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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-seventh Meeting
Montreal, 17-19 July 2002

PROJECT PROPOSALS: DJIBOUTI

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposals:

Refrigeration

- Implementation of the refrigerant management plan: monitoring the activities in the RMP UNDP
- Implementation of the refrigerant management plan: recovery and recycling UNDP
- Implementation of the refrigerant management plan: assistance to establish legislation UNEP
- Implementation of the refrigerant management plan: customs training UNEP
- Implementation of the refrigerant management plan: training in good practices of refrigeration UNEP

**PROJECT EVALUATION SHEET
DJIBOUTI**

SECTOR: Refrigeration ODS use in sector (2000): 20.9 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Titles:

- (a) Implementation of the refrigerant management plan: monitoring the activities in the RMP
- (b) Implementation of the refrigerant management plan: recovery and recycling
- (c) Implementation of the refrigerant management plan: assistance to establish legislation
- (d) Implementation of the refrigerant management plan: customs training
- (e) Implementation of the refrigerant management plan: training in good practices of refrigeration

Project Data	Refrigerant management plan				
	Monitoring	R&R	Legislation	Training custom off	Training ref
Enterprise consumption (ODP tonnes)		20.90			
Project impact (ODP tonnes)		5.70			
Project duration (months)	24	24	6	12	12
Initial amount requested (US \$)	25,000	162,950	9,000	38,100	79,200
Final project cost (US \$):					
Incremental capital cost (a)					
Contingency cost (b)					
Incremental operating cost (c)					
Total project cost (a+b+c)	25,000	136,463	0	33,100	74,200
Local ownership (%)	100%	100%	100%	100%	100%
Export component (%)	0%	0%	0%	0%	0%
Amount requested (US \$)	25,000	136,463	0	33,100	74,200
Cost effectiveness (US \$/kg.)		23.99			
Counterpart funding confirmed?					
National coordinating agency		National Ozone Unit			
Implementing agency	UNDP	UNDP	UNEP	UNEP	UNEP

Secretariat's Recommendations					
Amount recommended (US \$)	25,000	136,463	0	33,100	74,200
Project impact (ODP tonnes)		5.70			
Cost effectiveness (US \$/kg)		23.99			
Implementing agency support cost (US \$)	3,250	17,740		4,303	9,646
Total cost to Multilateral Fund (US \$)	28,250	154,203		37,403	83,846

PROJECT DESCRIPTION

1. The Djibouti country programme submitted for consideration by the Executive Committee at its 37th Meeting (UNEP/OzL.Pro/ExCom/37/61) includes a refrigerant management plan (RMP) project proposal which will be jointly implemented by UNEP and UNDP.

The refrigeration sector

2. In 2000, the total consumption of CFCs in the country was estimated at 20.9 ODP tonnes, mainly CFC-12 (17.6 ODP tonnes), CFC-11 (2.9 ODP tonnes) and CFC-115 (0.3 ODP tonnes). The total CFC consumption in the country is used for servicing refrigeration equipment: 5.1 tonnes in commercial and industrial refrigeration systems, 4.8 tonnes in domestic refrigerators, and 11.0 tonnes in MAC units. The current price of CFC-11 and CFC-12 in Djibouti is US \$5.80/kg.

3. Domestic refrigerators are mainly imported from France, Dubai, Saudi Arabia and Egypt. About 80 per cent of domestic refrigerators in operation are based on CFC-12 refrigerant; and 30 per cent of the equipment is serviced every year. The main users of commercial and industrial refrigeration equipment are supermarkets, cold stores for meat conservation, hotels, restaurants and hospitals. Of the total vehicles equipped with a MAC unit (20,800); 14,560 vehicles equipped with a CFC-12-based unit.

4. The total number of technicians in this sector is about 450; and the majority of them are not well qualified.

Policy measures

5. The Government is proposing several actions to phase out ODS consumption in the country, including a ban on imports and exports of the CFC-based refrigeration equipment (including MAC units) starting from 2003; a ban on imports of cars with CFC A/C systems, starting from 2003; a ban on imports of CFC-12-based compressors for cars starting from 2005; tax reductions on importation of recovery and recycling machines for CFCs; implementation of a licensing and quota system for ODSs and ODS-based equipment; and an incentive programme supported by policy measures favouring the use of non-CFC alternative refrigerants and recycled CFCs.

Sub-projects in the RMP

6. The RMP includes requests for a technical assistance programme for the establishment of regulations to control importation of ODS and ODS-based equipment (US \$9,000), a training programme for 100 customs officers to ensure enforcement of the licensing system and ODS related regulations (US \$38,100); a training programme on good refrigerant management practices for 420 technicians (US \$79,200); establishment of a national recovery and recycling scheme including 21 recovery machine, 12 recovery pumps and ancillary equipment (US \$162,950).

7. Through the implementation of the RMP, the Government of Djibouti proposes to phase out 85 per cent of the CFC baseline consumption (about 18 ODP tonnes) by 2007.

8. The Ozone Unit will be responsible for the monitoring, co-ordination and implementation of proposed phase-out activities in the RMP. It will work in close collaboration with the Ministries of Industry and Finances, the Commerce and Industry Chamber, the Customs Direction and training centres.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

9. The Secretariat noted that the Executive Committee allocated US \$60,000 for the preparation of the Djibouti country programme/RMP (double the amount that was approved in the past for similar activities), on the understanding that that relevant ODS legislation would have been prepared at the time of the preparation of the country programme to avoid any delays in the implementation of the sub-projects in the RMP. UNEP advised the Secretariat that the activities related to the preparation of the legislation have started and will be completed in 2002 with funds remaining from the preparation of the country programme; therefore, UNEP agreed not to request additional funding for this activity.

10. Financial assistance for monitoring the implementation of the sub-projects identified in the RMP was requested within the institutional strengthening project and the recovery and recycling sub-project. However, the Secretariat, UNDP and UNEP agreed to have the monitoring component of the RMP as a sub-project covering all the activities of the RMP. Subsequently, the costs of the projects were adjusted accordingly.

11. UNEP agreed not to request travel costs of expert in the training programmes for refrigeration technicians and customs training (US \$5,000 for each training programme), since these expenses are covered under the approved Compliance Assistance Programme.

12. Upon a request by the Fund Secretariat, the Government of Djibouti has submitted an official letter stating its commitment, responsibilities and financial implications associated with Decisions 31/48, 32/10 and 33/13.

RECOMMENDATIONS

13. The Fund Secretariat recommends blanket approval of the projects at the funding level indicated below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the refrigerant management plan: monitoring the activities in the RMP	25,000	3,250	UNDP
(b)	Implementation of the refrigerant management plan: recovery and recycling	136,463	17,740	UNDP
(c)	Implementation of the refrigerant management plan: assistance to establish legislation	0	0	UNEP
(d)	Implementation of the refrigerant management plan: customs training	33,100	4,303	UNEP
(e)	Implementation of the refrigerant management plan: training in good practices of refrigeration	74,200	9,646	UNEP
