



**United Nations
Environment
Programme**



Distr.
GENERAL

UNEP/OzL.Pro/ExCom/53/19
30 October 2007

ORIGINAL: ENGLISH

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

AMENDMENTS TO UNIDO WORK PROGRAMME FOR 2007

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

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COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee of US \$100,000 for an amendment to its 2007 Work Programme, plus agency support costs of US \$8,700. The activity proposed in UNIDO's Work Programme Amendment is presented in Table 1 below:

Table 1: UNIDO's Work Programme Amendment

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: PROJECTS FOR INDIVIDUAL CONSIDERATION			
A1. Project preparation:			
Turkmenistan	Project preparation for phase out of methyl bromide in the post harvest sector	20,000	For individual consideration
A2. Technical Assistance:			
Egypt	HCFC Survey	80,000	For individual consideration
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):		8,700	-
Total:		108,700	-

SECTION A: PROJECTS FOR INDIVIDUAL CONSIDERATION

A1. Project Preparation:

Turkmenistan: Project preparation for the phase out of methyl bromide (MB) in the post-harvest sector: US \$20,000

Project description

2. UNIDO submitted a request for project preparation to support MB phase-out in Turkmenistan. The proposal is for UNIDO to assess the MB consumption in Turkmenistan particularly as it relates to the post harvest sector, and to identify alternatives, with a view to developing a phase out project for this application. According to UNIDO, MB consumption in Turkmenistan is primarily in flour mills, silos and elevators. In the past few years, the use of MB has not been correctly documented due to discrepancies in recording data in the Customs service database. The country has reported 2005 consumption of MB at 5.6 ODP tonnes.

Fund Secretariat's comments

3. Turkmenistan submitted a request and received approval to change its MB baseline at the 19th Meeting of the Parties to the Montreal Protocol from zero to 14.3 ODP tonnes. In 2005, Turkmenistan reported MB consumption of 5.6 ODP tonnes which was clearly more than its baseline of zero.

4. The Secretariat notes that at its 46th Meeting, the Executive Committee decided (decision 46/21), *inter alia*, not to provide assistance from the Multilateral Fund in the future for

ODS phase-out activities in Turkmenistan other than for institutional strengthening. At its 52nd Meeting, the issue of funding for Turkmenistan was raised again, looking at the possibility of providing funding for a terminal phase-out management plan (TPMP). There was a suggestion that a request for the TPMP be included by UNIDO in its 2008 business plan at which time funding for this country may be considered.

5. In discussing the above with UNIDO, the Secretariat was informed that the implementing agency would like to seek approval for this project preparation proposal at this meeting. It was stressed that since the country's baseline has just been changed at the 19th Meeting of the Parties, this could bring Turkmenistan to a situation of non-compliance due to the fact that reducing their MB consumption at this time is not possible.

6. The Secretariat also raised the fact that Turkmenistan has so far not yet ratified the Copenhagen Amendment. UNIDO assured the Secretariat that this is in progress and should be completed by the end of the year.

7. In line with decision 52/3, the Secretariat wishes to advise the Committee that this project is not required for compliance as per the compliance-oriented model. However pursuant to decision 51/5(f) on additional funding initiatives in the context of a consolidated business plan for 2007 to 2009, projects related to MB consumption in Parties that had not ratified the Copenhagen Amendment are listed as a priority activity among those not required for compliance.

Fund Secretariat's recommendation

8. In the light of the comments above, the Executive Committee may wish to consider approval of project preparation funds for Turkmenistan at the funding level of US \$20,000, as indicated in Table 1 above, on the understanding that funding will not be disbursed until Turkmenistan has submitted the instruments for ratification of the Copenhagen Amendment.

A2. Technical assistance projects:

HCFC Survey: Egypt: US\$ 80,000

Project description

9. UNIDO submitted a request for funding of an HCFC survey in Egypt. This is 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

10. In reviewing the request received from UNIDO, the Secretariat informed the agency that, while it was consistent with the decision of the 19th Meeting of the Parties, it is 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).

11. Notwithstanding the above, and as a minimum requirement for this proposal 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 Government stating their intention to undertake the survey in the context of decision 45/6;
- (b) Basic information on current HCFC consumption of Egypt 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 the 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).

12. At the very minimum, the Secretariat required a current request from the country to UNIDO 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 (decision XIX/6).

13. UNIDO initially submitted requests for assistance to 22 countries for HCFC surveys in their work programme amendments. In response to the Secretariat's requirements in paragraph 11 above, UNIDO provided a very general 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 12 above, UNIDO was able to provide a letter only for one country out of the 22 by the Secretariat's deadline, therefore only Egypt is included in the work programme amendment.

Fund Secretariat's recommendation

14. Based on the above comments, the Secretariat is unable to recommend the requests for HCFC surveys for Egypt as submitted by UNIDO 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;

15. 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.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

53rd Executive Committee of the
Multilateral Fund for the Implementation
of the Montreal Protocol

UNIDO 2007 Work Programme Amendment
(Rev. Oct. 2007)

UNIDO

2007 Work Programme Amendment (Rev. Oct. 2007)

Introduction

This Work Programme Amendment for the year 2007 has been prepared based on Government requests received earlier and following the recent decision of the 19th Meeting of the Parties on the HCFC sector.

This Amendment comprises requests two methyl bromide projects preparation as well as an HCFC survey for Egypt.

Furthermore, the Work Programme Amendment includes a request for Core Unit Funding 2008 of US\$ 1,803,530.

The document comprises the following sections:

Section 1

Gives in a tabulated form by project types and country a consolidated list of activities foreseen for the HCFC sector and the methyl bromide (fumigants) sector.

Funding is requested as follows:

- Project preparation: US\$108,700 including A.S.C.;
- Core Unit Funding: US\$ 1,803,530

Section 2

Provides the corresponding project concepts indicating details, such as project title, duration, funding requirements.

All those activities are country-specific ones and the funds envisaged will be utilized to serve the distinct purpose they are to be approved for.

HCFC Survey Requests

UNIDO has so far received requests from 28 countries to submit project proposals for HCFC surveys. UNIDO included them in its WPA based on the earlier requests received from the countries along with the funding proposals and their justification. However, the updated letters of request from the countries, i.e. post-21st September, as instructed by the Multilateral Fund Secretariat in its letter dated 15 October, have not been received by the deadline set by the Secretariat, i.e. 17th October. In consultation with the Secretariat it has been agreed that these survey proposals would be now highlighted in the Business Plan document and Overview of Projects Paper to be prepared by Secretariat for the consideration of the 53rd Executive Committee instead of in WPA for the reason that the updated letters of request were not received on or before 17th October.

As of the submission of this WPA, UNIDO has received 19 updated request letters from the

countries.

UNIDO will bring the official request letters as submitted earlier as well as the updated letters for all the countries to the 53rd Meeting of the Executive Committee.

The countries that requested UNIDO assistance for HCFC surveys for the consideration of 53rd Executive Committee are : Algeria, Bosnia, Korea, Libya, Macedonia, Moldova, Morocco, Nicaragua, Oman, Senegal, Serbia, South Africa, Sudan, Niger, Egypt, Albania, Congo, cameroon, Honduras, Jordan, Tunisia, Saudi Arabia, Syria, Yemen, Iran, Kuwait, Nigeria, and Turkey

Item	Country	Title of Project	Substance	Type	Project Value (w/o A.S.C.) in US\$	A.S.C in US\$	Requested Amount (incl. A.S.C.) in US\$	A.S.C %	Duration in months	Submission to ExCom meeting
Project Preparation										
1	Turkmenistan	Preparation of a project for the elimination of methyl bromide in the post-harvest sector	FUM	PRP	20,000	1,500	21,500	7.50	12	
1	Subtotal				20,000	1,500	21,500			
Technical assistance										
1	Egypt	HCFC Survey and strategy	HCFC	TAS	80,000	7,200	87,200	9.00	18	
1	Subtotal				80,000	7,200	87,200			
2	Total (projects)				100,000	8,700	108,700			
1	Core unit funding 2008				1,803,530	0	1,803,530			
	Overall TOTAL				1,903,530	8,700	1,912,230			