule.

23. *Global* - 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 proposed 2007 Business Plan includes a request for US\$100,000 to carry out this activity.

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

24. As per previously approved agreements, 18 annual or biennial work plans will be submitted for the consideration of the Executive Committee in 2007. 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 2007*

<b>Approved multi-year agreement</b>	<b>Country</b>
National CFC phase out plans	Antigua and Barbuda, Bahamas, Ecuador, Malaysia, the Philippines, and Thailand
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

### Renewal of institutional strengthening

25. Requests for renewal of institutional strengthening programs will be submitted for Chile, Ecuador, Jordan, Thailand and Turkey.

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

26. Throughout 2007, the focus of the activities involving the World Bank will be primarily on: i) assisting client countries during the last stages of their consumption and production phaseout, with views on the 2010 compliance targets; ii) assisting countries in completing ongoing investment and non-investment activities that will be critical for compliance; and iii) working with countries on the development and implementation of activities that will ensure the sustainability of the phaseout beyond 2010.

27. The Bank will conduct its Eleventh Annual Financial Intermediaries workshop in late March 2007. The focus of this year's workshop will be "Managing Consumption in view of the 85% Reduction Target". Other topics that will be covered in the 2007 workshop include discussions on the servicing sector and the impact of mixed refrigerants, CFC-free MDIs, the global chiller project and compliance targets beyond 2010.

28. In 2007 the Bank is also planning to organize the third regional meeting of the South East Asian countries. The objective of this meeting is to bring all the countries in the Region where the Bank is implementing Montreal Protocol operations, to share experiences, discuss common issues, and reinforce existing information-sharing practices related to ODS control, enforcement and others.

### III. PERFORMANCE INDICATORS

29. As per Decision 41/93, the following performance indicators are included in the World Bank's 2007 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 2007*

Item	Planned for 2007
Annual Work Programs of previously approved multi-year Agreements to be presented to EXCOM in 2007	19*
Approved multi-year agreements for which no Annual Work Program will be submitted to EXCOM in 2007	4**
New multi-year agreements that will be submitted for consideration of EXCOM	2***

(\*) China will be submitting an annual work plan for its TCA production closure project, although funding will only be received in 2008.

(\*\*) Annual plans will not be submitted in 2007 for the following Agreements: Thailand Methyl Bromide Phaseout Plan, Tunisia ODS Phaseout Plan, Vietnam ODS Phaseout Plan, and Vietnam Methyl Bromide Phaseout Plan

(\*\*\*) Includes the submittal of an Accelerated Production Phaseout Plan for Argentina.

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 2007*

Item	Planned for 2007
New individual investment activities to be presented to EXCOM	2
New institutional strengthening renewals to be presented to EXCOM	5
New technical assistance activities to be presented to EXCOM	1

#### 31. Implementation Performance Indicators

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

In 2007, the World Bank expects to complete every milestone of its 23 approved multi-year agreements, including ODP phased out. The Bank also expects the

approval of two new multi-year agreements that will be submitted to the Executive Committee in 2007.

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

In 2007, the World Bank expects to phaseout a total 1,334 ODP tonnes through implementation and completion of ongoing individual projects: 1,305 ODP tonnes will be phased out with the completion of technical assistance projects (halon and methyl bromide sectors) and the remaining 29 ODP tonnes will be phased out through completed investment 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 2007, the World Bank expects to complete 10 individual projects: one investment project, four technical assistance projects, and five institutional strengthening projects.

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

In 2007, the Bank will continue to assist all countries where multi-year Agreements are being implemented in meeting their policy/regulatory milestones, as indicated by each individual Agreement. These include, enactment of licensing quota systems, bans on the use of ODS for specific manufacturing sectors, and inspection requirements and others. This type of policy-level assistance does not address explicit country requests, but rather complies with milestones previously agreed to under multi-year Agreements. There are eight (8) policy milestones for 2007 included in the Bank's 23 ongoing multi-year plans. The Bank's target is to meet all of these policy targets.

In addition to the policy targets noted in multi-year agreements, in 2007 the Bank will be completing one policy-related assistance activity, which specifically addresses a request made by the Government of Ecuador. In light of Ecuador's increase in Methyl Bromide consumption in 2005, the Bank will assist the Government in the preparation of an Action Plan that addresses policy measures to control future imports, as well investments required to facilitate this control. The Plan will be submitted to the Implementation Committee in March 2007.

### 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, 2006 and June 30, 2007, by the end of 2007.

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

The Bank plans to submit its 2006 Progress Report on May 1, 2007 or at least eight weeks before the subsequent meeting of the Executive Committee.

33. A summary of the World Bank's 2007 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	2007 Target
Approval	Number of annual programs of multi-year agreements approved vs. those planned	20	21/21 <sup>(1)</sup>
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	20	8/8
Implementation	Milestone activities completed/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	21/21 <sup>(2)</sup>
Implementation	ODP phased-out for individual projects vs. that planned per progress reports	5	1,334 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	10 <sup>(3)</sup>
Implementation	Percentage of policy/regulatory assistance completed vs. those planned	10	9/9
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 two annual programs of new multi-year projects expected to be approved by EXCOM in 2007.

(2) Includes milestone activities to be completed for the two new multi-year projects expected to be approved by EXCOM in 2007. Does not include milestones of Agreements for which annual plans will not be submitted in 2007.

(3) Represents the number of projects expected to be completed in 2007, which will lead to an expected phaseout of 1,334 ODP tonnes.

#### **IV. POLICY ISSUES**

##### ***Global programs included in the 2008 Business Plan***

34. The World Bank included two global assessment activities in its proposed 2007-2009 Business Plan: i) an assessment of factors that would influence the approaches taken by Article 5 countries in the phaseout of HCFCs; and ii) an evaluation of the potential and the feasibility of integrating disposal of obsolete and contaminated ODS into countries' hazardous waste management policies. The rationale behind these two assessments is described in detail below.

35. In light of Decision 50/6 and following the guidance of the Fund Secretariat, both of these activities are not included in the proposed 2007 Business Plan and will instead be presented for the consideration of the Excom in 2008. However, given the importance of the recommendations that may result from these evaluations and their relevance to policy discussions concerning the remaining of the 2006-2008 triennium and beyond, the Excom may wish to consider these global activities as priorities and may wish to request the World Bank to include them in its 2007 Business Plan.

36. *HCFC phaseout* - The first of the global projects will aim at providing a more solid context in which to carry out discussions on a potential accelerated phaseout of HCFCs. The proposed study would build on results from ongoing HCFC surveys being conducted by Germany, Japan and UNDP, with the objective of determining the driving forces behind current patterns of global HCFC consumption and production. Once these have been understood, then the economic, technical and political feasibility of an accelerated phaseout of HCFCs can be thoroughly evaluated. More specifically, the World Bank believes that, at present, there is not enough information available that would make it possible for the MLF to provide sufficient incentives to consumers, and particularly to producers of HCFCs, for an accelerated phaseout. The information available is also not sufficient to allow Article 5 countries to make educated decisions on the implications of an accelerated phaseout.

37. From the point of view of HCFC consumers in Article 5 countries, there is not enough clarity on the technical and economic implications of an accelerated phaseout. The potential for, and the incremental costs of substituting HCFCs by hydrocarbons, drop-in substitutes or other alternatives, and the impact this would have on the lifetime of recently acquired non-CFC-based equipment are unknown. These costs could be significant in the case of HCFC-141b based equipment that is still being procured and produced by manufacturing industries in Article 5 countries, and they could reach prohibitive levels in the case of HCFC-22 based chillers. A sound technical evaluation is therefore necessary to estimate the cost-effectiveness of various phaseout scenarios in different sectors, as well as to examine the resulting short, medium and long-term needs of HCFCs by Article 5 countries. The economics of promoting a second cycle of ODS phaseout so recently after the elimination of CFCs have important political implications that will vary widely from country to country (depending on markets, consumption trends, and date of conversion among others) and that need to be examined in detail. The World Bank is proposing to carry out a detailed evaluation of the technical issues at the global level, and to focus on a minimum of six pilot countries around the world (small,

medium and large economies) where the specific implications of an accelerated HCFC phaseout can be assessed under various phaseout scenarios. Only after these factors are understood, can adequate incentives for an accelerated phaseout of HCFC be proposed, which will be in line with Article 5 countries' needs and constraints.

38. The situation in HCFC producing Article 5 countries is potentially even more complex, and the incentives for an accelerated phaseout may be more difficult to determine. HCFC-22 in particular will be a difficult candidate for an accelerated phaseout given that: i) it has been widely used as a substitute for CFC-11 and 12 in chillers, and it has been installed in the majority of new chiller systems around the world for the past twenty years; ii) it is a feedstock in the production of fluoropolymers. Global demand for fluoropolymers has increased by roughly 30% from 2004 to 2009, and the largest increases in production capacity has taken place in Article 5 countries; and iii) a byproduct of HCFC-22 production is HFC-23, a gas with a greenhouse potential 11,700 times that of carbon dioxide, the capture and disposal of which is tremendously lucrative under carbon emissions trading schemes. An assessment of the demand trends for refrigerants and fluoropolymers in the future, as well as an estimation of the potential demand for carbon credits in the short to medium term (*e.g.* at least until 2012) will be critical to evaluating the magnitude of the incentives that will be required to entice HCFC producing Article 5 countries to commit to an accelerated phaseout schedule. The World Bank's project would consider the case of a minimum of two producing countries and would evaluate their prospects in the upcoming years.

39. As mentioned above, the conclusions from this global assessment will provide critical inputs to future discussions on a potential accelerated phaseout of HCFCs. They will help Article 5 countries to better understand the technical, economic and political implications of the phaseout, and they will give them better tools to make decisions on their willingness to participate in the phaseout. The study will also present information that may be of great relevance to non-Article 5 countries during upcoming discussions of the Fund's replenishment, regarding the expected resources needed to finance an accelerated HCFC phaseout.

40. *ODS disposal* - The second of the global projects included in the proposed business plan for 2008 would seek to incorporate results from the 2006 experts meeting on disposal of obsolete ODS, and from the study on ODS destruction currently being prepared by the Fund Secretariat, with an evaluation of current policy frameworks and technical capacities for handling and disposing of hazardous wastes in various Article 5 countries. The assessment would focus on a set of six pilot countries as a minimum, and it would aim at determining whether incorporating ODS disposal in existing hazardous waste management plans would lead to cost-effective alternatives for the handling and disposal of obsolete and unwanted stocks of ODS.

41. Representative countries would again be selected from a pool of small, medium and large economies. Evaluations would be conducted of the various alternatives for the sound management of obsolete ODS, according to the existing policy frameworks, technical and human capacities of the various countries. Recommendations would then be made on the most adequate range of measures and their associated costs estimates, as a



function of countries' existing capacity to handle hazardous waste. This information would greatly contribute to the discussion on potential financing assistance that may be provided to Article 5 countries for the disposal of their unwanted ODS stocks. Conclusions from this global study would also assist non-Article 5 countries in their discussions of the amount of resources needed to finance disposal activities by the Multilateral Fund.

***Institutional Strengthening renewal requests for 2009 and beyond***

42. Following suggestions from the Fund Secretariat, the proposed 2007-2009 Business Plan for the World Bank does not include renewal requests for Institutional Strengthening activities beyond 2009. The World Bank is aware that the Executive Committee has not yet taken a decision on whether Institutional Strengthening support will be continued after 2009. The Bank has thus advised its client countries to wait for the Excom's decision before making long-term plans for Institutional Strengthening resources.

**V. ADMINISTRATIVE AND FINANCIAL MATTERS***Transfer of activities in Chile to UNDP*

With the agreement of the Government of Chile, UNDP and the World Bank, the Bank would like to seek the Excom's approval to the transfer of the Institutional Strengthening project and of the halon consumption phaseout project (CHI/HAL/42/TAS/156) to UNDP. The Bank is submitting the request for renewal of the Institutional Strengthening project at the 51<sup>st</sup> Excom Meeting, and it is requesting that the transfer of both projects to UNDP takes place at the same meeting.

## ANNEX I

### Country-by-Country Review

#### **ANTIGUA AND BARBUDA**

A Grant Agreement between the Bank and Antigua and Barbuda has not been signed. A Bank mission to Antigua is tentatively scheduled in January 2007. The purpose of the mission is to review terms and conditions of the Grant Agreement including disbursement and procurement issues.

#### **ARGENTINA**

The program in Argentina for 2007 will continue monitoring the development of existing projects as well as the closure of the CFC Production Plant. The Bank, the Government and FIASA are interested in developing a project for the early closure of FIASA (*i.e.* two years ahead of the schedule approved by the ExCom). In addition, the Government has asked the Bank to prepare a project to address consumption of CFCs in the MDI sector. With regards to Chillers, the Bank is working on pooling resources from MLF, GEF and Carbon Finance to strengthen the operation approved under the NCPP. The Halon Bank operation is expected to be physically completed during 2007, and the NEBA / IKALA operation, negotiations with IMPIANTI O.M.S. (the provider of the technology) will be carried out during this year in order to advance the development of the project.

#### **THE BAHAMAS**

The government of the Bahamas is entering the final year of implementation of the Terminal Phaseout Management Plan. The phaseout of CFC consumption is moving forward and the country has met all its targets under the Excom Agreement. Activities during the last year of the program will continue to focus on training, technical assistance and public awareness. One mission is planned to the Bahamas in 2007.

#### **CHILE**

The only remaining activities in Chile are the Institutional Strengthening and the halon projects. The Bank will submit the IS extension proposal at the 51st meeting of the ExCom to extend the institutional strengthening support to CONAMA, for two additional years of operation (April 2007-March 2009). The halon project has not begun because the ExCom stipulated that money could only be disbursed for this project once the Chilean Ozone Law that restricts import/export volumes of ODS entered into force. Although the Law entered into force on March 2006, the regulation that sets procedures to achieve what was stipulated in the Law is not yet effective. The World Bank is seeking approval for the transfer of both projects to UNDP at the 51<sup>st</sup> Excom Meeting, after which the Bank's Montreal Protocol operations in Chile will be closed.

#### **CHINA**

2007 is a key year for China as it will stop CFC production by July 1, 2007 except for essential uses for MDI. Since 2005, SEPA initiated the ozone friendly provincial/city approach in seven provinces and cities – this first phase proved to a great success. The

Bank will continue assist in the 2nd phase of this ozone friendly provincial/city approach in 2007 in order to meet the accelerated CFC phaseout target. In addition to the normal regular supervision missions (about 3 a year), there are several training capsules in the 2007 annual programs of each sector plan which help the NOU and others to more effectively implement the overall program. Policy issues, especially bans on CFC production in China and CFC consumption in the foam sector, will be addressed specifically in the concerned spectral annual programs.

The Pharmaceutical aerosol sector plan will be resubmitted to the first Excom meeting in 2007. In addition, there will be six annual programs to be submitted in 2007 if the pharmaceutical aerosol sector plan is approved (2008 APs of Halon, CFC, Foam, CTC/PA I, PA II, and pharmaceutical aerosol) and the 2008 tranche of the TCA sector plan. 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 last PCR that remains to be submitted.

#### **ECUADOR**

The Program in Ecuador during 2007 expects to continue with the successful implementation of the National CFC Phaseout Plan. Equipment (2R and 3R) will be delivered to approximately 90 refrigeration and air conditioning workshops. The Bank will continue supporting the GOE to carry out public awareness activities as in the previous 2 years. With regards to Methyl Bromide, the country is in non-compliance. The Bank is working with the Government to develop an Action Plan to return to compliance, which will be presented to the MOP early in 2007. The NOU will continue to monitor the import/export licensing quota. No assistance is requested by the country, at present, for the phaseout of CTC or TCA. Finally, a new tranche of the Institutional Strengthening component will be sent to the ExCom for its consideration.

#### **INDONESIA**

There are two ongoing sector plans (MAC and Foam), TA project (Aerosol TA). The government is also developing a building chiller phaseout program with the assistance of commercial banks in Indonesia. Remaining individual investment project will be completed by early 2007 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 2007 to assist the NOU and/or FI to speed up implementation – sector plan coordination and management staff have been hired to replace staff who no longer work on the program to help follow up with government and the FI in Jakarta, we are conducting several high level meetings with the related departments (such as the Ministry of Finance, Planning, Industry, Trade, Customs) to expedite disbursements and the standard operating procedure for the import control system. Two supervision missions have been planned in 2007 which include dialogue with the Government with regard to policy issues and TA issues.

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**MALAYSIA**

Implementation of the National CFC Phaseout Plan (NCFCP) is on track and significant progress was achieved in 2006. The only two components of the Plan that remain open are MAC and refrigeration, both of which are underway. It is expected that by the end of 2007: a) implementation of the MAC servicing component will be completed; and b) implementation of the refrigeration servicing component will advance significantly.

Two World Bank missions will take place during 2007, to monitor the process of the various program activities.

**MEXICO**

All World Bank implemented projects in Mexico have been completed.

**PAKISTAN**

All remaining ongoing projects are now physically completed. The total CFC phaseout achieved for the entire Pakistan ODS portfolio under the Bank is just over 1200 ODP tonnes. The focus of 2007 activities will be to financially complete subprojects as well as close the umbrella project. Remaining project completion reports are under preparation and the Bank has set up a team to develop the Implementation Completion Report for the umbrella project. The Bank will have two, 5-day supervision missions in 2007 to work with and assist the Government of Pakistan and the Financial Intermediary on completing remaining tasks (reporting, reconciling financial data and closing accounts).

**THE PHILIPPINES**

Planned activities by WB project team in 2007: The WB Task Team will have two missions in 2007. In addition, it will provide continuing policy, financial management and procurement support as well as have ongoing dialogue on daily project implementation issues through its country office. In 2007, the WB will focus particularly on the assisting the country in the servicing sector under the NCPP and look towards providing any technical support required to permit the Government to make informed choices on accelerating efforts in the sector. It will also continue to assist the country in wider ODS control through the ongoing IS and methyl bromide projects.

**THAILAND**

Implementation of the NCFCP is well underway and major progress was achieved in 2006. A few remaining projects remain open in the foam sector, and the MAC and refrigeration sector components are underway. It is expected that by the end of 2007: a) conversion of the foam sector will be completed; b) implementation of the MAC servicing component will be near completion; and c) implementation of the refrigeration servicing sector component have advanced considerably.

The Institutional Strengthening project is progressing as planned, and a request for renewal will be submitted to the Excom in 2007. The revised Halon Management project is moving forward.

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Implementation of the National Methyl Bromide phaseout plan is ongoing. The Project Management Unit is functional and has taken charge of all coordinating activities under the Plan. It is expected that training activities of DOA officials and Train the trainer programs will take place during 2007.

Two World Bank missions will take place during 2007, to monitor the process of the various program activities.

## **TURKEY**

*Chillers:* To date, the chiller replacement project has signed contracts for the replacement of a total of 24 chillers at 12 enterprises. Another \$1,000,000 in contract value for chiller replacements is planned to be signed during 2007.

*Central Reclamation Centers:* The project has supported three central reclamation centers in Istanbul, Ankara and Izmir for refrigeration recovery and recycling (RRR). Announcement of the establishment of the entire national reclamation center system will be made by MoEF to the public, and also via an article in a well known refrigeration industry publication, by end-February 2007.

*Technical Training:* The Turkish Industry Association (KOSGEB) has signed off on a plan to transfer ownership of 24 recovery and recycling training equipment sets to the Ministry of Education (MoEDU). Distribution of these sets has been completed and an additional 11 sets will be procured during 2007 to fulfill the remaining training needs.

*Customs Training:* The project has supported training for 85 customs agents. Upon request from MoEF and the Customs Department, additional training and equipment would be considered in 2007.

*Halon Banking Facility:* The Ankara Chamber of Industry (ASO) has now finalized the location for the Halon Banking Facility. The budget and action plan for establishing the facility and training program are currently being updated with the aim to be fully operational by end-May 2007.

*Institutional Strengthening and MeBr Phase-out:* The project to phase-out MeBr use in the dried fig sector in Turkey was completed in June 2006. Turkey's MeBr Resource Group will meet to complete its final report by end-January 2007, and prepare a booklet which will provide a useful overview of all activities undertaken in Turkey to deal with the MeBr phase-out issue and find suitable alternatives.

## **VENEZUELA**

PRODUVEN ceased CFC production by the end of 2006, according the schedule negotiated with the Montreal Protocol. PRODUVEN will continue operating as a HCFC-22 plant. The Government will carry out production audits during 2007 and 2008, and will continue to monitor CTC imports via licenses in order to prevent production of CFCs.

## **VIETNAM**

The existing Grant Agreement between Vietnam and the Bank will be amended to incorporate the new approval of the ExCom in relation to the Methyl Bromide phase out plan. It is anticipated that funding will start flowing during the 4th quarter of 2007.

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For the National CFC and Halon Phase out Plan, the total disbursement by end of 2006 is estimated at \$100,000. Given the procurement process for the voucher scheme and for equipment for training centers will be completed during the 1st quarter of 2007, it is estimated that the total disbursement of the first funding tranche would reach \$200,000 and \$50,000 for the second funding tranche.