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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-third Meeting
Montreal, 26-30 November 2007

AMENDMENTS TO UNDP WORK PROGRAMME FOR 2007

COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT

1. UNDP is requesting approval from the Executive Committee of US \$2,180,087 for amendments to its 2007 Work Programme Amendments, plus agency support costs of US \$173,139.

2. The activities proposed in UNDP's Work Programme Amendments are presented in Table 1 below:

Table 1: UNDP's Work Programme Amendments

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1. Renewal of institutional strengthening projects:			
Argentina	Institutional strengthening (Phase V)	311,567	311,567
Bangladesh	Institutional strengthening (Phase V)	130,000	130,000
Costa Rica	Institutional strengthening (Phase VII)	140,513	140,513
Cuba	Institutional strengthening (Phase VI)	149,066	149,066
Indonesia	Institutional strengthening (Phase VI)	271,245	271,245
Islamic Republic of Iran	Institutional strengthening (Phase VI) (year 2)	86,756	86,756
Malaysia	Institutional strengthening (Phase VII)	279,500	279,500
Pakistan	Institutional strengthening (Phase IV) (year 2)	112,234	112,234
Subtotal for institutional strengthening projects:		1,480,881	1,480,881
A2. Project preparation:			
Armenia	Preparation of terminal phase-out management plan (TPMP)	12,000	12,000
Swaziland	Preparation of terminal phase-out management plan (TPMP)	15,000	15,000
Subtotal for project preparation:		27,000	27,000
SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION			
B1. Project preparation:			
Colombia	Preparation for MDI Investment Project	30,000	For individual consideration-
Subtotal for project preparation:		30,000	-
B.2 Technical assistance projects			
Armenia	HCFC survey	45,872	-
Bolivia	HCFC survey	45,872	-
Costa Rica	HCFC survey	45,872	-
El Salvador	HCFC survey	45,872	-
Fiji	HCFC survey	45,872	-
Georgia	HCFC survey	45,872	-
Ghana	HCFC survey	45,872	-
Kyrgyzstan	HCFC survey	45,872	-
Nigeria	HCFC survey	68,807	-
Philippines	HCFC survey	114,679	-
Peru	HCFC survey	45,872	-
Uruguay	HCFC survey	45,872	-
Subtotal for technical assistance projects:		642,206	-
Subtotal for sections A and B:		2,180,087	1,507,881
Agency support costs (7.5 per cent for project preparation and institutional strengthening, and for other activities over US \$250,000, and 9 per cent for other activities under US \$250,000):		173,139	113,091
Total:		2,353,226	1,620,972

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL**A1. Renewal of institutional strengthening projects:**

(a)	Argentina	Institutional strengthening (Phase V)	US\$ 311,567
(b)	Bangladesh	Institutional strengthening (Phase V)	US\$ 130,000
(c)	Costa Rica	Institutional strengthening (Phase VII)	US\$ 140,513
(d)	Cuba	Institutional strengthening (Phase VI)	US\$ 149,066
(e)	Indonesia	Institutional strengthening (Phase VI)	US\$ 271,245
(f)	Islamic Republic of Iran	Institutional strengthening (Phase VI) (year 2)	US\$ 86,756
(g)	Malaysia	Institutional strengthening (Phase VII)	US\$ 279,500
(h)	Pakistan	Institutional strengthening (Phase IV) (year 2)	US\$ 112,234

Project descriptions

3. UNDP submitted eight requests for the renewal of institutional strengthening projects. The descriptions of the institutional strengthening projects for the above countries are presented in Annex I to this document.

Fund Secretariat's comments and recommendations

4. The Fund Secretariat recommends blanket approval of all eight requests for renewal of institutional strengthening projects at the level of funding shown in Table 1. The Executive Committee may also wish to express additional comments to the Governments concerned as set out in Annex II to this document.

A2. Project preparation:

Armenia: Preparation of Terminal phase-out management plan: US \$12,000

Swaziland: Preparation of Terminal phase out management plan: US\$15,000

Project description

5. On behalf of the Governments of Armenia and Swaziland, UNDP has submitted for consideration by the Executive Committee requests for funding for the preparation of terminal phase-out management plans (TPMPs) for these two countries. The requests have been submitted in accordance with decision 45/54 (on TPMP for LVC countries). Project preparation activities in these countries will be carried out jointly with UNEP.

Fund Secretariat's comments

6. In reviewing the requests for the preparation of the TPMPs for Armenia and Swaziland, the Secretariat noted that both have already reported their ODS consumption for 2006 under Article 7 of the Montreal Protocol. The Secretariat also noted that the present level of consumption in these countries was below their respective baselines. In the case of Swaziland, its 2006 consumption is already within the limit allowed under the Montreal Protocol for 2007.

For Armenia on the other hand, while its consumption is below the 50 percent consumption level, it still needs to reduce its current consumption by another half in order to meet the 2007 75 per cent reduction limit.

7. The Secretariat also noted that Swaziland has reported that it has a licensing system pursuant to Article 4B of the Montreal Protocol. Armenia, however, has operational ODS regulations and a licensing system, but has not yet ratified the Montreal Amendment as of writing this document.

Fund Secretariat's recommendations

8. The Fund Secretariat recommends blanket approval of the activities at the level of funding shown in Table 1.

SECTION B: ACTIVITIES RECOMMENDED FOR INDIVIDUAL CONSIDERATION

B1. Project preparation:

Colombia: PRP for MDI Investment Project: US \$30,000

Background

9. The Executive Committee, at its 51st Meeting, agreed in decision 51/34 *inter alia*, “to consider, on a case-by-case basis the submission of requests for project preparation for the conversion of CFC-MDI production facilities on the understanding that they must include a comprehensive justification from the country concerned for the need to receive assistance and, as a minimum, should provide the following detailed information:

- (a) Name of nationally owned CFC-MDI manufacturing facilities, the date when the CFC production lines were established and the production capacity of each production line;
- (b) Type of CFC-MDI products manufactured, active ingredients used, annual production output (units/year);
- (c) Growth patterns of CFC-MDI production over the past five years;
- (d) Whether any of the CFC-MDI manufacturing plants were contemplating alternatives to CFC-MDIs and what those alternatives were;
- (e) Each production facility's plans for phasing out CFC consumption; and
- (f) The number of non-CFC-MDIs and dry-powder inhalers sold or distributed within the Party, by active ingredient, brand/manufacturer, and source.”

10. At the 52nd Meeting, UNDP submitted a request for project preparation of a conversion project in the MDI sector for Colombia. The Executive Committee in decision 52/25 decided *inter alia* “to defer the request for project preparation for the CFC-MDI sector in Colombia to a

future meeting of the Executive Committee on the understanding that a revised project proposal would be presented that fully met the justification for funding and the criteria set out in decision 51/34(c)".

11. New data and information provided by UNDP for this request as required under the above decision is summarized below.

Project Description

12. On behalf of the Government of Colombia, UNDP is submitting a request for project preparation to phase-out CFC use in the MDI manufacturing sector. The national CFC phase-out plan for Colombia¹ reported that all CFC-MDIs were imported into the country, and that the country had no CFC-MDIs manufactured locally. At that time, the Government was not aware of the one CFC-MDI producer based in Colombia. During the preparation of the national CFC phase-out plan, the country recognised that although CFC consumption for MDIs was nil, the Government of Colombia and the health authorities were concerned about the MDI sub-sector and requested funding for the development of an MDI transition strategy that will establish a clear schedule for import of alternatives to CFC-MDIs. Regulations would also be needed that would promote and support the phase-out of these products, and a programme that would raise physician awareness and patient acceptance of alternatives to CFC-MDIs.

13. In support of their submission for project preparation funds in response to decision 51/34, UNDP indicated that the Government of Colombia has one nationally owned CFC-MDI manufacturing enterprise, Laboratorios Chalver de Colombia S.A. This company was established in 2002, and has only one production line with an operational capacity of 2,000 to 3,000 units per hour.

14. Chalver's annual production is low compared to similar companies in other countries (lower than 500,000 units a year with CFC consumption of less than 10 tonnes per year). Chalver has 8 products registered but is only producing 5 of them, and its total share in the MDI market is small. However, the company produces MDIs that supply 30 per cent of the medication for the Government financed health care institution (Seguro Social) for asthma treatment.

15. The report further states that in 2006, the company produced 113,000 units of CFC-MDIs. Out of this production, around 60 percent is for domestic consumption, while the remaining 40 percent is exported. The annual production over the past three years is shown in the table below. As of October 2007, the production reached a total of 281,000 units for the moieties listed below.

Moiety	Annual production (units/year)			
	2003	2004	2005	2006
Salbutamol	144,000	300,000	-	72,000
Salbutamol/Ipratropium	-	-	10,000	5,000
Salbutamol/Beclomethasone	6,000	3,000	36,000	15,000
Beclomethasone	63,000	69,000	3,000	9,000

¹ The plan was approved by the Executive Committee at its 41st Meeting in 2003 (decision 41/52).

Moiety	Annual production (units/year)			
	2003	2004	2005	2006
Ipratropium	-	42,000	78,000	12,000
Total production	213,000	414,000	127,000	113,000

16. The table below shows the trend in CFC use for the MDI sector which is consistent with that reported in the annual country programme implementation report, as follows:

Substance	2003	2004	2005	2006
CFC-11	2.52	2.80	0.80	0.56
CFC-12	3.56	5.28	1.00	1.65
Total	6.08	8.08	1.8	2.21

17. The company is considering retrofitting of their production line to HFA, and has initiated preliminary tests of a new HFA salbutamol formulation. It estimates that it will need two-three years for the retrofitting process to be completed while ensuring the production of a drug with a quality equivalent to that of the CFC-MDI currently being produced and imported.

18. Colombia imports non-CFC-MDIs mostly through multinational companies. The document provides import data for 2006, and shows a total of almost 2 million MDI units imported for that year.

Fund Secretariat's comments

19. The project preparation request is being submitted to enable the phase-out of 2.1 ODP tonnes of CFCs used in the manufacture of CFC-MDIs. In reviewing the data submitted, the Secretariat noted that the trend in production from 2003-2006 is generally decreasing as evidenced by the total number of units being produced, but has increased in 2007. In responding to the Secretariat's query on reasons for this decrease in production, UNDP advised that this is due to the availability of cheap CFC-MDIs imported from India, which are currently on the market. UNDP also indicated that the reason for the increase in Chalver's production in 2007 was due to a change in their pricing policy, which resulted in the company's products being more competitively priced compared with the cheaper imports.

20. The Secretariat also sought clarification on the importance of this company to the total MDI market in the country. UNDP indicated that the company produces MDIs to provide the medication required under the government health insurance service. It is the only local company that produces these medical products for lower income patients, as a result of a bidding process undertaken by the Government for an official local supplier.

21. The Secretariat also requested UNDP to provide data on the imports of non-CFC-MDIs into the country, as required in decision 51/34. Data was provided only for 2005, for all MDIs imported into the country not only non-CFC MDI. Information for earlier years is not available.

22. In discussing the company's plans for conversion, the Secretariat was informed that the company has already initiated research into alternative MDI formulations, and is also willing to explore possible co-financing of the conversion costs after a more detailed study is undertaken.

Fund Secretariat's recommendation

23. In the light of the comments above, the Executive Committee may wish to consider approval of the request for project preparation at the funding level of US \$30,000, as indicated in Table 1 above. The Committee may also wish to confirm whether the information provided is consistent with the requirements of decision 51/34.

24. In approving this project UNDP is requested to note that, in developing the investment project, the final document must include elements of a transition strategy to assist the MDI sector and to support the full implementation of the investment project, pursuant to decision 51/34. It should also be noted that no further funds for a separate transition strategy for this sector will be available.

B2. Technical assistance projects:

Armenia	HCFC survey	US \$45,872
Bolivia	HCFC survey	US \$45,872
Costa Rica	HCFC survey	US \$45,872
El Salvador	HCFC survey	US \$45,872
Fiji	HCFC survey	US \$45,872
Georgia	HCFC survey	US \$45,872
Ghana	HCFC survey	US \$45,872
Kyrgyzstan	HCFC survey	US \$45,872
Nigeria	HCFC survey	US \$68,807
Philippines	HCFC survey	US \$114,679
Peru	HCFC survey	US \$45,872
Uruguay	HCFC survey	US \$45,872

Project description

25. UNDP submitted requests for funding of HCFC surveys in 12 countries. These requests are being submitted as a response to paragraph 8 of decision XIX/6 of the 19th Meeting of the Parties, which *inter alia*, states “direct the Executive Committee, as a matter of priority, to assist Article 5 Parties in conducting surveys to improve reliability in establishing their baseline data on HCFCs”.

Fund Secretariat's comments

26. In reviewing the requests received from UNDP, the Secretariat informed the agency that these projects, while consistent with the decision of the 19th Meeting of the Parties, are not eligible for funding pursuant to current Executive Committee guidelines, as explained in the document Overview of issues identified during project review (UNEP/OzL.Pro/ExCom/53/15).

27. Notwithstanding the above, and as a minimum requirement for these proposals to even be considered for submission to the 53rd Meeting as a WPA, the Secretariat requested the agency to provide within a specific deadline the following:

- (a) Endorsement letter from the countries in the agency's list stating their intention to undertake the survey in the context of decision 45/6;

- (b) Basic information on current HCFC consumption of these countries on the list taken from their Article 7 data reports, and any other information that the agency might have about the country;
- (c) Justification of the costs indicated for each country survey, as the costs varied considerably;
- (d) Information on the proposed approach/methodology for the survey and expected outputs; and
- (e) Indication of the institutional capacity of the agency to be able to undertake the survey considering the number of compliance related projects currently ongoing (i.e. ongoing RMPs, TPMPs, other projects).

28. At the very minimum, the Secretariat required a current request from the country to UNDP to undertake the survey. This would allow a country to confirm its earlier request for a survey with an understanding of the implications of the new commitment agreed by the Parties at its 19th Meeting.

29. UNDP initially submitted requests for assistance to 22 countries for HCFC surveys in their work programme amendment. In response to the Secretariat's requirements in paragraph 27 above, UNDP provided data for the 22 countries, an explanation on how the funding requested for each country was calculated, and a brief description of the methodology for the survey. However, in line with paragraph 28 above, UNDP was able to provide letters from only 12 countries out of the 22 by the Secretariat's deadline, therefore only these countries were included in the work programme amendment.

Fund Secretariat's recommendation

30. Based on the above comments, the Secretariat is unable to recommend the requests for HCFC surveys for the 12 countries as submitted by UNDP due to the following:

- (a) absence of clear guidelines on HCFC projects;
- (b) decision 51/5, where agencies are directed to add HCFC activities to their 2008 Business Plan and remove them from the current plan;

31. The Executive Committee may however wish to consider these requests in the light of decision XIX/6 of the 19th Meeting of the Parties to the Montreal Protocol.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Argentina: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amounts previously approved for institutional strengthening (US \$):	
Phase I: July 1994	359,500
Phase II: November 1999	239,700
Phase III: November 2002	311,610
Phase IV: July 2005	311,567
Total	1,222,377
Amount requested for renewal (Phase V) (US \$):	311,567
Amount recommended for approval for Phase V (US \$)	311,567
Agency support costs (US \$)	23,368
Total cost of institutional strengthening Phase V to the Multilateral Fund	334,935
Equivalent amount of CFC phase-out due to institutional strengthening Phase V at US \$12.1/kg (ODP tonnes):	n/a
Date of approval of country programme	July 1994
Date of approval of country programme update (if applicable)	2000
ODS consumption reported in country programme (1992), (ODP tonnes)	4,328.4
Latest reported ODS consumption (2005) (ODP tonnes)	2,208.8
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	4,697.2
(b) Annex A Group II (Halons) (Average 1995-1997)	167.8
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	187.2
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	65.7
(e) Annex E (Methyl bromide) (Average 1995-1998)	411.3
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	1,675.7
(b) Annex A Group II (Halons)	3.0
(c) Annex B Group II (Carbon tetrachloride)	20.4
(d) Annex B Group III (Methyl chloroform)	21.4
(e) Annex C Group I (HCFCs)	203.1
(f) Annex E (Methyl bromide)	285.2
Amount approved for projects (US \$)	59,683,778
Amount disbursed (as at October 2007) (US \$):	48,048,704
ODS to be phased out (ODP tonnes)	6,593.2
ODS phased out (as at October 2007) (ODP tonnes)	5,984.4

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

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	54,820,430
(b)	Institutional strengthening:	1,364,150
(c)	Project preparation, technical assistance, training and other non-investment projects:	3,499,198
	Total:	59,683,778

Progress report

2. During the phase IV of its Institutional Strengthening project the National Ozone Unit of Argentina has successfully continued its activities to phase out ozone depleting substances as per Montreal Protocol schedules. The NOU coordinated activities in multiple sectors as well as public awareness campaigns, policy development & enforcement and consumption monitoring & reporting. Some of the main achievements during this phase include the completion of the terminal umbrella project in the foams sector representing total phase out of CFCs in this sector; the conversion of the CFC production plant, the implementation of projects under the NPP such as the initiation of a small and medium enterprises CFC phase out program for the refrigeration manufacturing sector, the training and certification of additional technicians, and the training of custom agents in more locations. In addition, the country ratified the Beijing Amendment, updated legislation to enforce MDI producers to report consumption, reduced MBR consumption in the agricultural sector, maintained the licensing system fully operational and enhanced the capacity to monitor imports.

Plan of action

3. The action plan for the fifth phase focuses on continuing the coordination of the remaining activities under the phase out plans in the production, refrigeration, MB and solvent sectors, and confronting new challenges such as the preparation and implementation of a MDI transition strategy and an investment project in this sector. New regulations and legislations will also be enacted to support the phase-out projects and activities being undertaken in the country. The implications of an acceleration of HCFCs phase-out in the NOU activities will also have to be considered during this phase.

Bangladesh: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: September 1994	150,000
Phase II: November 1999	100,000
Phase III: December 2001	100,000
Phase IV: November 2004	130,000
Total	480,000
Amount requested for renewal Phase V (US \$):	130,000
Amount recommended for approval for Phase V (US \$)	130,000
Agency support costs (US \$)	9,750
Total cost of institutional strengthening Phase V to the Multilateral Fund	139,750
Equivalent amount of CFC phase-out due to institutional strengthening Phase V at US \$12.1/kg (ODP tonnes):	n/a
Date of approval of country programme	September 1994
Date of approval of country programme update (if applicable)	1999
ODS consumption reported in country programme (1993), (ODP tonnes)	820.80
Latest reported ODS consumption (2005) (ODP tonnes)	277.5
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	581.6
(b) Annex A Group II (Halons) (Average 1995-1997)	0

(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	5.7
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	0.9
(e) Annex E (Methyl bromide) (Average 1995-1998)	0
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	263.0
(b) Annex A Group II (Halons)	0
(c) Annex B Group II (Carbon tetrachloride)	0.8
(d) Annex B Group III (Methyl chloroform)	0.5
(e) Annex C Group I (HCFCs)	13.2
(f) Annex E (Methyl bromide)	0
Amount approved for projects (US \$)	4,981,302
Amount disbursed (as at October 2007) (US \$):	1,473,250
ODS to be phased out (ODP tonnes)	248.5
ODS phased out (as at October 2007) (ODP tonnes)	137.0

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

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	4,241,914
(b)	Institutional strengthening:	535,250
(c)	Project preparation, technical assistance, training and other non-investment projects:	204,138
	Total:	4,981,302

Progress report

5. During its fourth phase, the institutional strengthening (IS) project of Bangladesh continued successfully, achieving and maintaining compliance with the Montreal Protocol control measures. In particular, the National Ozone Unit of Bangladesh coordinated the implementation of several projects to phase out ODS including organising workshop for Policy makers and relevant stakeholders, data gathering for verification of ODS consumption in MDI sectors, increase awareness among students by organizing essay competition, organization of consultative workshop to finalize transition of strategy and conversion of MDI sector. The Training component of the refrigeration and air conditioning sector was also completed during this phase. During this period, the NOU also began development of the “Bangladesh ODS standards” which will include a ban on the imports of CFC based refrigerator and freezer once adopted.

Plan of action

6. For this new phase, Bangladesh will implement the following: strengthened control of ODS import, implementation of strategy and conversion project in the MDI sector, training of policy makers. The NOU will continue implementation of current ongoing activities including the NPP and the recently approved MDI conversion project. The NOU will also continue raising public awareness through various activities.

Costa Rica: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency		UNDP
Amounts previously received for institutional strengthening (US \$):		
	Phase I: Oct. 1992	213,160
	Phase II: Feb. 1997	108,087
	Phase III: Mar. 1999	108,087
	Phase IV: Dec. 2001	108,087
	Phase V: Dec. 2003	140,513
	Phase VI: Nov. 2005	140,513
	Total	818,447
Amount requested for renewal (Phase VII) (US \$):		140,513
Amount recommended for approval for Phase VII (US \$)		140,513
Agency support costs (US \$)		10,539
Total cost of institutional strengthening Phase VII, to the Multilateral Fund		151,052
Equivalent amount of CFC phase-out due to institutional strengthening Phase VII at US \$12.1/kg (ODP tonnes):		n/a
Date of approval of country programme		October 1992
Date of approval of country programme update (if applicable)		2000
ODS consumption reported in country programme (1991), (ODP tonnes)		227.20
Latest reported ODS consumption (2006) (ODP tonnes)		317.2
Baseline consumption of controlled substances (ODP tonnes):		
(a)	Annex A Group I (CFCs) Average (1995-1997)	250.2
(b)	Annex A Group II (Halons) Average (1995-1997)	0
(c)	Annex B Group II (Carbon tetrachloride) Average (1998-2000)	0
(d)	Annex B Group III (Methyl chloroform) Average (1998-2000)	0
(e)	Annex E (Methyl bromide) Average (1995-1998)	342.5
Latest consumption of controlled substances (2006) (ODP tonnes):		
(a)	Annex A Group I (CFCs)	55.70
(b)	Annex A Group II (Halons)	0
(c)	Annex B Group II (Carbon tetrachloride)	0
(d)	Annex B Group III (Methyl chloroform)	0
(e)	Annex C Group I (HCFCs)	10.2
(f)	Annex E (Methyl bromide)	251.3
Amount approved for projects (US \$)		8,751,511
Amount disbursed (as at October 2007) (US \$):		5,967,950
ODS to be phased out (ODP tonnes)		579.0
ODS phased out (as at October 2007) (ODP tonnes)		433.0

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

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	7,443,721
(b)	Institutional strengthening:	906,541
(c)	Project preparation, technical assistance, training and other non-investment projects:	401,249
	Total:	8,751,511

Progress report

8. During Phase VI of Costa Rica's Institutional Strengthening project, the Government Commission on Ozone (COGO) continued work in planning, organizing, directing and coordinating activities for the implementation of the national strategy in all areas to reduce and subsequently phase out of ODS. A review of the current legislation was also undertaken with a

view to enacting stronger legal tools for implementing the necessary activities to enable compliance with Montreal Protocol control measures and achieve full compliance. This included an update of the licensing system for exports and imports of ODS. The TPMP is just commencing implementation.

Plan of action

9. During Phase VII of the Institutional Strengthening of Costa Rica, the government of Costa Rica, through its NOU will continue with the implementation of the TPMP. One goal for this period is to establish and implement the measures necessary for reducing the emission of ozone-depleting substances into the atmosphere as well as reinforce national legislation in order to facilitate and ensure compliance with the ODS phase-out targets for 2008 and total elimination of methyl bromide by 2009. It will also continue to promote public awareness about the problem of ozone depletion and its impacts.

Cuba: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency	UNDP
Amounts previously received for institutional strengthening (US \$):	
Phase I: Jun. 1993	172,000
Phase II: Nov. 1998	114,666
Phase III: Jul. 2001	114,666
Phase IV: Jul. 2003	149,066
Phase V: Nov. 2005	149,066
Total	699,464
Amount requested for renewal (Phase VI) (US \$):	149,066
Amount recommended for approval for Phase VI (US \$)	149,066
Agency support costs (US \$)	11,180
Total cost of institutional strengthening Phase VI, to the Multilateral Fund	160,246
Equivalent amount of CFC phase-out due to institutional strengthening Phase VI at US \$12.1/kg (ODP tonnes):	n/a
Date of approval of country programme	June 1993
Date of approval of country programme update (if applicable)	2000
ODS consumption reported in country programme (1991), (ODP tonnes)	339.8
Latest reported ODS consumption (2005) (ODP tonnes)	241.0
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) Average (1995-1997)	625.1
(b) Annex A Group II (Halons) Average (1995-1997)	0
(c) Annex B Group II (Carbon tetrachloride) Average (1998-2000)	2.7
(d) Annex B Group III (Methyl chloroform) Average (1998-2000)	0
(e) Annex E (Methyl bromide) Average (1995-1998)	50.5
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	208.6
(b) Annex A Group II (Halons)	0
(c) Annex B Group II (Carbon tetrachloride)	0
(d) Annex B Group III (Methyl chloroform)	0
(e) Annex C Group I (HCFCs)	16.2
(f) Annex E (Methyl bromide)	16.2
Amount approved for projects (US \$)	13,219,487
Amount disbursed (as at October 2007) (US \$):	5,009,902
ODS to be phased out (ODP tonnes)	421.6
ODS phased out (as at October 2007) (ODP tonnes)	177.9

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

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	12,074,738
(b)	Institutional strengthening:	773,991
(c)	Project preparation, technical assistance, training and other non-investment projects:	370,758
Total:		13,219,487

Progress report

11. During Phase V of the Institutional Strengthening project for Cuba, the main objective was to support Cuba in complying with its obligations under the Montreal Protocol and meet Montreal Protocol reduction targets. Throughout this phase Cuba continued to implement its MDI conversion project, and initiated the development of new proposals to advance the national legal framework on protection of the ozone layer and to secure the complete phase-out of ODS. Awareness activities in the form of cultural and sporting events were held in different parts of the country as well as educational and school activities. Workshops and scientific activities also took place within the scientific community to discuss alternatives to methyl bromide, the retrofitting of equipment and recovery & recycling of refrigerants.

Plan of action

12. During this new phase of the Institutional Strengthening Project of Cuba, the NOU aims to continue its phase-out projects. The main activities will focus on programmes aiming at total elimination of CFCs in the refrigeration sector (national phase-out plan for CFCs), the elimination of CFCs in metered dose inhalers and the national phase-out of methyl bromide. During this time Cuba will also continue with their initiative to retrofit 2.7 million domestic refrigerators with CFC as well as between 7 and 9 R-11 chillers for chillers that use CFC free technology in hospitals, public buildings and scientific centres in a pilot project funded by the Multilateral Fund. It will also continue the strengthened application of the ODS licensing system, for the efficient control of imports and exports and provide an improved control system on the consumption of ODS in the country. Cuba will also continue its focus on the public awareness campaign for the elimination of ODS.

Indonesia: Renewal of institutional strengthening

Summary of the Project and Country Profile		
Implementing Agency		UNDP
Amounts previously received for institutional strengthening (US \$):		
	Phase I: Jun. 1993	314,780
	Phase II: Nov. 1997	208,650
	Phase III: Dec. 2000	208,650
	Phase IV: Dec. 2003	271,245
	Phase V: Nov. 2005	271,245
	Total	1,274,570
Amount requested for renewal (Phase VI) (US \$):		271,245
Amount recommended for approval for Phase VI (US \$)		271,245
Agency support costs (US \$)		20,343
Total cost of institutional strengthening Phase VI, to the Multilateral Fund		291,588
Equivalent amount of CFC phase-out due to institutional strengthening Phase VI at US \$12.1/kg (ODP tonnes):		n/a

Date of approval of country programme	March 1994
Date of approval of country programme update (if applicable)	2000
ODS consumption reported in country programme (1992), (ODP tonnes)	6,657.3
Latest reported ODS consumption (2005) (ODP tonnes)	2,725.7
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) Average (1995-1997)	8,332.7
(b) Annex A Group II (Halons) Average (1995-1997)	354.0
(c) Annex B Group II (Carbon tetrachloride) Average (1998-2000)	0
(d) Annex B Group III (Methyl chloroform) Average (1998-2000)	13.3
(e) Annex E (Methyl bromide) Average (1995-1998)	40.7
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	2,385.3
(b) Annex A Group II (Halons)	0
(c) Annex B Group II (Carbon tetrachloride)	0
(d) Annex B Group III (Methyl chloroform)	0
(e) Annex C Group I (HCFCs)	308.6
(f) Annex E (Methyl bromide)	31.8
Amount approved for projects (US \$)	60,072,353
Amount disbursed (as at October 2007) (US \$):	48,944,101
ODS to be phased out (ODP tonnes)	10,888.1
ODS phased out (as at October 2007) (ODP tonnes)	7,863.3

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

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	54,019,337
(b)	Institutional strengthening:	1,410,031
(c)	Project preparation, technical assistance, training and other non-investment projects:	4,642,985
	Total:	60,072,353

Progress Report

14. For this phase of its Institutional Strengthening (IS) project, Indonesia has strengthened its enforcement of existing regulations, including training of customs officers, development of standard of non-ODS labelling system, improve capacity of local governments on the implementation of ozone layer protection activities and improvement of the capacity of NOU to appraise, monitor and evaluate proposed and existing projects. Activities were also carried out to promote public awareness. Most significant was the NOU's effort in pursuing and cooperating with other relevant ministries which facilitated the issuance of a revised regulation by the Ministry of Trade to better monitor and control ODS supply to Indonesia, and a related quota and reporting system, that will ensure effective monitoring and control of ODS supply into the country.

Plan of Action

15. The objective of the Phase VI of the Institutional Strengthening project will be to continue the effective management, monitoring and enforcement on ODS activities in order to ensure sustainability of phase-out achievements. In this next phase of the IS project, Indonesia will strengthen the capacity and facilitate the work of the local institutions on their roles to control and monitor ODS activities, and increase public awareness so that the complete phase-out of CFCs by end of 2007 will be sustained.

Islamic Republic of Iran: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amounts previously approved for institutional strengthening:	
Phase I: Oct. 1992	200,200
Phase II: Nov. 1997	133,470
Phase III: Dec. 2000	133,470
Phase IV: Nov. 2002	173,511
Phase V (year 1): Dec. 2004	86,755
Phase V (year 2): Nov. 2005	86,756
Phase VI (year 1): Nov. 2006	86,755
Total	900,917
Amount requested for renewal of Phase VI (year 2) (US \$):	86,756
Amount recommended for approval for Phase VI (year 2) (US \$)	86,756
Agency support costs (US \$)	6,507
Total cost of institutional strengthening Phase VI (year 2) to the Multilateral Fund (US \$)	93,263
Equivalent amount of CFC phase-out due to institutional strengthening Phase VI (year 2) at US \$12.1/kg (ODP tonnes)	n/a
Date of approval of country programme	June 1993
Date of approval of country programme update (if applicable)	2000
ODS consumption reported in country programme (1991), (ODP tonnes)	5,703.5
Latest reported ODS consumption (2005) (ODP tonnes)	2,448.6
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	4,571.7
(b) Annex A Group II (Halons) (Average 1995-1997)	1,420.0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	77.0
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	8.7
(e) Annex E (Methyl bromide) (Average 1995-1998)	26.7
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	2,221.0
(b) Annex A Group II (Halons)	0.0
(c) Annex B Group II (Carbon tetrachloride)	13.6
(d) Annex B Group III (Methyl chloroform)	4.3
(e) Annex C Group I (HCFCs)	192.9
(f) Annex E (Methyl bromide)	16.8
Amount approved for projects (US \$)	65,323,350
Amount disbursed (as of October 2007) (US \$):	55,868,425
ODS to be phased out (ODP tonnes)	6,628.1
ODS phased out (as of October 2007) (ODP tonnes)	5,520.5

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

	Summary of activities	Funds approved (US \$)
(a)	Investment projects	62,905,391
(b)	Project preparation and institutional strengthening	1,003,694
(c)	Project preparation, technical assistance, training and other non-investment projects	1,414,265
	Total:	65,323,350

Progress Report

17. For the first year (2007) of Phase VI of its Institutional Strengthening (IS) project, the Islamic Republic of Iran has successfully coordinated and effectively managed the implementation of its National Phase-out Plan, achieving the phase-out targets stipulated in the Agreement and to ensure compliance with the Montreal Protocol's control measures. Iran also adopted and enforced the control of the import of CFCs and solvents into the country by establishing a quota system. In addition, it implemented the solvent sector plan approved at the 50th ExCom to address and achieve the complete phase-out of CTC and TCA by end of 2007. The OLPU has also organized activities to promote public awareness including activities to celebrate the 20th Anniversary of the Montreal Protocol on International Ozone Day.

Plan of action

18. The objectives of the second year (2008) of Phase VI of the Institutional Strengthening project will be the continued effective management of the implementation of the NPP to achieve compliance with the Montreal Protocol in meeting the phase out milestones, to achieve complete phase-out of CTC and TCA consumption with the complete implementation of the solvent sector phase-out plan in order to maintain its compliance on CTC consumption. In addition, the Ozone Layer Protection Unit (OLPU) will also initiate activities in the MDI sector by implementing the recently approved conversion project. It will likewise pursue its efforts to increase awareness of public and government organizations on ozone layer protection to ensure sustainability of the phase-out achieved. The OLPU will also facilitate full enforcement of the import and export licensing system with the Policy and Enforcement Centre which is now fully operational.

Malaysia: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amount originally approved:	
Phase I: March 1993	322,520
Phase II: October 1996	215,000
Phase III: November 1998	215,000
Phase IV: December 2000	215,000
Phase V: November 2002	279,500
Phase VI: November 2004	279,500
Total	1,526,520
Amount requested for renewal Phase VII (US \$):	279,500
Amount recommended for approval for Phase VII (US \$)	279,500
Agency support costs (US \$)	20,963
Total cost of institutional strengthening Phase VII to the Multilateral Fund	300,463
Equivalent amount of CFC phase-out due to institutional strengthening Phase VII at US \$12.1/kg (ODP tonnes):	n/a
Date of approval of country programme	February 1992
Date of approval of country programme update (if applicable)	2000
ODS consumption reported in country programme (1990), (ODP tonnes)	1,904.0
Latest reported ODS consumption (2005) (ODP tonnes)	671.6
Baseline consumption of controlled substances (ODP tonnes):	
(a) Annex A Group I (CFCs) (Average 1995-1997)	3,271.1
(b) Annex A Group II (Halons) (Average 1995-1997)	8.0
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	4.5

Annex I

(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	49.5
(e) Annex E (Methyl bromide) (Average 1995-1998)	14.6
Latest consumption of controlled substances (2005) (ODP tonnes):	
(a) Annex A Group I (CFCs)	668.3
(b) Annex A Group II (Halon)	0
(c) Annex B Group II (Carbon tetrachloride)	0
(d) Annex B Group III (Methyl chloroform)	3.3
(e) Annex C Group I (HCFCs)	0
(f) Annex E (Methyl bromide)	0
Amount approved for projects (US \$)	49,480,926
Amount disbursed (as at October 2007) (US \$):	44,965,178
ODS to be phased out (ODP tonnes)	6,554.3
ODS phased out (as at October 2007) (ODP tonnes)	6,144.1

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

Summary of activities		Funds approved (US \$)
(a)	Investment projects:	45,790,136
(b)	Institutional strengthening:	1,643,931
(c)	Project preparation, technical assistance, training and other non-investment projects:	2,046,859
	Total:	49,480,926

Progress report

20. During this phase of the institutional strengthening (IS) project of Malaysia, the NOU continued successfully, achieving and maintaining compliance with the Montreal Protocol by monitoring on-going projects and those newly identified under the National CFC phase-out programmes. Projects were completed in the aerosol sector, MAC and foam sectors. One main achievement is the continued monitoring of the NOU on national enforcement of service shops through regular spot checks and visits. It also continued to implement a number of public awareness campaigns and production of awareness material. To promote ozone protection and organise awareness activities for public and industries such as the International Ozone Day 2007, Malaysia held exhibitions, placed TV and newspaper advertisements and distributed materials with ozone protection messages. The country also ratified the Beijing Amendment during this phase.

Plan of action

21. For the seventh phase of the institutional strengthening project, the NOU of Malaysia's objective is to continue and strengthen the monitoring of the implementation of the separately funded ODS phase-out projects. During this phase of the IS project, the NOU will be focusing on compliance and enforcement of the regulations it has been able to set in place as well as preparing for the accelerated phase-out of HCFCs.

Pakistan: Renewal of institutional strengthening

Summary of the Project and Country Profile	
Implementing Agency:	UNDP
Amounts previously approved for institutional strengthening (US \$):	
Phase I: September 1994	259,000
Phase II : December 2001	172,666
Phase III: December 2003	224,467
Phase IV (year 1): March 2007	112,233
Total	768,366
Amount requested for renewal for Phase IV (year 2) (US \$):	112,234
Amount recommended for approval for Phase IV (year 2) (US \$)	112,234
Agency support costs (US \$)	8,418
Total cost of institutional strengthening Phase IV (year 2) to the Multilateral Fund (US \$)	120,652
Equivalent amount of CFC phase-out due to institutional strengthening Phase IV (year 2) at US \$12.1/kg (ODP tonnes)	n/a
Date of approval of country programme	October 1996
Date of approval of country programme update (if applicable)	1999
ODS consumption reported in country programme (1995), (ODP tonnes)	2,538.9
Latest reported ODS consumption (2005) (ODP tonnes)	606.8
Baseline consumption of controlled substances (ODP tonnes)	
(a) Annex A Group I (CFCs) (Average 1995-1997)	1,679.4
(b) Annex A Group II (Halons) (Average 1995-1997)	14.2
(c) Annex B Group II (Carbon tetrachloride) (Average 1998-2000)	412.9
(d) Annex B Group III (Methyl chloroform) (Average 1998-2000)	2.3
(e) Annex E (Methyl bromide) (Average 1995-1998)	14.0
Latest consumption of controlled substances (2005) (ODP tonnes)	
(a) Annex A Group I (CFCs)	453.0
(b) Annex A Group II (Halons)	0.0
(c) Annex B Group II (Carbon tetrachloride)	148.5
(d) Annex B Group III (Methyl chloroform)	0.0
(e) Annex C Group I (HCFCs)	5.3
(f) Annex E (Methyl bromide)	0.0
Amount approved for projects (US \$)	20,508,415
Amount disbursed (as at October 2007) (US \$):	18,169,069
ODS to be phased out (ODP tonnes)	2,295.4
ODS phased out (as at October 2007) (ODP tonnes)	1,986.8

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

	Summary of activities	Funds approved (US \$)
(a)	Investment projects	18,648,076
(b)	Institutional Strengthening	845,168
(c)	Project preparation, technical assistance, training and other non-investment projects	101,571
	Total:	20,508,415

Progress report

23. During the first year of its fourth phase, the NOU focused on the implementation of the action plan for non-compliance in the consumption in CTC, and addressed this by ensuring the implementation of the solvent project in the country. The NOU also looked at strengthening its

current licensing system to meet and sustain compliance in other sectors, and continued its awareness raising activities.

Plan of action

24. For this new phase, the NOU of Pakistan will monitor the implementation of the RMP, the CTC Sector phase-out plan and halon bank project. It will also continue to ensure that it meets the target set out in their action plan in line with decision XVIII/31, to bring Pakistan back into compliance with the control measures for CTC. Further to the implementation of specific projects, the NOU will continue raising public awareness through various media. Due to the unfortunate loss of the Ozone Office caused by fire, the NOU will be rebuilding its infrastructure and files during this phase.

Annex II

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 53rd MEETING

Argentina

1. The Executive Committee has reviewed the terminal report presented with the institutional strengthening project renewal request for Argentina and notes with appreciation the outstanding achievements made by Argentina's OPROZ during the implementation of the Fourth Phase. In particular the Executive Committee notes the progress made by Argentina in its work to create a fully operational and updated licensing system. This advancement will be of great support to the country's national ozone focal point and will help to decrease the incidence of illegal trade in ozone depleting substances. The Executive Committee also notes the progress in the implementation of phase-out activities in multiple sectors including the completion of activities in the foam sector, the conversion of the CFC production plant to alternative activities, and the significant progress in the refrigeration servicing sector through the National Phase Out Plan. The Executive Committee commends the Government of Argentina for its achievements during the current phase particularly on the phase-out of CFC in the production sector, and expresses the expectation that, in the next two years, Argentina will continue the implementation of its programmed activities with outstanding progress, and will sustain and build upon its current levels of reductions in CFCs.

Bangladesh

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bangladesh and notes with appreciation that Bangladesh reported data in 2006 to the Ozone Secretariat that has exceeded both the 50 per cent reduction target of the Montreal Protocol and the target set out in its national phase-out plan placing the country in compliance with the Montreal Protocol reduction targets as well as its commitments under the NPP. The Executive Committee also notes that within the framework of the institutional strengthening project, Bangladesh has taken significant steps to phase out its ODS consumption, specifically, moving forward with preparation and subsequent approval of its MDI conversion project. The Executive Committee greatly supports the efforts of Bangladesh to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Bangladesh will continue with the implementation of its country programme and national phase-out plan activities with outstanding success in the reduction of current ODS consumption levels.

Costa Rica

3. The Executive Committee has reviewed the terminal report presented with the institutional strengthening project renewal request for Costa Rica and notes with appreciation the outstanding achievements made by Costa Rica's National Ozone Unit during the implementation of the Sixth Phase. In particular the Executive Committee notes the progress made by Costa Rica in reducing their CFC and MB consumption. The Executive Committee also notes progress on the implementation of phase-out projects in key ODS-consuming sectors, as well as the means to

provide an integrated approach in the effort to eliminate ODS. The Executive Committee commends the Government of Costa Rica for its achievements during the current phase and expresses the expectation that, in the next two years, Costa Rica will continue the implementation of its programmed activities with outstanding progress, and will sustain and build upon its current levels of reductions in CFCs to meet total phase out in 2010.

Cuba

4. The Executive Committee has reviewed the terminal report presented with the institutional strengthening project renewal request for Cuba and notes with appreciation the outstanding achievements made by Cuba's National Ozone Unit during the implementation of the Fifth Phase. In particular the Executive Committee notes the progress made by Cuba in reducing their CFC consumption. The Executive Committee also notes the excellent work which has been carried out by Cuba on awareness raising, particularly in the celebration of International Ozone Day as well as the different campaigns on a national, provincial and municipal level. The Executive Committee commends the Government of Cuba for its achievements during the current phase and expresses the expectation that, in the next two years, Cuba will continue the implementation of its programmed activities with outstanding progress, and will sustain and build upon its current ODS reductions and meet the 2010 phase-out schedule.

Indonesia

5. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Indonesia and notes with appreciation the revised regulation issued by the Ministry of Trade, as facilitated by the NOU, for effective monitoring and control of ODS supply to the country. The Executive Committee also notes that Indonesia will strengthen capacity of local entities to monitor and control ODS activities to ensure sustainability after achieving the targets of complete phase-out by end of 2007. The Executive Committee expresses the expectation that Indonesia will successfully complete the implementation of its programmed activities with outstanding progress, sustain and build upon its current levels of reduction in CFCs to achieve its goals of complying with the reduction schedule of the Montreal Protocol.

Islamic Republic of Iran

6. The Executive Committee has reviewed the information presented with the second year of the Institutional Strengthening project renewal request for the Islamic Republic of Iran and notes with appreciation the fact that the Iran has returned from non-compliance in CTC consumption with the approval of a solvent sector phase-out plan to completely phase out CTC and TCA by end 2007, and that project activities had already been initiated. The Executive Committee also notes the full enforcement of import/export licensing system on CFC and solvents and training of responsible officers from concerned ministries/organizations to facilitate enforcement. The Executive Committee expresses the expectation that in the next two years, the Islamic Republic of Iran will continue the progress achieved, sustain and build upon its current level of CFC reductions to achieve the goal of complying with the Protocol's reduction schedules and achieve its phase-out targets.

Malaysia

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Malaysia and notes with appreciation that Malaysia reported data in 2006 to the Ozone Secretariat that is close to the 85 percent reduction the Montreal Protocol for 2007. The Executive Committee greatly supports the efforts of Malaysia to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Malaysia will continue with the implementation of its country programme and national phase-out activities with outstanding success in the reduction of current ODS consumption levels.

Pakistan

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Pakistan and notes with appreciation that Pakistan reported CFC data in 2006 to the Ozone Secretariat is close to the 85 per cent reduction target of the Montreal Protocol for 2007. The Executive Committee also notes the prompt action of Pakistan in presenting a Plan of Action to return it to compliance with the CTC control measures of the Montreal Protocol and wishes to note the significant steps taken to phase out its ODS consumption, specifically in the halon sector and its CTC sector phase out. The Executive Committee greatly supports the efforts of Pakistan to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Pakistan will continue with the implementation of its country programme and national phase-out activities with outstanding success in the reduction of current ODS consumption levels. The Executive Committee wishes to convey to the Government of Pakistan its sympathy for the loss of its Ozone Office due to unfortunate events, and is hopeful that this new IS project phase will support the NOU of Pakistan in helping rebuild its files.

**EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE IMPLEMENTATION OF THE
MONTREAL PROTOCOL
(53rd Meeting, 26 – 30 November 2007, Montreal)**

**2007 WORK PROGRAMME AMMENDMENT
OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME**

**Request for Project Preparation and Non-Investment Projects at the
53rd Executive Committee Meeting**

**Submitted 1 October 2007
Revised 22 October 2007**

2007 UNDP WORK PROGRAMME AMMENDMENT

53rd Executive Committee Meeting (26 – 30 November 2007, Montreal)

This Work Programme document contains all non-investment and project preparation programmes that are being requested at the 53rd Meeting of the Executive Committee. These requests amount to US\$2,180,085 plus US\$ 173,136 of support cost, as elaborated upon below.

1) Institutional Strengthening Renewal Requests.

The following Institutional Strengthening Renewal Requests are being submitted at the 53rd meeting of the Executive Committee:

Nr	COUNTRY	TITLE	ODP	BUDGET	SUPPORT COST	TOTAL
1	Argentina	Institutional Strengthening Phase V	0	311,567	23,368	334,935
2	Bangladesh	Institutional Strengthening Phase V	0	130,000	9,750	139,750
3	Costa Rica	Institutional Strengthening Phase VII	0	140,513	10,538	151,051
4	Cuba	Institutional Strengthening Phase VI	0	149,066	11,180	160,246
5	Indonesia	Institutional Strengthening Phase VI	0	271,245	20,343	291,588
6	Iran (Islamic Republic of)	Institutional Strengthening Phase VI – Second Year	0	86,755	6,507	93,262
7	Malaysia	Institutional Strengthening Phase VII	23.1	279,500	20,963	300,463
8	Pakistan	Institutional Strengthening Phase IV-Second Year	0	112,233	8,418	120,651
Sub Total Institutional Strengthening Projects				1,480,879	111,067	1,591,946

Documents for the IS Renewal Requests have been submitted separately by UNDP.

2) Requests for HCFC Surveys.

Nr	COUNTRY	TITLE	BUDGET	SUPPORT COST	TOTAL
1	Armenia	HCFC Survey	45,872	4,128	50,000
2	Bolivia	HCFC Survey	45,872	4,128	50,000
3	Costa Rica	HCFC Survey	45,872	4,128	50,000
4	El Salvador	HCFC Survey	45,872	4,128	50,000
5	Fiji	HCFC Survey	45,872	4,128	50,000
6	Georgia	HCFC Survey	45,872	4,128	50,000
7	Ghana	HCFC Survey	45,872	4,128	50,000
8	Kyrgyzstan	HCFC Survey	45,872	4,128	50,000
9	Nigeria	HCFC Survey	68,807	6,193	75,000
10	Philippines	HCFC Survey	114,679	10,321	125,000
11	Peru	HCFC Survey	45,872	4,128	50,000
12	Uruguay	HCFC Survey	45,872	4,128	50,000
Sub Total Technical Assistance Projects			642,206	57,794	700,000

Based on the discussions on HCFCs and the subsequent decision from the Meeting of the Parties on the matter, UNDP understands that assistance to Article 5 parties to conduct surveys to improve reliability in establishing their baseline data on HCFCs should be considered as a priority. Based on this, UNDP would like to submit for consideration by the Secretariat a request of funds to assist Article 5 Parties that have requested UNDP assistance to prepare surveys to determine consumption of HCFCs.

The surveys will help countries to identify HCFC applications, distribution of consumption per sector, growing trends, alternatives available and price comparison. The HCFC surveys will also facilitate national stakeholder consultations allowing a better understanding of the situation in the country related to HCFC supply and demand and identifying potential barriers to the adoption of alternative technologies so that countries can make informed decisions.

3) Requests for Project Preparation in the Refrigeration Servicing Sector.

Nr	COUNTRY	TITLE	BUDGET	SUPPORT COST	TOTAL	REMARKS
1	Armenia	Preparation of TPMP	12,000	900	12,900	Jointly with UNEP
2	Swaziland	Preparation of TPMP	15,000	1,125	16,125	Jointly with UNEP
Subtotal PRP-Proposals Refrigeration			27,000	2,025	29,025	

4) Requests for Activities in the MDI Sector.

Nr	COUNTRY	TITLE	BUDGET	SUPPORT COST	TOTAL	REMARKS
1	Colombia	PRP for MDI Investment Project	30,000	2,250	32,250	Details in PRP Proposal
Subtotal PRP-Proposals (Other Sectors)			30,000	2,250	32,250	

Project preparation request above is related to the development of an investment project for Metered Doses Inhalers (MDIs). Funds would be used for an international consultant, stakeholders workshops and sundries. Detailed information required to submit this preparation activity as per Decision 51/34 of the Executive Committee is submitted separately in the PRP proposal for MDI Colombia.

COLOMBIA MDI

Justifications for the need to receive assistance by Colombia for phasing out of CFC in MDI sector as required under decision 51/34 Para (c).

Background:

Laboratorios Chalver is the only local producer of MDI in Colombia. The manufacture of CFC MDIs by Chalver started in 2003. The company started its production line for MDI products based on CFCs as by the time the company started to establish its production line (2001 – 2002), HFA technologies were not available in developing countries, only few companies in Article 5 countries had developed this technology. Currently the company is not fully equipped to have a transition to CFC-free MDIs within the timeframe available, and in a cost effective way.

Chalver's annual production is low compared to similar companies assisted in other countries (lower than 500,000 units a year with a consumption of CFC not higher than 10 Tonnes per year). Chalver has 8 products registered but it is only producing 5 of them and its participation in the private market is small. However, Chalver is an important supplier to the public market as it provides 30 % of the MDIs to the Government financed health care institution (Seguro Social) to treat asthma. This fact is particularly important considering that this market is focused on providing the medical products to the lower income patients.

During 2005 and 2006 Chalver lost participation in the market due to the arrival of imported MDI from India at a very low price. By 2007 Chalver could reduce production costs and offer a more competitive product recovering its participation in the institutional sector.

Chalver is the only local company manufacturing CFC MDI in the country and is one of the main suppliers to the public market addressed to the lower income patients. As such, it has been considered important to take measures to avoid that the transition to CFC-free technologies leave the country fully dependant on imported medical products, at least on the most basic ones.

With regards to the baseline scenario, being aware of the need to reconvert its production to a CFC-free technology earlier than 2010, the company has undertaken preliminary calculations of the incremental capital cost to have its Pamasol equipment producing with HFA (HFC 134a). It has been found that due to the relatively recent initiation of production, the equipment is modern and will be able to be adapted and complemented to operate with HFA technology at a reasonable cost; opposite to a total replacement like in other projects. On the

technology side, the company has informed the initiation of preliminary tests of a new HFA salbutamol formulation, which is a demonstration of Chalver's capacity to undertake laboratory tests and some other activities related to the product development. This is also a demonstration that the company is willing to look into potential co-finance for the project. However, a more detailed calculation of the portion to be assumed by the company could only be done with the assistance of an expert in the sector and a visit to the laboratory.

The present proposal aims to justify the need to fund Chalver to formulate a project to be funded by the Multilateral Fund to convert its MDI products to CFC-free technologies. With the assistance requested it would take to Chalver about 2 to 3 years to fully convert from CFC-based MDI to HFA-based MDI technology (including the time taken to register and launch the final approved and reformulated product(s) in the market). The post 2010 CFC availability and the country compliance are issues that will be considered in the Project preparation phase in order to design a plan that calculates any possible need of CFC post 2010 and programs procurement and possible stockpiling accordingly. On the other hand experience gained in the sector will help to some extent expedite conversion in order to avoid as much as possible production after 2010.

Eligible Consumption Situation

As of the 41st Meeting of the Executive Committee the remaining consumption of CFCs eligible for funding was 1,295.5 ODP Tonnes. At the 41st Executive Committee Meeting Colombia received approval for its National CFC Phase Out Plan to phase out 801.5 ODP Tonnes of CFC, based on reported consumption at the time of approval.

Colombia became aware of the CFC consumption in the MDI sector after the approval of the National Phase Out Plan in 2003. During the collection of data undertaken for the preparation of the NPP, the company Chalver consuming CFC in the manufacturing of MDI was not identified as it had recently started production and it was not very well known as a MDI producer yet. Since the confirmation of the CFC consumption in the MDI sector in Colombia by Chalver, this consumption has been yearly reported to the Multilateral Fund Secretariat as part of the Country Programme Implementation Report.

In view of above, the present preparatory funds request is submitted for consideration by the Secretariat. The following justification has been prepared in light of the paragraph 1 and 2 of Decision XVIII/16 of the 18th Meeting of the Parties (MOP) and Decision 51/34 of the Executive Committee.

Information as required by the Executive Committee (ExCom) under its Decision 51/34 (Para C)

- I. Name of nationally owned CFC-MDI manufacturing facilities, the date when the CFC production lines were established and the production capacity of each production line

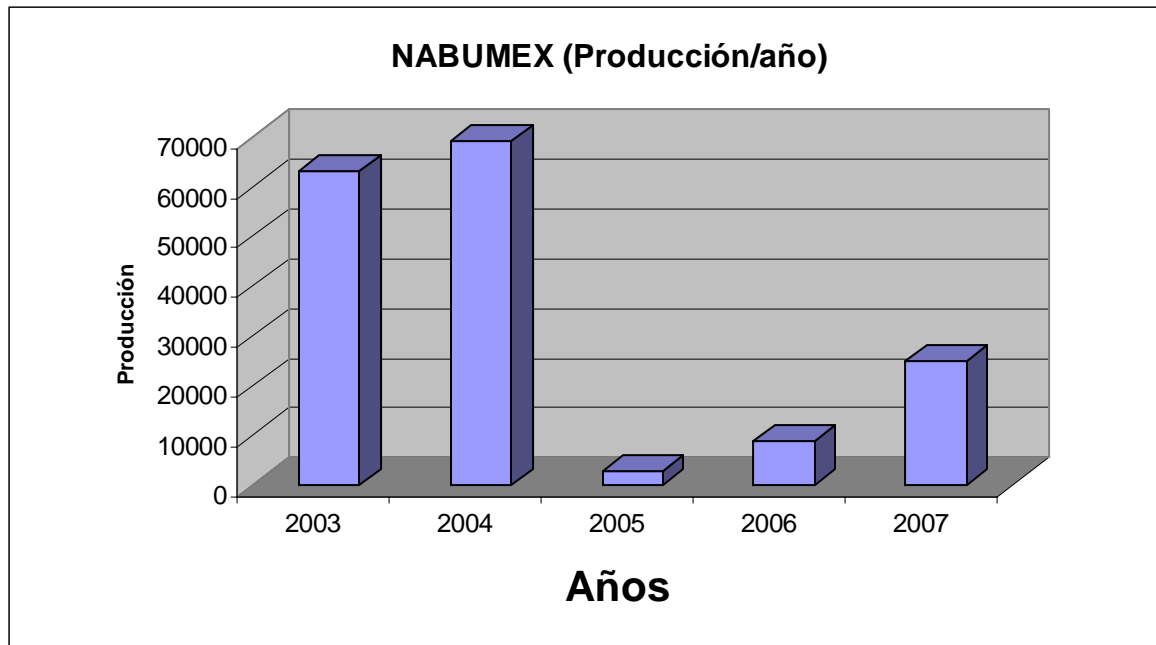
BASIC INFORMATION	
Name	LABORATORIOS CHALVER DE COLOMBIA S.A
I.D.	890.203.194-1
Address	Av. 68 No. 37B –31 Sur
Date of establishment of the production line	There is one production line established in the year 2002
Production Capacity for each line	The operational capacity of the production line is between 2000 and 3000 units/hour.

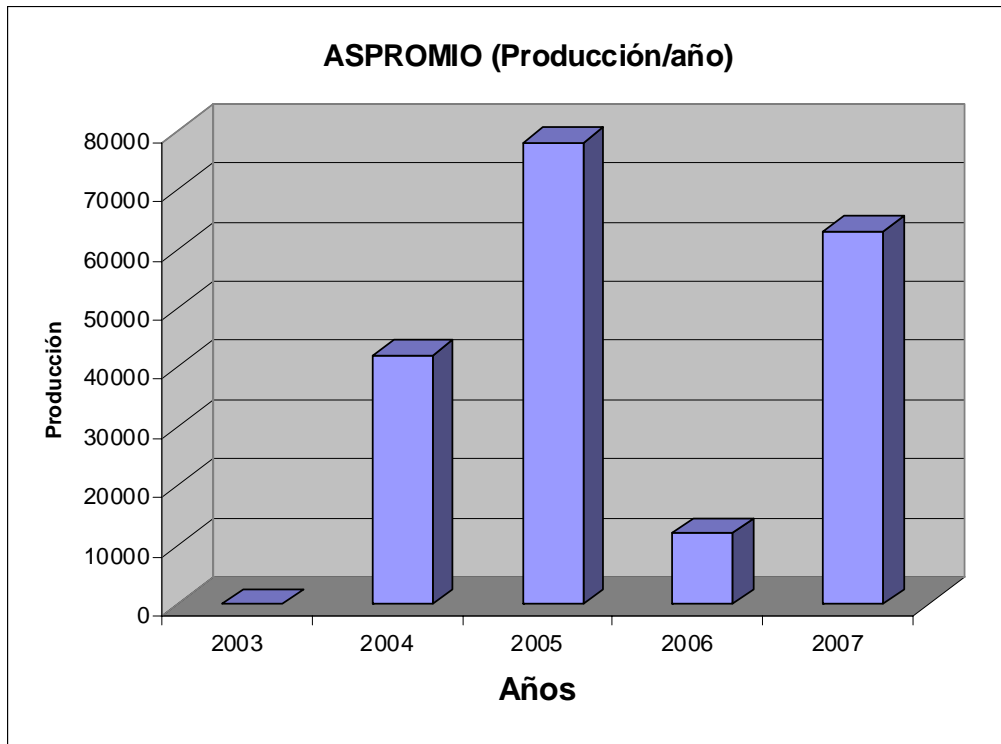
- II. Type of CFC-MDI products manufactured, active ingredients used, annual production output (units/year)

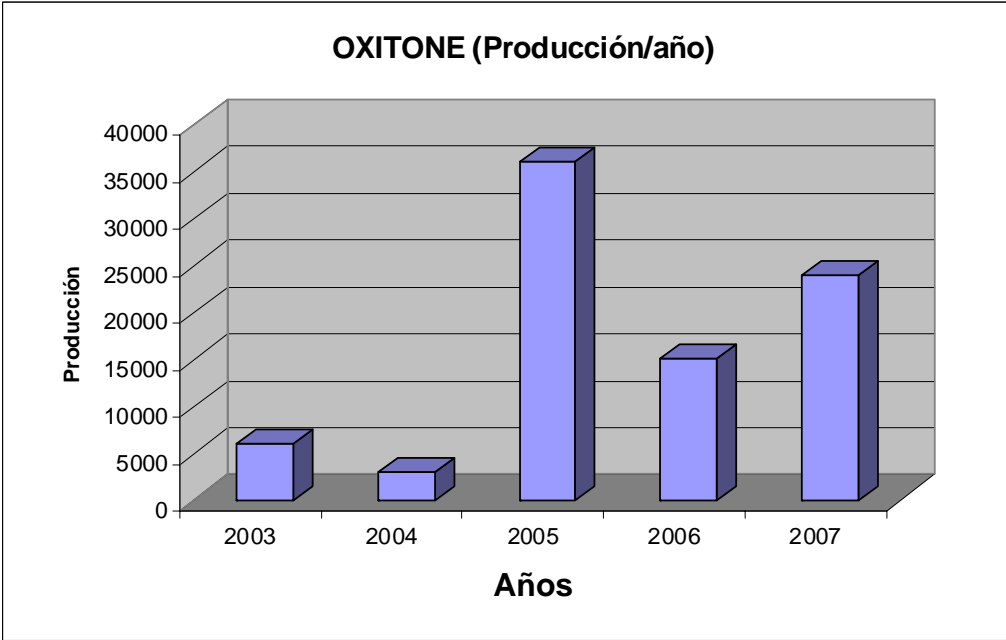
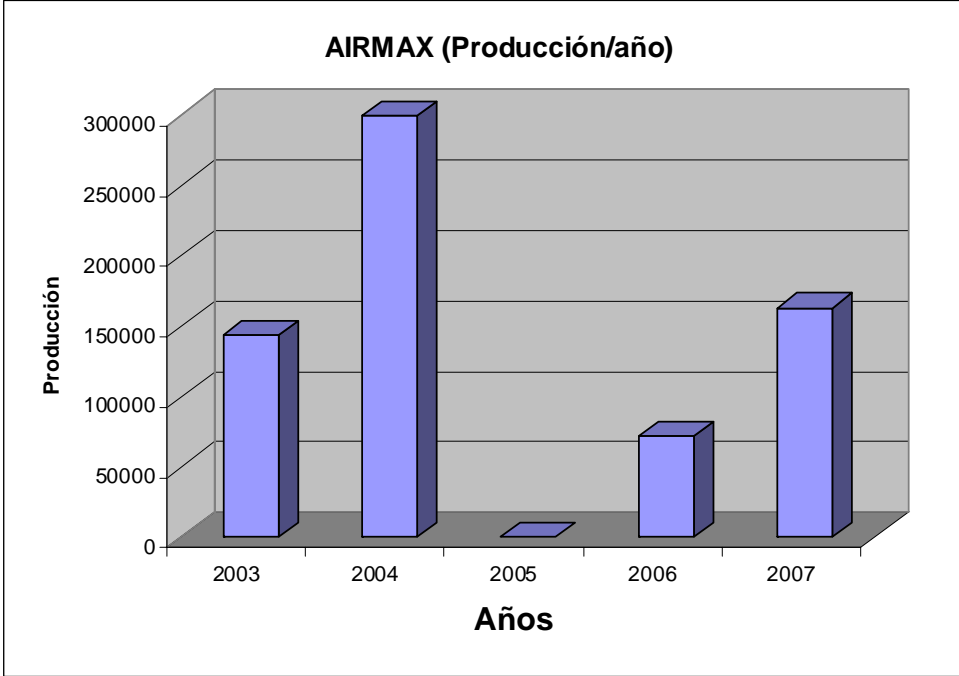
Pharmaceutica I Form	Active Ingredients	Propellant used	Annual Production 2006 (units/year)
Aerosol Nabumex	Beclomethasone Dipropionate	Diclorodifluoromethane Triclorofluoromethane	9,000
Aerosol Aspromio	Ipratropium Bromide	Diclorodifluoromethane Triclorofluoromethane	12,000
Aerosol Airmax	Salbutamol	Diclorodifluoromethane Triclorofluoromethane	72,000
Aerosol Oxitone	Salbutamol+ Beclomethasone	Diclorodifluoromethane Triclorofluoromethane	15,000
Aerosol Salpromio	Salbutamol+ Ipratropium Bromide	Diclorodifluoromethane Triclorofluoromethane	5,000
Aerosol Inflabon	Budesonide	Diclorodifluoromethane Triclorofluoromethane	0
Aerosol Frudexan	Fluticasone	Diclorodifluoromethane Triclorofluoromethane	0
Aerosol (Undetermined)	Formoterol Fumarate + Budesonide	Diclorodifluoromethane Triclorofluoromethane	0
TOTAL			113,000

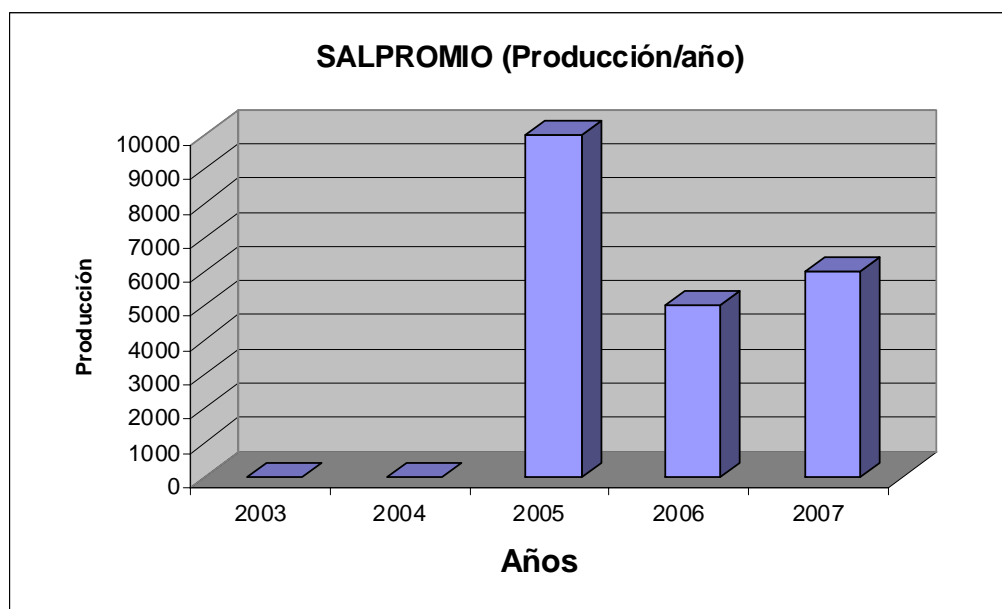
III. Growth patterns of CFC- MDI production over the past three years

Pharmaceutical Form	Annual Production (units /year)				
	2003	2004	2005	2006	2007 (As of Oct)
Nabumex: Beclomethasone Dipropionate	63.000	69.000	3.000	9.000	25.000
Aspromio: Ipratropium Bromide	-	42.000	78.000	12.000	63.000
Airmax: Salbutamol	144.000	300.000	-	72.000	163.000
Oxotone: Salbutamol + Beclomethasone	6.000	3.000	36.000	15.000	24.000
Salpromio: Ipratropium/salbutamo l	-	-	10.000	5.000	6.000
Inflabon: Budesonide	-	-	-	-	-
Frudexan: Fluticasone	-	-	-	-	-
TOTAL	213.000	414.000	127.000	113.000	281.000









Consumption in the sector has accordingly been reported as part of the CP implementation Report submitted to the Multilateral Fund Secretariat as follows:

Substanc e	2003	2004	2005	2006
CFC 11	2.52	2.80	0.80	0.56
CFC 12	3.56	5.28	1.00	1.65
Total	6.08	8.08	1.80	2.21

IV. Whether any of the CFC-MDI manufacturing plants were contemplating alternatives to CFC MDIs and what those alternatives were

Laboratorios CHALVER is considering undertaking the retrofit of the production line in order to be able to produce HFA MDI. As part of this process the company has expressed particular concern on the development of the HFA formulations. Chalver already started to do some preliminary tests on a HFA formulation for salbutamol, however, any test can only be validated when the HFA production line is in place.

V. Each production facility plans for phasing out CFC consumption

Production Line	Plan to eliminate consumption of CFC	Time	Cost
Línea 1	Retrofitting of certain line components in order to be able to produce alternative	2-3	To be determined depending on

Pamasol mixing vessel filler, crimper.	HFA MDI drugs equivalent to the CFC MDI drugs currently produced.	years	alternative formulations
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VI. The number of non-CFC MDIs and dry-powder inhalers sold or distributed within the Party, by active ingredient, brand/manufacturer, and source

According to the information collected from the company it is estimated that the total annual amount of MDI units sold in the market in 2006 was 2.5 Million, counting imports and national production by Chalver. Multinational companies affiliated to IPAC have reported imports of the alternatives below:

HFA MDI Beclomethasone DP.
DPI Budesonide
DPI Budesonide & Formoterol
DPI Fluticasone P.
HFA MDI Fluticasone P.
HFA MDI Fluticasone/Salmeterol
DPI Fluticasone/Salmeterol
DPI Formoterol
DPI Salbutamol
HFA Salbutamol
DPI Salmeterol
DPI Terbutaline

The information available on imports in 2005 is presented in the table below:

Ingrediente activo	Fabricante	Propulsor	Inhaladores de dosis medida importados/año		
			2003	2004	2005
Salbutamol Micronizado	Glaxo Wellcome Mexico S.A. De C.V.	Triclorofluorometano, Diclorofluorometano	NA	NA	173,799
Salbutamol	Cipla Limited	Monofluorotriclorometano, Difluorodichlorometano	NA	NA	204,430
Salbutamol	Mckesson	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	288,646
Salbutamol	Merck	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	300,497
Salbutamol	Medyspray Laboratories Private Limited	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	90,953
Salmeterol	Glaxosmithkline	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	40,077
Bromuro De Ipratropio	Mckesson	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	92,171
Budesonida	Laboratorios Biogen De Colombia S.A. (Importador)	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	44,166
Budesonida Micronizada	Boehringer Ingelheim International	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	148,787
Propionato De Fluticasona (Micronizado)	Glaxosmithkline	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	60,423
Bromuro De Ipratropio	Mckesson	Difluorodichlorometano, Monofluorotriclorometano	NA	NA	56,841

Ingrediente activo	Fabricante	Propulsor	Inhaladores de dosis medida importados/año		
			2003	2004	2005
Bromuro De Ipratropio	Cipla Limited	Difluorodiclorometano, Monofluorotriclorometano	NA	NA	41,336
Beclometasona Dipropionato	Laboratorios Aldo Union S.A.	Difluorodiclorometano, Monofluorotriclorometano	NA	NA	12,634
Beclometasona Dipropionato	Cipla Limited	Monofluorotricloro Metano, Difluorodicloro Metano	NA	NA	40,510
Bromuro De Ipratropio	Boehringer Ingelheim Do Brasil Quimica E Farmaceutica Ltda	Tricloromonofluorometano, Tricloromonofluorometano/Diclorodifluorometano/1, 2-Diclorotetrafluoroetano	NA	NA	317,655