



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/51/23  
16 February 2007

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-first Meeting  
Montreal, 19-23 March 2007

**WORLD BANK WORK PROGRAMME FOR 2007**

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. The World Bank is requesting approval from the Executive Committee for US \$176,800 as part of its Work Programme for 2007, plus agency support costs of US \$13,260.
2. The activities proposed in the World Bank's Work Programme are presented in Table 1 below:

Table 1: The World Bank Work Programme

Country	Activity/Project	Amount Requested US \$	Amount Recommended US \$
<b>SECTION A: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION</b>			
<b>A1. Renewal of institutional strengthening project:</b>			
	<b>ODP tonnes</b>		
Ecuador	Renewal of institutional strengthening (Phase IV)	176,800	88,400
Subtotal for institutional strengthening:		176,800	88,400
Agency support costs (7.5 per cent):		13,260	6,630
Total:		190,060	95,030

### SECTION A: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION

#### A1: Renewal of institutional strengthening projects

(a)	Ecuador	US \$88,400
-----	---------	-------------

#### Background information

3. Ecuador has reported an annual consumption of 153 ODP tonnes for Annex E (methyl bromide) which exceeds its maximum allowable consumption level of 52.89 ODP tonnes for methyl bromide for 2005. As a consequence, through decision XVIII/23 of the Eighteenth Meeting of the Parties, Ecuador was deemed to be in non-compliance with its methyl bromide obligations under the Montreal Protocol for 2005. Ecuador is requested to submit, no later than 31 March 2007 for consideration of the Implementation Committee at its next meeting, a plan of action with time specific benchmarks to ensure a prompt return to compliance.

4. Ecuador explains in its progress report on the institutional strengthening that one of the main reasons for the MB non-compliance was that their only MB importer somehow managed to import an amount larger than the quota using inappropriate customs codes. Ecuador reports that a draft of the action plan required by the Implementation Committee is in preparation and will be submitted by March 2007, as required.

5. Ecuador also indicates that this plan of action will ensure a prompt return to compliance for methyl bromide. The Government is also working to ensure full implementation of their methyl bromide investment project, and the completion of a MB sector phase-out plan for submission to the Executive Committee.

**Fund Secretariat’s comments**

6. Phase III of Ecuador’s institutional strengthening project was approved by the Executive Committee at its 42nd Meeting.

7. Project preparation funding for the development of a methyl bromide sector plan for Ecuador was approved at the 45th Meeting with the World Bank as implementing agency. This project was supposed to be submitted for consideration by the Executive Committee at its 49th Meeting. The country and the World Bank confirm that this will be submitted in 2007.

8. Meetings have already been held with methyl bromide stakeholders in the country, and a consultative committee on methyl bromide issues was created by the Government to closely supervise activities on methyl bromide phase-out, and develop an action plan for compliance. This action plan is currently being finalized and will be submitted by March 2007 as required under decision XVIII/23 of the Eighteenth Meeting of the Parties.

**Fund Secretariat’s recommendation**

9. In light of the information provided in the Secretariat’s comments above, the Executive Committee may wish to consider approving the funding for the first year of the institutional strengthening project for Ecuador at the level of funding of US \$88,400 plus agency support costs, without prejudice to the operation of the Montreal Protocol’s mechanism on non-compliance.

----



**Annex I**

**Ecuador: Renewal of institutional strengthening**

<b>Summary of the Project and Country Profile</b>	
Implementing agency:	IBRD
Amounts previously approved for institutional strengthening (US \$):	
Phase I: March 1993	170,673
Phase II: July 1999	97,300
Phase III: April 2004	176,800
<b>Total</b>	<b>444,773</b>
Amount requested for renewal (Phase IV) (US \$):	176,800
Amount recommended for approval for Phase IV (one year) (US \$)	88,400
Agency support costs (US \$)	6,630
Total cost of institutional strengthening Phase IV to the Multilateral Fund (US \$)	95,030
Equivalent amount of CFC phase-out due to institutional strengthening Phase IV at US \$12.1/kg (ODP tonnes)	N/A
Date of approval of country programme	February 1992
ODS consumption reported in country programme (1989), (ODP tonnes)	742.1
Latest reported ODS consumption (2005) (ODP tonnes)	286.3
Baseline consumption of controlled substances (ODP tonnes)	
(a) Annex A Group I (CFCs) (Average 1995-1997)	301.4
(b) Annex A Group II (Halons) (Average 1995-1997)	5.5
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	0.5
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	2.0
(e) Annex E (Methyl bromide) (Average 1995-1998)	66.2
Latest consumption of controlled substances 2005 (ODP tonnes)	
(a) Annex A Group I (CFCs)	132.5
(b) Annex A Group II (Halons)	0.0
(c) Annex B Group II (Carbon tetrachloride)	0.0
(d) Annex B Group III (Methyl chloroform)	0.8
(e) Annex C Group I (HCFCs)	0.0
(f) Annex E (Methyl bromide)	153.0
Amount approved for projects (US \$)	5,737,500
Amount disbursed (as at December 2005) (US \$):	4,255,217
ODS to be phased out (ODP tonnes)	635.3
ODS phased out (as at July 2006) (ODP tonnes)	332.7

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

US \$

(a)	Investment projects	4,209,530
(b)	Institutional Strengthening	470,682
(c)	Project preparation, technical assistance, training and other non-investment projects	1,057,288
	Total:	5,737,500

Progress report

2. During the reporting period the National Ozone Unit (NOU) implemented the second phase of the country programme that will enable Ecuador to meet its ODS phase-out objectives. Activities were carried out in accordance with the schedule included in the national CFC phase-out plan. Investment projects in the foam sector were initiated and conversion of the servicing sector commenced. Refrigeration technicians and customs officials around the country were trained and equipment was distributed. The ODS licensing system was put in place and import quotas were awarded to importers, in line with reduction targets specified in the Executive Committee Agreement. In addition to these activities, an ozone protection awareness campaign was carried out on radio, television and in the newspapers, to maintain the phase-out momentum of the different ODS consuming sectors and identify remaining ODS users in the country. Despite the fact that import quotas were in place for non-QPS uses of methyl bromide, 1995 imports of this substance exceeded the maximum limit, resulting in Ecuador being in non-compliance with the Montreal Protocol. The situation has been reported to the Ozone Secretariat, and an action plan will be presented to the Implementation Committee in early 2007.

Plan of action

3. The current project extension proposal is submitted to request institutional strengthening support for the NOU for two additional years (April 2007-March 2009). The main objectives of the activities that will be conducted under this extension are: (a) to monitor compliance with the Protocol's control measures and the signed Agreement with the Executive Committee; (b) enforce the licensing system in order to control the import and export of ODS; (c) ratify the Beijing Amendment; (d) formulate a strategy to return Ecuador to compliance with methyl bromide consumption; (e) implement investment and non-investment activities under the national CFC phase-out plan; (f) complete a demonstration project to eliminate methyl bromide in soil fumigation; and (g) prepare an investment project to eliminate methyl bromide consumption in the agricultural sector.

**Annex II****VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS  
OF INSTITUTIONAL STRENGTHENING PROJECTS  
SUBMITTED TO THE 51ST MEETING***Ecuador*

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Ecuador, and notes with concern that Ecuador reported data to the Ozone Secretariat indicating that its level of methyl bromide consumption in 2005 exceeded its maximum allowable consumption under the Montreal Protocol for that year. The Committee acknowledges, and will continue to support, the considerable steps that have been taken by the Government of Ecuador to reduce its ODS consumption. The Executive Committee is hopeful that, in the next two years, Ecuador will continue its strategic approach to ODS phase-out, including the implementation of ongoing projects and the enactment of supporting legislative measures. The Committee also hopes that Ecuador will successfully put in place controls to bring the country back to compliance with its methyl bromide obligations under the Montreal Protocol in 2007.