



**Programa de las
Naciones Unidas
para el Medio Ambiente**

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COMITÉ EJECUTIVO DEL FONDO MULTILATERAL
PARA LA APLICACIÓN DEL
PROTOCOLO DE MONTREAL
Quincuagésima primera Reunión
Montreal, 19 al 23 de marzo de 2007

PLAN ADMINISTRATIVO DEL BANCO MUNDIAL PARA 2007-2009

Los documentos previos al período de sesiones del Comité Ejecutivo del Fondo Multilateral para la Aplicación del Protocolo de Montreal no van en perjuicio de cualquier decisión que el Comité Ejecutivo pudiera adoptar después de la emisión de los mismos.

Para economizar recursos, sólo se ha impreso un número limitado de ejemplares del presente documento. Se ruega a los delegados que lleven sus propios ejemplares a la reunión y eviten solicitar otros.

COMENTARIOS Y RECOMENDACIONES DE LA SECRETARÍA DEL FONDO

1. En el Anexo I al presente documento figura el plan administrativo del Banco Mundial para 2007-2009.

2. En este documento se presenta un resumen de las actividades del Banco Mundial previstas para la eliminación de sustancias que agotan la capa de ozono (SAO) durante el trienio 2007-2009. También proporciona indicadores de desempeño, comentarios generales y recomendaciones sobre su plan administrativo que se someten a la consideración del Comité Ejecutivo.

Actividades previstas para 2007-2009

3. El plan administrativo es un plan trienal renovable. Se describen con mayor detalle las actividades previstas para 2007. Las actividades previstas para 2008 y 2009 se incluyen únicamente a título provisional y podrían revisarse durante la ejecución del plan administrativo definitivo para 2007-2009.

Actividades previstas para 2007

4. El valor total de los proyectos que el Banco Mundial tiene previsto presentar en 2007 se eleva a 88,47 millones \$EUA (incluidos los costos de apoyo) que permitirán la eliminación de 21 541 toneladas PAO. El plan comprende:

- a) Dieciocho acuerdos plurianuales basados en el desempeño para la eliminación sectorial y de sustancias que, en conjunto, se elevan a 62,6 millones \$EUA y representan la eliminación de 19 621 toneladas PAO de SAO;
- b) Un nuevo acuerdo plurianual basado en el desempeño por un valor de 13,63 millones \$EUA en 2007 (17,12 millones \$EUA en total para el trienio) con la correspondiente eliminación de SAO en 2007 de 386 toneladas PAO (en total 485 toneladas PAO para el trienio);
- c) Tres nuevos proyectos de inversión por un valor total de 9,26 millones \$EUA;
- d) Cinco renovaciones de fortalecimiento institucional (Chile, Ecuador, Jordania, Tailandia y Turquía) por un valor total de 1,2 millones \$EUA;
- e) Una actividad de asistencia técnica global por un valor de 0,108 millones \$EUA;
y
- f) Costos de la unidad central que ascienden a 1,664 millones \$EUA.

Actividades previstas para 2008

5. En 2008 el Banco Mundial prevé presentar proyectos por un valor de 45,86 millones \$EUA, con la correspondiente eliminación de 11 552 toneladas PAO. Esto

incluye 40,2 millones \$EUA para acuerdos plurianuales en curso y 1,753 millones \$EUA para costos de la unidad central.

Actividades previstas para 2009

6. En 2009 el Banco Mundial tiene previsto presentar proyectos por un valor de 28,79 millones \$EUA, con la correspondiente eliminación de 7 371 toneladas PAO. Esto comprende 22,45 millones \$EUA para acuerdos plurianuales en cursos y 1,847 millones \$EUA para costos de la unidad central.

Asignación de recursos

7. En la Tabla 1 se resume la asignación de recursos del plan administrativo del Banco Mundial para 2007-2009.

Tabla 1

ASIGNACIÓN DE RECURSOS (en miles de \$EUA)

	2007	2008	2009
Necesarios para el cumplimiento			
Acuerdos plurianuales aprobados	62 604	40 202	22 446
Costos de la unidad central de los organismos de ejecución	1 664	1 753	1 847
Fortalecimiento institucional	1 202	461	1 001
Auditorías/estudios	108		
Actividades relativas a inhaladores de dosis medidas	18 438	1 290	3 491
Subtotal (Necesarios para el cumplimiento)	84 016	43 706	28 785
No necesarios para el cumplimiento			
Eliminación de SAO		1 075	
HCFC – Estudio		1 075	
Metilbromuro – Eliminación acelerada	688		
Producción de SAO – Eliminación acelerada	3 763	0	0
Subtotal (no necesarios para el cumplimiento)	4 451	2 150	-
Total	88 467	45 856	28 785

8. El Banco Mundial solicita financiación por un valor de 88,5 millones \$EUA en su plan administrativo para 2007. De este monto, 84 millones \$EUA se destinarán a actividades necesarias para el cumplimiento con arreglo al modelo orientado al cumplimiento y 4,5 millones \$EUA para actividades no necesarias para el cumplimiento. La mayor parte de la asignación de recursos del Banco Mundial para 2007 se destina a tramos anuales de acuerdos plurianuales basados en el desempeño aprobados (62,6 millones \$EUA). Para 2008 y 2009, el Banco Mundial sólo ha incluido 2,2 millones \$EUA para realizar dos estudios, uno sobre la destrucción de SAO y el otro sobre HCFC. El nivel de financiación prevista se reduce de 88,5 millones \$EUA en 2007 a 45,9 millones \$EUA en 2008 y 28,8 millones \$EUA en 2009. El Banco Mundial ha indicado un monto de 235 000 \$EUA para actividades posteriores a 2009, monto que se destinará íntegramente al acuerdo plurianual sobre el metilbromuro en Viet Nam.

Asistencia al cumplimiento y ejecución

9. Durante el trienio 2007-2009, el Banco Mundial prevé eliminar 49 733 toneladas PAO en el marco de los acuerdos plurianuales y proyectos en curso. Asimismo, prevé eliminar otras 1 564 toneladas PAO mediante proyectos que someterá a la aprobación durante este trienio.

10. Las actividades del Banco en 2007 consistirán principalmente en: i) prestar asistencia a los países clientes durante las últimas fases de la eliminación del consumo y la producción, con miras a cumplir los objetivos de 2010; ii) prestar asistencia para finalizar las actividades de inversión y no inversión que son esenciales para el cumplimiento; y iii) colaborar con los países para preparar y ejecutar actividades que garantizarán la sostenibilidad de la eliminación después de 2010. El Banco Mundial ha incluido en su plan administrativo una sección sobre la agilización de la ejecución de proyectos, acompañada de un anexo descriptivo por país.

11. El Banco celebrará su Undécimo Taller Anual para Intermediarios Financieros a fines de marzo de 2007, cuyo tema principal será “Gestión del Consumo para Cumplir el Objetivo de Reducción del 85%”. Asimismo, se discutirán otras cuestiones sobre el sector de servicios y el efecto de refrigerantes contaminantes, inhaladores de dosis medidas sin CFC, el proyecto global de enfriadores y los objetivos de cumplimiento después de 2010.

12. En 2007 el Banco organizará también la tercera reunión regional de países del sudeste Asiático, en el que se congregarán todos los países de la región en los que el Banco lleva a cabo actividades relacionadas con el Protocolo de Montreal. Los países podrán intercambiar experiencias, reforzar las prácticas de intercambio de información existentes para el control de SAO, la observancia y otros asuntos.

13. Pese a que el modelo orientado al cumplimiento/plan trienal de eliminación de SAO indica que puede ser necesaria la asistencia para lograr las medidas de control para el tetracloruro de carbono y el 1,1,1-tricloroetano, el Banco Mundial ha informado que el Gobierno de Ecuador ha decidido no solicitar por el momento más asistencia al Fondo Multilateral para actividades de eliminación de tetracloruro de carbono y 1,1,1-tricloroetano. El Banco indica que Ecuador ha implantado medidas de control de la importación 1,1,1-tricloroetano, por lo que no existe un riesgo inmediato de incumplimiento.

14. En la 47ª Reunión del Comité Ejecutivo, se pidió al Banco Mundial que examinara las tecnologías y los eventuales planes sectoriales pertinentes a la eliminación de CTC en la producción de cloro, con miras a encontrar alternativas de mejor relación de costo a eficacia para la transformación del sector de cloruros alcalinos (decisión 47/39). En el plan administrativo del Banco Mundial para 2007 se solicitan 108 000 \$EUA para realizar esta actividad. El Banco describió este estudio propuesto en su plan administrativo para 2006-2008. Tiene previsto encargar un estudio teórico para evaluar las alternativas para la transformación del CTC utilizado en los sectores de cloruros alcalinos en Europa y Estados Unidos, en consonancia con la intervención de Suecia en la 47ª Reunión. Se prevé que se tardará entre tres y cuatro meses aproximadamente en terminar el estudio, y luego se presentarán los resultados al Comité Ejecutivo. El Banco Mundial declara que en el estudio se recopilarán los resultados y experiencias de otros países con el fin de obtener información para prestar asistencia a países con

un volumen pequeño de consumo de CTC que no pueden gozar de excepciones pero que pueden experimentar dificultades para cumplir los objetivos de eliminación de CTC.

Comentarios generales

15. A continuación figuran comentarios generales sobre las actividades que no son necesarias para el cumplimiento según el modelo orientado al cumplimiento, las que posiblemente se han contado dos veces al preparar el proyecto y las de proyectos que coinciden en parte.

Actividades no necesarias para el cumplimiento

16. En la Tabla 1 se indican las actividades no necesarias para el cumplimiento con arreglo al valor de los solicitado para 2007, 2008 y 2009.

Eliminación de SAO

17. El Banco Mundial ha propuesto un proyecto global sobre la destrucción de SAO en su plan administrativo para 2008 – Análisis global de la destrucción de SAO en programas de desechos peligrosos – con un nivel de financiación de 1,08 millones \$EUA. En el proyecto se tratará de incorporar los resultados de la reunión de expertos de 2006 sobre la destrucción de SAO en desuso y del estudio sobre la destrucción de SAO que prepara actualmente la Secretaría del Fondo, y se evaluará los marcos políticos y la capacidades técnicas vigentes para la gestión y eliminación de desechos peligrosos en varios países que operan al amparo del Artículo 5. El Banco afirma que esta información contribuirá a las discusiones sobre la posible asistencia financiera que puede prestarse a los países que operan al amparo del Artículo 5 para la destrucción de las existencias de SAO indeseadas. Añade que las conclusiones de este estudio serán útiles para los países que no operan al amparo del Artículo 5 en sus deliberaciones sobre la cantidad de recursos necesarios para la financiación de las actividades de eliminación por el Fondo Multilateral.

18. El Banco ha indicado que el Comité Ejecutivo pudiera considerar prioritaria esta actividad y solicitar al Banco Mundial que la incluya en su plan administrativo de 2007, no obstante lo decidido por el Comité Ejecutivo (decisión 50/6) de aplazar los proyectos de destrucción de SAO y HCFC a los planes administrativos de 2008. El Comité Ejecutivo decidió (decisiones 48/5, 48/6 y 48/8) retirar todas las actividades de destrucción de SAO de los planes administrativos de los organismos de ejecución para 2006-2008 (salvo en el caso de Japón). Habida cuenta del estudio que se ha encargado a la Secretaría sobre este particular, aprobado en la 50ª Reunión (decisión 50/42) el Comité Ejecutivo pudiera considerar si es prematuro examinar este proyecto en este momento dadas las actividades en curso y antes de finalizar el informe de la Secretaría.

Actividades relativas a hidrofluorocarbonos (HCFC)

19. El Banco Mundial también ha propuesto un proyecto global sobre actividades relativas a HCFC en su plan administrativo de 2008 – Análisis global de tecnologías de HCFC– con un nivel de financiación de 1,08 millones \$EUA. La finalidad del proyecto es ampliar la

información que sirva de base para las deliberaciones sobre una posible eliminación acelerada de HCFC. Tiene por objetivo determinar qué motiva el consumo y producción globales de HCFC. El Banco Mundial propone realizar una evaluación pormenorizada de las cuestiones técnicas a escala mundial y concentrarse en un mínimo de seis países piloto del mundo (economías pequeñas, medianas y grandes) en los que puedan evaluarse las repercusiones específicas de una eliminación de HCFC acelerada para diversos casos de eliminación. El Banco indica que la eliminación acelerada de HCFC-22 será especialmente difícil por varios motivos, en particular que un subproducto de la producción de HCFC-22 es el HFC-23, un gas con un potencial de invernadero 11 700 veces mayor que el dióxido de carbono.

20. El Banco Mundial declara que las conclusiones de esta evaluación podrían servir de base para las futuras discusiones sobre la posible eliminación acelerada de HCFC, lo cual podría ayudar a los países que operan al amparo del Artículo 5 a comprender mejor las repercusiones técnicas, económicas y políticas de la eliminación. El Banco indica que el estudio también incluirá información que podría interesar a los países que no operan al amparo del Artículo 5 durante las próximas deliberaciones sobre la reposición del Fondo, en relación con los recursos esperados necesarios para financiar la eliminación de HCFC.

21. El Banco ha señalado que el Comité Ejecutivo pudiera considerar esta actividad en el contexto de los resultados de los estudios sobre HCFC realizados por el PNUD (decisión 45/28) y el estudio en China realizado por Alemania (decisión 43/19 b)) que se presentarán en la 51ª Reunión. Asimismo, pudiera considerar que esta actividad es acorde con su decisión adoptada en el 48ª Reunión del Comité Ejecutivo de que, una vez concluidos estos informes existentes, el Comité podrá decidir en su primera reunión de 2008 si desea emprender las actividades relativas a HCFC. Por consiguiente, el Comité Ejecutivo pudiera considerar que esta propuesta del Banco Mundial es prematura, dado que aún no se ha tomado decisión alguna con respecto a las futuras actividades sobre HCFC.

Metilbromuro (Eliminación acelerada)

22. El Banco Mundial ha propuesto una actividad para ayudar al Gobierno de Ecuador a eliminar completamente el consumo de metilbromuro para usos distintos de cuarentena y preembarque. El Gobierno de Ecuador se encuentra en situación de incumplimiento del Protocolo de Montreal en lo que respecta al consumo de metilbromuro (decisión XVIII/23). El Banco está ayudando al Gobierno a preparar un plan de acción que permita al país volver a la situación de cumplimiento en 2007. Al mismo tiempo, está preparando un plan de eliminación acelerada de todo el consumo restante de esta sustancia en el país, con un efecto previsto de 32 toneladas PAO. En su 48ª Reunión, el Comité Ejecutivo convino en mantener esta actividad en el plan administrativo del Banco “a condición del compromiso del Gobierno de Ecuador a acelerar su eliminación del metilbromuro” (decisión 48/9 a)).

Producción de SAO (Eliminación acelerada)

23. En nombre del Gobierno de Argentina, el Banco ha incluido en su plan administrativo una actividad para financiar la eliminación acelerada de las plantas de producción de CFC en Argentina. Solicita 3,76 millones \$EUA para esta actividad. La fecha prevista de eliminación es 2010. Si el Comité Ejecutivo aprueba la propuesta de eliminación aceleradas, toda la producción

de CFC en Argentina debería acabar en diciembre de 2007, tres años antes de lo previsto. La actividad específica se ha separado de la solicitud de financiación aprobada destinada a Argentina para 2007. El Comité Ejecutivo ha aprobado un proyecto de eliminación acelerada de la producción en China, que ha dado por resultado que China aceptara eliminar su consumo de CFC en 2007. El Comité Ejecutivo pudiera considerar esta actividad cuando examine las actividades que no son necesarias para el cumplimiento en el plan administrativo para 2007-2009.

Petición de cartas de los países con actividades en el plan administrativo para 2007-2009

24. En la reunión de Coordinación celebrada en enero de 2007, la Secretaría pidió a todos los organismos de ejecución que presentaran cartas o *aide memoires* para las actividades que incluyan en los planes administrativos. Estas cartas de los países son necesarias para su inclusión en los planes administrativos, a fin de garantizar que los gobiernos están al corriente de las actividades que se han incluido en su nombre en los planes administrativos y resolver los problemas de posible coincidencia parcial. No se han recibido *aide memoires* o cartas del Banco Mundial.

Transferencia al PNUD

25. Tras la finalización del proyecto actual de fortalecimiento institucional, el Banco Mundial ya no participará en el fortalecimiento institucional en Chile. En su lugar, el PNUD se encargará de ejecutar la siguiente renovación. El Banco Mundial solicita la aprobación del Comité Ejecutivo para transferir al PNUD los proyectos de fortalecimiento institucional y eliminación del consumo de halones en Chile (CHI/HAL/42/TAS/156).

Indicadores de desempeño

26. En la siguiente Tabla 2 se resumen los indicadores de desempeño del Banco Mundial que figuran en el plan administrativo de 2007, con arreglo a las decisiones 41/93, 47/51 y 49/4 d).

Tabla 2

Indicadores de desempeño

Indicador	Objetivo para 2007
Número de programas anuales de acuerdos plurianuales aprobados con respecto a los planificados	21/21 ⁽¹⁾
Número de proyectos/actividades individuales (proyectos de inversión, planes de gestión de refrigerantes, bancos de halones, asistencia técnica) aprobados con respecto a los planificados	8/8
Actividades importantes completadas (por ejemplo, medidas en materia de política, asistencia en materia de reglamentación)/niveles SAO alcanzados para tramos anuales aprobados de acuerdos plurianuales con respecto a los planificados	21/21 ⁽²⁾
SAO eliminadas para proyectos individuales con respecto a lo planificado en los informes sobre la marcha de las actividades	1 334 toneladas PAO
Terminación de proyectos (conforme a la decisión 28/2 para proyectos de inversión) y según se define para proyectos ajenos a la inversión con respecto a los planificados en los informes sobre la marcha de las actividades	10 ⁽³⁾
Número de actividades de asistencia en materia de política y reglamentación finalizadas con respecto a las planificadas	9/9
Rapidez de conclusión financiera con respecto a la requerida según las fechas de terminación de los informes sobre la marcha de las actividades	11 meses
Presentación oportuna de los informes de terminación de proyectos con respecto a los acordados	100%
Presentación oportuna de informes sobre la marcha de las actividades y respuestas salvo cuando se acordó lo contrario	100%

⁽¹⁾ Comprende dos programas anuales de nuevos proyectos plurianuales que se prevé aprobará el Comité Ejecutivo en 2007.

⁽²⁾ Incluye actividades importantes que se finalizarán para los dos nuevos proyectos plurianuales que se prevé aprobará el Comité Ejecutivo en 2007. No incluye las actividades importantes de Acuerdos para los que no se presentarán planes anuales en 2007.

⁽³⁾ Representa el número de proyectos que se prevé finalizar en 2007, lo cual entrañará una eliminación prevista de 1 334 toneladas PAO.

27. El objetivo del Banco Mundial en cuanto al número de programas anuales aprobados incluye un acuerdo plurianual aprobado cuyo programa de trabajo anual se presentará en 2007 pero su financiación se recibirá en 2008, y un proyecto plurianual que debería clasificarse como proyecto individual. Para estar en consonancia con los demás organismos, el objetivo del Banco Mundial debería ser la aprobación de 19 programas anuales (18 aprobados y uno plurianual).

28. El objetivo del Banco Mundial en cuanto al número de proyectos individuales aprobados no incluye un proyecto que debe clasificarse como individual en lugar de plurianual e incluye cinco proyectos de fortalecimiento institucional. Para estar en consonancia con los demás organismos, el objetivo el Banco Mundial en cuanto al número de proyectos individuales no debería incluir el fortalecimiento institucional y, por tanto, debería ser cuatro.

29. El objetivo del Banco Mundial en cuanto al número de actividades importantes completadas/niveles de SAO logrados para tramos anuales de proyecto plurianuales es 21. Ahora bien, este indicador sólo se aplica a proyectos plurianuales aprobados. Para estar en consonancia con los demás organismos, el número de actividades que el Banco Mundial prevé completar debe ser 18.

RECOMENDACIONES

30. El Comité Ejecutivo pudiera considerar oportuno:
- a) Refrendar el plan administrativo del Banco Mundial para 2007-2009 que figura en el documento UNEP/OzL.Pro/ExCom/51/11, sin perjuicio de lo que decidan las Partes en relación con la reposición para el año 2009 y los siguientes, advirtiendo que ello no significa la aprobación de los proyectos indicados en dicho plan ni de sus niveles de financiación, y que se refrenda sin las modificación que pudieran introducirse al examinar las siguientes actividades:
 - i) Análisis de la destrucción de SAO;
 - ii) Análisis de las tecnologías HCFC;
 - iii) La eliminación acelerada de la actividad productiva de CFC en Argentina presentada en 2007; y
 - b) Transferir al PNUD el proyecto de eliminación del consumo de halones en Chile (CHI/HAL/42/TAS/156) del Banco Mundial por un monto de 60 000 \$EUA más unos costos de apoyo de 4 500 \$EUA.
 - c) Aprobar los indicadores de desempeño para el Banco Mundial que figuran en la Tabla 2 de los comentarios de la Secretaría, contenidos en el documento UNEP/OzL.Pro/ExCom/51/11, y, a su vez, fijar como objetivo la aprobación de 19 programas anuales, la aprobación de cuatro proyectos individuales y la terminación de 18 actividades importantes.

2007 BUSINESS PLAN

WORLD BANK

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

Presented to the 51st 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	---	2,862.0
CFC in LVC countries *	1,006.5	508.0	---	1,514.6
CFC production sector **	---	---	---	---
Halon	9.8	9.8	---	19.5
Methyl Bromide (consumption) **	31.0	---	---	31.0
Methyl Bromide (production)	---	---	---	---
CTC **	551.8	97.4	---	649.1
TCA **	77.2	102.9	---	180.2
Total ODS to be funded	3,107.2	2,149.1	---	5,256.3

(*) 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	-	-	-	-
Total	1,534	515	-	2,049

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 51st 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	-	-	-	-
Total	27,829	19,301	2,095	49,224

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
Total	85,493	100	28,044	100

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	-	-	-	-	-	-
Total	86,803	28,044	44,103	19,746	26,938	2,095

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 50th 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 51st 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 47th 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.

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 50th 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 51st 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

Approved multi-year agreement	Country
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 ⁽¹⁾
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 ⁽²⁾
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 ⁽³⁾
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 51st 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 51st 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.

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.

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.

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.