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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-third Meeting
Montreal, 4-8 April 2011

PROJECT PROPOSAL: ERITREA

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

Phase-out

- Terminal phase-out management plan (second tranche)

UNEP/UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Eritrea

(I) PROJECT TITLE	AGENCY
ODS phase out plan	UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2009
CFC: 2.1	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)												Year: 2009	
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					2.1								2.1
CTC													0
Halons													0
Methyl Bromide													0
Others													0
TCA													0

(IV) PROJECT DATA				2008	2009	2010	2011	Total
Montreal Protocol Consumption Limits		CFC		6.2	6.2	0.		
		HAL		1.2	1.2	0.		
Maximum Allowable Consumption (ODP Tonnes)		CFC		4.2	4.2	0.		
		HAL		0.	0.	0.		
Project Costs (US\$)	UNEP	Project Costs		100,000.	70,000.			170,000.
		Support Costs		13,000.	9,100.			22,100.
	UNIDO	Project Costs		100,000.	75,000.			175,000.
		Support Costs		9,000.	6,750.			15,750.
Total Funds Approved in Principle (US\$)		Project Costs		200,000.	145,000.			345,000.
		Support Costs		22,000.	15,850.			37,850.
Total Funds Released by the ExCom (US\$)		Project Costs		200,000.	0.			200,000.
		Support Costs		22,000.	0.			22,000.
Total Funds Requested for Current Year (US\$)		Project Costs					145,000.	
		Support Costs					15,850.	

(V) SECRETARIAT'S RECOMMENDATION:	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Eritrea UNEP, as the lead implementing agency, has submitted to the 63rd Meeting of the Executive Committee a progress report on the implementation of the first work programme of the terminal phase-out management plan for CFCs (TPMP). In line with decision 61/5(f), UNEP has also submitted a request for funding for the second tranche at a total cost of US \$145,000 plus support costs (US \$70,000 plus agency support costs of US \$9,100 for UNEP and US \$75,000 plus agency support costs of US \$6,750 for UNIDO).

Background

2. The TPMP for Eritrea was approved in principle by the Executive Committee at its 54th Meeting at the amount of US \$345,000 plus agency support costs of US \$22,100 for UNEP and US \$15,750 for UNIDO to completely phase-out CFC consumption in the country by 2010. At the same meeting, the Executive Committee approved the first tranche of US \$200,000 plus support costs (US \$100,000 plus agency support costs of US \$13,000 for UNEP and US \$100,000 plus agency support costs of US \$9,000 for UNIDO) for the implementation of the first work programme.

Progress report on the implementation of the first tranche of the TPMP

3. Following the approval of the TPMP by the Executive Committee, the National Ozone Unit (NOU) prioritised the finalisation of the ozone-depleting substances (ODS) licensing system for the country, which was a condition required by decision 54/33 before the funds for the implementation of the TPMP could be disbursed. Several delays were encountered in the finalisation of this regulation, which finally approved on 28 August 2010 including the licensing and quota system. This information was officially communicated to the Ozone Secretariat.

4. The progress report mentioned that although the Government of Eritrea had commenced activities for the implementation of the TPMP for this period, no training was completed for either refrigeration technicians or customs. The report indicated that the first set of training workshops for both customs and refrigeration service technicians will be completed by end of March 2011. Specifications for the purchase of equipment were done, but the equipment had not been delivered by the time the progress report was submitted. Delivery of equipment for the training workshops and the training centre is expected by April 2011. The incentive programme for end-users also has not commenced yet, and the retrofit and recovery centre is yet to be provided with equipment. The report stated that specifications for the recovery equipment have been finalised and delivery is expected in June 2011.

5. The submitted report also indicated that, as of February 2011, of the US \$200,000 approved for the first tranche, US \$153,500 had been disbursed or obligated. The balance of US \$46,000 will be disbursed by the end of the year.

Plan of action for the second tranche of the TPMP

6. The Government of Eritrea is committed to implementing the activities under the second work programme of the TPMP. These include the completion of the remaining training for refrigeration technicians and customs officers and the full strengthening of the retrofitting centres and implementation of the incentive programme by expeditiously providing assistance to identify potential retrofit beneficiaries. During this tranche, the country will also continue to implement public awareness activities and disseminate information to stakeholders. The monitoring and management of these activities is also covered in the second tranche of the TPMP. The Government is likewise committed to completing the implementation of the activities for the TPMP before submission of the HCFC phase-out management plan (HPMP).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. The 2009 CFC consumption reported by the Government of Eritrea under Article 7 of the Protocol of 2.1 ODP tonnes was already below the level allowable of 6.2 ODP tonnes for that year. The Secretariat noted that while the 2009 consumption is still within the control measures of the Montreal Protocol, it is concerned about the country's possible non-compliance by 2010. UNEP assured the Secretariat that the Government is cognizant of this and is confident that its 2010 data will show that it has met the CFC phase-out target.

8. The first tranche of the TPMP for Eritrea was approved in April 2008. Due to the condition imposed on the approval, disbursement of the funding could not be released until the country had reported to the Ozone Secretariat that it had a licensing system in place; therefore there were delays in the funding going to the country. According to UNEP, funds were received by the country only in February 2011.

9. The Secretariat raised several issues with UNEP related to the progress report on the first tranche, noting especially the lack of progress in the activities. UNEP responded that despite the fact that funds had not been released until 2011, the NOU had started implementing some of the activities immediately after the approval of the ODS licensing system in August 2010 using funds advanced by the Government. It conducted sessions for customs officers and refrigeration technicians regarding TPMP activities and agreed on fast tracking implementation of the activities in the TPMP with a target completion date by the end of the second quarter of 2011. For the investment activities, during the period UNIDO hired a national consultant to do a survey on the CFC consumption sector and initiated workshops, including the identification of potential training centres and review of the list of equipment required. The bidding for equipment was also initiated and should be completed by the end of March 2011 with equipment delivery expected in May and June 2011.

10. With respect to the reported funds disbursed during the period, the Secretariat also queried how the report indicates a disbursement of more than 50 per cent of the funds from the first tranche when these were not released until early this year. UNEP advised that while funds were released late, the Government had advanced some funding for the initial activities as mentioned above, therefore the reported disbursements include obligations to cover activities that have been done since August 2010, and for those planned for March 2011.

11. UNEP provided a detailed work plan as well as a budget table taking into account the balance of funds from the previous tranche, as well as the funds being requested at this meeting, to show a comprehensive disbursement schedule related to the activities and work programme for 2011. The Secretariat noted that the request for the second tranche for Eritrea is being submitted in line with decision 61/5(f), and is presenting it for individual consideration of the Committee taking into account the lack of progress in the implementation of the activities in the TPMP. It also noted the special circumstances of Eritrea which is one of the countries that ratified the Montreal Protocol very late (i.e. March 2005).

RECOMMENDATION

12. The Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of the terminal phase-out management plan (TPMP) in Eritrea;
- (b) Notes the 2011 annual implementation programme and encourages Eritrea to complete its

activities for the first tranche of the TPMP as soon as possible;

- (c) Encourages Eritrea to ensure the inclusion of issues related to HCFC phase-out in implementing the remaining activities in the TPMP;
- (d) Considers, whether to approve the second tranche of the TPMP at the level of US \$145,000 plus support costs in view of the lack of progress in the implementation of the activities in the first tranche.
