



Government of the People's Republic of China

United Nations Development Programme

Project Document

Institutional Strengthening for the Phase-out of Ozone Depleting Substances under the Montreal Protocol, Phase IX



Brief Description

The main objective of the project is to further enhance the overall programme management capability of the Programme Management Office (PMO) for ozone layer protection matters in the Ministry of Environmental Protection (MEP), especially to enforce ODS policy development and supervision and management of projects. The extension of Phase IX will provide the necessary inputs to assist China to maintain its momentum in phasing out the production and consumption level of ODS, to design its HCFCs management system, and to sustain the capacity of the PMO to effectively implement China's national Montreal Protocol Programme for ODS phase out, in order to reach the target of freeze of HCFC consumption in 2013 and efforts to sustain the achievement of phase-out.

UNDAF (2011-2015) Outcomes/Indicators	Government institutions and other stakeholders ensure environmental sustainability, address climate and promote a green, low carbon economy.
UNDP CPD Outputs/Indicators	Low carbon and other environmentally sustainable strategies and technologies are adapted widely to meet China's commitments and compliance with Multilateral Environmental Agreements
Project Outcome	To strengthen overall programme management capacity of the Programme Management Office of the Foreign Economic Cooperation Office, Ministry of Environmental Protection; to effectively manage ozone layer protection actions and administrative system established around the country; to promote international communication to get policy update and learn from international best practice; to maintain momentum in phasing out production and consumption of ODS, steady progress in the implementation of HCFC Phase-out Management Plan to comply with Montreal Protocol phase-out schedules, and efforts to sustain the achievement of phase-out.
Government Coordinating Agency and Implementing Partner	Ministry of Environmental Protection (MEP)
Government and National Cooperating Agency	Foreign Economic Cooperation Office (FECO), Ministry of Environmental Protection

Country Programme Period:	2011-2015
Project Full Title:	Institutional Strengthening for the Phase-out of Ozone Depleting Substances under the Montreal Protocol, Phase IX
Project Short Title:	MP IS IX
Award ID:	00058580
Project ID:	00072800
Project Period:	2011-2012

Total Budget:	US\$ 390,000
Allocated Resources:	
MP:	US\$ 390,000

Agreed by:	Signature	Date	Name and Title
Implementing Partner/ Executing Agency:		_____	_____
United Nations Development Programme		8/4/2011	_____

Acronyms

APR	Annual Programme/Project Report
AWP	Annual Work Plan
CFC	Chlorofluorocarbon
CPD	Country Programme Document
ExCom	Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol
FECO	Foreign Economic Cooperation Office
GOC	Government of China
MAC	Mobile Air-Conditioning
MDGs	Millennium Development Goals
MEP	Ministry of Environmental Protection
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
MPU	Montreal Protocol Unit
MYFF	Multi Year Funding Framework
NEX	Nationally Execution
NGO	Non-governmental Organization
NPDC	National Project Development Coordinator
ODS	Ozone Depleting Substances
PMO	Programme Management Office
QOR	Quarterly Operational Report
SAPR	Semi Annual Programme/Project Report
SBAA	Standard Basic Assistance Agreement
SWG	Special Working Group
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization

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SECTION I. BACKGROUND AND DESCRIPTION

Part One. Situation Analysis

In 1974 the first theory blaming CFCs for destroying the ozone layer was presented. After a few years of initial skepticism towards this finding, the ozone hole over Antarctica was discovered and the world community was convinced that large-scale ozone destruction was taking place. Stratospheric ozone in its natural state is constantly being destroyed and regenerated by natural photochemical processes. However, a clear link had been established between the release of man-made chemicals into the air and the rapidly declining presence of ozone in the stratosphere.

A damaged ozone layer would lead to increased amounts of harmful ultraviolet radiation reaching the earth surface, causing serious threats to human health, animals, plants and materials. Some of the potential negative impacts of a thinner ozone layer are widespread eye cataracts, increased incidence of skin cancers, slower growth of plants and crops, as well as reduced ocean plankton.

Realizing the dangers of ozone layer depletion, Governments adopted the Vienna Convention (1985) and the Montreal Protocol on Substances that Deplete the Ozone Layer (1987), as well as amendments to the Protocol in London (1990), Copenhagen (1992), Montreal (1997) and Beijing (1999). The Montreal Protocol and its amendments set out a schedule to reduce consumption and production of Ozone Depleting Substances (ODS) and have up to now been ratified by 191 countries. Industrialized countries (Non-Article 5 Parties) basically eliminated Halon consumption as of 1 January 1994 and CFC consumption as of 1 January 1996, except for so-called essential uses. Developing countries (Article 5 Parties), including China, have agreed to freeze most CFC consumption on 1995-1997 averages from July 1999, to reduce this consumption by 50% by 2005 and to fully eliminate CFCs by 2010.

To assist developing countries in their effort to phase-out ODS and meet the control measures specified under the Montreal Protocol, the Multilateral Fund (MLF) was established in 1990. The MLF is managed by an Executive Committee (ExCom) responsible for the allocation of funds among participating countries, including preparation and implementation of the corresponding policies, standards and procedures in the utilization of the MLF. The MLF Secretariat manages the day-to-day business of the ExCom. Project activities under the MLF are carried out by four implementing agencies: UNDP, UNEP, UNIDO and the World Bank.

ODS are used in a number of applications in China; e.g. as cooling agents in refrigerators and air conditioners, blowing agents in different kinds of foamed plastic products, for firefighting purposes and as solvent for electronic and metal cleaning.

Part Two. National Strategy

China ratified the Vienna Convention in 1989, the Montreal Protocol and the London Amendment in 1991 and the China's Country Programme for Ozone Depleting Substances Phase-out was approved by ExCom in 1993. The Country Programme sets out the framework for China's actions to meet the requirements of the Montreal Protocol. Based on experiences gained from earlier years of project implementation, the China Country Programme was updated

in 1999 to reformulate the country's strategy to more effectively meet the ODS phase-out targets.

The Country Programme Update (CP Update) gives attention to new guidelines provided by the Executive Committee (ExCom) of the Multilateral Fund on the implementation of the Montreal Protocol regarding incremental investment and operational cost calculations, operation and implementation of sector plans, substitute technologies, as well as regulations and policies established suitable to the market economic system. During preparation of the CP Update, ODS production, consumption, import and export data was surveyed and analyzed. The overall phase-out strategy and phase-out plan for sectors concerned was further developed. The policy, monitoring and supervision system was revised and improved.

China is currently both the largest ODS consumer and ODS producer in the world. With around one third of the available MLF funding allocated to China, a large number of ODS phase-out projects is being implemented. For achieving the proposed ODS phase-out targets efficiently and effectively, China has set up an important policy framework in production management, import and export management, consumption management, product quality management, environmental labeling system, as well as monitoring and supervision. Traditionally the phase-out projects have been carried out on individual enterprise level. However, to more efficiently and rapidly phase-out ODS, China has been promoting the development of sector plans, where funding is approved for complete phase-out of all ODS used in one sector. Such sector approaches provide the Chinese Government with more flexibility in the use of the funds, compared to individual projects that are subject to a number of specific ExCom rules and regulations. Sector Approaches also ensure a better integration of Government policies and phase-out actions, than achieved by implementation of individual projects. Sector approaches have been approved by the ExCom for phase-out of ODS in China. While giving more flexibility in the implementation, the sector plan also shifts more responsibility for achieving targets to the recipient country.

The Chinese government also ratified the Copenhagen Amendment in April 2003, and ratified both the Montreal and Beijing Amendments in May 2010. Chinese Government has set up a National Leading Group for the Ozone Layer Protection which consists of 15 ministries and Government agencies. The Leading Group is responsible for organizing and coordinating implementation of the Vienna Convention and the Montreal Protocol, as well as China's Country Programme for ODS phase-out. The Leading Group is also responsible for supervising the implementation plans and making decisions on ODS phase-out. MEP is at the ministry level responsible for the overall management of ODS phase-out activities in China. The Vice Minister of MEP is the leader of the Leading Group.

To ensure effective management and implementation of the ODS phase-out activities of the many individual projects and sectoral phase-out plans approved by the MLF, MEP set up a Programme Management Office (PMO) to manage the ODS programme. The PMO consists of staff from the Foreign Economic Cooperation Office (FECO) and the Pollution Control Department of MEP. PMO reports to the Vice Minister of MEP on important matters.

With the support of the Multilateral Fund under the Institutional Strengthening project, the project management, policy formulation and enforcement capacity of the PMO have been significantly strengthened through the different phases of the Institutional Strengthening project. PMO now constitutes a qualified and experienced team to monitor and manage effectively the day-to-day implementation of ODS phase-out activities through well designed action plans to achieve accelerated phase-out of HCFCs. Actions are also undertaken to ensure sustainability of the phase-out achievements.

Part Three. Project Strategy

3.1 Objectives

The main objective of the project is to further enhance the overall programme management capability of the Programme Management Office (PMO) for ozone layer protection matters in the Ministry of Environmental Protection (MEP), especially to enforce ODS policy development and supervision and management of projects. The extension of Phase IX will provide the necessary inputs to assist China to maintain its momentum in phasing out the production and consumption level of ODS, to develop implement its HCFCs Phase-out Management Plan (HPMP), and to sustain the capacity of the PMO to effectively implement China's national Montreal Protocol Programme for ODS phase out, in order to reach the target of freezing and reduction of HCFC production and consumption by 2013 and 2015 and to sustain the achievement of phase-out.

The project intends to achieve the following outcomes:

- 1) To improve policy formulation and enforcement;
- 2) To strengthen international communication;
- 3) To strengthen coordination with related agencies;
- 4) To improve project management of PMO; and
- 5) To promote public awareness;

Project achievements would be sustainable by (a) to highly improve the capacity of PMO, including policy development and enforcement, information collection and exchange, project management, training promotion activity, and human resource management, for Montreal Protocol implementation, as well as the implementation of other MEAs with all-round functions, responsibilities and institutional structure, (b) enhance the national regulation on ODS by composing the list of controlled substances and drafting other supporting codes, and promote projects contributing technology and management experiences to the implementation of HPMP, (c) to improve project management and staff capacity building, (d) to increase public awareness, and (e) to keep in contact with international community so as to work in line with global effort in protecting ozone layer.

3.2 Project Activities

Outcome One: Improve policy formulation and enforcement

In order to effectively manage and monitor ODS project implementation, and to sustain the achievement of ODS phase-out, China needs to timely formulate appropriate policies and legislative measures, and takes effective enforcement actions. Project activities will include:

- 1) To draft regulations and standards controlling HCFC related activities;
- 2) To establish national HCFC management system;
- 3) To dynamically update HCFC registration data under above management system;
- 4) To develop the management of blends of HCFCs.

Outcome Two: Strengthen international communication

China's implementation needs to combine domestic ongoing projects with intentional policy update. Strengthening cooperation and contact will be conducive in this regard. China needs to further carry out international communication, so as to present China's latest achievement and learn from other countries. Best available technology and best environment practice can be exchanged and promoted during such international events. Project activities will include:

- 1) To prepare for the participation of international meetings;
- 2) To attend international meetings, esp. MOP, ExCom, OEWG, etc.

Outcome Three: Strengthen coordination with related agencies

Implementation requires more partners involved to assist in collecting data, conducting survey, compiling phase-out plan and undertaking R&D. These agencies have comparative advantage in these aspects and they have much wider contact and influence in industrial sectors. The programme will enhance coordination with such agencies as industrial associations, universities, national authorities and related institutions to jointly fulfil implementation target. Project activities will include:

- 1) To strengthen coordination with international implementing agencies;
- 2) To organize Meetings of National Leading Group for Ozone Layer Protection to review the annual progress on ODS phase-out and conduct conferences with related national ministries to implement ODS phase-out activities.
- 3) To enhance cooperation with local EPBs, related association and institutions.

Outcome Four: Improve project management of PMO

Building on experience gained and lessons learnt, the programme management capacity of PMO will be further strengthened to undertake effective coordination with international implementing agencies, domestic implementing entities, related line ministries, authorities, industrial associations and enterprises, and to achieve more efficient management of the implementation of the many sectoral phase-out plans approved. Project activities will include:

- 1) To strengthen the coordination among ODS production, consumption and import & export in the project management;

Outcome Five: Promote public awareness

To promote the awareness of governmental officials and decision-makers as well as industries and general public on ozone actions and activities in the country, the following project activities will be undertaken:

- 1) To publish the "Ozone Action in China" continuously;
- 2) To update website of China Ozone Action;
- 3) To update the on-line training system;
- 4) To conduct activities for the celebration of International Ozone Day;

3.3 Target Beneficiaries

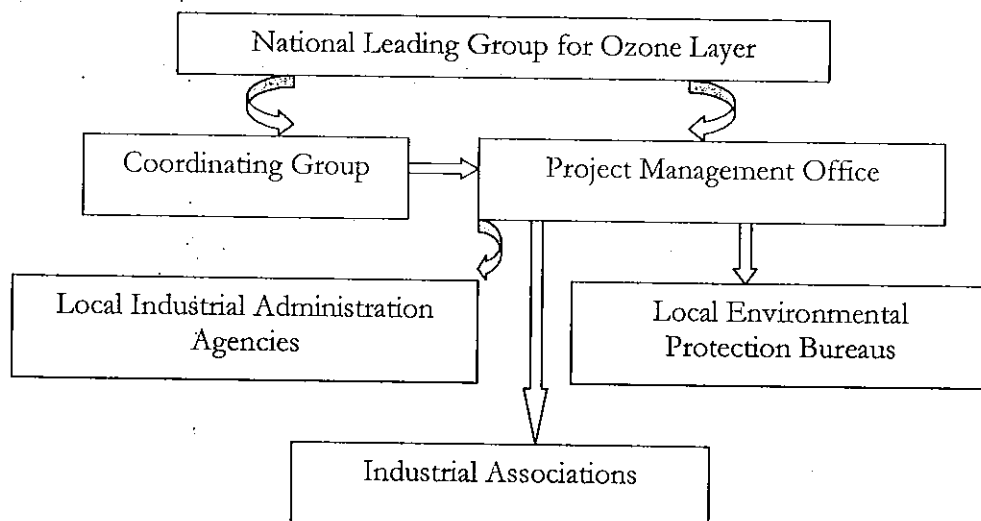
The direct beneficiaries of the project will be the Programme Management Office of FECO/MEP, responsible for the management of the implementation of project activities to phase-out ozone depleting substances. Related ministries, local Environmental Protection Bureaus and local authorities, as well as national experts, national technical centres and industrial associations will also benefit directly from training and increased exposure to improved project management, and application of non-ODS technologies.

Indirect beneficiaries include enterprises undertaking phase-out projects, receiving equipment and knowledge to change their manufacturing and production processes. Every individual in China and the rest of the world will also be indirect beneficiaries as the threat of increased harmful UV radiation will be reduced, contributing to global benefits. Chinese Government will benefit indirectly from the project, as it will facilitate more efficient and effective achievement of the phase-out targets through improved project management skills, better policy formulation, implementation and enforcement mechanism that will assist China to meet its commitments and obligations under the Montreal Protocol.

Part Four. Management Arrangements

The Institutional Strengthening Phase IX project will be executed by the Foreign Economic Cooperation Office (FECO) of the Ministry of Environmental Protection (MEP). The Project Management Office (PMO) in FECO/MEP is responsible for daily management of the project under the direction and guidance of a Director General. MEP, as the lead national agency, will fully consult and collaborate with all the stakeholders to guarantee their full involvement and participation. The supervising and administrative structure for the implementation of the Montreal Protocol is reflected in the diagram below. UNDP will be the Implementing Agency, responsible for monitoring and evaluating project objectives, activities, output and emerging issues. UNDP will manage the MLF fund based on the UNDP's established procedures on MLF-funded projects. The supervising and administrative structure is as follows:

Supervising and Administrative Structure



PMO has ODS production and consumption groups. In each group, there are special working groups for every ODS sector. In these special working groups, there are staffs coming from related sectors and ministries. They act as coordinators between PMO and their respective ministry/sector and exchange information on trends and priorities in a timely manner. This greatly helps the action plan for the IS project being integrated in the national authority's planning process.

Part Five. Monitoring and Evaluation

The standard M&E procedures required for this UNDP/MP Institutional Strengthen project application include:

Annual Project Report (APR) and Semi Annual Project Report (SAPR)

The report is designed to obtain independent views of the main stakeholders of a project on its relevance, performance and the likelihood of its success. The APR and SAPR may be completed and submitted via UNDP-China to the UNDP/MPU.

The National Project Development Coordinator (NPDC) is responsible for preparing the APR and SAPR. UNDP-China is responsible for submitting the report to UNDP/MPU. It should be noted that UNDP/MPU is responsible for submitting the APR for MLF purposes and therefore must agree with the content.

Quarterly Operational Report (QOR)

Each quarter, the NPDC is required to prepare a 100-word summary of the project's substantive and technical progress towards achieving its objectives. The summaries are reviewed and cleared by UNDP-China before sent to the UNDP/MPU.

Budget Revisions

Project budgets revisions are signed by the Designated Institution (MEP) and UNDP Country Director. An annual revision is mandatory to reflect the final expenditures for the preceding year and to enable the preparation of a realistic plan for the provision of inputs for the current year. Other budget revisions may be undertaken as necessary during the course of the project. It is expected that significant revisions will be cleared with the UNDP/MPU for consistency with the MLF principle of incrementality and MLF eligibility criteria before being approved.

Audit

As per UNDP requirements, an annual audit is necessary for all MLF Projects when expenditure for the calendar year exceeds US\$300,000, or the project will be audited at least one time during its lifecycle. According to the UNDP Programming Manual, the legally recognized auditor of the government normally conducts the audit. The audit will be an integral part of the monitoring and evaluation process and its contents shall be taken into account in the annual progress review and evaluation of the project.

Terminal Report and Plan of Action for Extension of Institutional Strengthening Project

As per MLF requirements, a Terminal Report and a Plan of Action are necessary for

Institutional Strengthening project renewal every two-years. These reports should be reviewed and cleared by UNDP China before submitting to UNDP/MPU.

Part Six. Legal Context

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of the People's Republic of China and the United Nations Development Programme, signed by the parties on 29 June 1979. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The Country Director of UNDP China office is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP/MPU and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document.

Part Seven. Special Considerations

The Executive Committee of the Multilateral Fund Decision 33/12 *decided* that Governments commit to ensure that:

- i. The National Ozone Unit is given a clear mandate and responsibility to carry out the day-to-day work in order to prepare, coordinate and, where relevant, implement the government's activities to meet its commitments under the Montreal Protocol; this also requires access to decision-makers and enforcement agencies;
- ii. The National Ozone Unit's position, capacities, and continuity of officers, resources and lines of command within the authority in charge of ozone issues are such that the National Ozone Unit can carry out its task satisfactorily;
- iii. A specified high-level officer or a post within the authority is given overall responsibility for supervising the work of the National Ozone Unit and ensuring that action taken is adequate to meet commitments under the Protocol;
- iv. Necessary support structures, such as steering committees or advisory groups are established, involving other appropriate authorities, the private sector and non-governmental organizations, etc;

- v. Personnel and financial resources and equipment provided by the Multilateral Fund are fully allocated to the task of eliminating ODS consumption and production and are made available to the National Ozone Unit;
- vi. Annual work plans for the National Ozone Unit are prepared and integrated in the authorities' internal planning processes;
- vii. A reliable system to collect and monitor data on ozone depleting substances imports, exports and production is established; and
- viii. Measures taken and problems encountered are reported to the Secretariat and/or the implementing agency in charge of the institutional strengthening project when required by the Executive Committee.

SECTION II. RESULTS AND RESOURCES FRAMEWORK

Part Eight. Strategic Results and Resources Framework

Intended Outcome as stated in the UNDP Country Programme Results and Resource Framework:			
Outcome 4	Low carbon and other environmentally sustainable strategies and technologies are adapted widely to meet China's commitments and compliance with Multilateral Environmental Agreements		
Outcome Indicator/output as stated in the Country Programme Results and Resources Framework:			
Indicator/output 4.1	Policy and capacity barriers for the sustained and widespread adoption of low carbon and other environmentally sustainable strategies and technologies removed		
Applicable MYFF Service Line:			
Project Title and ID: Extension of Institutional Strengthening-Phase IX, Project ID: 00077631			
Intended Outputs	Output Targets	Indicative Activities	Inputs US\$
Outcome 1: Improve policy formulation and enforcement		<ol style="list-style-type: none"> 1) To draft regulations and standards controlling HCFC related activities; 2) To establish national HCFC management system; 3) To establish a dynamic HCFC registration system; and 4) To develop the management of blends of HCFCs. 	100,000
Outcome 2: Strengthen international communication		<ol style="list-style-type: none"> 1) To prepare for the participation of international meetings; 2) To attend international meetings, esp. MOP, ExCom, OEWG, etc. 	150,000

<p>Outcome 3: Strengthen coordination with related agencies</p>		<ol style="list-style-type: none"> 1) To strengthen coordination with international implementing agencies; 2) To organize Meetings of National Leading Group for Ozone Layer Protection to review the annual progress on ODS phase-out and conduct conferences with related national ministries to implement ODS phase-out activities. 3) To enhance cooperation with local EPBs, related associations and institutions. 	<p>40,000</p>
<p>Outcome 4: Improve project management of PMO</p>		<ol style="list-style-type: none"> 1) To strengthen the coordination among ODS production, consumption and import & export in the project management. 	<p>80,000</p>
<p>Outcome 5: Promote public awareness</p>		<ol style="list-style-type: none"> 1) To update website of China Ozone Action; 2) To update the on-line training system; 3) To conduct activities for the celebration of International Ozone Day; 	<p>20,000</p>

Part Nine: Annual Work Plan Budget Sheet

Year 2011-2012

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES List all activities, including what to be undertaken during the year towards stated outputs	TIME- FRAME	RESPON- SIBLE PARTY	PLANNED BUDGET					
				Source of Funds	Mis- Budgets/ Account Code	Mis- Budget Description	Amount (USD) Year (2011)	Amount (USD) Year 2 (2012)	Total (USD)
Outcome 1: Improve policy formulation and enforcement	1) To draft regulations and controlling HCFC related activities; 2) To establish national HCFC management system; 3) To establish a dynamic HCFC registration system; and 4) To develop the management of blends of HCFCs.		FECO/MEP	MLF	75100	Implementing Support Service	50,000	40,000	90,000
			FECO/MEP	MLF	71400	Contractual Service - Individual	5,000	4,000	9,000
			FECO/MEP	MLF	74500	Miscellaneo us	500	500	1,000
			FECO/MEP	MLF	75100	Implementing Support Service	30,000	20,000	50,000
Outcome 2: Strengthen international communication	1) To prepare for the participation of international meetings; 2) To attend international meetings, esp. MOP, ExCom, OEWG, etc.		FECO/MEP	MLF	71400	Contractual Service - Individual	3,000	2,000	5,000

	consumption and import & export in the project management,;				FECO/MEP	MLF	71400	Contractual Service - Individual	10,000	9,000	19,000
					FECO/MEP	MLF	74500	Miscellaneous	500	500	1,000
Outcome 5: Promote public awareness	1) To update website of China Ozone Action;				FECO/MEP	MLF	75100	Implementing Support Service	6,000	4,000	10,000
	2) To update the on-line training system;				FECO/MEP	MLF	71400	Contractual Service - Individual	3,000	2,000	5,000
	3) To conduct activities for the celebration of International Ozone Day;				FECO/MEP	MLF	72100	Service Contracts	2,500	1,500	4,000
							74500	Miscellaneous	500	500	1,000
TOTAL									230,000	160,000	390,000

SECTION III. ANNEXES

**Part Ten. Terminal Report and Request for extension of IS Funding
(2011 to 2012)**

1. **Country:** China
2. **National implementing agency / ozone unit:** Ministry of Environmental Protection
3. **Implementing Agency:** UNDP
4. **Institutional strengthening project phases (approved):**

Phase	Duration (dd/mm/yy)	MLF Funding (Approved)	MLF Funding (Disbursed)
Phase I	36 months	US\$450,000	US\$450,000
Phase II	26 months	US\$300,000	US\$300,000
Phase III	24 months	US\$300,000	US\$300,000
Phase IV	24 months	US\$300,000	US\$300,000
Phase V	24 months	US\$390,000	US\$390,000
Phase VI	24 months	US\$390,000	US\$390,000
Phase VII	24 months	US\$390,000	US\$390,000
Phase VIII	24 months	US\$258,352	US\$258,352*

*As on date. The balance US\$ 131,648 will be disbursed by 12/2010

5. **a) Reporting period (mm/yy to mm/yy):** 01/09 to 09/10
b) Requested (phase funding (US \$), and period): US\$390,000(01/11 to 12/12)

6. Data reporting:

Reporting requirement	Reported		Year reported	Year submitted
	YES	NO		
Article 7	X		2009-2010	2009, 2010
CP implementation	X		2009-2010	2009, 2010

7. **Describe the role and position of the NOU within the national administration, the way its work is supervised and its access to senior decision-makers (this may include cooperation with steering committees, advisory groups or inter-ministerial bodies)**

MEP is the leader of the National Ozone Leading Group (Leading Group), which consists of 15 ministries and Government agencies. The Leading Group is responsible for organizing and coordinating implementation of the Vienna Convention and MP, as well as the China Country Programme. The Leading Group is also responsible for supervising the implementation plans and making decisions on ODS phase out.

MEP is at the ministry level responsible for the overall management of ODS phase-out activities in China. The Vice-Minister of MEP is the leader of the leading group. PMO consists of staff from the Pollution Control Department and International Cooperation Department in MEP and Foreign Economic Cooperation Office of MEP. PMO reports to Vice-minister of MEP on important affairs.

8. Indicate the total number staff in the NOU:

- How many are paid under the IS? 33 Full time 33 Half time _____

- How many are paid by the Government? 7 Full time 7 Half time _____

9. Is the unit fully staffed?

YES

NO

If no, explain _____

10. Please provide details on the status of the implementation of the activities approved from the previous IS phase and planned activities for the requested phase. Please add specific indicators if necessary.

Objectives (please add as necessary)	Activities in current phase	Achievement in current phase (specify phase/mm/yy)	Planned activities in next phase (specify phase/mm/yy)	Expected result for next phase
Objective 1: Improve policy formulation and enforcement				
Introduction of ODS management regulation	Issue the national ODS Management Regulation	The national ODS Management Regulation was issued in 04/10 and entered into force 06/10.	1.1 To draft regulations and standards controlling HCFC related activities. 1.2 To establish national HCFC management system.	A series of supporting codes based on the national ODS Management Regulation will be published to manage HCFCs. HCFC production and consumption will be regulated based on quotas.

Objectives (please add as necessary)	Activities in current phase	Achievement in current phase (specify phase/mm/yy)	Planned activities in next phase (specify phase/mm/yy)	Expected result for next phase
Make plans for HCFC management	Prepare and formulate the HPMP	The overarching HPMP of China have been submitted to the MOP on August 23, 2010	1.3 To establish a dynamic HCFC registration system. 1.4 To develop the management of blends of HCFCs.	The work to record data on HCFC production and consumption will begin. Effective polices and monitoring action will be taken for ODS import and export and blends of HCFCs.
Monitoring ODS trade (all ODS)	Make policies and take actions for ODS import and export	Policies on the import and export of blends of HCFCs have been drafted; an online ODS import/export declaration and authorization system has been installed.		
Ratification of Amendments to the Montreal Protocol	Ratify the Montreal Amendment and Beijing Amendment in 2009	The Montreal and Beijing Amendments were ratified by the State Council on May 19, 2010.		
Objective 2: To strengthen international communication				
Take part in international negotiations	Participate in international negotiations, and report the Protocol implementation progress in China.	The PMO attended the 57th-61 st ExCom in the period, joined the International Cooperation Division of MEP in the negotiation of OEWG 29 and 30 and MOP 21.	2.1 To prepare for the participation of international meetings. 2.2 To attend international meetings, esp. MOP, ExCom., OEWG, etc.	Participate in international negotiations, and report the Protocol implementation progress in China.

Objectives (please add as necessary)	Activities in current phase	Achievement in current phase (specify phase/mm/yy)	Planned activities in next phase (specify phase/mm/yy)	Expected result for next phase
Understand international trends on ODS phase-out	Study the latest ODS policies and international trend on ODS phase-out.	The PMO conducted research on the prospect of complying with the Montreal Protocol and the impact of HCFC phase out on China for the next Five-Year Plan.	Study the latest ODS policies and international trend on ODS phase-out.	Participate in international negotiations, and report the Protocol implementation progress in China.
Obtain support for projects and sector plans	Push the approval of China's new projects and sector plans.	The overarching and sectoral HPMP have been drafted with the support and organization of the PMO. A number of demonstration projects exhibiting the technological possibility of HCFC phase out have been approved by the ExCom.	Push the approval of China's new projects and sector plans.	Compose HPMPs for other sectors and design and implement new demonstration projects.
Objective 3: To strengthen coordination with related agencies				
Implement plans and projects	Through enhanced coordination with related agencies, all sector plans and projects will be smoothly implemented, and China will realize phase-out targets set by the Montreal Protocol.	By the end of 2009, the production and consumption of CFCs, Halons and CTC and the production of TCA have ceased except for the exempted uses, thus marking China's realization of the first phase target set by the Montreal Protocol.	3.1 To strengthen coordination with international implementing agencies. 3.2 To organize Meetings of National Leading Group for Ozone Layer Protection to review the annual progress on ODS phase-out and conduct conferences with related national ministries to implement ODS phase-out activities.	Through enhanced coordination with related agencies, all sector plans and projects will be smoothly implemented, and China will realize phase-out targets set by the Montreal Protocol.

Objectives (please add as necessary)	Activities in current phase	Achievement in current phase (specify phase/mm/yy)	Planned activities in next phase (specify phase/mm/yy)	Expected result for next phase
			3.3 To enhance cooperation with local EPBs, related associations and institutions.	

Objectives (please add as necessary)	Activities in current phase	Achievement in current phase (specify phase/mm/yy)	Planned activities in next phase (specify phase/mm/yy)	Expected result for next phase
Objective 4: To improve project management of PMO				
Smoothly implement on-going projects	Introduce better project managem ent system and follow the requireme nt of the Montreal Protocol	The PMO has improved project management by introducing more strict financing monitoring system. All sectors using controlled substances have achieved targets given by the Montreal Protocol. Ongoing projects in the Foaming, Solvent and Agriculture sectors are progressing smoothly.	To strengthen the coordination among ODS production, consumption and import & export in the project management.	All on-going projects will be smoothly implemented.
Objective 5: To promote public awareness				
Reach out to the public through media	More necessary informatio n, the latest ODS phase-out activities and policies will be promulgat ed through the newsletter and website.	From January 2009 to July 2010, 11 issues of "Ozone Action in China" Chinese version were published. In rest months of 2010, more issues will be published. MEP attended the 21st MOP in Port Gahlib, Egypt and promoted the awareness and participation of related governmental officials and decision makers as well as industries and public on ozone actions. Two booklets	5.1 To publish the "Ozone Action in China" continuously. 5.2 To update website of China Ozone Action. 5.3 To conduct activities for the celebration of International Ozone Day.	More necessary information, the latest ODS phase-out activities and policies will be promulgated through the newsletter and website.

Objectives (please add as necessary)	Activities in current phase	Achievement in current phase (specify phase/mm/yy)	Planned activities in next phase (specify phase/mm/yy)	Expected result for next phase
		<p>illustrating the importance of ozone protection and signifying efforts of the international community has been published and received favorable reactions.</p> <p>A guide for the national ozone officers, and a booklet on accelerated HCFC phase-out have been published. Other publications are being prepared and will meet the public in late 2010.</p>		
Training public awareness campaigner	More people will be trained through the on-line training system, and the public awareness will be promoted.	<p>Local capacity building for ODS phase out is steadily progressing. Channels such as newsletters and websites have been established. Training and publicity programmes have been implemented in various locations. Over 9,000 persons have attended training sessions.</p>		

11. Financial report

Item of expenditure	Budget for current phase (US \$)	Disbursement (for current phase) (US \$)		Estimated budget (for requested phase) (US \$)	Government funding (in kind contribution) (US \$)	
		Actual	Obligated		Current Phase	Requested phase
Staff (including consultants)	242,000	170,599.42	71,400.58	260,000	155,000	340,000
Equipment	None	None	None	0	10,000	0
Operational cost (i.e. meetings, consultations, etc)	108,000	87,752.10	20,247.90	130,000	50,000	470,000
Public awareness	40,000	0	40,000	0	5,000	0
Other	0	0	0	0	20,000	0
TOTAL	390,000	258,351.52	131,648.48	390,000	240,000	810,000

12. Please evaluate the IS performance in meeting the following indicators:

Indicator	Evaluation			Comments
	Very good	Satisfactory	Poor	
1. Effectiveness of import control measures	X			Import of ODS have been effectively registered and managed.
2. Integration of ozone protection issues into national plans	X			Ozone protection have been considered and addressed in the planning of all related sectors.
3. Completion of phase-out projects	X			Phase-out target have been met on time and effectively.
4. Efficient data reporting	X			Data reported on time and accurately.

13. Government endorsement:

Action Plan authorized by (<i>name</i>):	<i>Wen Wurui</i>
Signature of authorising authority	—S/d—
Title:	Director General
Supervising Organization/Agency/Ministry:	Ministry of Environmental Protection
Date:	29 August 2010

14. Submission of Action Plan:

Name of Implementing Agency:	United Nations Development Programme
Name of Project Officer:	<i>Nandan Chirmulay</i>
Signature of project officer:	—S/d—
Title:	Regional Coordinator, Asia-Pacific Montreal Protocol/Chemicals, UNDP
Date:	
Comments of the Implementing agency	China has been very successful in achieving accelerated CFC and Halon phase-out by 1 July 2007, and has undertaken effective management and monitoring of the MP programme to achieve complete phase-out by 2010, including introduction of comprehensive and forwardlooking regulations. China now faces a significant challenge for phasing out HCFCs in accordance with the adjusted phase-out schedule. The government and industry worked hard to prepare the HCFC phase-out management plans for compliance with the 2013 and 2015 control targets. Continued and adequate MLF support will facilitate actions to strengthen national management capacity to effectively implement and monitor HCFC phase-out and introduce further targeted policies and regulations, create awareness and commitment from stakeholders and to ensure the sustainability of ODS phase out.

15. **Executive Summary.** Please provide summaries for the information required below in no more than one paragraph each. These paragraphs will be used in documents for the Executive Committee Meeting.

a) Terminal Report

The main objective of the project is to further enhance the overall programme management capability of the Programme Management Office (PMO) for ozone layer protection matters in the Ministry of Environmental Protection (MEP), especially to enforce ODS policy development and supervision and management of projects. Five objectives, namely (1) improving policy formulation and enforcement, (2) strengthening international communication, (3) strengthening coordination with related agencies, (4) improving project management of PMO, and (5) promote public awareness, have been designated as the main content of the project. In Phase VIII, with the financial support of US\$390,000, 40 members of the PMO have worked to achieve these objectives. Additionally, the project received support from international implementing agencies and the Regional Network. The data from the project have been reported to the Ozone Secretariat and the Secretariat of the Multilateral Fund in an efficient manner. The government and the Implementing Agency have conducted audits on the PMO and yield satisfying outcomes. It is learned that cooperation, coordination, participation of local governments, promotion of public awareness, and support from policy makers are important for the success of the project.

b) Plan of action

In the next 2 years, China faces the task of making and implementing plans for HCFC phase-out, and monitoring the quality of earlier phase-out measures. The main objective of the project is to further enhance the overall programme management capability of the Programme Management Office (PMO) for ozone layer protection matters in the Ministry of Environmental Protection (MEP), especially to enforce ODS policy development and supervision and management of projects. The five objectives designated as the main content of the project, namely (1) improving policy formulation and enforcement, (2) strengthening international communication, (3) strengthening coordination with related agencies, (4) improving project management of PMO, and (5) promote public awareness, will continue to be pursued in the next phase. With the support of US\$390,000 from the MLF, the PMO will continue to practice efficient programme management, awareness raising and data reports, and expand its capabilities to ensure successful phase-out of ODS.



1 February 2011

Dear Mr. Nandy,

Subject: Project approved at the 62nd Executive Committee Meeting-Montreal Protocol

We are pleased to inform you that the following project was approved for China at the 62nd Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, held in Montreal, Canada, in December 2010:

MLF Reference* No.	Project Title	Funding (US\$)
CPR/SEV/62/INS/504	Extension of Institutional Strengthening Project Phase-IX	390,000
Total		390,000

* Please indicate these reference numbers in the cover sheet of the project document and in the ATLAS short project title.

Please note the following important clarifications related to this project:

- 1. Implementation Modality:** We are suggesting that this project be implemented through the National Implementation modality.
- 2. Project Document Format:** We are attaching herewith the project document prepared based on the approval by the Executive Committee. It is important to annex these documents without any change, to the project document that will be signed between UNDP and the Government. No outputs, activities or inputs can be added, modified or deleted in the attached documents that were approved by the Executive Committee.
- 3. Entering the Budget into ATLAS:** Your office is requested to enter the budget into ATLAS, using the indicative Annual Work Plan table that is provided as Annex to this letter. The Multilateral Fund guidelines do not give us flexibility to shift funds between specific budget categories. Please ensure that in view of the UNDP requirement for multi-year project budgeting, the total approved budget per the work plan table attached should be entered in Atlas for the current and future years as indicated. Authorized Spending Limits will not be issued where this action has not been taken.

Mr. Subinay Nandy
Country Director
UNDP China
Beijing, China



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4. Support Cost: The General Management Support Services (GMS) fee received by UNDP in relation to these projects is managed centrally at BDP-HQ, and should NOT be part of the project budget. In ATLAS, please therefore leave the F/A field % at zero. GMS, at 3% covering management support rendered by your office will be credited directly to your XB income based on delivery. Implementation Support Services (ISS) should be charged to the project budget, following the 2004 UNDP guidelines on the Cost Recovery Policy (including use of the Universal Price List). However, this can be applied only for services provided other than project management.

5. Government Counterpart: Just as a reminder, kindly note that the National Ozone Focal Point in your country is Mr. Wen Wurui (wen.wurui@mepfeco.org.cn), Director General, Foreign Economic Cooperation Office, Ministry of Environmental Protection. While he may not be the one to sign the project document on behalf of the Government, kindly make sure that he is copied on all correspondence related to this project.

6. Over-Expenditures: We wish to remind you that over-expenditures are absolutely not allowed in Montreal Protocol projects. Please therefore ensure that total expenditures never exceed the total budget.

Based on the above, kindly finalize the project documentation and enter the proposal into ATLAS. Please inform Mr. Nandan Chirmulay (nandan.chirmulay@undp.org) using the "email notification" feature within ATLAS. After this last clearance from us, you are then authorized to sign the project document on behalf of UNDP. Please do not send the budget to KK before the project document has been signed. Once the project document has been signed please send the total approved budget, including future years to Commitment Control and send a copy of the signed cover page and request for ASL to MPU.

Thank you very much for your important partnership in the implementation of this programme.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Suely Carvalho', written over a faint, larger version of the same signature.

Dr. Suely Carvalho
Chief, Montreal Protocol Unit and Principal Technical Advisor, Chemicals
Energy and Environment Group
Bureau for Development Policy