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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-eighth Meeting
Montreal, 6-10 July 2009

PROJECT PROPOSAL: DOMINICAN REPUBLIC

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

Phase-out

- Terminal phase-out plan for Annex A (Group I) substances: (fifth tranche)

UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Dominican Republic

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNDP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2008
CFC: 24.7	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2007			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					46.7								46.7
CTC													0
Halons													0
Methyl Bromide													0
Others													0
TCA													0

(IV) PROJECT DATA			2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	539.8	269.9	269.9	81.	81.	81.	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	311.2	269.9	252.	81.	81.	53.	0.	
Project Costs (US\$)	UNDP	Project Costs		500,000.	400,000.	400,000.	211,600.	200,000.		1,711,600.
		Support Costs		37,500.	30,000.	30,000.	15,870.	15,000.		128,370.
Total Funds Approved in Principle (US\$)		Project Costs		500,000.	400,000.	400,000.	211,600.	200,000.		1,711,600.
		Support Costs		37,500.	30,000.	30,000.	15,870.	15,000.		128,370.
Total Funds Released by the ExCom (US\$)		Project Costs		500,000.	400,000.	400,000.	211,600.	0.		1,511,600.
		Support Costs		37,500.	30,000.	30,000.	15,870.	0.		113,370.
Total Funds Requested for Current Year (US\$)		Project Costs						200,000.		200,000.
		Support Costs						15,000.		15,000.

(V) SECRETARIAT'S RECOMMENDATION:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Dominican Republic, UNDP has submitted to the 58th Meeting of the Executive Committee a request for funding for the fifth and final tranche (2009) of the terminal CFC phase-out plan (plan) at a total cost of US \$200,000 plus agency support costs of US \$15,000. The submission also includes a progress report on the implementation of the plan during the year 2008, the implementation programme for 2009, a verification report for the year 2007 and multi-year agreement tables, including information about activities planned for 2009 and 2010.

Background

2. The plan for the Dominican Republic was approved by the Executive Committee at its 45th Meeting to completely phase-out CFC consumption in the country by 2010. Total funding of US \$1,711,600 plus agency support costs of US \$128,370 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$500,000 plus agency support costs of US \$37,500 for the implementation of the first tranche of the plan. The second, third and fourth tranches were approved at the 48th, 51st and 54th Meeting, respectively. The funding request for the fifth tranche was originally submitted to the 57th Meeting. However, the Secretariat suggested that UNDP withdraws the submission due to shortcomings in the verification report.

Verification

3. UNDP, following a suggestion by the Secretariat, has submitted a revised verification report. The Dominican Republic does not produce or export ODS and the country's consumption is equal to its imports. The report compares consumption data from the National Ozone Unit (NOU) with data provided by Customs General Direction (DGA). There is a list of registered importers established which is attached to the report. Two major discrepancies were identified between customs data and NOU data. The NOU had registered 7.4 ODP tonnes of CFC-12 as part of an HFC-134a/R-12 blend; requests by the Secretariat regarding further details did not provide additional insight. The DGA registered 11.26 ODP tonnes of CFC-12 import without licences. Both sources indicate 5.76 ODP tonnes of CFC-115 imported in the mixture R-502. The total consumption for 2007 is 28.9 ODP tonnes, including imports without a license and un-registered at one of the institutions. This value is only 36 per cent of the established quota of 81 ODP tonnes for 2007.

2008 progress report

4. In 2008, activities in the following five sectors were continued from previous implementation efforts: customs training, good practices in refrigeration, investment component, solvent sector and monitoring. One hundred forty customs officers were trained in 2008; resulting in a total of 280 officers trained, which represents 67 per cent of all customs officers to be trained under the plan.

5. A total of 409 technicians were trained and certified in good practices in refrigeration during 2008, leading to a total of 733 technicians trained so far under the plan. The plan had originally foreseen the training of 2,000 technicians, but the final target might be revised downward to 1,200 technicians as the total number of potential technicians to receive training might be lower than initially estimated and the capacity for training is presently only set at 400 technicians per year.

6. The investment component is the largest under the plan and consists of three main subcomponents:

- (a) Mobile air conditioning programme: 900 MAC retrofit kits were purchased, which completes the target of 1,800 of such kits for all phases of plan. The first 130 MAC technicians were trained to perform retrofits, which is 43 per cent of the figure for the overall plan. The conversion of vehicles from CFCs to R134a continues;
- (b) Domestic refrigeration programme: 2,000 cylinders of HC-based refrigerants have been procured and will be distributed in 2009 for retrofit purposes; and
- (c) Commercial refrigeration programme: four training courses on conversion of commercial equipment to alternative refrigerants were organised and the first 99 refrigeration technicians were trained, of a total of 300 technicians to be trained under the plan.

7. The information campaign and seminars to identify remaining uses of ODSs in the solvent sector and to discourage its continued use continued in the year 2008. CFC-113 and TCA are no longer used in the country, but two institutions reported on the use of minor amounts of CTC. Monitoring activities continued from previous years. The database on CFC and its alternatives importers and distributors remains operational. Four operational reports and four monitoring surveys were prepared.

8. As of January 2009, the balance of already approved funding not yet spent was US \$336,047, which represents 22 per cent of the total funding approved so far.

2009 implementation programme

9. The activities in the different sectors will continue in 2009. Another 140 customs officer will be trained to reach the target of the overall plan. Taken into account the shortcomings identified in the verification report, i.e. discrepancy between customs data and NOU data, the licensing and import monitoring system has been targeted for an improvement. The 2009 implementation programme now includes a revision of the licensing system and the imports registration system by an external expert as a planned activity. Four hundred technicians will be trained in good practices in refrigeration, and training is also foreseen for the 201 commercial refrigeration technicians and the 170 MAC technicians who are still to be trained. Further, the purchase of additional MAC equipment is planned, but the exact numbers depend on a need survey presently being undertaken. The information campaign in the solvent sector will continue. Finally, monitoring activities will continue in 2009.

10. Although it is intended to implement as many activities as possible in 2009, some expenditure is foreseen for 2010, largely for monitoring as well as for good practices in refrigeration.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

11. The verification, in its second version after being rejected as insufficient prior to the 57th Meeting, does not address several of the issues which lead to its prior rejection; however, a number of issues became more transparent. It is evident that there is, at best, little co-operation between customs authority and the NOU, since there is limited relation between accredited importers, licensed imports, and the actual importers and imports registered by the credible customs data; the customs data was also a main source for the information provided by the NOU. It was not possible to obtain more information about an

unknown, unexpected blend of CFC-12/HFC-134a that was, according to the report, found in significant quantities during import controls.

12. The reporting under Article 7 is another concern of the Secretariat. The NOU reported under Article 7 for 2007 a value of 24.4 ODP tonnes as imports; this report was undertaken prior to the verification. For 2008, the Dominican Republic originally reported a consumption of 1,738.6 ODP tonne, but revised that upon advice by the Ozone Secretariat on the now-official data of 24.7 ODP tonnes; the target for 2008 is again 81 ODP tonnes.

13. However, despite these significant shortcomings, the verification report also indicates a considerable difference between actual registered imports and the maximum allowable consumption that indicates a likelihood that the country has actually met the consumption target under the plan for the year 2007. It is unfortunate that the import and licensing processes in the country seem to have some significant shortcomings, in particular given that almost 300 customs officers have been trained, however this in itself does not provide a reason not to approve the next tranche of the plan, particularly in view of the fact that the plan's consumption targets have been met.

14. The report for 2008 shows good progress in the implementation of the overall plan. The annual plans for 2009 and 2010 are meaningful and in line with the available budget and the original plan. An exception is where a need assessment by means of a survey takes place; the country will, if necessary, re-allocate funding within the limits of the plan's flexibility. As mentioned above, the observations in the verification report have led to a change in the implementation plan, now incorporating a revision of the licensing and import registration system.

RECOMMENDATION

15. The Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the terminal phase-out plan for Annex A (Group I) substances: (fourth tranche) in the Dominican Republic during the year 2008 and the verification report for the year 2007; and
- (b) Approves the implementation programme for 2009.

16. The Secretariat further recommends blanket approval of the fifth tranche (2009) of the terminal phase-out plan for Annex A (Group I) substances for the Dominican Republic with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out plan for Annex A (Group I) substances: (fifth tranche)	200,000	15,000	UNDP
