



**United Nations
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Programme**



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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-sixth Meeting
Doha, 8-12 November 2008

PROJECT PROPOSAL: INDONESIA

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

Aerosol

- Technical assistance to implement national transition strategy to CFC free metered dose inhaler (MDI)

IBRD

**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECT
INDONESIA**

PROJECT TITLE(S) BILATERAL/IMPLEMENTING AGENCY

(a) Technical assistance to implement national transition strategy to CFC free metered dose inhaler (MDI)	World Bank
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NATIONAL CO-ORDINATING AGENCY	Ministry of Environment
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2007, AS OF SEPTEMBER 2008)

CFCs	202.6		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2007, AS OF SEPTEMBER 2008)

ODS	Aerosol	MDI		
CFCs	0.0	30.0		

CFC consumption remaining eligible for funding (ODP tonnes)	30.0
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CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$ million	Phase-out ODP tonnes
	(a)	0	0

PROJECT TITLE:	
ODS use at enterprise (ODP tonnes):	30.0
ODS to be phased out (ODP tonnes):	16.3
ODS to be phased in (ODP tonnes):	0
Project duration (months):	24
Initial amount requested (US \$):	196,000
Final project costs (US \$):	
Incremental Capital Cost:	155,000
Contingency (10 %):	
Incremental Operating Cost:	0
National transition strategy	
Total Project Cost:	155,000
Local ownership (%):	100
Export component (%):	0
Requested grant (US \$):	155,000
Cost-effectiveness (US \$/kg):	n/a
Implementing agency support cost (US \$):	11,625
Total cost of project to Multilateral Fund (US \$):	166,625
Status of counterpart funding (Y/N):	Y
Project monitoring milestones included (Y/N):	Y

SECRETARIAT'S RECOMMENDATION	For Individual Consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Indonesia, the World Bank has submitted a technical assistance programme to implement a national transition strategy to CFC-free metered dose inhalers (MDIs) in Indonesia for consideration by the Executive Committee at its 56th Meeting. The total funding requested in the project as submitted is US \$196,000 plus agency support costs of US \$14,700.

Sector background

2. Of the four multinational enterprises providing MDIs in Indonesia, one company, PT. Boehringer Ingelheim Indonesia (Boehringer), is locally manufacturing CFC MDIs. The 2006-2009 production levels of CFC MDIs by active ingredient are shown in the table below. Boehringer has decided to completely stop manufacturing CFC MDIs by the end of 2009.

Active ingredient	CFC MDIs (units)			
	2006	2007	2008	2009
Metaproterenol	81,661	170,709	108,500	94,500
Ipratropium	21,366	21,687	37,500	-
Ipratropium/fenoterol	10,758	10,731	22,500	11,250
Fenoterol (two different strengths)	208,044	214,391	491,250	112,500
Ipratropium/albuterol	49,511	47,377	91,000	73,500
Budesodine (four different strengths)	23,716	127,630	198,000	150,800
Total	395,056	592,525	948,750	442,550
CFC consumption (ODP tonnes)	8.9	11.5	14.9	9.3

Proposed activities

3. Although CFC MDI imports are not controlled under the ozone regulations in place, the Government of Indonesia has initiated work with major stakeholders to achieve the complete phase-out of CFCs used in the manufacturing of MDIs, and to stop CFC MDI imports by the end of 2009.

4. As the transition to non-CFC MDIs will affect MDI users, the following actions are proposed to ensure that the Indonesian health sector is fully aware of the transition to alternative treatments and acquires the additional capacity and knowledge required to approve non-CFC MDI alternatives:

- (a) Review and adjustment of CFC and MDI-related policies and regulations as needed to ensure smooth transition to non-CFC MDI treatments;
- (b) Develop the necessary knowledge and enhanced capacity of the health sector regarding alternatives;
- (c) Support CFC MDI users through information dissemination (in the local language) using different media, with the help of local health institutions and centres throughout Indonesia's many islands;
- (d) Establish close cooperation with importers and the local manufacturer of MDIs to ensure the availability of non-CFC MDIs at reasonable prices before the end of 2009; and
- (e) Establish a project team to help the Ozone Unit implement the MDI transition programme, and monitor the import and use of CFC- and non-CFC MDIs to ensure that the transition does not have an adverse impact on patients.

5. The total cost of the technical assistance programme has been estimated at US \$196,000.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. At its 44th Meeting, the Executive Committee approved the agreement with the Government of Indonesia for the national CFC phase-out plan, noting that no additional funds would be available from the Fund for the phase-out of CFCs in the aerosol sector except for 30.1 ODP tonnes of CFCs that were currently used in the pharmaceutical aerosol sector, including MDIs (decision 44/39).

7. As reported in the CFC phase-out plan, CFCs were used for the manufacturing of MDIs and other aerosol pharmaceutical products by several national (Otsuka, Daya Varia and Konimex) and multi-national (Astra Zeneca, Boehringer Ingelheim and GlaxoSmithKline) enterprises. Before 2005, PT. Konimex manufactured CFC MDIs containing salbutamol as the active ingredient. In spite of the company having a strong market for MDIs as a supplier for Government Health Insurance, it ceased production of MDIs in 2005 due to scarcity of pharma-grade CFCs on the local market, and high costs associated with the conversion to non-CFC propellant, (i.e., equipment, licenses and royalty fees in case of adopting an alternative formulation from multinational companies).

8. The Secretariat and the World Bank discussed issues related to the level of MDIs manufactured by Konimex at the time the CFC phase-out plan was approved, and the specific activities that the Government of Indonesia would need to implement immediately in order to comply with its commitment to ban the manufacturing and importation of CFC MDIs.

9. Upon a request from the Secretariat, the World Bank confirmed that the Government of Indonesia will not request any essential uses of CFCs for the manufacturing of MDIs.

10. Further to a discussion on the level of requested funding for awareness and information dissemination activities, the cost of the technical assistance programme was adjusted to US \$155,000.

RECOMMENDATION

11. In light of the comments by the Secretariat, the Executive Committee might wish to consider approving the technical assistance programme to implement a national transition strategy to CFC-free metered dose inhalers (MDIs) in Indonesia at the amount of US \$155,000 plus agency support costs of US \$11,625 for the World Bank, on the understanding that no more funding will be approved from the Multilateral Fund for the phase-out of CFCs in Indonesia, and noting the commitment by the Government to completely phase-out CFC consumption used in the manufacturing of MDIs by the end of 2009.

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