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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty first Meeting
Montreal, 17 - 19 December 2003

COUNTRY PROGRAMME UPDATE: MEXICO

This document consists of:

- Comments and Recommendations of the Fund Secretariat
- Transmittal Letter from the Government of Mexico
- Country Programme (Executive Summary)

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

1. On behalf of the Government of Mexico, UNDP has submitted a country programme update for Mexico. A project for preparation of the country programme update (US \$48,046) was approved by the Executive Committee at its 38th Meeting.

ODS phase out projects approved for funding

2. So far, the Executive Committee has approved 116 ODS projects and activities for Mexico at a total cost of US \$42,780,301, to phase out 3,446.8 ODP tonnes of ODSs. As of December 2002, a total of 3,110.1 ODP tonnes have been phased out and US \$33,573,602 has been disbursed.

3. At its 40th Meeting, the Executive Committee approved the agreement with Mexico for a total of US \$31.85 million in funding for the closure of the entire CFC production capacity in Mexico. Annex I provides a list of Multilateral Fund projects and activities approved for Mexico.

ODS consumption

4. The ODS baselines for compliance in Mexico and allowable ODS consumption for 2005-2015 are as follows:

Allowable consumption (ODP tonnes)	CFC	Halon	MB	CTC	TCA
Baseline consumption	4,624.9	187.7	1,130.8*	-	56.4**
2005	2,312.5	93.9	904.6	-	39.5
2007	693.7	93.9	723.7	-	27.6
2010	-	-	579.0	-	19.3
2015	-	-	-	-	-

*1995-1998 baseline

**1998-2000 baseline

5. The CFC baseline for production is 11,046.3 ODP tonnes. In 2002, the consumption of ODS reported by the Government of Mexico to the Ozone Secretariat was 3,162.3 ODP tonnes distributed as follows: 1,946.7 ODP tonnes of CFCs, 147.3 ODP tonnes of halons, 0.8 ODP tonnes of CTC and 1,067.5 ODP tonnes of MB. The 2002 reported production of CFCs was 5,653.0 ODP tonnes.

6. Over 52 per cent of the total 2002 reported ODS consumption in Mexico occurs in the refrigeration manufacturing and servicing sectors.

Unfunded CFC consumption

7. The Government of Mexico opted for Option 1 (3,059.5 ODP tonnes) as the starting point to determine the remaining CFC consumption eligible for funding, as adopted by the Executive Committee under Decision 35/57. Since the 35th Meeting, the Executive Committee has approved for funding an additional phase-out of 179.9 ODP tonnes of CFCs, resulting in a remaining unfunded CFC consumption of 2,879.6 ODP tonnes.

ODS policies and regulations

8. The policy and legal framework that governs the ozone regime in Mexico is composed of the following instruments:

- (a) General Law of Environmental Protection and Ecologic Equilibrium, which stands nowadays as the general environmental policy framework of the country;
- (b) ODS Import/Export Licensing System, which has been implemented through a decree classifying ODSs as toxic substances, enabling the country to implement an import license system and control procedures for CFCs and CTC;
- (c) Voluntary reporting of trade on CFCs; since 1992, the Government of Mexico has required the national CFC producing enterprises to voluntarily report domestic and international commercial activities such as production, imports and exports volumes;
- (d) Constrains on growth of industrial demand of CFCs; since 1993, the Government of Mexico has discouraged the installation of any new CFC based facility with emphasis on the original equipment manufacturer sector;
- (e) Ban on use of ODSs for sterilization purposes in hospitals;
- (f) Voluntary agreements (14) between the private sector and the Government have been signed in order to eliminate the use of ODSs in the aerosol sector;
- (g) Decree including illegal traffic and mishandling of CFCs as a federal crime in the Justice Codes.

Projects submitted to the 41st Meeting

9. The Government of Mexico submitted the following project proposals for the consideration by the Executive Committee at its 41st Meeting:

- (a) A refrigeration sector phase-out plan submitted by UNIDO. Data collected in the course of preparation of the Country Programme Update were extensively used in the development of the refrigeration sector plan;
- (b) A Terminal Project for Conversion of Industrial Aerosols, by the World Bank. Mexico will not request any further assistance from the Multilateral Fund for the aerosol sector after approval of the project; and
- (c) A National Phase-out of Methyl Bromide for Mexico was also developed with the assistance by UNDP (storage fumigation) and UNIDO (soil fumigation). The National Plan was submitted to the 41st Meeting of Executive Committee. Subsequently, the Government of Mexico, through a letter sent to UNIDO, requested that the project be deferred to a future Meeting.

10. The Secretariat has reviewed the above project proposals and presented its comments and recommendations in document UNEP/OzL.Pro/ExCom/41/48.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

11. During the review of the Mexico country programme update, the Secretariat noted the thorough analysis of the remaining consumption of ODSs undertaken by the Government of Mexico with the assistance of UNIDO. The Secretariat also noted that the 2002 consumption of each ODS and the CFC production, as reported by the Government of Mexico under Article 7, is below the respective baselines for compliance.

12. The remaining consumption of CFCs eligible for funding (as at the 41st Meeting of the Executive Committee) is 2,879.6 ODP tonnes. However, based on the survey conducted for the preparation of the country programme update, the Government of Mexico estimated that the total CFC consumption currently used in the country and that has not been funded for phase out is 1,947.2 ODP tonnes, of which 1,669.2 ODP tonnes were used in the refrigeration sector (on the basis of this consumption, the Government of Mexico prepared the national phase out plan for the refrigeration sector).

13. The Secretariat noted that the Mexico country programme update reported a consumption of 192 ODP tonnes of CFC-11 in the foam sector. However, the 2002 progress report on the implementation of the Mexico country programme submitted by the Government to the Fund Secretariat on 29 April 2003, reported a zero consumption of CFC-11 in the foam sector and a consumption of 428 tonnes of HCFCs in the same sector.

14. UNDP proposed to submit to the 41st Meeting a request for payment of the second tranche for the implementation of the Mexico Foam Sector Phase-out Plan approved at the 35th Meeting, in accordance to Decision 35/47. The Secretariat noted discrepancies with the data reported in the country programme and the Foam Phase-out Plan which reported a remaining consumption of 484.0 ODP tonnes in the foam sector. UNDP was requested to address the issue of discrepancies in the data and resubmit the project proposal to a future meeting of the Executive Committee.

RECOMMENDATION

15. The Fund Secretariat recommends approval of the Mexico country programme update, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels.

Annex I
List of projects and activities approved by the Executive Committee for Mexico

Projects and activities	Agency	ODP funded	ODP phased out	US\$ approved	US\$ disbursed
Foam sector					
Conversion to CFC-free technology in the manufacture of polyurethane shoe soles at Group Project (Orca)	UNDP	190.0	190.0	1,662,795	1,459,056
Foam sector ODS phase-out plan (first tranche)	UNDP	145.0	-	934,797	-
Foam phase-out sector strategy	UNDP	-	-	45,200	37,161
Phase-out of CFC-11 by conversion to HCFC-141b or water-blown technology in rigid polyurethane foam (spray) and to water based formulations in integral skin foam at Comsisa	UNDP	68.7	69.0	479,177	465,818
Preparation of a project in the rigid foam subsector	UNDP	-	-	16,950	13,935
Preparation of investment projects in the rigid foam sector	UNIDO	-	-	32,901	32,901
Preparation of three projects in the foam sector	UNDP	-	-	22,600	22,600
Phase-out of CFC-11 by conversion to HCFC-141b technology in the manufacture of rigid polyurethane foam (spray) at Group Project Valcom (Uriel, Limas, Tecknipol, Anzaldua, and Negrete)	UNDP	44.3	44.0	351,804	346,390
Conversion to water-based technology in the manufacture of integral skin foam at Moldecor, S.A. de C.V.	UNDP	9.0	9.0	96,790	96,790
Project preparation for 5 projects in the foam sector	UNDP	-	-	45,200	45,200
Conversion to CFC-free technology in the manufacture of rigid foam (spray) and integral skin foam at Con Espuma	UNDP	11.4	11.0	106,073	106,073
Conversion to CFC-free technology in the manufacture of integral skin foam at Air Design	UNDP	5.0	5.0	89,634	89,634
Conversion to CFC-free technology in the manufacture of rigid polyurethane foam (spray) at group project Pumex	UNDP	167.7	168.0	1,258,085	1,258,085
Conversion to CFC-free technology in the manufacture of insulated construction panels and doors at Multypanel	UNDP	306.0	306.0	386,699	386,698
Replacement of CFC-11 with HCFC-141b foam blowing in the manufacturing of commercial refrigeration in Refrigeración Ojeda	IBRD	25.0	25.0	494,500	494,500
CFC-11 phase out at Refrigeración Ojeda	IBRD	15.6	13.0	390,000	390,000
Conversion to HCFC-141b technology in the manufacture of rigid foam for refrigeration systems at Refrigeración Rodríguez	UNDP	34.9	35.0	114,858	114,858
Conversion to CFC-free technology in the manufacture of insulated construction panels at Galvamet, S.A. de C.V.	UNDP	88.7	89.0	214,130	214,129
Conversion to CFC-free technology in the manufacture of rigid foam at Valsa Panel	UNDP	24.0	24.0	103,607	103,607
Conversion to CFC-free technology in the manufacture of rigid polyurethane foam (spray) - Group project (10 enterprises)	UNDP	100.0	100.0	524,022	524,022

Projects and activities	Agency	ODP funded	ODP phased out	US\$ approved	US\$ disbursed
Conversion to CFC-free technology in the manufacture of polyurethane foam at Carmovil	UNDP	14.6	15.0	89,731	89,731
Umbrella project for conversion to CFC-free technology in the manufacture of polyurethane shoe soles (seven enterprises)	UNDP	95.0	95.0	1,353,916	1,353,917
Conversion to CFC-free technology in the manufacture of rigid polyurethane foam (spray) at Acsa	UNDP	94.4	94.0	672,475	672,475
Conversion to CFC-free technology in the manufacture of polyurethane shoe soles at Industrias Pol-Rym S.A. de C.V., (IPR)	UNDP	25.0	25.0	470,748	470,748
Conversion to CFC-free technology in the manufacture of rigid polyurethane foam (spray) at Tecnopolimeros	UNDP	54.4	54.0	403,815	403,815
Conversion to CFC-free technology in the manufacture of rigid polyurethane foam at Termopuertos	UNDP	10.0	10.0	85,590	85,590
Conversion to CFC-free technology in the manufacture of polyurethane foam at Paneles	UNDP	81.0	81.0	107,239	107,238
Fumigant sector					
Project formulation of an investment project in the methyl bromide sector	UNIDO	-	-	20,803	20,803
Project preparation for 2 methyl bromide (flowers and crop storage) alternative demonstration projects	UNDP	-	-	33,900	33,900
Alternatives to the use of methyl bromide in the cultivation of tomatoes, strawberries, tobacco, melons, and cut flowers	UNIDO	-	-	893,096	507,054
Alternatives to methyl bromide for structural fumigation in Mexico	UNDP	-	-	563,079	185,903
Project preparation in the storage fumigant sector	UNDP	-	-	28,250	5,008
Preparation of a phase-out plan in the fumigant sector (methyl bromide)	UNIDO	-	-	53,750	-
Halon sector					
Project preparation in the recycling halon sector	UNDP	-	-	16,950	14,966
National halon management and banking programme	UNDP	230.0	-	565,000	67,115
Preparatory study on halons, inventory, and proposals for revisions of existing standards	UNDP	-	-	30,762	30,762
Project preparation for a halon sector phase out programme	UNDP	-	-	22,600	22,600
Multiple sector					
Safety programme in aerosol plant and recycling training and demonstration project in MAC	IBRD	-	36.0	53,792	53,792
Implementation of projects identified in the country programme	IBRD	-	-	-	-
Production sector					
Project preparation for the closure of CFC production facilities of the company Quimobasicos	UNIDO	-	-	42,940	-
Sector plan for phasing out CFC-11 and CFC-12 production sector (first tranche)	UNIDO	-	-	5,697,500	-

Projects and activities	Agency	ODP funded	ODP phased out	US\$ approved	US\$ disbursed
Refrigeration sector					
Phasing out of CFC-11 and CFC-12 with HCFC-141b and HFC 134a at Plásticos Técnicos Mexicanos (PTM) in the manufacture of commercial refrigeration equipment	UNIDO	50.6	50.6	450,228	450,228
Recovery of CFC-12 servicing of domestic refrigeration at Vitromatic Comercial y Servicios Integrados	UNDP	76.0	76.0	344,685	344,685
Phasing out of CFCs at Criotec S.A.	UNIDO	16.0	16.0	272,097	272,097
Phasing out of CFCs at Torrey S.A.	UNIDO	15.1	15.1	252,419	252,419
Phasing out of CFCs at Nieto S.A.	UNIDO	24.6	24.6	399,993	399,993
Phasing out of CFC at Vendo S.A.	UNIDO	16.5	16.5	280,832	280,832
Preparation of an investment project for phasing out ODS at several small enterprises in the commercial refrigeration	UNIDO	-	-	22,508	22,508
Elimination of CFC in the manufacture of domestic refrigerators at Estufas y Refrigeradores Nacionales S.A. (Erna, Vitro Group)	UNDP	49.0	49.0	1,117,207	1,117,207
Project preparation in the commercial refrigeration (end users) conversion projects	IBRD	-	-	90,400	90,400
Preparation of projects in the commercial refrigeration sector	IBRD	-	-	22,600	22,600
Preparation of investment project in the commercial refrigeration sector	UNIDO	-	-	14,488	14,488
Chiller concessional lending pilot project	UK	5.0	7.8	565,000	565,000
Phasing out CFC-11 with cyclopentane and CFC-12 with HFC-134a in the manufacturing plant of commercial refrigerators of Metaplus S.A. de C.V.	UNIDO	20.1	20.1	342,496	309,263
Phasing out CFC-11 with HCFC-141b and CFC-12 with HFC-134a in the manufacturing plant of commercial refrigerators at Refrigeración Durán S.A. de C.V.	UNIDO	15.1	15.1	127,673	121,824
Conversion of CFC-12 domestic refrigerator compressors to HFC-134a at (Comasa, Mabe Group)	UNDP	-	-	1,170,526	1,170,526
Strategy for the preparation of an RMP	UNIDO	-	-	113,000	66,479
Conversion of CFC-12 to HFC-134a technology in the production of MAC systems at Airtemp	IBRD	-	-	1,843,087	1,843,087
Project preparation in the MAC sector	IBRD	-	-	5,650	5,650
Preparation of a sectoral phase-out plan in refrigeration	UNIDO	-	-	33,900	3,642
Manufacture of complete heat exchanger systems for air conditioning equipment that use HFC-134a at Climas de Mexico	IBRD	-	-	2,666,588	2,666,588
CFC recovery and recycling of refrigeration equipment in Monterrey City (Climas Jiménez)	IBRD	4.0	0.3	29,328	29,328
Preparation of 2 projects in the commercial refrigeration sector	UNIDO	-	-	56,500	38,674
Elimination of CFC in the manufacture of domestic refrigerators at Industrias Astral (Mabe Group)	UNDP	344.0	344.0	2,665,707	2,665,707

Projects and activities	Agency	ODP funded	ODP phased out	US\$ approved	US\$ disbursed
Elimination of CFC in the manufacture of domestic refrigerators at Ensambladora de Refrigeradores (Enresa, Mabe Group)	UNDP	47.0	47.0	921,574	921,573
Cancun chiller workshop	USA	-	-	9,000	9,000
Pilot sectoral study and action plan in commercial refrigeration	USA	-	-	270,258	270,258
Demonstration project in MAC	USA	25.0	-	120,000	120,000
Chiller hands-on training	USA	-	-	340,000	340,000
Elimination of CFC in the manufacture of domestic refrigerators at Supermatic, S.A. (Vitro Group)	UNDP	366.0	366.0	2,274,009	2,274,008
CFC recovery and recycling programme through Quimobasicos, S.A.	IBRD	140.0	260.0	222,540	222,540
ODS phase out at Aurrera 2	IBRD	22.0	22.0	275,000	275,000
ODS phase out at Chedraui stores	IBRD	15.0	15.0	228,120	228,120
ODS phase out at Gigante 2	IBRD	18.0	-	278,070	278,070
ODS phase out at Aurrera 1	IBRD	44.0	44.0	500,000	500,000
ODS phase out at Gigante 1	IBRD	38.0	5.0	496,380	496,380
Replacement of CFC-12 with HFC-134a refrigerant in the manufacturing of commercial refrigeration in Refrigeración Ojeda	IBRD	13.0	13.0	225,000	211,543
Demonstration programme in CFC recovery and recycling of the Instituto Mexicano del Seguro Social (IMSS) refrigeration equipment	IBRD	15.0	15.0	499,918	499,918
Conversion of CFC-12 domestic refrigerator compressors to HFC-134a at Fabricacion de Compresores S.A. (Facosa, Vitro Group)	UNDP	-	-	3,389	3,389
Training of Quimobasicos personnel in the use of CFC recovery and recycling equipment	IBRD	-	-	-	-
Solvent sector					
Recovery, reclaim and recycling of CFC-113 and methylchloroform through Química Omega S.A. plant	IBRD	183.3	183.3	295,302	295,302
Preparation of a sectoral phase-out plan in the solvents sector	UNIDO	-	-	79,100	-
Elimination of CFC-113 from the textile cleaning processes at Procesadora y Revitalizadora	UNDP	3.0	3.0	78,476	78,476
Elimination of 1,1,1 TCA from the precision cleaning processes at Lucas Diesel	UNDP	3.0	3.0	189,840	189,840
Preparation of investment projects in the solvent sector (TCA)	UNIDO	-	-	32,250	-
Mexican solvents programme to reduce CFC-113 and methyl chloroform	USA	-	-	498,000	498,000
Phase out of CFC-113 used as a cleaning agent in the manufacturing of optical frames at Styloptic, S.A.	IBRD	4.0	0.7	79,299	79,299
Project preparation	USA	-	-	330,857	330,857
Sterilant sector					
Sterilization group project to replace CFC-12 technology-based sterilization equipment by alternative technologies in the hospital medical	IBRD	14.5	-	310,353	-

Projects and activities	Agency	ODP funded	ODP phased out	US\$ approved	US\$ disbursed
sterilization sector					
Several sector					
Supervision of project implementation (1994)	IBRD	-	-	100,000	64,915
Preparation of investment projects	UNIDO	-	-	55,873	55,873
Project preparation assistance	UNDP	-	-	45,200	45,200
Extension of institutional strengthening	UNDP	-	-	107,350	107,350
Preparation/supervision of investment projects for ODS I and ODS II (1995)	IBRD	-	-	71,744	71,744
Preparation of investment projects (1994)	IBRD	-	-	7,428	7,428
Project preparation	IBRD	-	-	67,800	67,800
Project preparation assistance	UNDP	-	-	56,500	56,500
Preparation of investment projects (1993)	IBRD	-	-	123,400	58,014
Assistance to country programme and investment projects preparation	USA	-	-	28,000	28,000
Support for country programme preparation and development of project proposals	USA	-	-	281,000	281,000
Institutional strengthening	USA	-	-	350,000	350,000
Project preparation assistance	UNDP	-	-	113,000	113,000
Renewal of the institutional strengthening project for the phaseout of ODSs under the Montreal Protocol	UNDP	-	-	214,700	214,700
Project preparation in the foam and solvent sectors	UNDP	-	-	55,891	55,891
Project preparation	UNDP	-	-	11,300	11,300
Survey of ODS use in SMEs and approaches to ODS elimination	UNDP	-	-	66,218	66,218
Renewal of institutional strengthening project	UNDP	-	-	214,700	214,700
Renewal of the institutional strengthening project for the phaseout of ODS under the Montreal Protocol (Phase V)	UNDP	-	-	153,862	163,190
Renewal of the institutional strengthening project for the phaseout of ODS under the Montreal Protocol (Phase V)	UNIDO	-	-	60,838	35,041
Preparation of investment projects (1992)	IBRD	-	-	68,096	68,096
Country programme preparation	IBRD	-	-	36,061	62,255
Preparation of investment projects (1991)	IBRD	-	-	68,164	103,342
Preparation of terms of reference for investment projects identified in the country programme	UNDP	-	-	59,073	59,073
Renewal of institutional strengthening project (Phase 6)	UNIDO	20.4	-	279,110	-
Preparation of the country programme update	UNDP	-	-	54,292	-
Project preparation assistance	UNDP	-	-	11,300	11,300
Total		3,446.9	3,110.1	42,780,302	33,573,603



SECRETARÍA DE MEDIO AMBIENTE
Y RECURSOS NATURALES

**SUBSECRETARÍA DE GESTIÓN PARA
LA PROTECCIÓN AMBIENTAL**

**DIRECCIÓN GENERAL DE GESTIÓN DE LA CALIDAD
DEL AIRE Y REGISTRO DE EMISIONES Y
TRANSFERENCIA DE CONTAMINANTES**

OFICIO DGGCARETC/360/03

México, D.F. a 13 de Octubre de 2003

**DRA. SUELY CARVALHO
JEFA DE LA UNIDAD DEL
PROTOCOLO DE MONTREAL
PNUD
PRESENTE**

Por este conducto envío a usted la versión final del Proyecto de Actualización del Programa País, el cual plantea una estrategia que facilitará el cumplimiento de los compromisos de México con el Protocolo de Montreal, a través de la evaluación de resultados del programa País original, la situación actual del consumo de sustancias agotadoras de la capa de ozono en México y su relación con el sector industrial.

Como es de su conocimiento, este Proyecto será ejecutado por el Programa de las Naciones Unidas para el Desarrollo (PNUD).

Asimismo, de acuerdo con los lineamientos establecidos por el Protocolo de Montreal, solicito a usted de la manera más atenta que el PNUD envíe el Proyecto al Secretariado del Fondo Multilateral, para que éste sea sometido a consideración del Comité Ejecutivo de dicho Fondo en su Reunión 41, a celebrarse en Montreal el mes de diciembre de este año.

Atentamente

**ING. SERGIO SÁNCHEZ MARTÍNEZ
DIRECTOR GENERAL**

C.c.p. Ing. Alberto Cárdenas Jiménez.- Secretario de Medio Ambiente y Recursos Naturales. Presente.
Lic. Francisco Giner de los Ríos.- Subsecretario de Gestión para la Protección Ambiental. SEMARNAT. Presente.
Mtro. José Manuel Bulas Montoro.- Coordinadora de la Unidad de Asuntos Internacionales. SEMARNAT. Presente
Lic. Agustín Sánchez Guevara.- Coordinador de la Unidad de Protección de la Capa de Ozono. SEMARNAT. Presente

EXECUTIVE SUMMARY

This Country Programme Update has the objective of evaluating the results of the original Country Programme, the present country situation with respect to ODS consumption, its related industry structure, and legal and institutional framework. This evaluation should be the basis for developing a Montreal Protocol Compliance Strategy for the country and its associated Action Plan.

In the special case of Mexico, almost all ODS consumption sectors have been or are being covered by sector phase out plans and a few individual projects, which are either under preparation or under implementation. As such, this Country Programme Update is not requesting any additional funds. The Country Programme Update will try to coordinate all the different Sector Phase Out Plans or individual projects into a coherent National Compliance Strategy.

Mexico reported in year 2002 a consumption of 1,943.73 ODP tonnes of CFC, 147.30 ODP tonnes of halons, 0.82 ODP tonnes of CTC, zero ODP tonnes of TCA and 1,067.49 ODP tonnes of methyl bromide. Mexico's total reported consumption of MP controlled ODSs, by sector and substance, for year 2002, is presented in table 2.1.1 below. Mexico's status of compliance with respect to MP control measures for each of these substances is presented in Chapter 1, Section 2.2 of this document.

Table 2.1.1: Mexico's consumption of controlled ODSs for year 2002 in ODP tonnes

Substance	Sector							
	Aerosols	Foams	Fire fighting	Refrigeration Manufacturing	Refrigeration Servicing	Solvents (1)	Methyl Bromide	TOTAL
Annex A, Group I								
CFC11	30.34	192.00		29.66	175.00			427.00
CFC12	10.00	0.00		20.00	1,431.00			1,461.00
CFC113						45.60		45.60
CFC115				0.00	10.13			10.13
Subtotal	40.34	192.00		49.66	1,616.13	45.60		1,943.73
Annex A, Group II								
Halon 1211			147.30					147.30
Annex B, Group II								
CTC (2)						0.82		0.82
Annex B, Group III								
Methyl chloroform						0.00		0.00
Annex E								
Methyl Bromide							1,067.49	1,067.49
TOTAL	40.34	192.00	147.30	49.66	1,616.13	46.42	1,067.49	3,159.34

(1) UNIDO is in charge of the project "Preparation of a sectoral phase-out plan in the solvents sector" but informed in June 2003 that no uses of CFC had been identified in the solvent sector and would request closure of the project in the near future.

(2) UPO has recently informed that this reported consumption of CTC is mistaken, since CTC is only used as feedstock for CFC production. This error will be corrected in the report to the Ozone Secretariat.

The only ODS producer in Mexico at present is Quimobasicos, who also exports part of its production to other countries. It only produces CFC11, CFC12, and HCFC22. Mexico reported for year 2002 the production of 758 metric tonnes of CFC11, 4,895 metric tonnes of CFC12, and 4,947 metric tonnes of HCFC22, for a total production of 10,600 metric tonnes of ODSs.

Mexico's approach for implementing ODS phase out has been one of tight collaboration with industry, and strong industry support in terms of technical and financial assistance, mainly to individual enterprises, while making few but key adaptations to the legal framework in order to promote and support ODS phase out.

This approach, in addition to the phase out achieved through MF projects, has enabled the country to reduce its overall ODS consumption by 79 per cent, and comply with its MP CFC 2002 and 2005 obligations, well in advance of the required date, and achieve complete phase out of MCF, also quite in advance of the required date. Mexico is also in compliance with the 2002 MB freeze obligation under the MP. All of these achievements exceed what was expected through the sole assistance from the MF. This proves the success of the Government's strategy for the implementation of the Country Programme for the Phase out of ODSs.

But Mexico has not been able to achieve compliance with the 2002 MP halons freeze obligation, and needs to reduce the consumption of 85.00 ODP tonnes of halons before year 2005, in order to be in compliance with the 2005 MP halons reduction obligation. Mexico will also need to reduce a total of 1,249.98 ODP tonnes of CFC before year 2007 in order to be able to meet the 2007 MP CFC reduction obligation, and will need to reduce its MB consumption by approximately 162.85 ODP tonnes before year 2005, in order to comply with the 2005 MP reduction obligation.

Another challenge facing the country in the coming years (The MP compliance period) is the fact that all major enterprises have already been converted, and remaining ODS-using enterprises are SMEs, many of them informal and very small companies. The situation is even more challenging in the refrigeration sector where almost all ODS consumption is concentrated in the servicing sector, with a big bank of installed ODS-using equipment, with very long remaining useful lifetime.

The Government is well aware of, and acting on these challenges, and has already embarked on terminal sector phase out plans for the foams and halons sectors, and is preparing similar plans for the aerosol, fumigants and refrigeration-servicing sectors.

The Government's National Compliance Strategy for the next few years will then concentrate on complete sector phase out plans rather than individual enterprise projects, integrated in a coherent national strategy based on:

- Providing financial and technical assistance for ODS phase out to the private ODS consuming sector, through sector phase out plans,
- Implementing an aggressive schedule for reduction of CFC production,
- Promoting, supporting and upholding phase out initiatives, by formalizing and strengthening the ozone regime legal framework,

- Increasing industry and public awareness and information on the Country's obligations under the Montreal Protocol, the initiatives being implemented within the National Compliance Strategy, and how the general public and the industry can support these initiatives.

The National Compliance Strategy will be implemented through a National Compliance Action Plan (NCAP) consisting of the following sector phase out plans and individual projects, some of them already approved and being implemented, and others being prepared at the moment:

- Terminal Project for Conversion of Industrial Aerosols
- Foam Sector ODS Phase out Plan
- National Halon Management and Banking Programme
- Terminal Project for National Phase out of Methyl Bromide
- Refrigeration Sector CFC Phase Out Plan
- Chiller Concessional Lending Pilot Project
- Sterilization Group Project to replace CFC-based sterilization equipment by alternative technologies in the hospital medical sterilization sector
- Sector Plan for Phasing out CFC in the Production Sector

The table below summarizes the highlights of the sector phase out plans and projects within the Action Plan.

Sector	Project	Impact (1) (ODP t.)	Funds (2) (US\$)	Status
Aerosol	Terminal Project for Conversion of Industrial Aerosols	70.37	NA	Under preparation
Foams	Foam Sector ODS Phase out Plan (3)	145.00	833,150	Approved at 35th Executive Committee Meeting
Fire fighting	National Halon Management and Banking Programme	230.00	500,000	Approved at 35th Executive Committee Meeting
Fumigant	Terminal Project for National Phase out of Methyl Bromide	1,067.00	10,702,198	Submitted to 41st Executive Committee Meeting
Refrigeration	Refrigeration Sector CFC Phase Out Plan	1,669.00	10,168,056	Submitted to 41st Executive Committee Meeting
	Chiller Concessional Lending Pilot Project	5.00	565,000	Approved at 28th Executive Committee Meeting
Sterilants	Sterilization Group Project in the hospital medical sterilization sector	14.50	288,700	Approved at 40th Executive Committee Meeting
Sub-total		3,200.87	23,057,104	
Production	Sector Plan for Phasing out CFC in the Production Sector (4)	5,653.00	31,850,000	Approved at 40th Executive Committee Meeting

NA: Not available at the moment

(1) To be phased out as per approval or proposal, as applicable

(2) Approved or to be requested (approximately), as applicable

(3) Funds and phase out for first phase only. Total expected reduction for the whole plan is 543.40 ODP tonnes

(4) Total CFC production for year 2002. Funding for first tranche is US\$ 5.3 million

As all the funds for the different sector phase out plans and individual projects have been or are being requested separately, no further funds are being requested under this Country Programme Update.