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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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THE WORLD BANK BUSINESS PLAN FOR THE YEARS 2009-2011

COMMENTS AND RECOMMENDATIONS FROM THE FUND SECRETARIAT

1. This document presents a summary of the World Bank's planned activities for the phase-out of ozone depleting substances (ODS) during the 2009-2011 triennium. It also contains the World Bank's business plan performance indicators, general comments, and recommendations for consideration by the Executive Committee. The World Bank's 2009-2011 business plan is contained in Annex I.

Planned activities 2009-2011

2. Although the business plan is a rolling three-year plan, most of the details provided are for 2009. Activities planned for 2010 and 2011, except for those associated with existing multi-year agreements (MYAs), are included on a tentative basis only and may be revised during the course of implementing the final 2009-2011 business plan.

Planned activities for 2009

3. For 2009, the total value of projects planned for submission by the World Bank is US \$33.05 million (including support costs) leading to the phase-out of 8,128 ODP tonnes. The business plan includes:

- (a) Tranches related to 14 ongoing MYAs for sector and substance phase-out valued at a total of US \$26.68 million that, when implemented, will lead to an ODS phase-out of 8,008 ODP tonnes;
- (b) Three institutional strengthening renewals (Ecuador, Jordan and Thailand) with a total value of US \$720,595;
- (c) Four demonstration projects valued at US \$2.78 million, equivalent of 120 ODP tonnes
- (d) Project preparation valued at US \$946,750;
- (e) One global technical assistance activity valued at US \$268,750; and
- (f) Core unit costs of US \$1.66 million.

Planned activities for 2010

4. In 2010, the World Bank plans to submit projects with a total value of US \$63.25 million with an associated phase-out of 952 ODP tonnes. This includes US \$63.25 million for activities required for compliance, according to the compliance-oriented model, of which US \$59.81 million is for HCFC activities.

Planned activities for 2011

5. In 2011, the World Bank plans to submit projects totalling US \$94.79 million with an associated phase-out of 819 ODP tonnes. This includes US \$94.79 million required for compliance of which US \$92.27 million is for HCFC activities.

Resource allocation

6. Table 1 presents a summary of the resource allocation in the World Bank's 2009-2011 business plan.

Table 1

RESOURCE ALLOCATION (in US \$000)

	2009	2010	2011
Required for compliance			
Approved multi-year agreements	26,676	1,320	129
Core unit costs of implementing agencies	1,663	1,663	1,663
Institutional strengthening	721	461	721
HCFC - Demonstration projects	2,775	0	
HCFC - Demonstration preparation	183		
HCFC - Production projects		7,000	37,000
HCFC - Production preparation	161		
HPMP	269	3,656	6,074
HPMP - Investment projects	0	49,150	49,200
HPMP - Investment preparation	441		
Sub-total (required for compliance)	32,888	63,250	94,787
Not required for compliance			
ODS Disposal	162		
Sub-total (not required for compliance)	162	0	0
Total	33,050	63,250	94,787

7. The World Bank is seeking funding amounting to US \$33.05 million in 2009. In the Bank's business plan, US \$32.89 million is for activities required for compliance and US \$161,500 is for activities not required for compliance. Most of the agency's 2009 allocation is for annual tranches of approved MYAs (US \$26.68 million).

8. For 2010 and 2011, all of the activities in the World Bank's business plan are required for compliance. Moreover, the level of expected funding increased from US \$33.05 million in 2009 to US \$63.25 million in 2010 and to US \$94.79 million in 2011. The World Bank has identified activities valued at US \$409.24 million after 2011, most of which will be directed towards HCFC activities.

Implementation and compliance assistance

9. During the 2009-2011 triennium, the World Bank plans to phase out 17,159 ODP tonnes through ongoing projects and MYAs. In addition, the World Bank has indicated that 1,652 ODP tonnes will be phased out through projects that are to be submitted for approval during the triennium.

General comments

10. Activities not required for compliance are listed in Table 1 according to the value of the requests for 2009, 2010 and 2011.

HCFC activities

Estimates of growth in consumption, ODP, and cost-effectiveness

11. ODP amounts covered by the World Bank's 2009 business plan have been based on a 10 per cent reduction from 2007 production levels. As there is no guidance available on funding levels, the Bank's estimate of funding requirements has been based on the same level of cost-effectiveness as CFC

production phase-out, on a kilogram basis. The values of all investment activities included in the business plan tables represent only the costs for the HCFC phase-out.

HCFC production

12. The World Bank's 2009 business plan includes two HCFC production phase-out plans covering China and India. The HCFC gradual production phase-out plan covering China is expected to be delivered to the Executive Committee for consideration in 2010.

13. The HCFC production sector plan for China will not only include HCFC-141b but also HCFC-22 and HCFC-142b in production control and phase-out activities. While this activity aims to enable China to meet the freeze and 10 per cent production reduction targets in 2013 and 2015, respectively, to facilitate cooperation with the production sector there will be no final decision regarding the level of phase-out for each chemical until tentative plans for other consumption sectors have been drafted.

14. In addition, the Bank has included in its 2009 business plan a project preparation request for an HCFC gradual production phase-out plan for India. Given the policy issues surrounding funding eligibility criteria for swing plants, the Bank will request the release of the project preparation funds for India once guidance on these policy issues has been provided by the Production Sector Sub-group.

Regional HPMP in Africa

15. In 2009, the World Bank proposes to cooperate with UNEP in developing HPMPs for African countries, with the objectives of: (i) exploring opportunities for ozone and climate benefits in phasing out HCFCs in African countries and, (ii) providing the World Bank's resource mobilization expertise to support development and financing of HCFC phase-out activities in the countries involved. A joint Ozone Climate Concept Review Workshop was organized in Nairobi, Kenya on 17 February 2009 to launch this initiative and was attended by 10 countries. As a follow-up to decisions taken at the workshop, the Bank has included in its 2009 business plan a project preparation request of US \$250,000 to develop investment programmes for 10 countries. This funding will be requested once formal communications confirming the agreements reached at the workshop has been made available to UNEP and the World Bank. The actual level of ODP to be captured by this proposed regional activity will be provided once preliminary surveys being conducted by UNEP and other agencies are available.

HCFC foam demonstration projects

16. In its 2009 business plan, the World Bank has proposed four demonstration projects to phase out HCFCs in the foam sector in China. These projects include: (i) a project to demonstrate conversion of a foam system house to pre-blended hydrocarbon polyol; (ii) a project for the use of hydrocarbon blowing agents in the insulation foam for solar energy water heaters; (iii) a project to replace HCFC-141b with liquid carbon dioxide in spray foam applications; and (iv) a project to replace HCFC-141b with water-blown technology in integral-skin foam applications.

17. Solar energy appliances are newly developed products in China. In 2008, HCFC consumption in this sub-sector was about 3,000 tonnes and the annual growth rate was over 20 per cent. This sub-sector consumes a large amount of HCFCs and involves thousands of enterprises, most of which use HCFC-141b technology. No enterprise uses hydrocarbon technology. Since HCFCs are going to be phased out in the near future it is important to develop hydrocarbon technology. A demonstration project would test technical and safety aspects of hydrocarbon technology. Moreover, large enterprises in this sector will have an opportunity to change their technology from HCFC-141b to hydrocarbon between 2011 and 2015, but they need to gain experience from a demonstration project in order to address technical and safety aspects of the new technology. An improved understanding of total investment costs and other key production issues is also critical.

18. The World Bank has indicated that the proposed demonstration project for a systems house in China will cover the conversion/modification needed at the systems house and 8 to 10 downstream foam enterprises. The cost of preparation of this demonstration project entails the technical evaluation of up to 11 enterprises. Using polyol system houses as project implementers has been proven as a cost-effective implementation modality for phasing out CFC-11 in many countries. This modality has not yet been used in China, and China is seeking to test its application through the demonstration project. The Bank would also like to test the feasibility of using pre-blended polyols and hydrocarbons.

19. Three of the four HCFC demonstration projects will be completed by December 2010. The one for the foam systems house is hoped to be completed in July 2010. Experience gained from these projects is expected to provide direct benefits to all foam enterprises and technology providers operating in China. Lessons learned will be reported to the Executive Committee through the Secretariat.

ODS disposal demonstration activities

20. Further to decision XX/7 of the 20th MOP, the World Bank has included three pilot ODS disposal projects in its 2009 business plan. These funds will be used to support development of project design documents to secure carbon revenues from the voluntary carbon markets. The proposed activities are consistent with the ODS disposal study that has already been approved by the Executive Committee.

21. The ODS disposal study will deliver a methodology for ODS disposal that will be endorsed by the voluntary carbon market through, for example, the Chicago Climate Exchange (CCX). However, project design documents, which will delineate key parameters including monitoring arrangements that are country-specific, would still need to be developed. Given the innovative nature of the ODS disposal projects, these projects could be considered high risk. Therefore, the Bank has indicated that it is necessary to support the development of design documents in a few pilot projects employing the new methodology to be delivered by the MLF-funded disposal study. It has suggested that once successful pilot projects have been completed, the development costs could be assumed by the private sector.

22. The three proposed demonstration projects contain different features (such as sources of ODS) that can elaborate different costs of collection, testing, storage, transportation, packaging and destruction. Table 2 presents the objectives and other information on the ODS disposal activities.

Table 2

ODS DISPOSAL ACTIVITIES

Country	Objectives of the demonstration	Other information	Total cost (US\$)	ODP value	Project preparation (US\$)
Indonesia	Demonstrate methodologies for addressing disposal of ODS from illegal imports and explore the feasibility of having ODS destroyed by a local disposal facility.	The project would build on ODS disposal project financed by the Government of Japan as part of its bilateral contribution to the MLF.	0	60	53,750

Country	Objectives of the demonstration	Other information	Total cost (US\$)	ODP value	Project preparation (US\$)
Mexico	To demonstrate the employment of ODS disposal methodologies and criteria developed by the ODS disposal study for unwanted ODS to be collected from refrigerators and air-conditioners. Both CFC-12 and CFC-11 from the old units would be collected and disposed of.	The project would build upon the Mexico Energy Efficiency appliances programme being developed by the World Bank	0	775	54,000
Philippines	Demonstrate methodologies for the disposal of bulk and contaminated CFCs (mix of CFC-12, HFC-134a and others) and explore transportation of CFCs from service shops to the recovery and recycling centre which was established under the National CFC Phase-out Plan.	The project would build upon the National CFC Phase-out Plan and include packaging and final disposal.	0	12	53,750

Resource mobilization for climate co-benefits

23. The HPMP guidelines require the consideration of co-financing. Therefore, the Bank will explore opportunities to mobilize resources outside the Multilateral Fund. In case where the HPMPs seek funding from the Clean Development Mechanism (CDM), only those methodologies that are not currently available would need to be developed. In the area of energy efficiency some methodologies are currently available. No methodologies are available in areas related to low global warming potential (GWP) refrigerants and reductions in indirect emissions of high GWP chemicals.

24. The World Bank has therefore included a global study on resource mobilization for maximizing climate benefits in its 2009 business plan. The study will investigate: (i) the potential volume of carbon dioxide equivalent emission reductions that could be obtained from the accelerated HCFC phase-out considering low GWP alternatives; (ii) barriers associated with conversion of HCFC technology with baseline energy efficiency to low GWP alternatives with improved energy efficiency, and to high GWP alternatives with improved energy efficiency; (iii) consumption and production of HFCs including those produced as by-products of other chemical processes; and (iv) potential funding resources (e.g., Multilateral Fund, Kyoto Protocol, Voluntary Carbon Market, Carbon Partnership Funds, Clean Technology Fund) to support adoption of improved HCFC containment practices and climate friendly technologies, including development of funding methodologies such as approaches to evaluating baseline consumption and production of HFCs. In addition, the study will investigate effective modalities for implementing these activities to ensure seamless synergy between the MLF-funded activities and activities funded by resources outside the MLF.

Policy issue – HCFC production phase-out at swing facilities

25. In its 2009 business plan the World Bank has included a project preparation request to develop an HCFC gradual production phase-out plan for India. In India all HCFC plants have swing facilities and all of them have received funding from the MLF to phase out production of CFCs. The Production Sector Sub-group has been mandated by the Executive Committee to review the eligibility of these facilities for additional funding from the MLF to support HCFC production phase-out. Without a decision from the Production Sector Sub-group on this issue, the Bank cannot proceed to develop the HCFC production phase-out plan in India and other HCFC producing countries that have swing plants.

Performance indicators

26. A summary of the World Bank's performance indicators pursuant to decisions 41/93, 47/51 and 49/4(d) is provided below in Table 3.

Table 3

PERFORMANCE INDICATORS

Item	2009 Target
Number of annual programmes of multi-year agreements approved versus those planned	14/14
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	2/2
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches versus those planned	19/19
ODS phased-out for individual projects versus those planned per progress reports	465 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	6 ^(*)
Number of policy/regulatory assistance completed versus that planned	100%
Speed of financial completion versus that required per progress report completion dates	11 months
Timely submission of project completion reports versus those agreed	100%
Timely submission of progress reports and responses unless otherwise agreed	100%

() Includes two investment projects, three institutional strengthening projects, and one technical assistance project.*

27. The World Bank's target for the number of individual projects approved versus those planned is two. However, the World Bank's business plan database indicates eight individual projects to be submitted in 2009 including three institutional strengthening, one for technical assistance and four for demonstration projects. For consistency with the other agencies, the World Bank's target for the number of individual projects approved should be eight.

28. The World Bank's target for the number of milestone activities completed/ODS levels achieved for multi-year annual tranches is 19. Since this indicator applies only to approved MYAs, the World Bank's target for milestones activities completed should be 14.

29. Similarly, the World Bank set a target of 465 ODP tonnes as the performance indicator for the volume of ODS to be phased out from individual projects. However, its business plan spreadsheet indicates that the World Bank would phase out 229 ODP tonnes from approved and ongoing individual activities in 2009, based on the Fund Secretariat's classification of individual projects. Therefore, for consistency with the other agencies, the phase-out target should be 229 ODP tonnes.

RECOMMENDATIONS

30. The Executive Committee may wish to consider:

- (a) Endorsing the 2009-2011 business plan of the World Bank as contained in UNEP/OzL.Pro/ExCom/57/12 while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:

- (i) HCFC production activities;
 - (ii) Regional HPMP in Africa;
 - (iii) HCFC foam demonstration projects;
 - (iv) ODS disposal demonstration activities;
 - (v) Resource mobilization for climate co-benefits;
- (b) Approving the performance indicators for the World Bank set out in Table 3 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/57/12 while setting a target of eight for the number of individual projects, a target of 14 for the milestone activities completed for MYAs, and 229 ODP tonnes for phase-out.

2009 BUSINESS PLAN

WORLD BANK

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

Presented to the 57th Meeting
Of the Executive Committee

February 20, 2009

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I. MULTILATERAL FUND TARGETS

A. Meeting the Objectives of the Multilateral Fund

1. The objectives of the proposed 2009 Business Plan for the World Bank are to: (i) ensure Article 5 countries' full compliance with the 2010 complete phase-out of CFCs, halons, and CTC; and (ii) assist Article 5 countries in meeting their first two obligations pertaining to HCFC phase-out (i.e., freeze in 2013 and 10% reduction by 2015).
2. The proposed 2009 Business Plan of the World Bank includes annual work programs of sector plans and national plans, which were previously approved by the ExCom, to phase out consumption and production of CFCs, halons, CTC, TCA, and methyl bromide. In light of the decisions on HCFCs taken at the 19th Meeting of the Parties and the ExCom decisions regarding the inclusion of HCFC projects in the 2009 business plans of the Implementing Agencies, the Bank's Business Plan includes new HCFC project preparation activities, and HCFC demonstration projects. In line with the decision taken at the 20th Meeting of the Parties, the World Bank also proposes a few pilot ODS disposal activities in its 2009 Business Plan.
3. The expected impact of proposed new investment activities for 2009 is summarized in Table I – 1. Information for each individual project is presented in Annex II through IV.

Table I-1: Expected impact of new investment activities included in proposed 2009–2011 Business Plan (ODP tonnes)

ODS to be phased out	2009	2010	2011	Total
HCFC Phase-out Plan	-	500	624	1,124
HCFC Demonstration Projects	-	120	-	120
HCFC Production Projects	-	-	-	-
ODS Disposal	-	172	135	307
Total	-	792	759	1,551

4. In accordance with Decision 38/66, Table I – 2 also includes information on new activities for 2010 and 2011. It is important to note that activities planned for 2010 and 2011 are included on a tentative basis only, and that they may be revised later as part of submission of the business plans in the future years.
5. Other than the ODP to be phased out from new investment activities proposed for the 2009-2011 period, additional phase-out will be achieved through the implementation of previously approved investment projects, sector plans and national plans. This additional phase-out is summarized in Table I – 2.

Table I-2: Impact of investment activities implemented by the World Bank approved prior to 57th Executive Committee Meeting (ODP tonnes)

ODS	2009	2010	2011	Total
CFC in non-LVC countries	407	1,341	-	1,748
CFC in LVC countries	22	-	-	22
CFC production sector	1,819	1,680	-	3,499
Halon	-	2,061	-	2,061
Methyl Bromide (Consumption)	79	-	47	125
CTC	440	8,844	-	9,284
TCA	-	102	-	102
Total	2,766	14,026	47	16,839

Strategic approach to ODS phase-out in the proposed 2009 Business Plan

6. Decision XIX/6: The proposed 2009 Business plan includes a funding request to conduct an overall study to mobilize resources outside of the Multilateral Fund to support HCFC phase-out with maximum climate benefits. The study will focus on resource mobilization to support projects aiming at reducing use of HFCs and HCFC-22 in particular as they could impact efforts to minimize emissions of HFC-23, which is a byproduct of HCFC production.

7. The study will investigate: (i) the potential volume of carbon dioxide equivalent emission reductions that could be obtained from accelerated HCFC phase-out considering low GWP alternatives; (ii) barriers associated with conversion of HCFC technology with baseline energy efficiency to low GWP alternatives with improved energy efficiency, and to high GWP alternatives with improved energy efficiency; (iii) consumption and production of HFCs including those produced as byproducts of other chemical processes; and (iv) potential funding resources (e.g., Multilateral Fund, Kyoto Protocol, Voluntary Carbon Market, Carbon Partnership Funds, Clean Technology Fund) to support adoption of better HCFC containment practices and climate friendly technologies, including development of funding methodologies such as approaches to evaluate baseline consumption and production of HFCs. In addition, the study will investigate effective modalities for implementing these activities in order to ensure seamless synergy between the MLF-funded activities and activities funded by resources outside the MLF.

8. World Bank–UNEP Cooperation: In 2009, the World Bank proposes to cooperate with UNEP in developing HPMPs for African countries. The objectives of this cooperation are to: (i) explore opportunities for ozone and climate benefits in phasing out HCFCs in African countries; and (ii) provide the World Bank’s resource mobilization expertise to support development and financing of HCFC phase-out activities in those countries. A joint Ozone Climate Concept Review Workshop was organized in Nairobi, Kenya on 17 February 2009 to launch this initiative. The workshop was attended by 10 countries. To follow up with the decision of the workshop, a project preparation request

of \$250,000 to develop investment programs for 10 countries in the region is included in the Bank Business Plan. However, the actual request for this fund will be made once formal communication confirming the agreement reached at the workshop be made available to UNEP and the World Bank.

9. ODS Disposal: According to the decision of the 20th Meeting of the Parties pertaining to the need to carry out pilot ODS disposal activities in Article 5 countries, two project preparation requests are included in the World Bank 2009 Business Plan. These funds will be used to support development of project design documents for securing carbon revenues from the voluntary carbon markets. These activities are in line with the ODS disposal study previously approved by the Executive Committee.

10. While the ODS disposal study will deliver a methodology for ODS disposal which will be endorsed by the voluntary carbon market, project design documents, which will delineate key parameters including monitoring arrangements that are country-specific, will still need to be developed. Given the innovative nature of the ODS disposal projects, these projects could be considered high risk. Hence, it is necessary to support the development of a few pilot project design documents employing the new methodology to be delivered by the MLF-funded disposal study. Once successful pilot projects have been completed, these development costs could later on be assumed by the private sector.

11. HCFC Production: The World Bank proposes to include an HCFC gradual production phase-out plan for China. The plan is expected to be delivered for the ExCom's consideration in 2010. In addition, the Bank also includes a project preparation request for preparing an HCFC gradual production phase-out plan for India in the 2009 Business Plan. Given the policy issues surrounding funding eligibility criteria for swing plants, the Bank will request the release of these project preparation funds for India once guidance on these policy issues is provided by the Production Sub-group.

B. Resource Allocation

12. The proposed 2009 Business Plan includes deliverables of 12 investment activities in 8 countries, including Antigua and Barbuda, Argentina, China, India, Malaysia, Thailand, Tunisia, and Vietnam. The total amount of funds requested in the proposed 2009 Business Plan is US\$ 26.67 million.

13. The 2009 Business Plan also proposes project preparation funding requests to develop four demonstration projects for phasing out HCFCs in various foam applications in China. The four demonstration projects with an estimated cost of US\$ 2.8 million are included as part of the 2009 deliverables of the World Bank. Four project preparation funding requests are proposed for India, Indonesia, and Sri Lanka, to support development of sector plans to phase out HCFCs in the production and consumption sectors. In addition, three project preparation funding requests are proposed for

Indonesia, Mexico, and the Philippines, to support development of project design documents for ODS disposal.

14. The deliverables in the proposed 2009 World Bank Business Plan including investment, demonstration, and non-investment activities amount to US\$ 33.04 million (including agency support costs and core unit costs). The breakdown of these deliverables is summarized in Table I-3.

Table I-3: Summary of all activities included in the proposed 2009 Business Plan

Type of activity included in the proposed 2009 Business Plan	Number of Activities	Amount Requested* (US\$ million)
Annual Work Programs for sector/national plans previously approved by Executive Committee	14	26.67...
New demonstration projects	4	2.78...
Institutional Strengthening Project Renewals in Ecuador, Jordan and Thailand	3	0.72...
New project preparation activities	10	0.95...
Global technical assistance activities	1	0.27...
Core Unit	1	1.66...
Total	31	33.04...

* Figures include agency support costs

15. The funding distribution for investment activities included in the proposed 2009 Business Plan is summarized in Table I – 4, while a summary of resource allocations for the triennium is presented in Table I – 5.

Table I – 4: Summary of proposed funding distribution for investment activities in the proposed 2009 World Bank Business Plan

Sector	Total amount of funds requested in 2009 (US\$ 000s)	Percent of total (%)	Estimated impact in 2009 (ODP tonnes)	Percent of total (%)
CFC Consumption	1,142	3.88	429	14.86
CFC Production	17,673	60.02	1,819	63.03
CTC Consumption	6,141	20.86	220	7.62
CTC Production	-	0.00	220	7.62

Methyl Bromide Consumption	1,712	5.81	78	2.70
HCFC Consumption	2,775	9.42	120	4.16
Total	29,443	100.00	2,886	100.00

Note: Figures include agency support costs.

Table I-5: World Bank's proposed resource allocation plan for 2009-2015
(in US\$ 000s)

	Value (\$000) in 2009	ODP MT in 2009	Value (\$000) in 2010	ODP MT in 2010	Value (\$000) in 2011	ODP MT in 2011	Value (\$000) 2012- 2015	ODP MT in 2012- 2015
Planned New Activities	2,775	120	59,806	770	92,274	810	400,437	6,056
Approved Multi-year Agreements	26,668	2,766	1,295	13,877	129	47	106	107
Institutional Strengthening	721	-	461	-	721	-	2,041	-
Technical Assistance	269	-	-	-	-	-	-	-
Project Preparation	947	-	-	-	-	-	-	-
Total	31,379	2,886	61,652	14,647	93,124	857	402,584	6,163

16. The proposed 2009 Business Plan will capture an estimated 2,886 ODP tonnes at an average cost effectiveness of US\$ 10.87/kg ODP.

17. A request for US\$ 1.663 million for Core Unit Costs is included in the proposed 2009 Business Plan.

II. PLANNED BUSINESS ACTIVITIES

A. Ongoing Activities

18. Investment Projects: At the beginning of 2009, the World Bank's Montreal Protocol portfolio consists of 5 ongoing individual investment projects and 19 multi-year projects.

19. Non-investment Projects and Activities: At the beginning of 2009, the Bank's portfolio included 13 ongoing non-investment activities, such as demonstration projects, institutional strengthening, technical assistance and training.

20. Annex I presents a country-by-country analysis of the progress and status of ongoing Montreal Protocol operations, provided by members of the various countries' task teams.

B. Program Expansion in 2009

21. The following sections provide brief descriptions of new activities that have been included in the Bank's proposed 2009 Business Plan. Annex II summarizes ODP impact from new and from approved activities implemented during the period 2009-2011 and beyond. A list of all activities to be implemented during 2009–2011 and of their levels of funding is included in Annex III and Annex IV.

New submissions

22. HCFC Production Phase-out: The 2009 Business Plan proposes to include two HCFC production phase-out plans for China and India. For China, the Bank expects to submit the HCFC gradual production phase-out plan for the consideration of the ExCom at the last meeting of 2010. This HCFC gradual production phase-out plan would enable China to meet its freeze and 10% production reduction targets in 2013 and 2015, respectively. For India, the Bank proposes to include a project preparation request to support development of an HCFC gradual production phase-out plan. The actual request will be submitted to the ExCom as part of the 2009 work program amendment as soon as the decision pertaining to swing plants is made available by the Production Sub-group.

23. HCFC Demonstration Projects: Four demonstration projects to phase out HCFCs in the foam sector in China are proposed in the 2009 World Bank Business Plan. These four demonstration projects include: (i) a project to demonstrate conversion of a foam system house to pre-blended hydrocarbon polyol; (ii) a project for the use of hydrocarbon blowing agents in the insulation foam for solar energy water heaters; (iii) a project to replace HCFC-141b with liquid carbon dioxide in spray foam applications; and (iv) a project to replace HCFC-141b with water-blown technology in integral-skin foam applications.

24. HCFC Consumption Phase-out: The World Bank proposes to include additional project preparation funding requests to support preparation of a foam sector plan and refrigeration and air-conditioning sector plans in Indonesia and Sri Lanka, respectively. In 2009, the Bank will continue to expedite preparation of the sector plans and HPMPs in China, Ecuador, the Philippines, Thailand, and Vietnam. These plans will entail strategies to phase out HCFCs in a cost-effective manner and to maximize climate benefits. To finance these plans, the Bank will explore, to the extent possible, opportunities to mobilize resources outside the Multilateral Fund. The Bank has reviewed and identified existing methodologies under the Clean Development Mechanism in the areas of energy efficiency that could be applied to some HCFC conversion projects. Where existing methodologies are not available, the Bank proposes to conduct a comprehensive study to identify such areas (e.g., low GWP refrigerants, reductions of indirect emissions of high GWP chemicals).

25. Global Study on Resource Mobilization for Maximizing Climate Benefits: HCFC phase-out could result in an increased use of HFCs. In order to maximize the benefits of both ozone layer protection and climate protection, a synchronized strategy for managing the use of HCFCs and HFCs could assist Parties to the Montreal Protocol to develop a conducive environment for climate friendly technologies. This would also assist industries in developing countries to avoid two-step conversion to low GWP technologies (from HCFC to HFC and to low GWP alternatives). To support market penetration of low GWP technologies, financial incentives within and outside the Multilateral Fund should be considered in order to offset higher costs, if any, of adoption of low GWP technologies. In addition, consumption and production of HFCs including those produced as byproducts of other chemical processes will also be considered.

26. The study will investigate: (i) the potential volume of carbon dioxide equivalent emission reductions that could be obtained from the accelerated HCFC phase-out considering low GWP alternatives; (ii) barriers associated with conversion of HCFC technology with baseline energy efficiency to low GWP alternatives with improved energy efficiency, and to high GWP alternatives with improved energy efficiency; (iii) consumption and production of HFCs including those produced as byproducts of other chemical processes; and (iv) potential funding resources (e.g., Multilateral Fund, Kyoto Protocol, Voluntary Carbon Market, Carbon Partnership Funds, Clean Technology Fund) to support adoption of better HCFC containment practices and climate friendly technologies, including development of funding methodologies such as approaches to evaluate baseline consumption and production of HFCs. In addition, the study will investigate effective modalities for implementing these activities in order to ensure seamless synergy between the MLF funded activities and activities funded by resources outside the MLF.

27. Pilot ODS Disposal: Two project preparation requests are proposed in the 2009 Business Plan. The objective of these requests is to assist Indonesia and the Philippines to develop project design documents employing the methodologies being developed and financed by the Multilateral Fund. These documents would then be submitted to relevant

voluntary carbon markets to secure funding necessary for the actual disposal of ODS. The MLF support for development of project design documents is expected to be temporary. As the ODS disposal projects become more common, they would be considered low-risk business. These costs are expected to be borne in the future by the project developer.

Submissions of annual or biennial work plans for approved multi-year projects

28. As per previously approved agreements, 12 annual or biennial work plans will be submitted for the consideration of the Executive Committee in 2009. Table II-1 provides the breakdown of these work plans:

Table II-1: Annual or biennial work programs of previously approved multi-year plans that will be submitted to the ExCom in 2009

Approved multi-year agreement	Country
National CFC phaseout plans	Antigua and Barbuda, Malaysia, Thailand, Tunisia
CFC production closure	Argentina, India
Foam phaseout plan	China
Commercial refrigeration sector plan	Turkey
CTC and process agents phaseout plans	India
CTC production closure	India
Methyl bromide phaseout plans	Thailand, Vietnam

Renewal of institutional strengthening

29. Requests for renewal of institutional strengthening projects will be submitted for Ecuador, Jordan, and Thailand

C. Measures to Expedite Implementation of Approved Projects and Those Critical to Compliance:

30. As the complete phase-out date of CFCs, halons, and CTC, is fast approaching, the World Bank will focus its operations primarily on: (i) assisting countries to complete their consumption and production phaseout plans; and (ii) assisting countries to establish long-term management mechanisms to ensure sustainable phase-out of these chemicals. In addition, to assist countries in meeting their next HCFC phaseout challenges, the World Bank will work closely with its client countries to develop comprehensive strategies for phasing out HCFCs.

31. The Bank will conduct its Annual Financial Intermediaries workshop in early April 2009. The workshop will include extensive discussion on closure of existing CFC

phaseout programs and activities as well as discussion on the policy, technical, and financial considerations associated with HCFC phaseout. The Bank will also organize meetings of the Ozone Operational Resources Group (OORG). These meetings will focus on development of technical tools to assist the Bank task teams conveying the most up-to-date alternative technologies to their client countries.

III. PERFORMANCE INDICATORS

32. As per Decision 41/93, the following performance indicators are included in the World Bank's 2009 Business Plan:

A. Quantitative Performance Indicators

33. Approval Performance Indicators

a) Number of annual programs of multi-year agreements approved vs. those planned (Weighting: 20)

Table III – 1: Number of annual programs of multi-year agreements planned for 2009

Item	Planned for 2009
Annual work programs of previously approved multi-year agreements to be presented to ExCom in 2009	14
Approved multi-year agreements for which no annual work program will be submitted to ExCom in 2009	7

b) Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned. (Weighting: 20)

Table III – 2: Number of individual projects/activities planned for 2009

Item	Planned for 2009
New individual investment activities to be presented to ExCom	4
New institutional strengthening renewals to be presented to ExCom	3
New technical assistance activities to be presented to ExCom	1

34. Implementation Performance Indicators

a) Milestone activities completed/ODS levels achieved for approved multi-year annual tranches vs. those planned. (Weighting: 20)

In 2009, the World Bank expects to complete every milestone of its 19 ongoing multi-year agreements, including ODP phased out.

b) ODP phased-out for individual projects vs. that planned per progress reports (Weighting: 5)

In 2009, the World Bank expects to phase out a total of 465 ODP tonnes through implementation and completion of ongoing individual projects.

c) Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports (Weighting: 5)

In 2009, the World Bank expects to complete six individual projects: two investment projects, three institutional strengthening projects, and one technical assistance project.

d) Percentage of policy/regulatory assistance completed vs. those planned (Weighting: 10)

In 2009, the World Bank will continue to assist all countries where multi-year agreements are being implemented in meeting their policy/regulatory milestones, as indicated by each individual agreement. These include enactment of licensing quota systems, inspection requirements and others. This type of policy-level assistance does not address explicit country requests, but rather complies with milestones previously agreed to under multi-year agreements. There are 19 policy milestones for 2009 included in the Bank's 19 ongoing multi-year plans. The Bank's target is to meet all of these policy targets.

35. Administrative Performance Indicators

a) Speed of financial completion vs. that required per progress report completion dates (Weighting: 10)

The Bank expects to achieve financial completion of its projects within an average 11 months from the required date.

b) Timely submission of project completion reports (Weighting: 5)

The Bank plans to submit project completion reports of all projects that are completed between July 1, 2008 and June 30, 2009, by the end of 2009.

c) Timely submission of progress reports and responses unless otherwise agreed (Weighting: 5)

The Bank plans to submit its 2008 Progress Report on May 1, 2009 or at least eight weeks before the subsequent meeting of the Executive Committee.

36. A summary of the World Bank's 2009 performance indicators is included in Table III-3, below.

Table III-3 – Summary of World Bank’s performance indicators

Category of Performance Indicator	Item	Weighting	2009 Target
Approval	Number of annual programs of multi-year agreements approved vs. those planned	20	14/14
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. planned	20	2/2
Implementation	Milestone activities completed/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	19/19
Implementation	ODP phase-out for individual projects vs. that planned per progress reports	5	465
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in the progress reports	5	6 ^(*)
Implementation	Percentage of policy/regulatory assistance completed vs. those planned	10	100%
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	11 mos.
Administrative	Timely submission of project completion reports	5	100%
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	100%

(*) Includes two investment projects, three institutional strengthening projects, and one technical assistance project.

IV. POLICY ISSUES

37. HCFC production phase-out at swing facilities – The World Bank is including a project preparation request for India to develop an HCFC gradual production phase-out plan for India, where all HCFC manufacturers have swing facilities and all of them have received funding from the MLF to phase out production of CFCs. The Production Sub-group is mandated by the Executive Committee to review the eligibility of these facilities for additional funding from the MLF to support HCFC production phase-out. Without any decision from the Production Sub-group on this issue, the Bank will not be able to proceed with the development of the HCFC production phase-out plan in India and other HCFC producing countries that have swing plants.

V. ADMINISTRATIVE AND FINANCIAL MATTERS

38. None.

ANNEX I**Country-by-Country Review****ANTIGUA AND BARBUDA**

The Grant Agreement for the Antigua and Barbuda CFC Phase-out Management Plan was signed and become effective. The launch workshop is scheduled for the first quarter of 2009. To expedite the implementation of the CFC Phase-out Management Plan, the Bank plans to undertake two supervision missions in 2009. One of the objectives is to review the current CFC phase-out status in the country in order to revise the project implementation activities and their associated implementation timeframe. A revised implementation plan will be submitted to the Executive Committee for its consideration in 2009.

ARGENTINA

The MDI phase-out project was approved by the Executive Committee at its 56th Meeting. This project will enable Argentina to convert its MDI industry to non-CFC products. The Bank will work closely with Argentina to ensure timely implementation of this project and to explore opportunity to minimize the CFC need for production of MDIs beyond 2009.

In 2009, Argentina plans to submit its 2008 production verification report although the actual production has been stopped completely since late 2007. The submission of this verification report will also serve as a condition for an approval of the final funding tranche for the Argentina CFC production phase-out plan.

CHINA

The Bank will support China in HCFC phaseout, particularly in the foam and HCFC production sector. A foam sector plan, which will enable China to meet its freeze and 10% reduction obligations, will be submitted for the consideration of the Executive Committee in 2010. To assist China in selecting proper technologies for phasing out HCFCs in the foam sector, China requested the Bank to propose four demonstration projects in the foam sector. These four demonstration projects would provide China with technical and financial information pertaining to phasing out of HCFCs with more climate-friendly alternatives. These four demonstration projects will be submitted to the ExCom by the end of 2009 or early 2010 at the latest. Experience gained during the preparation and implementation of these demonstration projects would provide useful input for development of the foam sector plan.

ECUADOR

Implementation of the institutional strengthening project and the national CFC phase-out plan proceeded well in 2008. The NOU played critical role in monitoring Ecuador's compliance with the Montreal Protocol control measures and the targets set forth by the ExCom agreement for the National CFC Phase-out. The NOU also worked closely with its counterpart agency in the Ministry of Agriculture to implement the methyl bromide action plan to ensure full compliance with agreed targets.

Under the National CFC Phase-out Plan, the fourth and fifth phases of the recovery and recycling program were carried out to provide training on good practices in refrigeration to technicians of selected refrigeration service workshops. Training was conducted by authorized training centers established by the Project. In addition, a technical study was carried out to assess the merit of proposed chiller replacement and the project also developed a training course on best practices for chiller maintenance.

In 2009, the Project will continue to contribute to Ecuador's effort to monitor its compliance with the Montreal Protocol. The NOU will continue to rigorously enforce the licensing system to control import and export of ODS. The final report on Agrochelone tests, which is part of the action plan to return to compliance, will be finalized.

Final delivery of recovery and recycling machines will be made to remaining refrigeration service workshops in 2009. The authorized training centers (SECAP) will continue to provide training courses on good practices in refrigeration servicing and chiller maintenance to service technicians.

INDIA

CTC Phaseout Sector Plan: The technical Audit Verification report and CY 2008 Annual Program were submitted and approved by the Executive Committee in July 2008. Project implementation is ongoing satisfactorily. As part of a mid-term review, the Bank has commissioned a review of occupational health and safety measures in enterprises where CTC alternatives are used as a solvent. The preliminary report indicates poor worker practices and inadequate facilities and safety measures in these enterprises. This has been discussed with GTZ and MoEF and the project aims to support additional training programs, replicating of GTZ manual and other EHS guidelines, and procurement of some essential protective equipment. Total disbursement under this project as of December 2008 is US\$ 35 million to CTC producers, consumers and to the MoEF for the TA component.

CFC Production Sector Phaseout Plan: The ODSIII project has been satisfactorily implemented, with considerable activity under the TA component, in collaboration with India's CFC consumption phasedown plan. Total disbursement under this project as of December 2008 is US\$ 77 million to CFC producers and for implementation of TA activities. The Accelerated CFC production phase-out plan for India was approved by the Executive Committee at its November 2008 meeting, with the funding level of US\$ 3.17

million. Since then, there have been substantive discussions with MoEF and CFC producers to finalize the implementation modalities of the modified ODSIII project, including the schedule of implementation of technical audits and of disbursements of the additional funding. There will be no major plant closures/dismantling or retrenching of workers, since the enterprises are active producers of HCFCs.

INDONESIA

Aerosol and MDI: A guidelines for technical and safety aspects of aerosol production is being prepared by the International Consultant. Survey on aerosol companies has been completed and recommendation on type of support needed by eligible companies have been prepared. During 2008, stakeholder workshops on aerosol safety production were conducted in Jakarta and Surabaya. At the request of the Government, the Bank hired a consultant to prepare the project proposal for the Technical Assistance to implement National Transition Strategy to CFC Free Metered Dose Inhaler (MDI). The TA in MDI sub-sector was approved in the 56th Meeting of ExCom. The workplan is being prepared in cooperation with the National Agency for Drug and Food Control (BPOM) and Asthma Association.

Foam: Enterprise activities of the foam sector have been completed. All equipment was delivered and enterprises are using the new non-CFC machines to produce foam. A consultant (firm) was hired by the Ozone unit to provide technical assistance on safety aspects in flexible box foam production. In addition, to strengthen efforts in ODS import control, information exchange on ODS export/import monitoring between Indonesia and China is continuing.

MAC: The implementation of the MAC sector plan continues and progress was achieved during 2008. All equipment has been distributed to service shops all over Indonesia and trainings have been completed. Four workshops and a road show program to raise awareness have been conducted in cooperation with local government. The monitoring implementation of the MAC program is expected to continue throughout 2009, in cooperation with the Regional Environment Management Center. The project is expected to complete at the end of 2009.

In 2009, the Bank through its Country Office is going to continue assisting the government in policy, financial management, and procurement support. Supervision missions are scheduled for first and third quarters of 2009.

JORDAN

All investment projects in Jordan are now completed with the exception of the National ODS Phaseout Plan (NOPP). Under the NOPP all investment work has been undertaken, including that implemented by UNIDO, and what remains are technical assistance

activities and public awareness. The NOPP is targeted for completion during this business planning year.

In 2009, Jordan will embark on one additional CFC-phase-out project through the assistance of the World Bank. This is for the Jordan component of the Global Chiller Replacement Project that was approved by the Executive Committee in 2005. As the World Bank was able to secure more than the required ratio of co-financing as required by Decision 47/26, the MLF Secretariat gave its no objection to the Bank to release \$3 million of the \$6.88 million approved. Jordan will benefit from some of these funds (along with India and the Philippines) to replace up to 20 CFC-based chillers. This project will start in early 2009.

Jordan also has its Institutional Strengthening project under the World Bank. Now in its seventh phase, the IS project is up for renewal this year. The Bank plans on presenting the IS terminal report and renewal request at the 58th Executive Committee Meeting. The Bank plans on conducting two supervision missions in 2009 and may add an additional mission for the launching of the chiller replacement project as deemed necessary.

MALAYSIA

Implementation of the National CFC Phaseout Plan (NCFCP) progressed as planned and major progress was achieved in 2008. The MAC sector component was completed, as expected. Implementation of the refrigeration servicing component is fully underway and is expected to be completed by late 2009. Two World Bank missions will take place during 2009, to monitor the progress and successful completion of the remaining program activities.

THE PHILIPPINES

The Philippines received approval by the Executive Committee for the final tranche of funding under its National CFC Phaseout Plan in 2008. With the support of the NCPP, the Government of the Philippines has met all its annual CFC phase-out targets under the Protocol and its agreement with the Executive Committee to date. The Philippines is also in the end stages of implementing the Methyl Bromide Phase-out Strategy and expects to have phased out methyl bromide consumption ahead of schedule by this year.

Although completion of these two projects is imminent, there are a number of new activities in the pipeline. First, the Philippines is one of three countries that will benefit from MLF funding under the Global Chiller Replacement Project. It has adopted a model that is similar to India and has secured co-financing from GEF and expects funding from the CDM to scale-up chiller replacement in the country and complete full transformation of the sector. The project is under preparation and is tentatively scheduled to start in mid-2009.

In 2008, the Executive Committee approved preparation funding for development of an HCFC Phase-out Management Plan. The HPMP will identify short and long-term investment and non-investment activities to curb growth and gradually phase out HCFC in order to establish a manageable baseline and allow the Philippines to easily meet its 2013 freeze and 2015 10% reductions. The HPMP is targeted for submission to the Executive Committee in 2010.

Finally in terms of pipeline work, the Philippines is considering options for destroying stocks of unwanted ODS and has expressed interest in Multilateral Fund assistance to develop a project that would source and obtain funding to make this possible. The Bank has included a request for preparation funding in the current business plan.

Now in its sixth phase, the Philippines Institutional Strengthening project continues to make consistent progress. Renewal of the IS project is scheduled for the second year of the 2009-2011 triennium. The Bank Task Team will conduct two supervision missions in 2009. Continuing policy, financial management and procurement support will be provided directly through the Bank country office.

THAILAND

Implementation of the NCFCP is fully underway. The MAC servicing component is expected to be completed in early 2009. Implementation of the Refrigeration Servicing Component (RSS) has advanced considerably, and equipment distribution, as well as training of beneficiaries are scheduled to take place throughout 2009.

The Institutional Strengthening project is progressing on schedule. The halon management team under the Halon Management project has successfully completed the tasks under their implementation program, on schedule. The project is expected to be completed in the second semester of 2009.

Implementation of the National Methyl Bromide phaseout plan has significantly advanced. Training of trainers was conducted in 2008 and training of beneficiaries will take place in 2009. Equipment distribution for large scale beneficiaries and fumigation companies will be carried out during 2009. The 2008-2010 biennial work plan will be resubmitted for consideration of the ExCom during 2009.

Two World Bank missions will take place during 2009 to monitor the progress of the various program activities.

TUNISIA

Tunisia has met its annual phase-out obligations under its National ODS Phase-out Plan (NOPP) agreement with the Executive Committee (for 2006 and 2007, and expected in 2008). Plans for 2009 will include completing subprojects and technical assistance activities in the aerosol, foam, servicing and halon sectors. The Government of Tunisia

has contracted experts in refrigeration and foam in 2008 to provide technical support. In addition, an auditor was under selection for verifying 2006 and 2007 ODS consumption.

The principle activities undertaken by Tunisia in 2008 under the IS Project included the monitoring of MLF beneficiary enterprises that have converted operations, financial management and other related activities. The latter include data collection for reporting under Article 7 of the Protocol; setting the 2008 CFC import quota through meetings of the National Ozone Committee; participation in international and regional ozone meetings; and public outreach. In 2009, the World Bank project team plans on conducting two missions to Tunisia in order to assess the progress of implementation of the NOPP and the IS Project. This will include a special mid-term review of the overall umbrella project. The project team also stands ready to assist Tunisia in the chiller sector under the Global Chiller Replacement Project, if the country determines it would like to move forward.

VENEZUELA

The technical assistance activities implemented under the 2008 annual plan included:

- ***Supporting the GoV to strengthen technical capacity of local staff.*** Training and technical assistance activities will continue during 2008 related to the phase-out program results and monitoring procedures as well as on the detection of illegally traded ODS to custom officers. Additional training will also be provided on the policy instruments (production caps, export/import) to ensure CFC phase-out.
- ***Public awareness campaign.*** This activity has been planned to continue supporting the ozone protection communication strategy prepared by FONDOIN and to complement the efforts of the 2007 Annual Program. It will highlight the importance of the closing of the CFC production facility and Venezuela's contribution to the protection of the ozone layer and the results obtained through the phase-out strategy with PRODUVEN.
- ***Development of environmental guidelines for dismantling PRODUVEN's CFC production capacity.*** Based on the activities carried out under PRODUVEN's Agreement, these guidelines are aimed at providing in a systematized way the procedures and main steps involved in the dismantling CFC production capacity and monitoring of existing CTC stocks. These guidelines will help the GoV to design standards, systems and procedures for recovery and destruction of ozone depleting substances for future operations.
- ***Study of the impact of PRODUVEN's plant early closing.*** This study will complement the information collected during 2007 on the market for CFCs in Venezuela and will allow it to update the assessment on the impacts of potential shortcomings in supply of CFCs on the different production sectors.

- ***Specialized consultancies.*** This will include PRODUVEN's audits and other consultancies related to the three prior activities.

Activities to be implemented during 2009:

- The technical assistance component (US\$450,000) will continue implementation over the project execution period through 2009. The activities planned under the 2009 annual program will focus on the continuation of the following aspects:
- ***Supporting the GOV to strengthen technical capacity of local staff.*** Training and technical assistance activities will continue during 2009 related to the phase-out program results and monitoring procedures as well as on the detection of illegally traded ODS to custom officers. Additional training will also be provided on the policy instruments (production caps, export/import) to ensure CFC phase-out.
- ***Public Awareness Campaign.*** This activity has been planned to continue supporting the ozone protection communication strategy prepared by FONDOIN and to complement the efforts of the 2008 Annual Program. It will highlight the importance of the closing of the CFC production facility and Venezuela's contribution to the protection of the ozone layer and the results obtained through the phase-out strategy with PRODUVEN.
- ***Specialized consultancies.*** This will include PRODUVEN's 2008 technical audit and other consultancies related to the three prior activities.

A final closing Bank mission might be planned for mid 2009.

VIETNAM

Implementation of the National CFC and Halon Phase-out Plan proceeded as planned. Training of service technicians and provision of service tool kits will be completed in 2009. All training centers that are part of the project have already incorporated good practices in refrigeration and MAC services into their main curriculum. All selected vehicle inspection centers have received refrigerant identifiers. A voluntary MAC inspection program will start in 2009.

The Grant Amendment was amended in 2008 in order to extend the scope of the Grant Agreement to cover methyl bromide activities and to allow MLF funding for the methyl bromide sector plan to be channeled to Vietnam. The Ministry of Agriculture and Rural Development issued an order in 2008 to establish a Project Management Unit within Plant Protection Department. The PMU is expected to be fully staffed within the first quarter of 2009. In the meantime, the Plant Protection Department has already submitted its plan of action for 2009 to the World Bank. This plan would allow the Plant Protection Department and the PMU to speed their implementation in order to catch up with the original plan.

ANNEX II

Implementation and New Activities

Available upon request

ANNEX III

**Database of New and Ongoing Activities
(Actual ODP)**

Available upon request

ANNEX IV

**Database of New and Ongoing Activities
(ODP based on overall cost effectiveness)**

Available upon request

ANNEX V

Year of ODP Phase-out

Available upon request