



**Programa de las Naciones
Unidas para el Medio
Ambiente**

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COMITÉ EJECUTIVO DEL FONDO MULTILATERAL
PARA LA APLICACIÓN DEL
PROTOCOLO DE MONTREAL
Cuadragésima Primera Reunión
Montreal, 17 al 19 de diciembre de 2003

PROPUESTA DE PROYECTO: INDIA

Este documento contiene los comentarios y las recomendaciones de la Secretaría del Fondo sobre la propuesta del siguiente proyecto:

Espuma

- Plan sectorial de eliminación de CFCs en el sector de espuma (segundo tramo) PNUD

Eliminación

- Plan de eliminación del consumo y producción de CTC: plan anual de 2004 Banco Mundial

Refrigeración

- Plan de eliminación de CFCs en el sector de fabricación de refrigeración (segundo tramo) PNUD/ONUDI

DESCRIPCION DEL PROYECTO

1. El PNUD presentó a la 41ª Reunión, a nombre del Gobierno de la India, una solicitud para la liberación de una suma de \$EUA 1 750 000 y \$EUA 153 500 como gastos de apoyo del financiamiento para el programa anual de ejecución 2003-2004 (segundo tramo) del plan de eliminación por sector de CFCs para el sector de espuma (en India). El documento consiste de:

- Informe acerca de la ejecución de los programas anuales 2002-2003; y
- Plan anual de ejecución para CY 2004 (Tramo 2).

Antecedentes

2. El Plan de Eliminación por Sector de CFC en el Sector de Espuma de la India fue aprobado en la 37ª Reunión del Comité Ejecutivo en julio del 2002 con un valor total de \$EUA 5 900 789 incluyendo gastos de apoyo del organismo de \$EUA 476 212 aprobados en principio para la eliminación de 1 655,0 toneladas PAO. EL Plan será ejecutado en cinco fases (tramos) a partir del 2002-2006. El primer tramo de \$EUA 1,5 millones con costos de apoyo del organismo de \$EUA 131 000 fue aprobado en la 37ª Reunión en julio 2002, con una eliminación esperada de 221 toneladas PAO de CFC.

3. Los límites de consumo CFC acordados y las metas de reducción así como el cronograma de desembolsos del acuerdo se muestran en la tabla a continuación.

Tabla 1: Cronograma de Desembolsos y Metas de Control para el Consumo/Eliminación de CFC en el Sector de Espuma en India

Parámetro	2002	2003	2004	2005	2006	2007	Total
Límite de consumo anual de CFC en el Sector de Espuma (PAO MT)	1 655	1 434	1 037	529	128	0	N/A
Meta de eliminación anual de CFC en el Sector de Espuma (PAO MT)	221	397	508	401	128	0	1 655
Total Cuota Anual de Financiamiento (\$EUA)*	1 500 000	1 750 000	1 500 000	450 000	224 577	0	5 424 577
Costos de Apoyo del Organismo (\$EUA)	131 000	153 500	131 000	40 500	20 212	0	476 212
Costo total para el Fondo Multilateral (\$EUA)	1 631 000	1 903 500	1 631 000	490 500	244 789	0	5 900 789

*Incluye gastos de apoyo para políticas y administración de \$EUA 100 000 para cada uno de los años entre 2002-2004.

4. La liberación de fondos para la ejecución de programas del plan está sujeta a lo siguiente:
- a) Confirmación indicando que se han logrado las metas de consumo límite para el año anterior especificadas en la Tabla 1 y las metas asociadas con la eliminación.
 - b) Verificación indicando que las actividades planificadas para el año anterior se llevaron a cabo en conformidad con el programa anual de ejecución.

5. El Gobierno de India también acordó, entre otros, permitir que se lleven a cabo auditorías independientes de verificación, en conformidad con lo acordado en este acuerdo, un examen a mediados del período de ejecución a ser llevado a cabo como parte del programa anual de trabajo de supervisión y evaluación del Fondo Multilateral, y adicionalmente una evaluación externa según las instrucciones del Comité Ejecutivo, para verificar que los niveles de consumo anual de CFC corresponden a aquellos acordados, y que la ejecución del Plan de Eliminación del Sector de Espuma se lleve a cabo según lo programado y acordado en los programas anuales de ejecución.

Informe del Programa de Ejecución 2002 - 2003

6. El siguiente es un resumen de los logros del Programa de Ejecución reportado por el PNUD para el 2002 – 2003:

- a) Las actividades preparatorias se iniciaron con la recepción del primer tramo de \$EUA 1 500 000 en agosto 2002, luego de un acuerdo entre el PNUD y el Ministerio del Medio Ambiente y Forestación para adoptar una modalidad directa de ejecución del proyecto de eliminación en el sector de espuma y finalmente la suscripción del documento del proyecto el 3 de junio 2003 por todas las partes.
- b) Se seleccionaron veintiocho empresas en base al tipo de espuma que fabrican. Emergieron tres grupos de empresas: espuma rígida corriente (5 empresas); espuma rígida para termos (12 empresas); y espumas moldeadas flexibles/espuma de revestimiento integral (11 empresas);
- c) Con respecto a la adquisición de equipo, el PNUD y el Ministerio del Medio Ambiente y Forestación observaron los procedimientos estándar y esperan emitir órdenes de compra para el suministro del equipo en noviembre del 2003.
- d) El administrador del programa de la Unidad del Plan de Eliminación por Sector fue designado por PNUD en colaboración con el Ministerio del Medio Ambiente y Forestación el 10 de junio de 2003. Dos funcionarios adicionales de apoyo serán reclutados en noviembre de 2003.
- e) El PNUD y el Ministerio del Medio Ambiente y Forestación realizaron visitas iniciales a las 28 empresas seleccionadas en agosto de 2003 para verificar la base de referencia. Se proyectan futuras visitas para verificar la base de referencia.
- f) Durante el 2002 y 2003 el Ministerio de Medio Ambiente y Forestación se dedicó implacablemente a hacer cumplir las regulaciones del ozono y difundió información al público en relación con el compromiso del Gobierno de India y sus obligaciones de conformidad con el acuerdo suscrito con el Comité Ejecutivo para la eliminación de CFCs.
- g) India sobrepasó las metas de eliminación de CFC fijadas para el 2002 y 2003, respectivamente, con la eliminación de 260,15 toneladas PAO (meta 221,0 toneladas PAO) y 446,86 toneladas PAO (meta 397,00 toneladas PAO) en 2002 y 2003, respectivamente.

Verificación de la eliminación de CFC y del consumo de CFC

7. El PNUD no proporcionó una verificación a través de una auditoría acerca de los montos de CFC eliminados en 2002 o el consumo de CFC en India en el sector de espuma en 2002. Sin embargo, el informe del programa de ejecución 2002-2003 proporciona listas de compañías y cantidades de CFC que éstas eliminaron en 2002 y 2003.

Programa Anual de Ejecución para 2004

8. Un monto total de \$EUA 1 750 000 y \$EUA 153 500 en costos de apoyo al PNUD fueron solicitados y liberados para la ejecución del segundo tramo.

9. Las metas del plan son eliminar en el 2004, 279 toneladas PAO de CFCs en 28 empresas del primer tramo, que representa 55% de la meta anual de eliminación de CFC de las 508 toneladas PAO para el Sector de Espuma.

10. Continuará la coordinación y monitoreo de proyectos en curso, y se llevarán a cabo visitas de verificación de la base de referencia a empresas y un taller técnico para empresas receptoras.

11. También se iniciarán actividades de eliminación en 33 empresas y se fijará su duración para asegurar que su conclusión en efecto represente el 50% de la reducción de CFC para el 2005.

12. El Programa Anual de Ejecución para el 2004 y el informe acerca del Programa Anual para el 2003 están adjuntos a este documento.

COMENTARIOS Y RECOMENDACIONES DE LA SECRETARIA**COMENTARIOS**

13. India reportó un consume de 3 917,7 toneladas PAO para el 2002 de las cuales 1.536,6 toneladas PAO fueron eliminadas en proyectos en marcha el 2002, sobrepasando la meta acordada de 221,0 toneladas PAO.

14. El informe también mostró que a octubre 2003 ocho proyectos llegaron a su conclusión en conformidad con el plan para el 2003, eliminando 446,86 toneladas PAO sobrepasando la meta de 297,0 toneladas PAO en aproximadamente un 50%. El Gobierno esperaba que se eliminen 481,0 toneladas PAO hasta fines de noviembre del 2003, fecha en la que se esperaba que todos los proyectos en el plan para el 2003 fuesen concluidos.

15. Las cantidades de CFC eliminadas en proyectos y el consumo de CFC reportado a la Secretaría del Ozono no fueron verificadas mediante una auditoría independiente.

16. Pese a que el programa de ejecución para el 2004 incluye como acción propuesta por el Gobierno, una verificación a nivel empresas de la base de referencia y eliminación de CFC, el programa no tiene prevista una verificación independiente mediante auditoría.

17. En el párrafo 3 del Acuerdo para el plan de eliminación del sector de espuma en India se estipula que “el Comité Ejecutivo se esforzará para asegurarse que se proporcionen fondos en la segunda reunión del Comité Ejecutivo del año anterior”, sugiriendo un ciclo de medio año a medio año para el financiamiento y la presentación de informes. Sin embargo, el Gobierno de India está solicitando

financiamiento a fin de año (con una demora de seis meses). Se solicitó al PNUD que aclare esta situación.

18. El PNUD señaló que el Gobierno de India no solicitó la presentación de un informe de progreso para la 40ª Reunión en julio 2003, pero si lo hizo para la 41ª Reunión en diciembre de 2003. Por lo tanto, UNEP tiene entendido que mientras que todos los cronogramas de eliminación para un año dado sean llevados a cabo de conformidad con el plan, los informes de progreso y solicitudes de financiamiento del próximo tramo siempre serán presentados en la última reunión del Comité Ejecutivo de ese año. En el caso de India, una de las ventajas para la presentación de los informes de planes por sector al finalizar el año, es que facilita realizar una conciliación total de los datos del plan por sector con los informes oficiales de datos presentados a la Secretaría del Ozono y a la Secretaría del Fondo.

19. El monto de \$EUA 1 750 000 y costo de apoyo del organismo asociado de \$EUA 153 500 solicitados para la ejecución del programa anual de ejecución 2003 – 2004 para el plan de eliminación del sector de espuma en India, de conformidad con el Acuerdo.

RECOMENDACIONES

20. El Comité Ejecutivo desearía:

- a) Considerar la solicitud de India respecto al pago de las sumas indicadas en el párrafo 19 precedente a la luz de los comentarios de la Secretaría;
- b) Tomar nota de los cambios en el ciclo de la solicitud de financiamiento descrito en los comentarios de la Secretaría en los párrafos 17 y 18 precedentes;
- c) Solicitar al PNUD que adopte las disposiciones necesarias en el programa de ejecución anual 2003 – 2004 para el desarrollo de una metodología que pueda ser utilizada por un auditor independiente para verificar los límites de consumo del 2003 y de años subsiguientes, de conformidad con el acuerdo de un plan de eliminación de CFC en el sector de espuma.

**ELIMINACIÓN DEL CONSUMO Y DE LA PRODUCCIÓN DEL
TETRACLORURO DE CARBONO (CTC) EN INDIA
PROGRAMA ANUAL 2004**

Descripción del Proyecto

Antecedentes

21. En su 40ª Reunión, celebrada en julio de 2003, el Comité Ejecutivo decidió aprobar en primera instancia un total de \$EUA 52 millones para ayudar a India a cumplir con el calendario de control del Protocolo de Montreal para la producción y el consumo de tetracloruro de carbono (CTC) y desembolsó el primer tramo de \$EUA 5 millones en la reunión para empezar la ejecución del proyecto. Al mismo tiempo, el Comité solicitó “al Gobierno de India que prepare, junto con los donantes bilaterales, Alemania, Francia, Japón y el Banco Mundial, en su calidad de organismo de ejecución principal y manteniendo consultas con la Secretaría, lo mismo que los organismos de cooperación, en particular la ONUDI y el PNUMA, un acuerdo detallado sobre la ejecución de este plan de eliminación del tetracloruro de carbono y un programa de trabajo anual para el año 2004 que será examinado durante la 41ª Reunión del Comité Ejecutivo”. Además, el Comité solicitó que “India y el Banco Mundial presenten un informe a la 41ª Reunión del Comité Ejecutivo, relativo a las discrepancias manifestadas sobre el nivel de importaciones de tetracloruro de carbono”.

22. Por consiguiente, el Banco Mundial está presentando el proyecto de Acuerdo, el programa de trabajo para 2004 y el informe sobre las importaciones de CTC en 2001, que se adjuntan al presente documento.

El Proyecto de Acuerdo

23. El proyecto de Acuerdo utiliza el formato tipo de las directrices aprobadas por la Decisión 38/65. Incluye los objetivos máximos admisibles para la producción y el consumo de CTC para usos controlados entre 2005 y 2010, los fondos anuales que habrán de recibirse del Comité Ejecutivo y las probables sanciones en caso de no cumplir con los objetivos. Asimismo, incluye el compromiso de India de no solicitar más financiación para eliminar la producción o el consumo de CTC, incluido todo uso que las Partes podrían reclasificar de las actuales materias primas en uso controlado. El proyecto de Acuerdo discute el papel y la responsabilidad del Banco Mundial en su calidad de organismo principal y los socios bilaterales Alemania, Francia y Japón. Explica las verificaciones independientes que habrán de realizar los organismos ejecutores como requisito previo para el desbloqueo de los tramos anuales de financiamiento.

El Programa de Trabajo para 2004

24. El programa de trabajo para 2004 incluye un breve informe sobre el programa de trabajo para 2003 y las actividades propuestas para ser realizadas en 2004.

25. El informe sobre el progreso logrado en la ejecución del programa de trabajo para 2003 incluye una meta estimada del consumo de CTC, pero no incluye una meta para la producción de CTC. Sin dar detalles sobre los nombres y números de empresas, dice que existe un plan para usar algunos de los fondos aprobados en 2003 para apoyar la conversión de empresas que consumen CTC en el sector de agentes de procesos. El informe de progreso discute el proceso que está siguiendo India para concluir acuerdos con el Banco Mundial y otros organismos bilaterales para aplicar el plan por sector. El Gobierno celebró dos talleres con los interesados para informarles sobre el plan por sector de CTC y el calendario de eliminación e instar a las partes interesadas a planear su eliminación y sacar provecho de la donación.

El presupuesto de 2003 se asigna entre 5 partidas de actividades, eliminación gradual en el sub-sector de caucho clorado, parafina clorada, productos farmacéuticos, el sector de solventes y establecimiento de una dependencia de gestión de proyectos. El Banco Mundial está solicitando la aprobación de \$EUA 3 520 843 para el programa anual de 2003 en la 41ª Reunión, además de los \$EUA 5 millones desembolsados en la 40ª Reunión. El costo de apoyo vinculado al segundo desembolso es de \$EUA 264 063.

26. El programa de trabajo para 2004 no incluye ningún objetivo ni para el consumo ni para la producción de CTC. En el sector de agentes de procesos, se invitará a las industrias a solicitar asistencia en donaciones para la conversión con miras a eliminar 1 243 toneladas PAO para fines del año 2005. En lo que respecta al uso de CTC como solventes para la limpieza química y de metales, se señala que India trabajará con el Banco Mundial y Japón para eliminar cerca de 1 100 toneladas PAO de CTC para fines de 2005. No se proporcionan más detalles.

27. En 2004 se ejecutarán cinco actividades bajo asistencia técnica, incluido el establecimiento de la dependencia de gestión de proyectos, la elaboración de un programa público de extensión, la formulación de una estrategia de creación de capacidad para brindar asistencia al desarrollo de alternativas al CTC, el establecimiento de un sistema de gestión de la información y la búsqueda de oportunidades de transferencia de tecnología para los productores de CTC. Bajo acciones del gobierno, el programa de trabajo prevé la ejecución de siete actividades, incluyendo emplear incentivos fiscales para promover alternativas sin SAO, estudiar cuotas de importación para CTC, preparar la introducción de cuotas de producción de CTC para usos sin materia prima en 2005 y anunciar la prohibición del consumo de CTC en aplicaciones de caucho clorado y parafina clorada en 2004.

28. Para el programa de trabajo para 2004, el Banco Mundial solicita \$EUA 13.380.112, que se desglosa en \$EUA 8 880 112 (costo de apoyo \$EUA 666 008) para el Banco Mundial, 1 000 000 (costo de apoyo \$EUA 85 000) para Francia, 1 000 000 (costo de apoyo \$EUA 85 000) y 2 500 000 (costo de apoyo \$EUA 280 000) para Japón. El presupuesto para 2004 se asigna entre conversiones industriales, apoyo a la dependencia de gestión de proyectos y asistencia técnica.

Informe sobre las importaciones de CTC en 2001

29. Existe una diferencia significativa entre el plan de eliminación por sector de CTC del Banco Mundial y el informe final sobre la auditoria técnica de los datos de importación de CTC por India en el año 2001. Por consiguiente, el Comité Ejecutivo solicitó que India y el Banco Mundial presenten un informe a la 41ª Reunión del Comité Ejecutivo, relativo a las discrepancias manifestadas sobre el nivel de importaciones de tetracloruro de carbono. Al respecto, si se observase que las importaciones de CTC en el año 2001 fueron inferiores en más de 10 por ciento al nivel de 24 661 toneladas métricas consignado en el plan por sector, la cuantía de \$EUA 52 millones se reduciría en el equivalente a la diferencia de tonelaje entre la cifra de 24 661 toneladas métricas y la cifra de importaciones reales a razón de \$EUA 2 000 por tonelada.

30. Según el informe, el Gobierno de India había recolectado conocimientos de embarque y declaraciones de ingreso de los productores de CTC, usuarios de CTC e importadores. Cuando ninguno de estos instrumentos estaba disponible, se recolectaron los registros del puerto de Kandla, porque la mayoría de los envíos de CTC pasaban por ahí. Accediendo a pedidos de información sobre el estado oficial de estos conocimientos de embarque y declaraciones de ingreso, el Banco Mundial informó que los conocimientos de embarque fueron presentados al Servicio de Aduana en calidad de documentos comprobatorios, como parte del proceso de despacho aduanero de las importaciones, y que las declaraciones de ingreso son documentos emitidos y respaldados por la Aduana. Teniendo esto en cuenta, el informe concluyó que las importaciones comprobadas de CTC en 2001 fueron 23 006,94 toneladas

métricas, que es inferior en menos de 10 por ciento al nivel de 24.661 toneladas métricas consignado en el plan por sector. El Banco Mundial considera que, por consiguiente, habría que mantener el nivel de financiamiento de \$EUA 52 millones.

Comentarios de la Secretaría

31. La Secretaría proporcionó extensos comentarios sobre la presentación del Banco Mundial. Los comentarios que figuran a continuación tienen en cuenta las respuestas del Banco Mundial.

Proyecto de Acuerdo

32. En el párrafo 2, el proyecto de Acuerdo afirma “Los objetivos anuales de eliminación corresponderán, como mínimo, a los calendarios de reducción encargados por el Protocolo de Montreal, *salvo en la medida en que los objetivos de desempeño estén de acuerdo con la respuesta de la Reunión de las Partes a la Decisión 37/20 (a) del Comité Ejecutivo*”. La Secretaría entiende que la cláusula de excepción significa que si India no puede cumplir con las medidas de control del Protocolo de Montreal y la Reunión de las Partes decide, a través de su Comité de Aplicación, un plan de acción que es diferente a los objetivos de desempeño del Acuerdo, el calendario del plan de acción se convertirá automáticamente en las metas de desempeño del Acuerdo, sin deliberación ni decisión por el Comité Ejecutivo.

33. Si la Secretaría ha comprendido el significado deseado de la cláusula de excepción, esta cláusula no guarda conformidad con las decisiones de la XV Reunión de las Partes para tratar situaciones de incumplimiento. Específicamente, en ambos casos de incumplimiento con el Protocolo de Montreal por parte de Uganda y Guatemala, las Partes han tomado nota del plan de acción propuesto por cada Parte “sin perjuicio de la operación del mecanismo del Protocolo de Montreal sobre financiamiento”. Por lo tanto, le toca al Comité Ejecutivo decidir las acciones que habrán de tomarse respecto del acuerdo entre el Comité y la Parte de que se trate. Teniendo en cuenta este precedente, la Secretaría considera que la cláusula de excepción debe ser eliminada del proyecto de Acuerdo.

34. La producción de CTC en India más las importaciones se utilizan como materia prima para producir CFC y el producto químico intermedio cloruro de ácido DV (más de 90 por ciento de la producción total) y para usos no como materia prima en el sector de solventes y agentes de proceso (menos de 10 por ciento del total). El uso como materia prima para la producción de CFC está disminuyendo con el avance de la eliminación de las producciones de CFC. Por consiguiente, se producirá una liberación creciente de capacidad de producción de CTC que actualmente se emplea en la producción de CFC como materia prima. Para todas las partes, incluyendo el Gobierno de India, será un desafío asegurar que esa capacidad sobrante no se desvíe al uso no como materia prima. Por lo tanto, si bien la producción y el consumo de CTC como materia prima no es un uso controlado bajo el Protocolo, para poder supervisar la producción y el consumo de CTC para usos controlados, es imprescindible supervisar tanto la producción total de CTC (más importaciones) como el desglose del consumo entre usos como materia prima y usos no como materia prima. Esto permitirá conciliar la producción total de CTC entre las diferentes categorías de uso. El Banco Mundial dijo que pensaba supervisar la producción de CTC para usos como materia prima y no como materia prima dentro del marco de supervisión y presentación de informes, pero que no deseaba incluir niveles de control en el Acuerdo. La Secretaría opina, sin embargo, que estas cifras son críticas para permitir una supervisión adecuada de la aplicación del Acuerdo y que deberían especificarse claramente en el mismo.

35. Para supervisar y asegurar que el objetivo de eliminación en 2005 efectivamente se cumpla, también es importante supervisar la producción y el consumo efectivos de CTC en 2003 y 2004. Se deben establecer metas reales de producción y consumo para esos años. No resulta apropiado utilizar el consumo básico de referencia como única meta. Además, en los dos años 2003 y 2004, se desembolsará un total de

casi \$EUA 24 millones del Fondo Multilateral, que debe estar acompañado por metas de reducción y límites de producción mensurables.

36. Por lo tanto, habrá que modificar el cuadro de Metas y Financiamiento del Anexo 2-A del Acuerdo para agregar la suma de producción e importaciones de CTC máxima admisible y el desglose de consumo entre usos de materia prima y usos no de materia prima para solventes y agentes de proceso e información para los años 2003 y 2004, a efectos de facilitar la supervisión y la comparación. Esto se hizo en el acuerdo de CTC con China y ha demostrado ser imprescindible para la supervisión. Habría que hacer lo mismo en este Acuerdo. Por consiguiente, el Anexo 2-A del Acuerdo debe ser modificado como sigue:

		Consumo básico de referencia/	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.	Suma de producción e importaciones de CTC máxima admisible										
2.	Uso de CTC como materia prima (CFC y cloruro de ácido DV)										
3.	Consumo máximo de CTC admisible en el sector de agentes de proceso										
4.	Consumo máximo de CTC admisible en el sector de solventes										

37. No se proporciona ninguna descripción del sistema que sería introducido para supervisar la aplicación del Acuerdo, aunque en el Anexo 6-A, bajo Funciones del Organismo Principal, se menciona que se elaborarán normas de verificación. Como se ha solicitado al Banco Mundial desarrollar un sistema de supervisión para el plan sectorial de eliminación de CTC en China, el Banco debería coordinar los dos planes y elaborar normas similares para la verificación del desempeño con arreglo a los dos planes.

38. En el plan por sector se propone que \$EUA 2,17 millones de la contribución total de cooperación bilateral con Alemania de \$EUA 3,34 millones serían aprobados durante 2004-2005. Sin embargo, Alemania no incluyó esta asignación en su plan administrativo para 2003-2005. Además, Alemania ha comprometido totalmente sus recursos disponibles para este trienio. El proyecto de Acuerdo propone que Alemania se preste de la asignación bilateral para 2006-08 con miras a cubrir su parte en el plan por sector para el gasto de 2004-05. Esto plantea una serie de cuestiones. En primer lugar, no parece estar de acuerdo con la regla financiera del Fondo Multilateral que estipula "No se contraerán compromisos antes de que se reciban contribuciones" (Mandato del Fondo Multilateral UNEP/OzL.Pro.4/15 Anexo IX). En segundo lugar, si se agrega la suma propuesta de \$EUA 2,17 millones al gasto de Alemania para 2003-05, sin ajustar su plan administrativo para 2003-05, Alemania excederá 20 por ciento de sus contribuciones para el trienio. En tercer lugar, no es posible calcular el nivel de recursos del programa bilateral alemán para 2006-08 sin conocer el nivel de reposición del próximo trienio. En vista de lo anterior, el Acuerdo debería reconsiderar la contribución propuesta de \$EUA 2,17 millones de Alemania para los presupuestos anuales de 2004-05 de manera que exista una provisión para cubrir cualquier déficit de no procederse con la contribución bilateral propuesta de Alemania.

39. En su calidad de organismo principal, es importante que el Banco Mundial se asegure que se elaboren normas y criterios uniformes y se los siga a la hora de verificar el desempeño de todos los

organismos de ejecución involucrados en el plan por sector. Por lo tanto, habría que aclarar aún más el sub-párrafo (j) del Anexo 6-A para que rece “Elaborar criterios y normas uniformes para ser utilizados por todos los organismos de ejecución involucrados en el plan por sector a la hora de verificar el desempeño en lograr los objetivos”.

40. Cabe destacar que el costo de apoyo total para el plan por sector ha aumentado de \$EUA 3,9 millones (a 7,5 por ciento) para la ejecución del Banco Mundial, a \$EUA 4 315 000 (a 8 por ciento) para la ejecución conjunta por el Banco Mundial y los organismos bilaterales. Los organismos bilaterales aplican 11 por ciento sobre el costo de apoyo.

Programa de Trabajo Anual para el año 2004

41. Los cuadros para Datos, Metas y Acción Industrial de las páginas 2 y 3 deben completarse conforme a la revisión solicitada para el cuadro del Anexo 2-A del Acuerdo. Específicamente, se deberían agregar objetivos de reducción de la producción, con un desglose para usos de materia prima y no de materia prima en 2003 y 2004. Para las metas de consumo, deberían incluirse metas separadas para el Banco Mundial y cada uno de los organismos bilaterales para agentes de proceso y solventes para 2003 y 2004.

42. La sección sobre actividades de inversión en 2004 presenta un resumen de cómo se organizará el programa de inversión, pero no hay ningún detalle sobre las actividades específicas que habrán de emprenderse ni hitos que habrán de utilizarse para supervisar el progreso, de no ser que las industrias de agentes de proceso tendrán que registrar interés y justificar el consumo. El programa de trabajo para 2004 es de importancia crucial para aplicar el calendario de control de CTC del Protocolo de Montreal en 2005. Por lo tanto, debería proporcionar información en el plan de ejecución para agentes de proceso, pequeños usuarios de solventes, sobre las actividades vinculadas a la inversión que habrán de llevarse a cabo en 2004 en una forma que pueda utilizarse para establecer el progreso satisfactorio y facilitar el desbloqueo del próximo tramo de financiamiento. Entre los ejemplos estarían el porcentaje de acuerdos que habrán de firmarse con empresas admisibles en cada sub-sector y los detalles de las empresas en las que se iniciarán proyectos de conversión durante el año.

43. El Banco Mundial respondió que ha estado trabajando para concluir un nuevo acuerdo de donación para el plan sectorial desde su aprobación en julio de 2003 y que no podía proporcionar un estimado significativo del nivel de actividades que serían realizadas a nivel de empresa en 2004. Sin embargo, cuando haya que presentar el programa anual para 2004 en la 43ª Reunión del Comité Ejecutivo, según el calendario del Acuerdo, debería haber tiempo y planificación suficientes para incluir este nivel de actividades.

Informe sobre las importaciones de CTC de India en 2001

44. La Secretaría encuentra diferencias significativas en los datos suministrados en la presentación del Banco Mundial y las estadísticas oficiales publicadas por otras fuentes gubernamentales. Por ejemplo, según las estadísticas oficiales del Gobierno de los Estados Unidos de América, en 2001, las exportaciones de CTC a India alcanzaron las 3 190 toneladas métricas, mientras que la presentación del Banco Mundial dice que las importaciones de CTC desde los Estados Unidos fueron de 7 703 toneladas métricas en 2001. La diferencia es 4 513 toneladas métricas y más de 10 por ciento de la cifra declarada de 24 661 toneladas métricas que figura en el plan por sector. El Gobierno de India debería proporcionar datos oficiales para verificar los datos suministrados por los importadores y productores.

Recomendaciones

45. El Comité Ejecutivo pudiera estimar conveniente:
- a) Aprobar la suma adicional de \$EUA 3 520 843 para el programa anual de trabajo para el año 2003 y el costo de apoyo asociado de \$EUA 264 063 para el Banco Mundial.
 - b) Solicitar al Banco Mundial que modifique el proyecto de Acuerdo y lo presente en la 42ª Reunión. Al hacerlo, el Banco Mundial debería:
 - i) eliminar las palabras “salvo en la medida en que las metas de desempeño estén de acuerdo con la respuesta de la Reunión de las Partes a la Decisión 37/20 (a) del Comité Ejecutivo” del párrafo 2 del proyecto de Acuerdo;
 - ii) revisar el cuadro de Metas y Financiamiento del Anexo 2-A del Acuerdo para agregar la suma de producción e importaciones de CTC máxima admisible y el desglose de consumo entre usos de materia prima y usos no de materia prima para solventes y agentes de proceso, y las metas o estimados, según proceda, para 2003 y 2004, a efectos de facilitar la supervisión y la comparación;
 - iii) presentar un sistema de supervisión para el plan por sector de eliminación de CTC en India y asegurar su coordinación con el sistema de supervisión del plan por sector de CTC para China, incorporando normas similares para la verificación del desempeño bajo los dos planes;
 - iv) reconsiderar la contribución de \$EUA 2,17 millones de Alemania para los presupuestos anuales de 2004 y 2005 y adoptar disposiciones para cualquier déficit de las contribuciones alemanas;
 - v) modificar el sub-párrafo j) del Anexo 6-A para que rece “Elaborar criterios y normas uniformes para ser utilizados por todos los organismos ejecutores involucrados en el plan por sector a la hora de verificar el desempeño en lograr las metas”.
 - c) Pedir al Banco Mundial que revise el programa de trabajo para 2004 y lo vuelva a presentar en la 43ª Reunión, según lo programado en el proyecto de Acuerdo, y que proporcione:
 - i) los datos pertinentes en los cuadros de Datos, Metas y Acción Industrial de las páginas 2 y 3 conforme a la revisión solicitada en el Anexo 2-A del Acuerdo. Específicamente, se deberían agregar metas de reducción de la producción, con un desglose para usos de materia prima y no de materia prima en 2003 y 2004. Para las metas de consumo, deberían incluirse metas separadas para el Banco Mundial y cada uno de los organismos bilaterales para agentes de proceso y solventes para 2003 y 2004;
 - ii) información en el plan de aplicación para agentes de proceso, pequeños usuarios de solventes, sobre las actividades vinculadas a la inversión que habrán de llevarse a cabo en 2004 en una forma que pueda utilizarse para establecer el progreso satisfactorio y facilitar el desbloqueo del próximo tramo de financiamiento. Entre los ejemplos estarían el porcentaje de acuerdos que habrán

de firmarse con empresas admisibles en cada sub-sector y los detalles de las empresas en las que se iniciarán proyectos de conversión durante el año.

- d) Por último, solicitar al Banco Mundial que presente en la 42ª Reunión los datos de importación de CTC en 2001 publicados por el Gobierno de India para validar los datos recolectados de los productores e importadores de CTC.

**HOJA DE EVALUACION DE PROYECTOS
INDIA**

SECTOR: Refrigeración uso de SAO en el sector (2002): 1.173,0 toneladas PAO

Umbral de relación de costo a eficacia del sub-sector: N/A

Títulos de Proyecto:

a) Plan para la eliminación de CFCs en el sector de fabricación de refrigeración (segundo tramo)

Datos de Proyecto	Fabricación Múltiple	Fabricación Múltiple
Consumo empresarial (toneladas PAO)	1.173	
Impacto del proyecto (toneladas PAO)	141	40
Duración del proyecto (meses)	12	12
Monto inicial solicitado (\$EUA)	476 536	173 200
Costo final del proyecto (\$EUA)		
Costo de capital adicional (a)		
Costo imprevisto (b)		
Costo de operación adicional (c)		
Costo total del proyecto (a+b+c)	476 536	173 200
Propiedad local (%)		
Componente de exportación (%)		
Monto solicitado para segundo tramo (\$EUA)	476 536	173 200
Costo a eficacia (\$EUA/kg)		
¿Financiamiento de contrapartida confirmado?		
Organismo nacional de coordinación	Célula del Ozono, Ministerio del Medio Ambiente y Forestación	
Organismo ejecutor	PNUD	ONUDI
<i>Recomendaciones de la Secretaría</i>		
Monto recomendado (\$EUA)		
Impacto del proyecto (toneladas PAO)		
Costo a eficacia (\$EUA/kg)		
Costo de apoyo al organismo ejecutor (\$EUA)		
Costo total para el Fondo Multilateral (\$EUA)		

DESCRIPCION DEL PROYECTO

46. A nombre del Gobierno de India, el PNUD ha sometido el Informe de Progreso Anual acerca de la Ejecución del Plan de Eliminación de CFC en el Sector de Fabricación de Refrigeración en India para el 2003 a la consideración del Comité Ejecutivo. El Plan se aprobó en la 38ª Reunión a un nivel total de financiamiento de \$EUA 3 609 186, a ser desembolsado en tres tramos. Este plan completaría la eliminación de CFCs en el sub-sector de fabricación de refrigeración (Mfg) en India hasta el 1 de enero 2007. El Plan será ejecutado por dos organismos; el PNUD como organismo principal y ONUDI. El componente del Plan ejecutado por ONUDI cubre la eliminación en el sub-sector de unidades de transporte refrigerado y el otro componente del plan ejecutado por el PNUD cubre todos los otros sub-sectores del sub-sector de fabricación de refrigeración, excluyendo el sector de unidades de transporte refrigerado.

47. El Plan de Eliminación se ejecuta mediante cuatro programas anuales de ejecución y juntamente con la ejecución de proyectos aprobados en marcha, y dará como resultado la eliminación definitiva de CFCs en el sub-sector de fabricación de refrigeración en India en cuatro años. El desglose del total de fondos aprobados es como sigue:

Componente de Inversión (incluyendo imprevistos):	\$EUA 2 675 986 (porción del PNUD)
Componente de Inversión (incluyendo imprevistos):	\$EUA 673 200 (porción del PNUD)
Componente de Políticas/Administración	\$EUA 260 000
Total:	\$EUA 3 609 186

48. El primer tramo de \$EUA 2 000 000 fue recibido por el PNUD en enero 2003.

Informe de Progreso

49. Se adjunta a este documento el informe de progreso para el 2003. A continuación se presenta un resumen del progreso logrado.

- El PNUD y el Ministerio del Medio Ambiente y Forestación llegaron a un acuerdo respecto al Mecanismo Operativo de Ejecución (OMI) que delinea las responsabilidades de las diferentes partes interesadas.
- El documento de la primera fase del PNUD que cubre el primer tramo de \$EUA 2 000 000 fue preparado y presentado al Ministerio del Medio Ambiente y Forestación en marzo de 2003. El documento fue firmado por todas las partes el 3 de junio de 2003.
- La primera lista de 10 empresas medianas y 103 SMEs, que participaran en la primera fase del programa fue aprobada provisionalmente por el Ministerio del Medio Ambiente y Forestación en septiembre 2003. Al concluir todas las actividades en estas empresas (2004-2005), la eliminación de CFC contribuiría con aproximadamente 300 toneladas PAO a las metas anuales de eliminación de CFC para 2004-2005.
- Una vez que las bases de referencia de las empresas, actualmente en marcha, sean verificadas por el Ministerio del Medio Ambiente y Forestación, el Ministerio del Medio Ambiente y Forestación aprobará definitivamente la participación de estas empresas en el Plan y las presentará al PNUD.
- El mecanismo de participación de empresas en el sub-sector de unidades de transporte refrigerado (el componente de ONUDI en el Plan) está siendo examinado por ONUDI y MOEF.

- El PNUD ha preparado las especificaciones técnicas para equipo de refrigerantes a ser adquiridos para el primer grupo de empresas en octubre 2003. Se ha emitido una licitación internacional para el equipo de refrigerantes.
- El Ministerio del Medio Ambiente y Forestación continuó ejerciendo esfuerzos para la ejecución y cumplimiento de los reglamentos del ozono por el Gobierno de India, aprobados en enero 2000. Se difundió información acerca del Plan de Eliminación por Sector a los encargados de formular políticas y a las partes interesadas del Gobierno. El Comité Directriz ha sido informado y tiene pleno conocimiento de los compromisos y obligaciones emergentes del acuerdo entre el Gobierno de India y el Comité Ejecutivo del Fondo Multilateral, relacionados con el Plan de Eliminación por Sector.

Metas de Reducción de CFC

50. En conformidad con el Acuerdo aprobado en la 38ª Reunión, el consumo de CFC en el sector de refrigeración comercial en India debe reducirse de 1 372 toneladas PAO en 2002, a 1 173 toneladas PAO en 2003, mediante la ejecución de proyectos en curso. En conformidad con los informes de progreso presentados por los organismos ejecutores, se han concluido seis proyectos en el sector de refrigeración con la eliminación de 468,1 toneladas PAO.

51. La meta anual de eliminación de CFC para 2003 es 250 toneladas PAO, que se logrará mediante la conclusión de proyectos en curso. Hasta noviembre 2003 se logrará la eliminación de 262,70 toneladas PAO a través de la conclusión de cinco proyectos actualmente en marcha ejecutados por el PNUD, por lo tanto, se ha sobrepasado la meta anual de eliminación CFC para el 2003 y se asegura el logro del límite de consumo de CFC para 2004.

Programa Anual de Ejecución 2004

52. Las actividades que se describen en el programa anual de ejecución para 2004 conducirán a la eliminación de aproximadamente 190 toneladas PAO de CFC a su conclusión en 2004. Este logro sobrepasa la meta anual de eliminación de CFC para 2004 del Plan para el Sector de Refrigeración (Mfg) de 140 toneladas PAO asignadas por el PNUD. La meta general de eliminación para el Sector en el 2004 (368 toneladas PAO) sería lograda a través de la conclusión de proyectos en curso individualmente aprobados (187 toneladas PAO) a través de la eliminación de empresas inadmisibles aplicando controles y reglas de cumplimiento (1 tonelada PAO), y eliminación mediante actividades ejecutadas por ONUDI en el sub-sector de unidades de transporte refrigerado (40 toneladas PAO).

53. Las actividades iniciadas para las 63 empresas en 2004 se estima que llevará a una eliminación de aproximadamente 80 toneladas PAO, por tanto, contribuyendo a la meta del Plan de eliminación de CFC con cerca de 85% (108 toneladas PAO) para 2005.

COMENTARIOS Y RECOMENDACIONES DE LA SECRETARIA

COMENTARIOS

54. Del informe de progreso se infiere que hasta la fecha no se han logrado resultados tangibles en la ejecución del componente de unidades de transporte refrigerado asignadas a ONUDI. Como organismo principal el PNUD, aclaró que ONUDI ha sostenido reuniones con el Ministerio del Medio Ambiente y

Forestación acerca de la ejecución y modalidad para ejecutar la parte del plan relacionada con el sub-sector de unidades de transporte refrigerado. Hasta diciembre 2003 deberían quedar resueltas las dificultades existentes y se realizarán todos los esfuerzos para acelerar la ejecución a partir de principios del 2004 para subsanar las demoras incurridas.

55. Las modalidades de ejecución según lo señalado en el Plan estipulan que PNUD llevaría a cabo una auditoria anual independiente para verificar los niveles de consumo de CFC, incluyendo muestreos y visitas al azar. El componente de política y administración también incluye el establecimiento y operación de un mecanismo descentralizado para la supervisión y evaluación de los resultados del Plan, en asociación con órganos provinciales reguladores del medio ambiente para garantizar la sostenibilidad del mismo. La Secretaría llamó la atención del PNUD señalando que el informe de progreso no indica actividades relacionadas con el establecimiento de sistemas de supervisión y auditoria. El PNUD respondió indicando que el PNUD y MOEF sub-contratarán a una entidad independiente el 2004 para que conduzca la verificación de los niveles nacionales de consumo en el sector de refrigeración a través de una auditoria de datos de producción, importación y exportación. También se efectuará una verificación en empresas con proyectos en curso para verificar su base de referencia de nivel de consumo, y asegurarse que en efecto se llevó a cabo la eliminación. Informes más sustantivos acerca de estas actividades se proporcionarán en el informe de progreso-2004.

RECOMENDACIONES

56. El Comité Ejecutivo podría considerar la aprobación del programa anual de ejecución para 2003 y liberar el tramo de financiamiento del 2003, como sigue:

	PNUD (\$EUA)	ONUDI (\$EUA)
Cuotas de financiamiento 2003	476 536	173 200
Costo de apoyo del organismo	43 243	19 052
Total	519 779	192 252

**SECTORAL PHASE-OUT PLAN FOR ELIMINATION
OF CFCs IN THE FOAM SECTOR IN INDIA**

**REPORT ON THE IMPLEMENTATION OF
2002-2003 ANNUAL PROGRAMMES**

Prepared By

**SECTOR PHASE-OUT PLAN UNIT (SPPU),
OZONE CELL/MOEF
AND
UNDP**

**SECTORAL PHASE-OUT PLAN FOR ELIMINATION
OF CFCs IN THE FOAM SECTOR IN INDIA**

Report on 2002-2003 Implementation Programmes and Request for 2003 Funding Tranche
(As of 15 October 2003)

1. Background

The Sector Phase-out Plan for Elimination of CFCs in the Foam Sector in India was approved at the 37th Meeting of the Executive Committee of MLF, at a total funding level of US\$ 5,424,577, to be provided in five annual tranches, leading up to the complete phase-out of CFCs in the Foam Sector in India by 01 January 2007.

The Phase-out Plan will be implemented through four annual implementation programmes and together with the implementation of the approved ongoing projects, will result in the complete phase-out of CFCs in the Foam Sector in India in four years. The Phase-out Plan will cover the technology conversions in all the remaining eligible enterprises in the Foam Sector and also ensure timely, sustainable and cost-effective phase-out in the Foam Sector through a combination of investment, technical support and management components.

The breakdown of the approved overall funding was as below:

Investment and Technical Assistance Components:	US\$ 5,124,577 (including contingencies)
Policy and Management Support Component:	US\$ 300,000
Total:	US\$ 5,424,577

The disbursement schedule and annual CFC consumption and phase-out control targets, in accordance with the Agreement between Government of India and the Executive Committee of the Multilateral Fund (Document UNEP/OzL.Pro/ExCom/37/71, Annex-VII) were as below:

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC Consumption limit in the Foam Sector (ODP MT)	1,655	1,434	1,037	529	128	0	N/A
ODP Reductions from Previously Approved Projects	221	397	298	100	0	0	1,016
ODP Reductions under the Foam Sector Phaseout Plan	0	0	210	301	128	0	639
Annual Funding Instalment* (US\$)	1,500,000	1,750,000	1,500,000	450,000	224,577	0	5,424,577
Agency Support Costs (US\$)	131,000	153,500	131,000	40,500	20,212	0	476,212
Total cost to Multilateral Fund (US\$)	1,631,000	1,903,500	1,631,000	490,500	244,789	0	5,900,789

The annual implementation programme for CY 2002/2003 was submitted to MLF in November 2002 (attached as Annex-1 to this document).

2. Preparatory Activities

- The first tranche of US\$ 1,500,000 was received by UNDP in August 2002.
- In October 2002, it was agreed by UNDP and the Ministry of Environment and Forests (MOEF) that the Phase-out Plan would be implemented through the DEX (Direct Execution) modality.
- UNDP and MOEF agreed on the Operational Mechanism for Implementation (OMI) which delineated the roles and responsibilities of the various stakeholders, and also the first-phase document covering UNDP's first tranche, in October 2002.
- DEX approval was obtained on 30 April 2003. The project document was signed by all parties on 3 June 2003.

3. Investment Component

3.1 Enterprise Participation

- The first list of 28 participating enterprises was provisionally endorsed by MOEF in April/May 2003. Upon completion of all activities in these enterprises (targeted in CY 2004), the CFC phase-out that would be achieved, would contribute 279.20 MT to the CY 2004 annual CFC phase-out target.
- Upon verification of the enterprise baselines by MOEF, the final endorsement of the 28 enterprises for participation in the first batch for implementation, was provided by MOEF to UNDP in August 2003
- The 28 enterprises were divided into three groups, based on the type of foam equipment needed for their conversion, which in turn was dictated by the respective foam type/foam sub-sector involved. Thus, out of the 28 enterprises, the first group of 5 enterprises were engaged in production of rigid foam (general), 12 enterprises were engaged in the production of rigid foam (thermoware) and 11 enterprises were engaged in the production of flexible molded/integral skin foam.

3.2 Procurement

- UNDP notified the invitations for Expressions of Interest for prospective suppliers of the equipment to be procured under this project in March 2003. The invitations for Expressions of Interest were posted in the websites of UN Development Business, UNDP Inter-Agency Procurement Services Office (IAPSO) and UNDP-Delhi for one month.

- UNDP prepared the technical specifications for the foaming equipment to be procured for the first batch of 28 enterprises, in May 2003. UNDP also finalized the short list of vendors for the international competitive bidding exercise, based on the roster of existing suppliers and based on the evaluation of responses to the Expressions of Interest.
- The Invitations to Bid (ITB) for the equipment to be procured for the first batch of 28 enterprises, based on the above, were issued by UNDP in May 2003. Three different invitations to bid, covering the three types of foam equipment required were issued to a total of 6-8 vendors for each type of equipment.
- The bids received were evaluated end-June 2003. The local procurement committee approved the bid evaluation, recommendations and the bidding process, in July 2003. UNDP-HQ procurement committee approved the same in July 2003.
- The results of the bidding process were shared with the 28 participant enterprises in July 2003. Some of the participant enterprise elected to opt for bidder(s) other than the recommended bidder(s). In accordance with UNDP procurement rules and procedures, the enterprises could exercise the option to select bidder(s) other than the recommended (lowest technically acceptable) bidder(s) provided they provided technically justified reasons and agreed to bear the additional costs.
- The process of finalization of the vendor selection is in progress and is scheduled for completion by mid-November 2003. Issuance of purchase orders to vendors for the equipment to be procured for the first batch of enterprises will be completed by mid-November 2003.

4. Non-Investment (Policy and Management Support) Component

4.1 Sector Phase-out Plan Unit (SPPU)

- The position for the National Programme Manager (Sector Phase-out Plan Unit) was advertised locally by UNDP in April 2003. The recruitment process and appointment of the National Programme Manager was completed by UNDP with concurrence from Ozone Cell/MOEF in June 2003 and the selected candidate resumed duties from 10 June 2003 and the SPPU became operational.
- Vacancy for one of the two planned support staff for the SPPU was advertised locally by UNDP. The recruitment process in progress and is expected to be completed in November 2003.

4.2 Enterprise Participation

- The operational mechanism for enterprise participation in the Sector Phase-out Plan was finalized by MOEF in consultation with UNDP.
- The verification of baseline at the first batch of 28 enterprises was concluded in August 2003. This included plant visits by MOEF/SPPU and collection of participation documentation and commitments from the enterprises in line with MOEF regulations.

- The verification of enterprises in future batches of participation/procurement has been initiated and would be an ongoing exercise.

4.3 Other Policy, Regulatory and Awareness Actions

MOEF continued the implementation and enforcement of the Government of India Ozone Rules, promulgated in January 2000. During the Ozone Day workshops held in 2002 and 2003, information on the Sector Phase-out Plan was disseminated to Government policy makers and stakeholders. The empowered Steering Committee is fully briefed and aware of the commitments and obligations arising out of the agreement between Government of India and the Executive Committee of MLF, governing the approval of the Sector Phase-out Plan.

5. CFC Phase-out and Results

For CY 2002

The annual CFC phase-out target for CY 2002 was 221 MT. This has been achieved/exceeded, through the completion of ongoing projects. The actual phase-out achieved is **260.15 MT** (see Annex-2)

For CY 2003

The annual CFC phase-out target for CY 2003 is 397 MT, to be achieved through the completion of ongoing projects. Until October 2003, **446.86 MT has been achieved** through the completion of eight ongoing projects. The remaining two projects will be completed by November 2003, thus achieving or exceeding the CY 2003 annual CFC phase-out target (see Annex-3).

6. 2004 Annual Implementation Programme

The 2004 Annual Implementation Programme is submitted for the review and approval of the Executive Committee. The 2004 Annual Implementation Programme will phase out 200 ODP MT of CFC and will contribute to achieving 50% of the annual target for CY2005 (401 ODP MT), the balance of the 2005 target would be met through the third funding tranche to be obtained in 2004.

The Executive Committee is requested to approve the 2003 Annual Implementation Programme and the release of the 2003 funding level of \$1,750,000 and the corresponding support fees of \$153,500.

INDIA
Foam Sector Phase-out Plan

Annual Implementation Program (Tranche 1) for CY 2002/2003

1. Data

Country	India
Year of plan	2002/2003
Number of years completed	0
Number of years remaining under the plan	4 (2003 through 2006)
Target ODS consumption in Sector for the preceding year as of December 31 (ODP MT)	1,655
Target ODS consumption in the Sector for the year of plan as of December 31 (ODP MT)	1,434
Level of funding requested (US\$) (2002/2003)	1,500,000
Lead implementing agency	UNDP
Co-operating agency (ies)	None

2. Targets

Target	Net reduction in CFC consumption in the Foam Sector of 221 MT Limit of CFC consumption in the Foam Sector as of 31 December 2002 of 1,434 MT			
Indicators		Preceding Year (as of 31 December)	Year of Plan (as of 31 December)	Reduction
Supply of ODS in Sector (ODP MT)	Import	1,655	1,434	221
	Production	N/A	N/A	N/A
	Total (1)	N/A	N/A	N/A
Demand of ODS in Sector (ODP MT)	Manufacturing	1,655	1,434	221
	Servicing	N/A	N/A	N/A
	Stock piling	N/A	N/A	N/A
	Total (2)	1,655	1,434	221

3. Industry Action

3.1 Activities resulting from prior year's ongoing projects

Sector	Consumption Preceding Year as of 31 December (1)	Consumption Year of Plan as of 31 December (2)	Reduction within Year of Plan (1) - (2)	No. of Projects Complete	Number of Servicing Related Activities	ODS Phase-Out (ODP MT)
Foam Sector	1,655	1,434	221	12*	0	221

* Represents estimated number of ongoing projects, which would be completed.

3.2 Activities resulting from the 2002 tranche

Activity	Description	
Start Phase-out of CFC's in 29 enterprises	Objective	Initiate procurement procedures for equipment to be provided to 29 recipient enterprises for conversion to non-CFC technology
	Target group	29 Recipient enterprises
	Impact	Finalization of specifications and vendor shortlists, international competitive bidding and issuance of purchase orders/contracts

The technical assistance activities would be initiated through sub-projects for 29 enterprises, leading to an elimination of about 170 MT of CFCs upon completion, envisaged for 2004. It is foreseen that the durations for the sub-projects for these 29 enterprises would be set in such a way as to ensure that their completion would contribute to about 81% of the verifiable annual performance target for CY 2004 (210 MT) leading to a minimum phase-out of about 170 MT CFCs through the Sector Phase-out Plan. The balance of the 2004 target would be met through the second funding tranche to be obtained in 2003.

4. Technical Assistance

The technical assistance will be provided hand in hand with the implementation of the investment activities described above.

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import	Continuing enforcement of existing controls
Public Awareness	N/A
Others	See below

The following activities are proposed for 2002, under the Policy and Management Support component:

- a) Establishment of the Sector Phase-out Plan Unit (SPPU) for facilitating the management of the Sector Phase-out Plan:
 - Determination of personnel and logistics requirements
 - Finalizing terms of reference for personnel
 - Initiation of recruitment of personnel
- b) Formulation of detailed terms of reference and work plans for various activities under the Policy & Management Support component.
- c) Establishment of an operational mechanism for participation by enterprises in the Sector Phase-out Plan and for obtaining phase-out commitments from enterprises.
- d) Organization of one workshop under the Policy and Management Support Component, for government policy-makers and for recipient enterprises.

6. Annual Budget

Activity	Planned Expenditures (US \$)
Establishment of Sector Phase-out Plan Unit (SPPU) and recruitment of staff	83,000
Technical Assistance	30,000
Equipment	1,258,182
Contingencies	128,818
TOTAL	1,500,000

7. Administrative Fees

The administrative fees will be utilized by UNDP throughout the implementation of this tranche.

INDIA – FOAM SECTOR PHASE-OUT PLAN
Projects in the Foam Sector Completed during CY 2002

UNDP Project Number	MLF Project Number	Project Name	Approved Grant (US\$)	ODS (MT/y)	ODP (MT/y)	Remark
IND/97/G63	IND/FOA/22/INV/111	Polymermann (Asia) P. Ltd.	385,000	0.00	0.00	Indirect Phase-out
IND/99/G70	IND/FOA/28/INV/229	SME Group II (28 enterprises)	699,139	118.80	105.73	
IND/00/G15	IND/FOA/31/INV/258	Ramakrishna Moulders	78,479	17.00	15.72	
IND/00/G17	IND/FOA/31/INV/260	Naorang Plast	53,171	14.60	13.50	
IND/00/G61	IND/FOA/29/INV/231	Tokyo Plast International, Ltd.	196,394	33.00	30.51	
IND/00/G70	IND/FOA/29/INV/246	Harjas Plastic and Metal Components	246,386	21.50	20.24	
IND/00/G74	IND/FOA/31/INV/274	SR Poly-steel P. Ltd.	144,299	14.85	14.85	
IND/00/G76	IND/FOA/34/INV/333	Prince Plastoware Ltd.	74,010	10.20	9.45	
IND/00/G77	IND/FOA/31/INV/272	Pinnacle Industries Ltd.	186,392	13.00	13.00	
IND/00/G79	IND/FOA/31/INV/261	Sanjay Industries	99,277	17.20	15.90	
TOTAL			2,162,547	260.15	238.90	

Notes:

1. All enterprises achieved all project objectives and met all project obligations, such as phase-out of CFCs, phase-in of CFC-free production, depletion of CFC stocks, destruction of redundant and replaced baseline equipment, etc. The figures in the column marked “ODS” represent the amount of CFC to be phased out as per the approved project and the figures in the column marked “ODP” represent the net ODP phased out after accounting for the residual ODP of HCFC-141b wherever applicable.
2. HOPs for all the above-mentioned projects were issued and signed during CY 2002.
3. The annual **CFC phase-out target for CY 2002**, in accordance with the schedule agreed in the India Foam Sector Phase-out Plan was **221 MT**, which has thus been achieved (**exceeded by 39.15 MT**)

INDIA – FOAM SECTOR PHASE-OUT PLAN
Projects in the Foam Sector (to be) Completed during CY 2003

UNDP Project Number	MLF Project Number	Project Name	Approved Grant (US\$)	ODS (MT/y)	ODP (MT/y)	Remark
IND/96/G92	IND/FOA/20/INV/101	Vora Cork Industries	264,500	39.60	39.60	Completed 7/2003
IND/00/G68	IND/FOA/29/INV/242	SME Group - III (24 enterprises)	777,198	107.10	97.72	Completed 4/2003
IND/01/G12	IND/FOA/34/INV/321	Spray Group – II	759,165	192.48	178.36	Completed 9/2003
IND/01/G62	IND/FOA/32/INV/289	Sawhney Seating Systems P. Ltd.	241,619	28.90	27.99	Completed 7/2003
IND/01/G63	IND/FOA/32/INV/285	Sun Steering Wheels Ltd.	144,379	17.00	15.65	Completed 2/2003
IND/01/G64	IND/FOA/32/INV/280	Netplast	177,224	18.00	18.00	Completed 9/2003
IND/01/G67	IND/FOA/34/INV/324	Apollo Steelcrafts	76,925	14.75	13.67	Target 11/2003
IND/01/G73	IND/FOA/34/INV/330	Nu-Foam Rubber Industries	160,150	15.65	15.65	Completed 2/2003
IND/01/G77	IND/FOA/34/INV/312	Roome Plastics P. Ltd.	100,546	19.50	18.07	Target 11/2003
IND/01/G78	IND/FOA/34/INV/334	Solvay Mouldings P. Ltd.	196,885	28.13	26.07	Completed 7/2003
TOTAL			2,898,591	481.11	450.78	

Notes:

1. All enterprises (marked as completed above) achieved all project objectives and met all project obligations, such as phase-out of CFCs, phase-in of CFC-free production, depletion of CFC stocks, destruction of redundant and replaced baseline equipment, etc. The figures in the column marked “ODS” represent the amount of CFC to be phased out as per the approved project and the figures in the column marked “ODP” represent the net ODP phased out after accounting for the residual ODP of HCFC-141b wherever applicable.
2. HOPs for projects (marked as completed above) were issued and signed.
3. The annual **CFC phase-out target for CY 2003**, in accordance with the schedule agreed in the India Foam Sector Phase-out Plan is **397 MT**. As of October 2003, **446.86 MT has been achieved**.

INDIA
SECTORAL PHASE-OUT PLAN FOR ELIMINATION OF CFCs IN THE FOAM SECTOR

Annual Implementation Program for CY 2004 (Tranche 2)

1. Data

Country	India
Year of plan	2004
Number of years completed	1.5
Number of years remaining under the plan	3 (2004 to 2006)
Target ODS consumption in Sector for 2004	1,037
Target ODS consumption in Sector for 2005	529
Level of funding requested (US\$) (2003)	1,750,000
Lead implementing agency	UNDP
Co-operating agency (ies)	None

2. Targets

Target	Net reduction in CFC consumption in the Foam Sector during 2004: 508 MT CFC consumption limit in the Foam Sector as of 31 December 2004: 529 MT			
Indicators		Preceding Year (as of 31 December)	Year of Plan (as of 31 December)	Reduction
Supply of ODS in Sector (ODP MT)	Import	1,037	529	508
	Production	N/A	N/A	N/A
	Total (1)	N/A	N/A	N/A
Demand of ODS in Sector (ODP MT)	Manufacturing	1,037	529	508
	Servicing	N/A	N/A	N/A
	Stock piling	N/A	N/A	N/A
	Total (2)	1,037	529	508

3. Industry Action

3.1 Activities resulting from prior year's ongoing projects

Sector	Consumption Preceding Year (as of 31 December) (1)	Consumption Year of Plan (as of 31 December) (2)	Reduction within Year of Plan (1) - (2)	No. of Projects Complete	Number of Servicing Related Activities	ODS Phase- Out (ODP MT)
Foam (2002)	1,655	1,395	260	10	0	260
Foam (2003)	1,395	914	481	10	0	481

3.2 Activities from the 2003 (first and second tranches)

Activity	Description	
Phase-out of CFCs in 28 enterprises participating in the first batch	Objective	Delivery, installation and commissioning of equipment to be provided to 28 recipient enterprises for conversion to non-CFC technology
	Target group	28 recipient enterprises (first batch of participating enterprises)
	Impact	Phase-out of 279 MT CFC consumption in these 28 enterprises
Initiation of CFC phase-out activities in 33 enterprises participating in the second batch	Objective	Initiate procurement actions for equipment to be provided to 33 recipient enterprises for conversion to non-CFC technology
	Target group	33 Recipient enterprises (second batch of participating enterprises)
	Impact	Finalization of specifications and vendor shortlists, and conclusion of international competitive bidding and issuance of purchase orders/contracts

The activities for 28 enterprises participating in the first batch as described above, would lead to an elimination of 279 MT of CFCs upon completion in 2004. This amounts to about 55% of the annual CFC phase-out target for 2004 for the foam sector (508 MT). The remaining 45% would be achieved through the completion of 15 ongoing projects.

It is also foreseen that the durations for the enterprise-level activities in the 33 enterprises in the second patch of participation, would be set in such a way as to ensure that their completion would contribute to achieving 50% of the annual target for CY 2005 (401 MT) leading to a CFC phase-out of about 200 MT. The balance of the 2005 target would be met through the third funding tranche to be obtained in 2004.

4. Technical Assistance

Technical assistance will be provided in conjunction with the implementation of the investment activities described above.

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import	Continuing enforcement of existing controls
Public Awareness	N/A
Others	See below

The following activities are proposed for 2004, under the Policy and Management Support component:

- a) Continued coordination and monitoring of the sector plan implementation activities
- b) Enterprise-level verification of baseline and CFC phase-out
- c) Organization of one awareness workshop for government policy-makers/stakeholders and one technical workshop for recipient enterprises.

6. Annual Budget

Activity	Planned Expenditures (US \$)
Policy and Management Support	80,000
Technical Assistance	120,000
Equipment	1,410,000
Contingencies	140,000
TOTAL	1,750,000

7. Administrative Fees

The administrative fees (\$153,500) will be utilized by UNDP throughout the implementation of this tranche to support implementation activities and reporting requirements.

**AGREEMENT BETWEEN INDIA AND THE EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE PHASEOUT OUT CONSUMPTION
AND PRODUCTION OF CARBON TETRACHLORIDE**

1. This Agreement represents the understanding of India (the “Country”) and the Executive Committee with respect to the complete phase-out of consumption and production of the Montreal Protocol controlled substance set out in Appendix 1-A (the “Substance”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out consumption and production of the Substance, as defined by the Montreal Protocol¹, in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, *except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20 (a) of the Executive Committee*. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 4, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substance.
3. The Country considers that the use of the Substance in the production of DV acid chloride (DVAC) to be a feedstock use. If either the Country or the Parties ever reclassify that use or any other feedstock use to a controlled status, the Country agrees that it would phase out that use with no compensation from the Multilateral Fund.
4. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the fundings set out in row 11 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
5. The Country will meet the consumption and production limits for the Substance as indicated in rows 1 and 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption and production limits as described in paragraph 9 of this Agreement.
6. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Targets for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9; and

¹ Consumption and production as per the Montreal Protocol definitions do not include the consumption and production of the Substance for feedstock applications.

- (c) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation program in the form of Appendix 4 – A (the “Annual Implementation Programs”) in respect of the year for which funding is being requested.

7. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

8. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country will have full flexibility in the use of Multilateral Fund assistance to achieve the overall objectives of this Agreement and to meet its obligations to the Montreal Protocol. Therefore, specific funds that were thought to be needed for specific items originally proposed in the Plan for the Phaseout of Consumption and Production of Carbon Tetrachloride, except the US\$ 2 million which must be used by the Country solely to implement, monitor and effectuate full compliance with this Agreement, can be reallocated to other activities as long as expenditures are consistent with this Agreement and eligible within the context of the Montreal Protocol. Any remaining funds provided to the Country pursuant to this Agreement may be used in any manner that the Country believes will achieve the smoothest and most efficient CTC phaseout.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The World Bank (the “Lead IA”) has agreed to be the lead implementing agency and France, Germany and Japan (the “Cooperating IAs”) have agreed to be cooperating implementing agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including performance and financial verification in relation to all activities, within the purview of the World Bank, in accordance with this Agreement and with specific World Bank procedures and requirements. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out activities listed in Appendix 6-B, including performance and financial verification in relation to activities implemented under their supervision.

10. The Lead IA will assist the Country to implement activities required for achieving the Targets specified in this Agreement and also to assist the Country to carry out activities related to policy and regulatory development to support sustainable phase-out of the Substance in both the consumption and production sectors. The Cooperating IAs will, in collaboration with the Lead IA, provide support for activities related to investment activities to support the phase-out of the Substance in the metal cleaning applications and in the textile industry as described in the sector plan

(IND/PHA/40/INV/363). In addition, France will also provide technical assistance to the producers of the Substance to explore technically and economically viable options to reduce/eliminate production of the Substance. The funding for activities implemented by the Cooperating IAs will be counted against their bilateral contributions to the Multilateral Fund in annually specified tranches. In case the Lead IA or any of the Cooperating IAs would like to sub-contract part of their activities to other implementing agencies, concurrence of the Country must be sought and the description of such an arrangement should be reported in the annual implementation programs.

11. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the respective fees set out in rows 4, 6, 8 and 10 of Appendix 2-A.

12. Should the Country, for any reason, not meet the Targets for the elimination of the Substance or otherwise does not comply with this Agreement, the Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A in respect of each ODP ton of reductions in consumption and production not achieved in any one year.

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

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

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and do not extend to obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

Appendix 1-A
THE SUBSTANCE

Annex B:	Group II	CTC
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Appendix 2-A
THE TARGETS, AND FUNDING

	Baseline ¹	2003	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Consumption Reduction Schedules (ODP tons) ²	11,505	N/A	N/A	1,726	1,726	1,726	1,726	1,726	0
1. Max allowable total consumption (ODP tons)	11,505	N/A	N/A	1,726	1,147	708	268	48	0
Montreal Protocol Production Reduction Schedules (ODP tons) ³	11,553	N/A	N/A	1,733	1,733	1,733	1,733	1,733	-
Production Allowance for basic domestic needs of A5 countries (ODP tons) ⁴		-	-	1,155	1,155	1,155	1,155	1,155	1,733
Total production allowed by the Montreal Protocol (ODP tons)		N/A	N/A	2,888	2,888	2,888	2,888	2,888	1,733
2. Max allowable total production (ODP tons) for this Agreement	11,553	N/A	N/A	1,726	1,147	708	268	48	-
3. WB agreed funding		8,520,843	8,880,110	3,599,046	9,755,313	3,820,938	3,211,875	3,211,875	-
4. WB support costs		639,063	666,008	269,928	731,648	286,570	240,891	240,891	-
5. France agreed funding		-	1,000,000	1,000,000	500,000	500,000	-	-	
6. France support costs		-	85,000	85,000	85,000	85,000	-	-	
7. Germany agreed funding ⁵		-	1,000,000	1,000,000	500,000	500,000	-	-	
8. Germany support costs		-	85,000	85,000	85,000	85,000	-	-	
9. Japan agreed funding		-	2,500,000	2,500,000	-	-	-	-	
10. Japan support costs		-	280,000	280,000	-	-	-	-	
11. Total agreed funding (US\$ million)		8,520,843	13,380,110	8,099,046	10,755,313	4,820,938	3,211,875	3,211,875	
12. Total agency support costs (US \$ million)		639,063	1,116,008	719,928	901,648	456,570	240,891	240,891	

1/ Baseline consumption and production levels are defined as the average levels of consumption and production during the period from 1998 – 2000.

2/ Maximum allowable consumption levels stipulated in the Montreal Protocol (85% reduction in 2005 and 100% reduction by 2010).

3/ Maximum allowable production levels stipulated in the Montreal Protocol (85% reduction in 2005 and 100% reduction by 2010).

4/ Allowable production levels for meeting basic domestic needs of Article 5 countries as per the Beijing Amendment (10% of base level from 2005 and 15% of base level from 2010).

5/ The proposed bilateral funding for 2004 and 2005 will be counted against Germany's contribution in the next triennium (2006 – 2008).

Appendix 3-A
FUNDING APPROVAL SCHEDULE

The annual funding as shown in Appendix 2-A will be considered for approval at the second meeting of the year of the annual plan.

Appendix 4-A
FORM OF ANNUAL IMPLEMENTATION PROGRAM

1. Data

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

2. Targets

Targets:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of CTC	Import			
	Production*			
	Total (1)			
Demand of CTC	Process Agents			
	Solvent			
	Total (2)			

*For ODS-producing countries

3. Industry Action

Sector	Actual Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction Within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-out (in ODP tonnes)
Manufacturing						
Process Agents						
Solvents						
Other	-	-				
Total						
Servicing						

Total						
GRAND TOTAL						

4. Technical Assistance

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. Government Action

Policy/activity planned	Schedule of implementation
Type of Policy Control on ODS Import: servicing, etc.	
Public Awareness	
Others	

6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

Appendix 5-A

MONITORING INSTITUTIONS AND ROLES

The Country will be responsible for implementing the CTC phase-out plan. To strengthen capacity of the Country to undertake a series of activities required to achieve permanent phase-out of CTC in accordance with the agreed Targets, a small management unit with a high degree of decentralization to ensure maximum coverage of all residual CTC users, will be established.

The management unit will be established within the Ministry of Environment and Forests. The role of the management unit entails development of detailed implementation plan and overall monitoring and supervision of the CTC phase-out plan. The responsibility of the management unit includes:

- Preparation and implementation of the annual implementation program with assistance from the Lead IA and Cooperating IAs;
- Identification and assistance in the design of sub-projects under the plan;
- Monitoring and supervision of project implementation at the national level including coordination of independent verification of the ODS phase-out by the beneficiary enterprises;
- Information exchange support to the Ozone Cell, regional centers and beneficiary enterprises;
- Reporting to the Director of the Ozone Cell on CTC phase-out related activities and providing recommendations on Government's interventions to be undertaken by the Ozone Cell, if required;
- Periodic assessment of the alternatives supply situation;
- Support implementation of information exchange and training activities; and
- Maintenance of database and relevant records related to the CTC phase-out plan.

Appendix 6-A

ROLE OF THE LEAD IMPLEMENTING AGENCY

The Lead IA will be responsible for a range of activities specified in the project document and in this Agreement along the lines of the following:

- (a) Ensuring performance and financial verification in relation to all activities, within the purview of the World Bank, in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's CTC Phase-out Plan;
- (b) Providing verification to the Executive Committee that the Targets have been met, and the achievement/progress of associated annual activities as indicated in the annual implementation program;
- (c) Assisting the Country in preparation of the annual implementation programs;
- (d) Ensuring that achievements in previous annual programs are reflected in future annual implementation programs;
- (e) Carrying out required supervision missions;
- (f) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the program, and accurate data reporting;
- (g) Ensuring that disbursements to activities undertaken under Bank supervision are made to the Country based on the Targets in the annual programs and provisions in this Agreement; and
- (h) Providing assistance with policy, management and technical support when required; and
- (i) Developing, in consultation with the Country and the Cooperating IAs, the annual phase-out targets for each IA; and
- (j) Developing a standard for verifying performance in achieving the Targets.

Appendix 6-B

ROLE OF COOPERATING IMPLEMENTING AGENCIES

The Cooperating IAs will be responsible for a range of activities specified in the project document and in this Agreement along the lines of the following:

- (a) Conducting performance and financial verification in relation to activities implemented under their supervision;
- (b) Providing reports to the Executive Committee, through the Lead IA, on these activities and their impact in terms of ODP phase-out, for inclusion in the consolidated reports and annual programs to be prepared by the Country with the assistance of the Lead IA;
- (c) Assisting the Country in preparation of annual implementation programs for relevant activities under their supervision;
- (d) Ensuring that achievements of their activities are reflected in future annual implementation programs;
- (e) Carrying out required supervision missions;
- (f) Providing the presence of an operating mechanism to allow effective, transparent implementation of their activities, and accurate data reporting pertaining to ODP impact of their corresponding activities;
- (g) Provide, in collaboration with the Lead IA, policy development assistance, management and technical support when required; and
- (h) Coordinating its activities with the Lead IA and among all Cooperating IAs.

Appendix 7-A
REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

In accordance with paragraph 12 of the Agreement, the amount of funding provided may be reduced by US\$ 4,510 per ODP ton of reductions in consumption and production not achieved in the year.

CTC PHASE-OUT PLAN

2004 ANNUAL PROGRAM

OZONE CELL
MINISTRY OF ENVIRONMENT AND FORESTS
STATE GOVERNMENT OF INDIA

AND

THE WORLD BANK

November 26, 2003

1. DATA

Country	INDIA
Year of plan	2004
No. of years completed	1
No. of years remaining under the plan	6
Target ODS Consumption and Production of the preceding year (2003)	• N/A
<u>Total</u>	N/A
Target ODS Consumption and Production of the year of plan (2004)	• N/A ¹
<u>Total ODS</u>	N/A
Level of funding requested	USD 13,380,112
Lead implementing agency	The World Bank
Co-operating agency (ies)	Governments of France, Germany and Japan

¹ Given the short lead time for meeting the 85% consumption and production reduction targets in 2005, India, as proposed in the CTC Phase-out Plan submitted and considered at the 40th Meeting of the Executive Committee, should be allowed to stockpile a sufficient amount of CTC to meet its demand before ODP phase-out impact of investment and non-investment activities proposed in the CTC Phase-out Plan could be materialized in 2005 onwards.

2. TARGETS

Targets:					
Indicators		Chemicals	Preceding Year (2003)	Year of Plan (2004)	Reduction
Supply of CTC	Import	CTC	N/A	N/A	N/A
	Production	CTC	N/A	N/A	N/A
	Total	CTC	N/A	N/A	N/A
Demand of CTC	Process Agents	CTC	N/A	N/A	N/A
	Solvent	CTC	N/A	N/A	N/A
	Total	CTC	N/A	N/A	N/A

3. INDUSTRY ACTION

Sector	Actual Consumption ² Preceding Year (ODP Tonnes) 2003 (1)	Target Consumption Year of Plan (ODP Tonnes) 2004 (2)	Reduction Within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-out (in ODP tonnes)
Manufacturing						
Process Agents	1,917	N/A				
Solvents	4,746	N/A				
Other	-	-				
Total	6,663	N/A				
Servicing						
Total						
GRAND TOTAL	6,663	N/A				

Investment Activities in 2003

A total funding of US\$ 8,520,843, excluding agency support costs, is allocated for supporting the initiation of activities in 2003. Part of the funds will be used for supporting conversion of CTC consuming enterprises in the process agent sector. This sector includes chlorinated rubber, chlorinated paraffin, pharmaceutical, and agro-chemical sub-sectors. The balance is allocated for supporting the establishment of the project management unit. While funding is requested in 2003, the actual disbursement could take place after 2003.

² Estimates

The ExCom decided at its 40th Meeting to release an initial tranche of US\$5 million to India in 2003. Therefore, the Government of India and the Bank are requesting the ExCom at its 41st Meeting to approve the release of an additional funding of US\$3,520,843 plus associated support costs to support the India CTC Phase-out Plan in accordance with the agreement as proposed for consideration of the ExCom at the same meeting. The total funding of US\$ 8,520,843 should be counted against the World Bank's 2003 allocation.

The detailed distribution of the 2003 resources is shown in Section 6 of this Annual Work Program.

Investment Activities in 2004

The following investment activities will be undertaken in 2004:

Process Agent Sector – The 2004 funding level as proposed in the agreement to be considered by the ExCom includes additional funding to support CTC phase-out in the process agent sector, mainly in pharmaceutical and agro-chemical applications. With this additional funding in 2004 and the financial support already received in 2003, all CTC consuming enterprises in the process agent sector will be invited to receive financial support from the Government of India. An invitation for enterprises to apply for financial assistance from the Government of India will be announced in early 2004. Enterprises will be required to submit their interest and documents to substantiate their level of CTC consumption to the Government of India in 2004. All enterprises will be encouraged to start their conversion process as soon as possible.

The Government of India has assigned the World Bank to take the lead in the implementation of investment activities in this sector. To facilitate expeditious phase-out in this sector, the World Bank and the Government of India will design a grant agreement with flexibility to accommodate early conversion undertaken by enterprises.

When completed, these activities will lead to permanent phase-out of 1,243 ODP tons of CTC in the consumption sector.

Solvent Sector – The proposed 2004 funding level includes funding to support investment activities in the solvent sector. These activities include conversion of CTC consuming technologies in the chemical solvent, metal cleaning, and textile industry. All CTC phase-out activities in the chemical solvent sub-sector will be implemented through the World Bank. It is planned to complete the phase-out activities in this sub-sector before the end of 2005. When completed, activities undertaken in this sub-sector will lead to permanent phase-out of 770 ODP tons of CTC.

Activities in the metal cleaning and textile industry are expected to involve conversion at four large CTC consuming enterprises and a number of small CTC users in the metal cleaning and textile industry. The four large CTC consuming enterprises are Nissan Copper Pvt., Western Engineering, Steel Authority of India, and Hindustan Metals and Tubes. The total funding to support conversion at these enterprises will be drawn from the bilateral contribution of the Government of Japan. The Government of Japan with concurrence of the Government of India will assign UNDP to undertake implementation

of these activities on its behalf. Conversion at these enterprises is expected to complete before the end of 2005. When completed, 533 ODP tons of CTC will be permanently phased out.

CTC phase-out activities in small users in the metal cleaning and textile industries will be jointly implemented by the three bilateral partners (France, Germany, Japan) and the World Bank. Pending the confirmation of the Government of India, Germany is expected to take a leading role in coordinating these activities. Because of the large number of potential beneficiaries to be covered by these activities, it is anticipated that the total phase-out in the small scale users would be achieved by the end of 2009. When completed, 3,462 ODP tons of CTC will be permanently phased out.

Sector	Impact (ODP tons)	Completion
Process Agent Sector	1,243	End of 2005
Solvent (Chemical)	770	End of 2005
Solvent (Metal)	533	End of 2005
Solvent (small users for metal cleaning and textile)	3,462	End of 2009

4. TECHNICAL ASSISTANCE

Activities to be Undertaken in 2004

Project Implementation Unit: Terms of Reference for the PMU and its organization and management framework will be finalized. The recruitment process for key PMU staff members will be completed in 2004. Workshops and meetings with industry, distributors, the implementing agency, and bilateral agencies, will be organized in order to maintain constant dialogue with industry. The purpose of these workshops and meetings is to obtain feedback for improving implementation mechanism in large and small enterprises. PMU will also take the lead in preparation of the 2005 annual work program and get actively involved in the design and implementation of the production and consumption verification process in 2004. Based on the design of the verification process, PMU will assist the Ozone Cell to strengthen the licensing system to cover CTC distributors, CTC solvent and process agent users, feedstock users, and CTC producers. It is expected that all CTC producers and process agent users would be covered by the licensing system by 2004. The strengthening of the licensing system would be fully completed in 2005.

Development of a Public Outreach Program: A detailed public outreach strategy will be jointly developed by PMU/Ozone Cell, the implementing agency, and bilateral agencies, to increase awareness of the CTC Phase-out Plan and related regulations. The strategy will include action plans to disseminate knowledge of non-ODS technology options to the targeted groups in an effective manner. The targeted groups will be further identified with the assistance from CTC producers and distributors. PMU/Ozone Cell will participate actively in the implementation of this strategy.

Development of a Capacity Building Strategy: A detailed action plan will be developed jointly by Ozone Cell/PMU, the implementing agency, and bilateral agencies. Part of the

action plan will include identification of technical institutions and distributors of CTC and alternatives. A list of CTC applications and non-CTC alternatives will be developed. Training modules for different non-CTC alternatives for all the identified CTC applications will be made. Selection of trainers from interested training institutes and distributors will be completed in 2004. Training of key trainers will start in 2004. Activities will start in a few priority states. Priority states are Tamil Nadu, Maharashtra, Gujarat, Delhi, Karnataka, Kerala, Andhra Pradesh, and Madhya Pradesh.

Development of a Management Information System: Terms of reference for development of an MIS will be finalized in 2004. The consultant selection process to appoint a highly qualified consulting firm to develop a computerized and relational MIS database system will be concluded in 2004.

Technology Transfer for CTC Producers – The Ozone Cell/PMU and the Indian CTC producers will work closely with the Government of France to develop an action plan for technology transfer to enable the CTC producers to comply with the production targets set forth in the agreement for the CTC Phase-out Plan and to comply with the Montreal Protocol obligations. This activity will start in 2004.

5. GOVERNMENT ACTION

Activities Undertaken in 2003

Memorandum of Agreement Meeting – Shortly after the 40th ExCom Meeting a MOA meeting was jointly organized by the Government of India and the Bank to prepare an agreement for the CTC Phase-out Plan between the Government of India and the ExCom. Bilateral donors were invited to this meeting. Coordination mechanism among various agencies and the Government of India and responsibility and accountability framework for the lead and co- implementing agencies were agreed. This is used as part of the input for the development of the agreement and this annual work program. The Government of India decided that bilateral agencies could sub-contract their activities to other implementing agencies (i.e., UNDP, UNEP, and UNIDO). However, prior consultation with the Government of India is required.

Memorandum of Agreements between the Government of India and Bilateral Agencies – As an outcome of the MOA meeting mentioned above, all bilateral parties agreed to have separate agreements with the Government of India to reflect their scope of work, responsibility and accountability, in line with the conditions stipulated in the agreement between the Government of India and the ExCom. The development and finalization of these MOAs will be carried out in the first part of 2004.

Grant Agreement between the Government of India and the World Bank – A grant agreement to allow the flow of funds from the Multilateral Fund through the World Bank to the Government of India is under preparation. The grant agreement will also describe a framework for verifying the actual CTC phase-out achievements in the consumption and production sectors. A preparation mission will be held in November 2003. The grant agreement is expected to be finalized and signed by the first quarter of 2004.

Government/Industry Meetings – As part of the preparation mission for developing the grant agreement between the Government of India and the Bank, the Ozone Cell will organize two workshops to inform relevant stakeholders of the decision of the ExCom to approve, in principle, the India CTC Phase-out Plan. During these workshops, the Ozone Cell and the Bank will discuss with potential beneficiaries of this CTC Phase-out Plan key project implementation issues as well as the level of funding for various sectors. Given the time constraint imposed on India to meet the 85% reduction target in 2005, the industry will be encouraged to inform the Ozone Cell immediately of its plan to phase out CTC and its interest to benefit from the MLF resources.

Activities to be Undertaken in 2004

Memorandum of Agreements between the Government of India and Bilateral Agencies – The memorandum of agreements with respective parties will be finalized and signed by early 2004 in order to allow implementation of all bilateral agencies to start.

Grant Agreement between the Government of India and the World Bank – The grant agreement will be negotiated and signed in 2004. After the effectiveness of the grant agreement, funds will be immediately transferred to a special account in India to allow investment and non-investment activities, and the establishment of the PMU, to start in the early part of 2004.

Registration of CTC Producers, Importers, Exporters, and Sellers – The Ozone Cell/PMU will announce the requirement for all CTC producers, importers, exporters, sellers, and users (if possible) to register their production and consumption of CTC with MoEF. This registration will be used as a condition for receiving financial assistance from the Government of India.

Promotion of non-ODS Alternatives – The Government of India will extend its fiscal incentives to promote conversion to non-CTC alternatives through exemption of customs duties and excise tax on capital goods required for implementation of CTC phase-out activities. In 2004, the Government of India will also explore possibility of introducing a penalty scheme whereby significant fees could be imposed on any use of CTC after 2004.

Import Quota System for CTC – An import quota system for CTC will be explored and developed in 2004. Annual import quotas to be granted by the Government of India will take into account the CTC production quotas for non-feedstock applications granted by the Government based on the ODS Rules 2000. To ensure that imported CTC is used by the intended applications, a monitoring system to track the flow of CTC will be developed and administered by the PMU. The development of this monitoring system will start in 2004 and is expected to complete in 2005.

CTC Production Quota System – The Ozone Cell/PMU will work with CTC producers and the Association of Chloromethane Manufacturers (ACM) to develop a production quota system for CTC production for non-feedstock applications. The production quotas for non-feedstock applications will be given to each of the CTC manufacturers on an annual basis starting from 1 January 2005. The production quota system should be agreed upon by the ACM and its members by no later than the end of 2004.

Phase-out of CTC Consumption in the Chlorinated Rubber and Chlorinated Paraffin Sub-Sectors – The Government of India will announce its policy of not allowing any registrations of imports and sells of CTC to enterprises in these sub-sectors from 1 January 2005. In case some of the enterprises in these sub-sectors could not complete their phase-out activities by 1 January 2005. They will be allowed to continue using CTC up to the end of 2005. However, CTC consumed beyond 2004 must be drawn from existing stocks.

Policy/activity planned	Schedule of implementation
Memorandum of Agreements between the Government of India and Bilateral Agencies	August 2003 – March 2004
Grant Agreement between the Government of India and the World Bank	August 2003 – March 2004
Registration of CTC Producers, Importers, Exporters, and Sellers	January 2004 – December 2004
Promotion of non-ODS Alternatives	January 2004 – July 2004
Import Quota System for CTC	June 2004 – December 2004
CTC Production Quota System	June 2004 – December 2004
Announcement of the CTC Consumption Phase-out Requirement in the Chlorinated Rubber and Chlorinated Paraffin Sub-Sectors	January 2004 – June 2004

6. ANNUAL BUDGET

2003 Annual Budget

Activity	Committed Funds (US \$)	Planned expenditures (US \$)*
CTC Phase-out in the Chlorinated Rubber Industry	4,330,000	-
CTC Phase-out in the Chlorinated Paraffin Industry	1,140,843	-
CTC Phase-out in the Process Agent Applications in the Pharmaceutical Sub-Sector	2,000,000	-
CTC Phase-out in the Solvent Sector	1,000,000	-
Establishment of PMU	50,000	-
Total	8,520,843	-

*No disbursement is planned as an agreement between the Government of India and the ExCom has not been finalized. In addition, legal instruments between the Government of India and the Bank and other bilateral donors are not in place. Disbursement is expected to start in 2004

2004 Annual Budget

Activity	New Request (US \$)	Committed Funds from Prv. Approvals (US \$)	Planned expenditures (US \$)
CTC Phase-out in the Chlorinated Rubber Industry		4,330,000	-*
CTC Phase-out in the Chlorinated Paraffin Industry		1,140,843	-*
CTC Phase-out in the Process Agent Applications in the Pharmaceutical Sub-Sector	2,763,002	2,000,000	-*
CTC Phase-out in the Solvent Sector	7,045,278	1,000,000	2,000,000
CTC Phase-out in the Agro-Chemical Industry	393,082		-*
CTC Production Gradual Phase-out	2,000,000		1,500,000
Establishment of PMU	678,750	50,000	300,000
Technical Assistance for the Production Sector	500,000		250,000
Total	13,380,112	8,520,843	4,050,000

*Agreements will be signed by eligible enterprises. Therefore, almost all of the funds approved up to 2004 will be fully committed. However, disbursement will be made only when enterprises complete their phase-out activities. Full disbursement is expected in the end of 2005 or early 2006.

2001 CTC Import Data Report

Prepared by

The Government of India

&

The World Bank

in Accordance with

Executive Committee Decision 40/54 para. (f)

16 October 2003

Introduction

The Government of India and the World Bank as a lead implementing agency submitted the CTC Phase-out Plan for the consumption and production sectors for India for the consideration of the Executive Committee at its 40th Meeting in July 2003. At the same meeting, the final report of the techno-economic audit of CTC plants in India prepared by an independent consultant contracted by the Executive Committee, was also submitted. The level of CTC imports in 2001 reported in the project document submitted by the Bank and the similar figure reported in the final report of the techno-economic audit of CTC plants in India differed significantly.

Having considered both reports and the arguments presented by the Bank and the independent consultant, the Executive Committee decided to approve, in principle, the total funding of US\$ 52 million to support the implementation of the CTC Phase-out Plan for India. Since the amount of CTC actually imported to India is a key factor for determining the actual CTC consumption in India and the appropriate level of funding for this CTC Phase-out Plan, the Executive Committee decided to request India and the World Bank to provide a report addressing the discrepancy related to the level of CTC imports to its 41st Meeting. In that regard, if it is found that the actual import of CTC in 2001 is over 10 per cent lower than the 24,661 MT figure as reported in the project document, the US \$52 million will be reduced by a sum equivalent to the difference of tons between the 24,661 MT figure and the actual import figure on the basis of US \$2,000 per ton.

Methodology

To verify the actual import of CTC in 2001, the Government of India presented bills of lading and bills of entry collected from CTC producers, CTC users, and importers, to the World Bank. In addition, the records of Kandla port, the major port where most CTC shipments pass through, were provided to the World Bank.

It is important to note that for most shipments CTC producers, users, and importers were able to render only copies of either bills of lading or bills of entry, not both of them. For a few cases, CTC imports could only be confirmed by letters from the enterprises as bills of lading and bills of entry were not available. In this case, the records provided by Kandla port were used for cross-checking. If such shipments (those without any import documents) were not included in the records of Kandla Port, those shipments were excluded from this report.

Copies of the import documents referred to above are available upon request.

Results

Based on all the information available to the Bank, the actual imports of CTC in 2001 could be concluded as follows:

1. There were eight companies importing CTC to India in 2001;

2. Total CTC import in 2001, based on the available supporting documents, was 23,006.94 MT.

Conclusion

The verifiable CTC import of 23,006.94 MT is lower than 24,661 MT as reported in the project document by *less than 10%*. Based on Dec. 40/54 para. (f), the agreed funding level of US\$ 52 million should remain unchanged.

41st Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

Enterprise	Type of Document	Document No.	Country of Origin	Date	Quantity (MT)	Remark
SRF Limited	Bill of Entry	5302	U.S.A.	2-Mar-01	949.95	
	Bill of Entry	577	U.S.A.	21-Apr-01	1,000.00	
	Bill of Entry	863	Germany	27-Apr-01	1,048.99	
	Bill of Entry	5763	Spain	29-Jul-01	1,049.45	
	Bill of Entry	7028	France	22-Aug-01	1,049.90	
	Bill of Entry	11939	France	29-Nov-01	499.98	
	Bill of Entry	11938	France	29-Nov-01	1,049.83	
	Bill of Lading	B/L No. 18	U.S.A.	16-Jan-01	504.97	
	Bill of Lading		Spain	29-Jan-01	1,259.37	
	Bill of Lading	B/L No. 235A	U.S.A.	14-Feb-01	1,049.86	
Gujarat Fluorochemicals	Bill of Lading		Spain	21-Apr-01	1,364.79	
	Bill of Lading	B/L No. 2	France	31-May-01	991.37	
	Bill of Lading	B/L No. 240/2	U.S.A.	25-Jun-01	1,090.00	
	Bill of Lading	B/L No. 18	Spain	12-Aug-01	1,045.73	
	Bill of Lading	B/L No. 1	Spain	1-Dec-01	1,049.62	Kandla Port Report confirms entry in 2001
	Bill of Entry	1002	U.S.A.	22-Feb-01	975.54	
Navin Fluorine	Bill of Entry	2085	Germany	16-Apr-01	1,359.68	
	Bill of Entry	3854	Germany	25-Jun-01	1,044.88	
	Bill of Entry	6524	U.S.A.	16-Aug-01	1,000.00	
	Bill of Entry	8286	U.S.A.	14-Sep-01	1,023.27	
	Bill of Entry	11258	Spain	13-Nov-01	1,052.85	
	Bill of Entry	1905	Spain	9-Apr-01	47.26	
	Bill of Entry	2014	Spain	12-Apr-01	50.00	
	Bill of Entry	6647	Spain	9-Aug-01	135.30	
	Bill of Entry	986	Spain	20-Feb-01	50.00	
	Bill of Entry	823	Spain	10-Feb-01	50.00	
Bilag Industries Pvt.	Bill of Entry	9909	Spain	26-Nov-01	151.16	
	Bill of Entry	6200	Spain	25-Jul-01	150.00	
	Bill of Entry	9206	Spain	8-Apr-01	1.31	
	Bill of Entry	9888	Spain	26-Nov-01	184.68	
	Bill of Entry	6994	U.S.A.	20-Aug-01	109.29	
	Bill of Entry			2001	542.92	
	Bill of Entry			2001	57.00	
	Bill of Entry			11-Oct-01	18.00	
	Bill of Entry	528492	Korea			
	Bill of Entry				23,006.94	
Meghamani Organics	Bill of Entry					
United Phosphorous	Kandla Port Report					
Tarak Chemicals Ltd	Kandla Port Report					
Rishinooop Rubber International	Bill of Entry					
Total Import in 2001						

**PLAN FOR PHASE-OUT OF CFCs IN THE REFRIGERATION
(MANUFACTURING) SECTOR IN INDIA**

**REPORT ON THE IMPLEMENTATION OF CY 2003 ANNUAL PROGRAMME
AND
REQUEST FOR THE RELEASE OF THE SECOND FUNDING TRANCHE**

Prepared By

**SECTOR PHASE-OUT PLAN UNIT (SPPU),
OZONE CELL/MOEF
AND
UNDP**

(October 2003)

INDIA - PLAN FOR PHASE-OUT OF CFCs IN THE REFRIGERATION (MFG) SECTOR IN INDIA

Report on CY 2003 Implementation Programme and Request for Release of Second Funding Tranche

(As of 15 October 2003)

1. Background

The Plan for Phase-out of CFCs in the Refrigeration (Manufacturing) Sector in India was approved at the 38th Meeting of the Executive Committee of MLF, at a total funding level of US\$ 3,609,186, to be provided in five tranches, leading up to the complete phase-out of CFCs in the Refrigeration (Mfg) Sector in India by 01 January 2007. The Plan is to be implemented by two agencies. The portion of the Plan to be implemented by UNIDO covers the phase-out in the transport refrigeration sub-sector and the component of the plan to be implemented by UNDP, as the lead Implementing Agency, covers all other sub-sectors within the Refrigeration (Mfg) Sector excluding the transport refrigeration sub-sector.

The Phase-out Plan will be implemented through four annual implementation programmes and together with the implementation of the approved ongoing projects, will result in the complete phase-out of CFCs in the Refrigeration (Mfg) Sector in India in four years. The Phase-out Plan will cover the technology conversions in all the remaining eligible enterprises in the Refrigeration (Mfg) Sector excluding the MAC Sector and also ensure timely, sustainable and cost-effective phase-out in the Refrigeration (Mfg) Sector through a combination of investment, technical support and management components. The breakdown of the approved overall funding was as below:

Investment Component (including contingencies):	US\$ 2,675,986 (UNDP portion)
Investment Component (including contingencies):	US\$ 673,200 (UNIDO portion)
Policy/Management Component:	US\$ 260,000
Total:	US\$ 3,609,186

The disbursement schedule and annual CFC consumption and phase-out control targets, in accordance with the agreement between Government of India and the Executive Committee of the Multilateral Fund (Document UNEP/OzL.Pro/ExCom/38/70, Annex-X) were as below:

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC Consumption limit in the Refrigeration (Mfg) Sector (ODP MT)	1,373	1,173	923	555	203	0	N/A
A. Phase-out from approved ongoing projects (ODP MT)	200	250	187	172	0	0	809
B. Phase-out from current Plan excluding ineligible enterprises (UNDP)	0	0	140	108	180	0	428
C. Phase-out from current Plan excluding ineligible enterprises (UNIDO)	0	0	40	67	0	0	107
D. Phase-out from ineligible enterprises (through legislative measures)	0	0	1	5	23	0	29
Total Annual CFC phase-out target in the Refrigeration (Mfg) Sector (ODP MT)	200	250	368	352	203	0	1,373
Annual funding installment (US\$)							
UNIDO	500,000	173,200	0	0	0	0	673,200
UNDP	2,000,000	476,536	250,000	150,000	59,450	0	2,935,986
Total	2,500,000	649,736	250,000	150,000	59,450	0	3,609,186
Agency support costs (US\$)							
UNIDO	65,000	19,052	0	0	0	0	84,052
UNDP	172,971	43,243	21,621	12,973	5,142	0	255,950
Total	237,971	62,295	21,621	12,973	5,142	0	340,002
Total cost to Multilateral Fund (US\$)	2,737,971	712,031	271,621	162,973	64,592	0	3,949,188

2. Preparatory Activities

- The first tranche of US\$ 2,000,000 was received by UNDP in January 2003.
- It was agreed by UNDP and MOEF that the project would be implemented through the D-Ex (Direct Execution) modality.
- UNDP and MOEF agreed that the Operational Mechanism for Implementation (OMI), which delineated the roles and responsibilities of the various stakeholders and was earlier designed for implementing the IND/02/G68 – Sector Phase-out Plan for Elimination of CFCs in the Foam Sector in India would be also followed for implementation of the IND/03/G62 – Plan for Phase-out of CFCs in the Refrigeration (Manufacturing) Sector in India
- The UNDP first-phase document covering the first tranche of US\$ 2,000,000 was prepared and submitted to MOEF in March 2003.
- UNDP obtained internal approval for implementation through D-Ex (Direct Execution) modality on 30 April 2003.
- The project document was signed by all parties on 3 June 2003.

3. Investment Component

3.1 Enterprise Participation

UNDP Component

- The original funding proposal for this project was for about US\$ 6.9 million (for the UNDP portion). The actual funding for the UNDP portion was approved at US\$ 2,935,986. Due to the substantial reduction in funding level, it would not be possible to provide all the eligible participant enterprises with the level of assistance earlier envisaged. It was therefore agreed that about 10 medium-sized enterprises with a significant foaming baseline be provided with assistance for both foam and refrigerant equipment. Up to 125 SMEs would be provided with refrigerant equipment only. This approach would provide most remaining enterprises with assistance, while ensuring that the costs of equipment, trials and training could be met within the allocated budget.
- The first list of 10 medium-sized enterprises and 103 SMEs was provisionally endorsed by MOEF in September 2003 for participation. Upon completion of all activities in these enterprises (targeted in CY 2004 and 2005), the CFC phase-out that would be achieved, would contribute about 300 MT to the CY 2004 and CY 2005 annual CFC phase-out targets (amounting to a total of 359 MT for these two years through the Plan).
- Upon full verification of the enterprise baselines by MOEF, which is currently in progress, the final endorsement of these enterprises for participation in the Plan will be provided by MOEF to UNDP.

- The All India Air Conditioning and Refrigeration Association (AIACRA), which is the government-recognized representative body for the enterprises in this sector, has been actively involved in finalizing the list of participating enterprises and in obtaining and verifying their baseline information.

UNIDO Component

- The mechanism of enterprise participation in the transport refrigeration sub-sector (UNIDO component of the Plan) is under discussion between UNIDO and MOEF.

3.2 Procurement

UNDP Component

- UNDP notified the invitations for Expressions of Interest for prospective suppliers of the equipment to be procured under this project in May 2003. The invitations for Expressions of Interest were posted in the websites of UN Development Business, UNDP's Inter-Agency Procurement Services Office (IAPSO) and UNDP-Delhi for one month. The responses received were evaluated in October 2003 and a short list of vendors for the international competitive bidding exercise for procuring the refrigerant equipment was finalized based on the roster of existing suppliers and based on the evaluation of responses to the Expressions of Interest.
- UNDP prepared the technical specifications for the refrigerant equipment to be procured for the first batch enterprises in October 2003.
- The international bidding exercise for the refrigerant equipment is currently underway.

UNIDO Component

- The procurement activities are expected to be initiated once the mechanism of enterprise participation is finalized by UNIDO and MOEF.

4. Non-Investment (Policy and Management Support) Component (implemented by UNDP)

4.1 Sector Phase-out Plan Unit (SPPU)

The National Programme Manager recruited for the SPPU, to support the implementation of the Foam Sector Phase-out Plan, has also been assigned the task of supporting the implementation activities of the Refrigeration (Mfg) Sector Phase-out Plan, with the fully operational SPPU.

4.2 Enterprise Participation

- The operational mechanism for enterprise participation in the Sector Phase-out Plan was finalized by MOEF in consultation with UNDP.
- The verification of baseline at the first batch of participating enterprises is presently in progress. This includes plant visits by MOEF/SPPU and collection of participation documentation and commitments from the enterprises in line with MOEF regulations.
- The verification of enterprises in future batches of participation/procurement would be an ongoing exercise.

4.3 Other Policy, Regulatory and Awareness Actions

MOEF continued the implementation and enforcement of the Government of India Ozone Rules, promulgated in January 2000. During the Ozone Day workshops held in 2003, information on the Sector Phase-out Plan was disseminated to Government policy makers and stakeholders. The empowered Steering Committee is fully briefed and aware of the commitments and obligations arising out of the agreement between Government of India and the Executive Committee of MLF, governing the approval of the Sector Phase-out Plan.

5. CFC Phase-out and Results

The annual CFC phase-out target for CY 2003 is 250 MT, to be achieved through the completion of ongoing projects. By November 2003, **262.70 MT would be achieved** through the completion of five UNDP-implemented ongoing projects, thus achieving or exceeding the CY 2003 annual CFC phase-out target.

6. 2004 Annual Implementation Programme

The activities described in the 2004 annual implementation program would lead to the elimination of about 190 MT of CFCs upon completion in 2004. This meets or exceeds the annual CFC phase-out target for 2004 from the Refrigeration (Mfg) Sector Plan (140 MT). The remainder of the overall phase-out target for the Sector (178 MT of the total of 368 MT) would be accomplished through completion of ongoing individually approved projects (140 MT), phase-out from ineligible enterprises through controls and enforcement (1 MT) and phase-out from UNIDO-implemented activities (40 MT).

The activities initiated for the 63 enterprises in 2004, are estimated to lead to a phase-out of about 80 MT, thus contributing to about 85% of the CFC phase-out target (108 MT) from the Plan, for 2005.

As per disbursement schedule in Table 1 of the Agreement between the MLF and the Government of India, the Executive Committee is requested to approve the 2004 Annual Implementation Programme and the release of the 2003 funding level of \$476,536 and the corresponding support fees of \$43,243.

INDIA
Refrigeration (Mfg) Sector Phase-out Plan

Annual Implementation Program (Tranche 1) for CY 2002

1. Data

Country	India
Year of plan	2002
Number of years completed	0
Number of years remaining under the plan	4 (2003 through 2006)
Target ODS consumption in Sector for the preceding year as of December 31 (ODP MT)	1,373
Target ODS consumption in the Sector for the year of plan as of December 31 (ODP MT)	1,373
Level of funding requested (US\$) (2002)	2,000,000
Lead implementing agency	UNDP
Co-operating agency (ies)	None

2. Targets

Target	Net reduction in CFC consumption in the Refrigeration (Mfg) Sector: 0 MT Limit of CFC consumption in the Refrigeration (Mfg) Sector as of 31 December 2002 of 1,373 MT			
Indicators		Preceding Year (as of 31 December)	Year of Plan (as of 31 December)	Reduction
Supply of ODS in Sector (ODP MT)	Import	1,373	1,373	0
	Production	N/A	N/A	N/A
	Total (1)	N/A	N/A	N/A
Demand of ODS in Sector (ODP MT)	Manufacturing	1,373	1,373	0
	Servicing	N/A	N/A	N/A
	Stock piling	N/A	N/A	N/A
	Total (2)	1,373	1,373	0

3. Industry Action

3.1 Activities resulting from prior year's ongoing projects

Sector	Consumption Preceding Year as of 31 December (1)	Consumption Year of Plan as of 31 December (2)	Reduction within Year of Plan (1) - (2)	No. of Projects Complete	Number of Servicing Related Activities	ODS Phase-Out (ODP MT)
Ref Mfg Sector	1,373	1,373	0	0	0	0

* Represents estimated number of ongoing projects, which would be completed.

3.2 Activities resulting from the 2002 tranche

Activity	Description	
Start Phase-out of CFC's in 36 enterprises	Objective	Initiate procurement procedures for equipment to be provided to 36 recipient enterprises for conversion to non-CFC technology
	Target group	100 recipient enterprises
	Impact	Finalization of specifications and vendor shortlists, international competitive bidding and issuance of purchase orders/contracts

The technical assistance activities would be initiated through individual and group sub-projects for about 100 enterprises, leading to an elimination of about 300 MT of CFCs upon completion, envisaged for 2004. It is foreseen that the durations for the sub-projects for these 100 enterprises would be set in such a way as to ensure that their completion would contribute to about 80% of the verifiable annual performance target for CY 2004 (380 MT) leading to a minimum phase-out of about 300 MT CFCs through the Sector Phase-out Plan. The balance of the 2004 target would be met through the second funding tranche to be obtained in 2003 and through the completion on ongoing projects.

4. Technical Assistance

The technical assistance will be provided hand in hand with the implementation of the investment activities described above.

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import	Continuing enforcement of existing controls
Public Awareness	N/A
Others	See below

The following activities are proposed for 2002, under the Policy and Management Support component:

- a) Establishment of the Sector Phase-out Plan Unit (SPPU) for facilitating the management of the Sector Phase-out Plan:
 - Determination of personnel and logistics requirements
 - Finalizing terms of reference for personnel
 - Initiation of recruitment of personnel
- b) Formulation of detailed terms of reference and work plans for various activities under the Policy & Management Support component.
- c) Establishment of an operational mechanism for participation by enterprises in the Sector Phase-out Plan and for obtaining phase-out commitments from enterprises.
- d) Organization of one workshop under the Policy and Management Support Component, for government policy-makers and for recipient enterprises.

6. Annual Budget

Activity	Planned Expenditures (US \$)
Establishment of Sector Phase-out Plan Unit (SPPU) and recruitment of staff	60,000
Technical Assistance	30,000
Equipment	1,736,000
Contingencies	174,000
TOTAL	2,000,000

7. Administrative Fees

The administrative fees will be utilized by UNDP throughout the implementation of this tranche.

INDIA – REFRIGERATION (MFG) SECTOR PHASE-OUT PLAN
Projects in the Refrigeration (Mfg) Sector to be completed during CY 2003

UNDP Project Number	MLF Project Number	Project Name	Approved Grant (US\$)	ODS (MT/y)	ODP (MT/y)	Remark
N/A	IND/REF/22/INV/110	Refrigeration Components & Acc	125,370	9.50	9.01	IBRD
N/A	IND/REF/22/INV/123	Hindustan Refrigeration Industries	132,320	10.20	10.15	IBRD
N/A	IND/REF/22/INV/124	Refrigeration & Home Appliances	147,300	12.00	11.34	IBRD
IND/01/G65	IND/REF/32/INV/282	Sandlas Aircon Systems P. Ltd.	228,517	24.65	23.31	Targeted 11/2003
IND/01/G66	IND/REF/32/INV/286	Group project for 9 enterprises	789,425	56.70	53.52	Targeted 11/2003
N/A	IND/REF/32/INV/290	Group project for 3 enterprises	328,894	27.30	26.03	UNIDO
IND/01/G13	IND/REF/34/INV/323	Group project for 5 enterprises	323,627	23.26	21.96	Targeted 11/2003
IND/02/G61	IND/REF/35/INV/341	Konark Refrigeration	182,684	13.76	13.07	Targeted 11/2003
IND/02/G62	IND/REF/35/INV/340	Ice-Make Refrigeration	157,305	13.05	12.37	Targeted 11/2003
IND/02/G63	IND/REF/35/INV/342	Group project for 9 enterprises	726,448	59.35	56.54	Targeted 11/2003
IND/02/G64	IND/REF/35/INV/339	Group project for 14 enterprises	960,097	71.93	68.01	Targeted 11/2003
TOTAL			4,101,987	321.70	305.31	

Notes:

1. All enterprises achieved all project objectives and met all project obligations, such as phase-out of CFCs, phase-in of CFC-free production, depletion of CFC stocks, destruction of redundant and replaced baseline equipment, etc. The figures in the column marked “ODS” represent the amount of CFC to be phased out as per the approved project and the figures in the column marked “ODP” represent the net ODP phased out after accounting for the residual ODP of HCFC-141b wherever applicable.
2. HOPs for all the above-mentioned projects would be issued and signed during CY 2003.
3. The annual **CFC phase-out target for CY 2003**, in accordance with the schedule agreed in the India Refrigeration (Mfg) Sector Phase-out Plan was **250 MT**, which would thus be achieved (**the phase-out from UNDP-implemented projects above, amounts to 267.20 MT**)