



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/53/22
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

PROJECT PROPOSAL: ALGERIA

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Phase-out

- National phase-out plan (first tranche)

UNIDO

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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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
ALGERIA**

PROJECT TITLE	BILATERAL/IMPLEMENTING AGENCY
National phase-out plan (first tranche)	UNIDO

NATIONAL CO-ORDINATING AGENCY:	National Ozone Unit
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2006, AS OF OCTOBER 2007)**

CFC	302.6	Halons	80
CTC	2.2	MB	3.6
TCA	4		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2006, AS OF OCTOBER 2007)

ODS	Aerosol	Foam	Halon	Ref. Mfg.	Ref. Servicing	Solvents	Lab use	Fumigant (non-QPS)
CFC	7	104		7.5	175.3	8.8		
CTC						1.1	1.1	
Halon			80					
MB								3.6
TCA						2	2	

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN: Total funding US \$1,537,000: total phase-out 206 ODP tonnes.

PROJECT DATA		2007	2008	2009	2010	Total
CFCs (ODP tonnes)	Montreal Protocol limit	318	318	318	0	n/a
	Annual consumption limit	200	150	100	0	n/a
Halons (ODP tonnes)	Montreal Protocol limit	118.6	118.6	118.6	0	n/a
	Annual consumption limit	80	70	50	0	n/a
Other fully halogenated hydrocarbons (ODP tonnes)	Montreal Protocol limit	0.15	0.15	0.15	0	n/a
	Annual consumption limit	0.1	0.1	0.1	0	n/a
CTC (ODP tonnes)	Montreal Protocol limit	3.1	3.1	3.1	0	n/a
	Annual consumption limit	2	2	1	0	n/a
TCA (ODP tonnes)	Montreal Protocol limit	4.	4	4	1.7	n/a
	Annual consumption limit	4.	3.5	2	1.5	n/a
TOTAL ODS CONSUMPTION TO BE PHASED OUT						
Total ODS consumption to be phased-in (HCFCs)		0	0	0	0	0
Final project costs (US \$):						
Funding for Lead IA: UNIDO		723,500	198,000	0	0	921,500
Final support costs (US \$):						
Support cost for Lead IA: UNIDO		54,263	14,850	0	0	69,113
TOTAL COST TO MULTILATERAL FUND (US \$)		777,763	212,850	0	0	990,613
Final project cost effectiveness (US \$/kg)						n/a

FUNDING REQUEST: Approval of funding for the first tranche (2007) as indicated above.

SECRETARIAT'S RECOMMENDATION	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Algeria, UNIDO as the sole implementing agency, has submitted a national ODS phase-out plan (NPP) for consideration by the Executive Committee at its 53rd Meeting. The total cost of the NPP as originally submitted is US \$1,614,000 plus agency support costs of US \$121,050 for UNIDO (7.5 percent). The project proposes the complete phase-out of CFCs by the end of 2009. The CFC baseline for compliance is 2,119.5 ODP tonnes.

Background

2. At its 37th Meeting, the Executive Committee approved in principle US \$1,424,647 as the total funds that would be available to achieve the phase out of 245 ODP tonnes of CFCs in Algeria by 2007, representing 85 per cent of the CFC consumption used in the refrigeration servicing sub-sector. The Government of Algeria further agreed that it would not seek additional funding from the Multilateral Fund to phase out an additional 315 tonnes, used by informal enterprises in the refrigeration sector and by a number of large users who import CFCs directly.

3. The Executive Committee also allocated US \$200,000 for the first tranche of the RMP project, with the understanding that funding in subsequent years would not be disbursed until the Executive Committee had favourably reviewed the prior year's progress report. Subsequently, at its 39th and 42nd Meetings, the Executive Committee approved an additional US \$700,000 and US \$524,647 respectively, for the second and third tranches of the RMP project.

Activities proposed in the NPP

4. The main project elements and their proposed costs are outlined in the table below:

	Item	Total (US \$)	2007/ 2008 (US \$)	2009 /2010 (US \$)
1	Policy update and enforcement	300,000	270,000	30,000
2	Refrigeration training, certification & standardization	265,000	225,000	40,000
3	Technical assistance for servicing sector	254,000	254,000	
4	MAC R&R	140,000	125,000	15,000
5	Strengthening of local capacities in the elimination of ODS	205,000	139,000	66,000
6	Technical assistance for phasing out ODS in solvent sector and laboratory uses	40,000	40,000	0
7	Technical assistance for phasing out CFCs in aerosol sector	40,000	40,000	0
8	Technical assistance for phasing out of CFCs in foam sector	50,000	50,000	0
9	MDIs strategy	50,000	50,000	
10	Project implementation and monitoring	270,000	180,000	90,000
	Agency support costs (7.5%)	121,050	102,975	18,075
	Total including agency support costs	1,735,050	1,475,975	259,075

5. Funding is requested in two tranches, US \$1,475,975 in 2007 for the 2008 programme and US \$259,075 in 2008 for the 2009 programme.

6. The NPP is consistent with all relevant decisions of the Executive Committee for NPPs. In particular, the NPP contains a report on implementation of the RMP and the results achieved (decision 46/17) and also takes into account the compendium of recommendations arising from the evaluation of RMPs in non low-volume-consuming countries (decision 49/6).

7. The project proposal indicates that Algeria will ensure that any additional legislative and institutional measures needed for successful implementation of the NPP will be operational and effective in the timeframe envisaged for project implementation. Currently, ODS importation is subject to the acquisition of an import license imposed under a decree promulgated in 2000. Additional regulations are proposed for adoption in 2007 to control ODS use and trade in the country and to meet Protocol obligations in the compliance period.

Refrigeration servicing sector

8. Activities one to five in the above table are associated primarily with the refrigeration servicing sector and form the basis of the NPP. Under items 1 and 4 a total of 148 ODS identification kits will be provided to customs officials (100 kits) and MAC workshops (48 kits). Recovery and recycling will be enhanced through provision of an additional 60 recycling machines to MAC sector enterprises.

Other sectors

9. The NPP provides support to the aerosol and solvent sectors through US \$40,000 in technical assistance programmes, and to the foam sector through a US \$50,000 technical assistance programme. Development of an MDI transition strategy is proposed at a cost of US \$50,000.

SECRETARIAT’S COMMENTS AND RECOMMENDATION

COMMENTS

ODS consumption (refrigeration)

10. The Government of Algeria has reported the following CFC consumption under Article 7 of the Montreal Protocol:

Year	2002	2003	2004	2005	2006
CFC consumption (ODP tonnes)	1,762	1,762	1,045	859	303

11. Prior to consideration of any other issues, the Secretariat drew UNIDO’s attention to the conditions pertaining to approval of the RMP at the 37th Meeting (July 2002). At that time, UNIDO confirmed to the Secretariat that the consumption addressed under the RMP, the consumption in projects then under implementation in the sector (including the terminal project in commercial refrigeration manufacturing) plus the 315 ODP tonnes ‘used in the informal sector and by a number of large users who import CFCs directly’ was to be phased-out without additional cost to the Fund, and constituted the entire consumption in the refrigeration sector. Because Algeria had undertaken not to seek funding for phase-out of the 315 ODP tonnes in the

informal sector, the only refrigeration sector consumption now eligible for funding was the last 15 percent of the servicing sector not addressed by the RMP, namely 44 ODP tonnes.

ODS consumption (other sectors)

12. With regard to the other sectors, at the 33rd, 37th and 43rd meetings, the Government of Germany was provided with project preparation funding to prepare:

- (a) a phase-out management plan;
- (b) terminal projects in foam and solvents; and subsequently,
- (c) a CP update addressing sectors other than refrigeration.

13. GTZ, the agency undertaking the activities on behalf of Germany, has advised that all the activities had been substantively completed, but that GTZ had not been successful in achieving agreement with the Government of Algeria to submit the related projects. In this regard, pursuant to decision 52/15(b) the Secretariat wrote to Algeria to inform the Government of the Executive Committee's view that high level contact might be made to resolve ongoing difficulties in implementing components of projects approved by the Executive Committee.

14. UNIDO forwarded to the Secretariat a letter from the government of Algeria indicating that the NPP prepared by UNIDO was to take into account the work done by GTZ in project preparation activities funded by the Multilateral Fund under bilateral cooperation with the Government of Germany. Algeria replied to the letter from the Secretariat requesting that the outstanding bilateral project on the preparation of a country programme update now be regarded as cancelled. This proposal is included in document UNEP/OzL.Pro/ExCom/53/12.

15. In regard to the current proposed NPP, the Secretariat suggested to UNIDO that consideration be given to revising the proposal to take into account the conditions of approval of the RMP. The basis for funding would then be the remaining consumption eligible for funding in the refrigeration sector and the results of GTZ's work in the other sectors. The Secretariat also pointed out that the activities in the foam and solvent sectors were not consistent with the reported situation and that the proposed activities would not be able to sufficiently address the consumption in those sectors.

16. Subsequently UNIDO submitted a revised project proposal that included information from GTZ's planned country programme update that GTZ had made available to UNIDO. In the refrigeration sector, the revised proposal was based on provision of funding for addressing 44 ODP tonnes at a level consistent with the established cost effectiveness limit of US \$5.00/kg applicable to the refrigeration sector part of NPPs.

17. In the foam sector, while Algeria had received significant assistance in the flexible foam conversions (20 projects at a total cost of US \$4.018 million to phase out 802 ODP tonnes), the 2006 Country Programme data indicated a remaining consumption in flexible foam of 104 ODP tonnes of CFC-11. While the consumption data is not fully consistent with current market circumstance, in which economic benefits can be realized by switching to less costly alternative of methylene chloride to produce flexible foam using existing equipment, it is apparent that there is still CFC-11 consumption in the foam sector in Algeria. This is also indicated in the data and

information appearing in GTZ's draft country programme update. Accordingly, the Secretariat supports a funding level of US \$380,000 to phase out of all remaining CFC-11 consumption in the foam sector. This amount is comprised of US \$160,000 for ventilation equipment in four enterprises and a technical assistance component of US \$220,000 for other remaining small users.

18. UNIDO included additional information in the revised proposal based on the details provided by GTZ concerning the composition of the solvent sector in Algeria. On this basis agreement was reached on funding for a technical assistance programme at a level of US\$150,000 to phase out the total reported remaining consumption of 8.8 ODP tonnes of CFC-113, 1.1 ODP tonne of CTC and 2.2 ODP tonnes of TCA.

19. Consistent with decision 51/34(d), in the revised document UNIDO also provided justification for an MDI strategy, indicating that currently 75 percent of pharmacies sell only CFC-based MDI products. An awareness programme will be targeted on health care professionals and other relevant stakeholders to provide information on the steps need for the transition and to ensure acceptance by health care professionals and patients. This can be achieved at a cost of US \$35,000.

20. The final project costs for all sectors as agreed between UNIDO and the Secretariat and submitted for consideration by the Executive Committee are indicated in the table below:

	Item	Total (US \$)
1	Refrigeration servicing sector (policy and enforcement; training; technical assistance and R&R)	220,000
8	Technical assistance for phasing out of CFCs in foam sector	380,000
6	Technical assistance for phasing out ODS in solvent sector	150,000
7	Technical assistance for phasing out CFCs in aerosol sector	20,000
9	MDIs strategy	35,000
10	Project implementation and monitoring	96,500
	Verification	20,000
	Agency support costs (7.5%)	69,113
	Total including agency support costs	990,613

Annual implementation plan

21. UNIDO has submitted a first annual implementation plan consistent with the revised project as agreed with the Secretariat. Noting the urgent need for action in the refrigeration servicing sector, UNIDO has proposed that full funding for this sector, as indicated in the above table, be allocated in 2008. Detailed costs for the various elements covering policy update and enforcement, refrigeration training and certification and recovery and recycling including the mobile air-conditioning sector, are provided. UNIDO has also allocated US \$280,000 of the proposed funding for the foam sector and US \$100,000 for the solvent sector for programmed activities in 2008.

22. UNIDO has indicated that the cost allocations could be adjusted during the year as the programme is developed further. The Secretariat advised that all reallocations would need to be consistent with the provisions of decision 46/37 on flexibility in multi-year projects.

Agreement

23. The Government of Algeria has submitted a draft agreement between the Government and the Executive Committee setting out the conditions for the complete phase-out of CFCs, halons, CTC and TCA in Algeria, which is contained in Annex I to the present document. Annex II contains the overview tables of this multi-year agreement.

RECOMMENDATION

24. The Secretariat recommends:

- (a) Approval in principle of the national ODS phase-out plan for Algeria at a total cost of US \$921,500 plus agency support costs of US \$69,113 for UNIDO;
- (b) Approval of the draft agreement between the Government of Algeria and the Executive Committee for the implementation of the national phase-out plan as contained in Annex I to this document;
- (c) Urge UNIDO to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the national ODS phase-out plan; and
- (d) Approval of the first annual implementation plan and the required funding at the level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National ODS phase-out plan for Algeria (first tranche)	723,500	54,263	UNIDO

Annex I

DRAFT AGREEMENT BETWEEN ALGERIA AND THE EXECUTIVE COMMITTEE FOR THE PHASE OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of the Government of Algeria (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 4, 6, 8, and 10 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 11 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2 -A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for the applicable year;
 - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
 - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set

out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration-servicing sub-sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 12 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
Annex A:	Group II	Halons
Annex B	Group I	Other fully halogenated hydrocarbons
Annex B	Group II	CTC
Annex B	Group III	Methyl Chloroform

APPENDIX 2-A: THE TARGETS, AND FUNDING

	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	318	318	318	0	
2. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	200	150	100	0	
3. Montreal Protocol consumption limits of Annex A, Group II substances (ODP tonnes)	118.6	118.6	118.6	0	
4. Max allowable total consumption of Annex A Group II substances (ODP tonnes)	80	70	50	0	
5. Montreal Protocol consumption limits of Annex B, Group I substances (ODP tonnes)	0.15	0.15	0.15	0	
6. Max allowable total consumption of Annex B Group I substances (ODP tonnes)	0.1	0.1	0.1	0	
7. Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	3.1	3.1	3.1	0	
8. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	2.0	2.0	1.0	0	
9. Montreal Protocol consumption limits of Annex B, Group III substances (ODP tonnes)	4	4	4	1.7	
10. Max allowable total consumption of Annex B Group, III substances (ODP tonnes)	4.0	3.5	2.0	1.5	
11. Lead Agency Agreed Funding (US\$)	723,500	198,000			921,500
12. Lead Agency (UNIDO) support costs @7.5% (US \$)	54,263	14,850			69,113
13. Total agreed costs (US \$)	777,763	212,850			990,613

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the last meeting of the year of the Annual Implementation Programme.

APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) – (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (in ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. Technical Assistance

Proposed Activity:
Objective:
Target Group:
Impact:

5. Government Action

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

7. Administrative Fees**APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed by the NOU and UNIDO through the project funding, which is included within this NPP.

2. UNIDO will play a key role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the NPP. UNIDO in cooperation NOU, national agencies and relevant Government Authorities will monitor the illegal ODS imports and exports.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Algeria for related auditing. Based on discussion with the Lead IA, Algeria should select the independent organization (auditing) to carry out the verification of the NPP results and this independent monitoring programme.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA (UNIDO) will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Annual Implementation Programme;

- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Algeria consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

OVERVIEW TABLES FOR MULTI-YEAR AGREEMENTS

Algeria
Annex II

(1) PROJECT TITLE: National phase-out plan

(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS: Not applicable for first tranche

(3) ARTICLE 7 DATA (ODP TONNES)

Substances	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
CFC	2,119.5	2292.2	2292.2	1774.2	1549.2	1502.2	1474.6	1021.8	1761.8	1761.8	1045	859	302.6
CTC	20.9	20.9	20.9	20.9	20.9	20.9	20.9	18.7	18.7	18.7	2.2	2.2	2.2
Halons	237.0	195	322	195	195	195	195	169	169	169	80	80	80.0
MBR	4.6	0.6	6.0	6.0	6	6	6	4.2	4.2	4.2	3.6	3.6	3.6
TCA	5.7	5.8	5.8	5.4	5.5	5.8	5.8	5	5	5	4	4	4.0

Source: A7 Data from the Ozone Secretariat

(4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)

Year: 2006

Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco Fluffing	Total
				Manufacturing	Servicing					QPS	Non-QPS		
CFC	7.0	104.0			7.5	175.3	8.8						302.6
CTC							1.1		1.1				2.2
Halons			80.0										80.0
MBR											3.6		3.6
TCA							2.0		2.0				4.0

Source: Country Programme Data

(5) PHASE-OUT (ODP TONNES)

Substances	Calendar year	2007	2008	2009	2010	Total	Decision
CFC (ODP tonnes)	Montreal Protocol limit	318	318	318	0		
	Maximum Allowable Consumption	200	150	100	0		
Halons (ODP tonnes)	Montreal Protocol limit	118.6	118.6	118.6	0		
	Maximum Allowable Consumption	80	70	50	0		
Other fully halogenated hydrocarbons (ODP)	Montreal Protocol limit	0.15	0.15	0.15	0		
	Maximum Allowable Consumption	0.1	0.1	0.1	0		
CTC (ODP tonnes)	Montreal Protocol limit	3.1	3.1	3.1	0		
	Maximum Allowable Consumption	2	2	1	0		
TCA (ODP tonnes)	Montreal Protocol limit	4	4	4	1.7		
	Maximum Allowable Consumption	4	3.5	2	1.5		
	Compliance Action Target (MOP)	n/a	n/a	n/a			n/a

Source: Agreement, Inventory, Progress Report, MOP Report, Project Document (Annual Plan) and Verification Reports.

(6a) PROJECT COSTS (US\$)

Calendar year	2007	2008	2009	2010	Total
UNIDO					
Funding as per Agreement					
Support Costs as per Agreement					
Disbursement as per Annual Plan					
Funds Requested	723,500	198,000			921,500
Support Costs Requested	54,263.00	14,850.00			69,113
[Comments]					

Source: Agreement, Inventory, Progress Reports and Project Document (Annual Plan)

(6b) SUBMISSION SCHEDULES (planned and actual)

Submission year as per agreement	2007	2008	2009	2010
UNIDO				
Planned submission as per Agreement	Nov-07	Nov-08		
Tranche Number	1	2		

Source: Agreement, Inventory and Final ExCom Report Decisions

(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS

TYPE OF ACTION / LEGISLATION	Country Programme	
	(Yes/No)	Since when (Date)
1. REGULATIONS:		
1.1 Establishing general guidelines to control import (production and export) of ODS		
1.1.1 ODS import/export licensing or permit system in place for import of bulk ODSs		
1.1.1.1 ODS import licensing system in place for import of bulk ODSs		
1.1.1.2 ODS export licensing system in place for export of bulk ODSs		
1.1.1.3 Permit System in place for import of bulk ODSs		
1.1.1.4 Permit System in place for export of bulk ODSs		
1.1.2 Regulatory procedures for ODS data collection and reporting in place		
1.1.2.1 Regulatory procedures for ODS data collection in place		
1.1.2.2 Regulatory procedures for ODS data reporting in place		
1.1.3 Requiring permits for import or sale of bulk ODSs		
1.1.3.1 Requiring permits for import of bulk ODSs		
1.1.3.2 Requiring permits for sale of bulk ODSs		
1.1.4 Quota system in place for import of bulk ODSs		
1.2 Banning import or sale of bulk quantities of:		
1.2.1 Banning import of bulk quantities of:		
1.2.1.1 CFCs		
1.2.1.2 Halons		
1.2.1.3 CTC		
1.2.1.4 TCA		
1.2.1.5 Methyl Bromide		
1.2.2 Banning sale of bulk quantities of:		
1.2.2.1 CFCs		
1.2.2.2 Halons		
1.2.2.3 CTC		
1.2.2.4 TCA		
1.2.2.5 Methyl Bromide		
1.3 Banning import or sale of:		
1.3.1 Banning import of:		
1.3.1.1 Used domestic refrigerators using CFC		
1.3.1.2 Used freezers using CFC		
1.3.1.3 MAC systems using CFC		
1.3.1.4 Air conditioners using CFC		
1.3.1.5 Chillers using CFC		
1.3.1.6 CFC-containing aerosols except for metered dose inhalers		
1.3.1.7 Use of CFC in production of some or all types of foam		
1.3.2 Banning sale of:		
1.3.2.1 Used domestic refrigerators using CFC		
1.3.2.2 Used freezers using CFC		
1.3.2.3 MAC systems using CFC		
1.3.2.4 Air conditioners using CFC		
1.3.2.5 Chillers using CFC		
1.3.2.6 CFC-containing aerosols except for metered dose inhalers		
1.3.2.7 Use of CFC in production of some or all types of foam		
2. ENFORCEMENT OF ODS IMPORT CONTROLS		
2.1 Registration of ODS importers (Yes/No)		
D: QUALITATIVE ASSESSMENT OF THE OPERATION OF RMP		
The ODS import licensing scheme functions		
The CFC recovery and recycling programme functions		

Source: Country Programme and Verification Report

(8) IMPLEMENTATION DETAILS: Not applicable for first tranche

(9) ANNUAL PLAN SUBMITTED COMPARED TO OVERALL PLAN

	Activities		Budget		Explanations
	Planned	Cumulative	Planned (future)	Cumulative	
Policy Enforcement & Curbing Illegal Trade					
Supply of Identification Sets	10				
Train national inspectors	2				
Training Programme for related authorities	100				
Training, Certification and Standardization					
Develop a national compulsory certification scheme	1				
Update the refrigeration curricula	1				
Develop national codes of practice	1				
Refrigeration Service investment component					
Service sets for small workshops	70				
R&R machines	10				
MAC R&R					
Provision of recovery and recycling machines for MAC	20				
Awareness workshops and awareness material	2				
TA for Solvent					
Training and awareness workshop	1				
Develop awareness material	1				
TA for aerosols					
MDI Strategy	1				
TA for Foam Sector					
Provision of 4 sets of ventilation equipment	4				
Awareness workshops and awareness material	2				
Project Implementation and Monitoring					
Unforeseen Activities	1				