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COMITE EXECUTIF
DU FONDS MULTILATERAL AUX FINS
D'APPLICATION DU PROTOCOLE DE MONTREAL
Quarante-huitième réunion
Montréal, 3 – 7 avril 2006

PROPOSITIONS DE PROJET : INDONÉSIE

Le présent document comporte les observations et les recommandations du Secrétariat du Fonds sur les propositions de projet suivantes :

Élimination

- Plan national d'élimination des CFC pour l'Indonésie, comprenant des demandes de financement pour les secteurs suivants :

• Élimination des CFC résiduels dans le secteur des mousses	Banque mondiale
• Plan d'élimination des CFC dans le secteur dans le secteur de la réfrigération (fabrication)	PNUD
• Plan d'élimination des CFC dans le secteur de la réfrigération (entretien)	PNUD
• Plan d'élimination des CFC dans le secteur de la réfrigération -- entretien des climatiseurs d'automobile	Banque mondiale

FICHE D'ÉVALUATION DE PROJET – PROJETS PLURIANNUELS
INDONÉSIE

TITRE DU PROJET	AGENCE BILATÉRALE/AGENCE D'EXÉCUTION
Plan national d'élimination des CFC	

TITRES DES SOUS-PROJETS

a)	Élimination des CFC résiduels dans le secteur des mousses	Banque mondiale
b)	Plan d'élimination des CFC dans le secteur dans le secteur de la réfrigération (fabrication)	PNUD
c)	Plan d'élimination des CFC dans le secteur de la réfrigération (entretien)	PNUD
d)	Plan d'élimination des CFC dans le secteur de la réfrigération -- entretien des climatiseurs d'automobile	Banque mondiale

AGENCE NATIONALE DE COORDINATION :	Ministère de l'Environnement

DERNIERES DONNEES DECLAREES SUR LA CONSOMMATION A ELIMINER GRACE AU PROJET A : DONNEES RELATIVES A L'ARTICLE 7 (TONNES PAO, 2004 EN DATE DE FÉVRIER 2006)

Annexe A Groupe I - CFC	3 925,5	Annexe B Groupe III - 1,1,1-trichloroéthane	10,74
Annexe B Groupe II - CTC	16,5		

B : DONNÉES SECTORIELLES DU PROGRAMME DE PAYS (tonnes PAO, 2004 en date de décembre 2005)

SAO	Mousses	Réfrigération (fabrication)	Réfrigération (entretien)	Aérosols	SAO	Solvants	
CFC-11	501,27	330,42	132,00	2,10	CFC-113	78,40	
CFC-12		426,09	1 748,19	684,20	CTC	16,5	
CFC-115		10,80	12,00		TCA	10,74	

Consommation restante de CFC admissible au financement (tonnes PAO)	30 (pour aérosols : inhalateurs à doseur)

PLAN D'ACTIVITÉS DE L'ANNÉE EN COURS : Financement total : 2 355 200 $US - Élimination totale : 458,8 tonnes PAO.

Paramètre	2002	2003	2004	**2005**	2006	2007	2008	2009	2010	Total
Objectif de conformité				**4 166**		1 250			0	
Consommation annuelle maximale admissible des substances (tonnes PAO)			5 546	**3 880**	2 331	1 122	30	30	0	S.O.
Réductions annuelles totales des substances (tonnes PAO)		779	1 666	**1 549**	1 209	1 092	0	30	0	6 325
Réduction annuelle des projets en cours (tonnes PAO)		559	976	**652**	300	100	0			2 587
Objectif annuel d'élimination des CFC dans le **secteur de la réfrigération (fabrication) – PNUD** (tonnes PAO)	0	0	300	**300**	300	241	0			1 141
Objectif annuel d'élimination des CFC dans le **secteur de la réfrigération (entretien)** - PNUD (tonnes PAO)	0	0	200	**300**	322	250	0			1 072
Objectif annuel d'élimination des CFC dans le **secteur des climatiseurs d'automobile – Banque mondiale** (tonnes PAO)	0	220	110	**110**	110	365	0			915
Objectif annuel d'élimination des CFC dans le **secteur des aérosols – PNUD/Banque mondiale** (tonnes PAO)	0	0	80	**0**	0	70	0			150
Objectif annuel d'élimination des CFC dans le **secteur des mousses– Banque mondiale** (tonnes PAO)	0	0	0	**130**	156	66	0			352
Objectif annuel d'élimination des CFC dans le **secteur des inhalateurs à doseur – Banque mondiale** (tonnes PAO)	0	0	0	**0**	0	0	0	30		30
Objectif annuel d'élimination des CFC dans le **secteur des solvants – ONUDI** (tonnes PAO)	0	0	0	**57**	21	0	0			78
Réduction annuelle grâce aux plans sectoriels (tonnes PAO)	0	220	690	**897**	909	992	0	30		3 738

Paramètre		2002	2003	2004	**2005**	2006	2007	2008	2009	2010	Total
Versements annuels du financement ($US)	**PNUD - Réfrigération (fabrication)**	1 288 000	2 200 000	1 762 000	**750 000**	217 000	181 000	-	-	-	6 398 000
	Coûts d'appui	111 920	194 000	156 900	**67 500**	19 530	16 290	-	-	-	566 140
	PNUD - Réfrigération (entretien)	2 196 758	1 805 987	500 000	**250 000**	159 555	-	-	-	-	4 912 300
	Coûts d'appui	195 708	160 939	43 400	**21 300**	13 160	-	-	-	-	434 507
	Banque mondiale (climatiseurs d'automobile)	1 369 800	1 347 300	1 347 300	**126 800**	125 800	-	-	-	-	4 317 000
	Coûts d'appui	121 962	119 937	119 937	**10 092**	10 002	-	-	-	-	381 930
	Banque mondiale (aérosols)			371 910							371 910
	Coûts d'appui			27 893							27 893
	PNUD (aérosols)			224 000							224 000
	Coûts d'appui			13 440							13 440
	Banque mondiale (mousses)	0	0	1 725 000	**1 050 000**	147 564	35 000	-	-	-	2 957 564
	Coûts d'appui	0	0	129 375	**78 750**	11 067	2 625	-	-	-	221 817
	Banque mondiale (inhalateurs à doseur)	*	*	*	*****	*	*			*	*
	Coûts d'appui	*	*	*	*****	*	*			*	*
	ONUDI (solvants)			1 464 733							1 464 733
	Coûts d'appui			108 974							108 974
Total des versements annuels du financement ($US)		4 854 558	5 353 287	7 394 943	**2 176 800**	649 919	216 000	-	-	-	20 645 507
Total des coûts d'appui ($US)		429 590	474 876	599 919	**177 642**	53 759	18 915	-	-	-	1 754 701
Total des coûts pour le Fonds multilatéral		5 284 148	5 828 163	7 994 862	**2 354 442**	703 678	234 915	-	-	-	22 400 208

DEMANDE DE FINANCEMENT: Approbation de 2 176 800 $US plus des coûts d'appui d'agence de 177 642 $US

RECOMMANDATION DU SECRÉTARIAT	Pour examen individuel

DESCRIPTION DE PROJET

1. À titre d'agence d'exécution principale, et au nom de l'ONUDI et de la Banque mondiale à titre d'agences d'exécution coopérantes, le PNUD a présenté au nom du gouvernement de l'Indonésie un rapport sur le programme annuel de mise en oeuvre de 2004 (PAM), un PAM proposé pour 2006 et une demande de décaissement de la tranche de financement 2005 de 2 354 442 $US pour le plan national d'élimination des SAO de l'Indonésie.

2. À la 44e réunion, le Comité exécutif a approuvé en principe un montant total de 20 645 507 $US pour un plan national d'élimination (PNE) pour l'Indonésie, afin d'éliminer la totalité de la consommation de CFC, de CTC et de 1,1,1-trichloroéthane, à l'exception de 30 tonnes PAO de CFC utilisé pour fabriquer des inhalateurs à doseur qui avaient été exclues du PNE et qui feront partie d'un autre projet.

3. Le PNE a fusionné trois plans sectoriels approuvés séparément qui étaient déjà en cours de mise en oeuvre et il a ajouté de nouvelles activités pour les aérosols et les solvants pour achever l'élimination. Ainsi, la présentation du PNUD est sous forme de rapports d'activités dans chaque secteur pertinent, avec un rapport de vérification de la consommation globale de CFC en Indonésie et de l'élimination réalisée dans chaque secteur. Selon l'Accord approuvé, la présentation a été programmée pour examen à la 47e réunion. Toutefois, il n'a pas été possible de présenter un rapport de vérification à ce moment et le PNUD a reporté la présentation.

Rapport sur les activités en 2004

4. Le PNUD a présenté un rapport de l'avancement des activités planifiées en 2004 pour chacun des secteurs en cours de mise en oeuvre, notamment :

- aérosols (PNUD, Banque mondiale)
- mousses (PNUD, Banque mondiale)
- réfrigération (fabrication) (PNUD)
- réfrigération (entretien) (PNUD)
- entretien des climatiseurs d'automobile (Banque mondiale)
- solvants (ONUDI)

5. Pour les secteurs comportant la reconversion d'entreprises avec des projets achevés en 2004 (aérosols, réfrigération (fabrication), mousses), le rapport indique le nombre d'entreprises reconverties et l'élimination réalisée. Dans les deux sous-secteurs de l'entretien, le rapport fournit un aperçu complet de l'avancement de l'installation des équipements de récupération et de recyclage, de la formation et des mesures institutionnelles prises pour soutenir les réductions de consommation. Toutefois, il indique aussi qu'un programme pilote de démonstration pour la reconversion ou le remplacement n'avançait pas conformément au calendrier, en raison, entre autres, de problèmes associés aux attentes élevées en matière de rémunération et d'ordonnancement. Dans tous les secteurs, le rapport a mis l'accent sur les mesures en matière de politique et d'assistance technique actuellement en cours au niveau sectoriel, afin de soutenir et d'encourager l'élimination. Les activités de la Banque mondiale dans le secteur des aérosols et celles de l'ONUDI dans le secteur des solvants n'ont été approuvées qu'à la 47e réunion en

novembre 2004. Des rapports sont fournis sur les activités entreprises depuis l'approbation, mais elles ont eu lieu presque toutes en 2005.

6. Le rapport annuel de 2004 offre un précis des mesures prises en matière de politique en 2004 et plus récemment, afin d'aider le gouvernement de l'Indonésie à mettre en place un système efficace de réglementation et de surveillance des importations. À la suite de réunions avec les ministères pertinents du gouvernement en mai 2004, le PNUD et la Banque mondiale on rédigé un nouveau mécanisme de réglementation en août 2004. Une réunion au niveau ministériel a eu lieu en mars 2005, ainsi qu'une autre en février 2006 à laquelle assistait le Secrétariat du Fonds. À chaque occasion, le ministre de l'Environnement a insisté sur la ferme intention du gouvernement de promulguer un décret ministériel (par l'entremise du ministre du Commerce) afin de mettre en place des règlements révisés en matière d'importation. En février 2006, on a réitéré encore une fois à la mission qu'un projet de règlements révisés pour un système d'autorisation avait bien été élaboré et qu'un décret ministériel serait émis dans un très proche avenir.

7. Les résultats de l'élimination en 2003 dans chaque sous-secteur sont fournis au tableau ci-dessous (Tableau 6 du rapport du PNUD).

Tableau 6 : Résultats de l'élimination des CFC en 2004

Secteur	Agence	Objectif d'élimination convenu (tonnes métriques PAO)	Élimination réelle réalisée (tonnes métriques PAO)
Secteur de la réfrigération (fabrication)	PNUD	300	323,79
Secteur de la réfrigération (entretien)	PNUD	200	224,95
Secteur de l'entretien des climatiseurs d'automobile	Banque mondiale	110	144,41
Secteur des aérosols (PT Yulia)	Banque mondiale / PNUD	80	223
Achèvement des projets individuels en cours	Banque mondiale	976	409,70
Achèvement des projets individuels en cours	ONUDI		55,10
TOTAL		**1666**	**1380,95**

8. Les dépenses en 2004 et les soldes à la fin de l'exercice sont présentés aux tableaux 7 à 9 du rapport reproduits ci-dessous :

Tableau 7 : Agence d'exécution : PNUD

Secteur	Montant total approuvé ($ US)	Montant décaissé / engagé ($ US)	Solde non engagé / non décaissé ($ US)	Année d'engagement du solde non dépensé ($ US)
Réfrigération (fabrication)	5 250 000	2 918 420	2 331 580	2006
Réfrigération (entretien)	4 502 746	1 525 985	2 976 761	2006
Aérosols (PT Yulia)	224 000	125 076	98 924	2006

Tableau 8 : Agence d'exécution : Banque mondiale

Secteur	Montant total approuvé ($ US)	Montant décaissé / engagé ($ US)	Solde non engagé / non décaissé ($ US)	Année d'engagement du solde non dépensé ($ US)
MAC	4 064 400	3 265 187	799 213	2006
Mousses	371 910	6 800	365 110	2007
Aérosols	1 725 000	792 303	932 697	2006

Tableau 9 : Agence d'exécution : ONUDI

Secteur	Montant total approuvé ($ US)	Montant décaissé / engagé ($ US)	Solde non engagé / non décaissé ($ US)	Année d'engagement du solde non dépensé ($ US)
Solvants	1 464 733	614 486	850 247	$701 223 -2006 $149 024 – 1Q 2007

Vérification des limites de consommation et de l'élimination en 2004

9. Le PNUD a indiqué que Pt Hatfindo Prima, une entreprise de consultation dans le domaine de l'environnement en Indonésie et filiale d'une entreprise canadienne (le Groupe Hatfield), a été sélectionnée dans le cadre d'un appel d'offres pour effectuer une vérification indépendante de l'efficacité de la réalisation des objectifs 2005 et des résultats entre décembre 2005 et janvier 2006. L'entreprise devait :

- Déterminer et confirmer que le niveau national de consommation des substances était inférieur à l'objectif de réglementation pour 2004 (5 546 tonnes métriques PAO);

- Déterminer et confirmer que l'élimination des substances au niveau national en 2004 avait été de 1 666 tonnes métriques PAO ou plus, et comprenait 976 tonnes métriques PAO en raison de l'achèvement des projets en cours et 690 tonnes métriques PAO en raison des activités entreprises dans le cadre des plans d'élimination sectoriels;

- Déterminer et confirmer que l'élimination totale des substances en raison de l'achèvement des projets individuellement approuvés en cours pendant 2004, pour divers secteurs pendant 2004, avait été de 976 tonnes métriques PAO ou plus;

- Déterminer et confirmer que l'élimination totale des substances en raison de l'achèvement des sous-projets/activités des entreprises participant aux plans sectoriels respectifs avait été de 690 tonnes métriques PAO ou plus;

- Déterminer et confirmer que des activités d'assistance technique du programme annuel de mise en oeuvre de 2004 s'étaient déroulées tel que le décrit le rapport sur le programme annuel de mise en oeuvre de 2004.

Consommation nationale de CFC

10. Le mode d'évaluation du niveau national total de consommation peut se résumer comme suit :

a) Pour l'Indonésie, la consommation est égale aux importations. Les importations déclarées par les deux principaux importateurs non officiels (sans la documentation complète) se sont chiffrées à 2 017 tonnes PAO. Les données du gouvernement visant l'importation et basées sur les importations du seul importateur enregistré se sont chiffrées à 615,8 tonnes PAO. Sur la base des données commerciales, on a évalué que ces importateurs contrôlaient 95 pour cent du marché, qu'on a ainsi déterminé comme étant de 2 123 tonnes PAO. Par conséquent, les importations totales, enregistrées et non enregistrées, ont été de 2 738,8 tonnes PAO;

b) Les données disponibles auprès de l'UNO du pays exportateur de SAO vers l'Indonésie ont été obtenues dans le but de les comparer avec les données d'importation. Les données des exportateurs totalisaient 2 505 tonnes PAO;

c) Les ventes intérieures estimatives totales des SAO pertinents en 2004 obtenues des distributeurs et des négociants ont été utilisées pour contre-vérifier les données disponibles de a) et b) ci-dessus. Les ventes intérieures ont été obtenues à partir des dossiers de vente des quatre principaux distributeurs à Jakarta (dont deux étaient aussi les importateurs) et évaluées à 2 378 tonnes PAO;

d) La consommation estimative en 2004 par les entreprises bénéficiaires dans les divers secteurs a été utilisée pour contre-vérifier les données disponibles de a) à c) ci-dessus. Les quantités de SAO éliminées en 2004 ont été déduites de la consommation de base totale de toutes les entreprises, utilisant des SAO, indiquées dans les projets individuels et les plans sectoriels. La demande restante a été évaluée à 3 755 tonnes PAO.

11. La consommation totale de CFC vérifiée pour 2004 en Indonésie est résumée au tableau 16 du rapport du PNUD, reproduit ci-dessous.

Tableau 16 : Sommaire de la consommation estimative de SAO en Indonésie en 2004

Total des importations de SAO consignées et non consignées en Indonésie	2 738,78 tonnes métriques PAO
Total des exportations de SAO à l'Indonésie	2 505,00 tonnes métriques PAO
Total des ventes intérieures de SAO en Indonésie	2 616,00 tonnes métriques PAO
Demande intérieure maximale de SAO en Indonésie	3 775,41 tonnes métriques PAO

12. La consommation de CFC au niveau national va de 2 505 à 3 775 tonnes métriques PAO. Le PNUD indique qu'il est peu probable que la marge d'erreur ait été de plus de 15 pour cent lorsque ces quantités ont été établies. Ainsi, même après avoir tenu compte de la marge d'erreur, la vérification de l'efficacité a confirmé que la consommation des substances au niveau national en Indonésie en 2004 est inférieure à la consommation maximale admissible convenue de 5 546 tonnes métriques PAO.

Vérification de l'élimination au niveau sectoriel

13. Pour vérifier l'élimination des projets individuels réalisée en 2004, on a procédé à une étude sur le terrain afin d'examiner un échantillon représentatif de 15 pour cent des entreprises dans différentes régions et différents sous-secteurs. Les résultats, montrés au tableau 17 du PNUD reproduit ci-dessous, indiquent que, des 976 tonnes PAO visées, 465 tonnes PAO ont été éliminées. La sous-performance a eu lieu dans le secteur des mousses.

Tableau 17 : Élimination en raison de l'achèvement des projets individuels en cours

Secteur	Consommation de base	SAO éliminées	Objectif d'élimination des projets en cours
Mousses – Udapana	16,00	16,00	776,00
Projets de mousse souple moulée	193,70	193,70	
Projets de mousse – ONUDI	55,10	55,10	
Aérosols (PT Candi)	460,00	200,00	200,00
Élimination totale des projets en cours		**464,80**	**976,00**

14. Par contre, on indique que l'élimination des plans sectoriels a dépassé les objectifs fixés pour 2004 comme l'illustre le tableau 20 du PNUD reproduit ci-dessous.

Tableau 20 : Élimination des activités dans le cadre du plan sectoriel

Secteur	Consommation de base	Consommation 2004 (étude sur le terrain)	SAO éliminées	Élimination visée
Réfrigération (fabrication)	323,79	S.O.	323,79	300,00
Réfrigération (entretien)	216,01	(41,06)	174,95	200,00
Réfrigération (entretien) – de reconversion/remplacement			50,00	
Climatiseurs d'automobile	217,17	(118,76)	98,41	110,00
Climatiseurs d'automobile – des retraits de véhicules			46,00	
Aérosols	223,00	0	223,00	80,00
Élimination totale des plans sectoriels			**916,15**	**690,00**

15. Pour les sous-secteurs de la fabrication (réfrigération (fabrication), et aérosols), l'élimination a été déterminée directement à partir des reconversions achevées dans le cadre du PNE. Pour les secteurs de l'entretien (réfrigération (entretien), et entretien des climatiseurs d'automobile), l'élimination a été établie et vérifiée lors des visites sur le terrain et en usine à la

suite d'une sélection aléatoire de 15 pour cent des entreprises bénéficiaires représentant au moins 15 pour cent de la consommation de base de SAO et situées dans les principaux centres de Java orientale, Java-Centre, Bali et le Nord de Sumatra. Le taux d'élimination de la consommation de base des entreprises a été calculé à l'aide des comptes des achats de CFC de chaque entreprise visitée. Ce pourcentage a alors été appliqué à la consommation de base totale dans chaque sous-secteur afin d'établir une quantité estimative totale éliminée. Une élimination supplémentaire (50 tonnes PAO) a été ajoutée au secteur de la réfrigération (entretien) à titre de provision pour les résultats des programmes d'assistance technique. Une élimination supplémentaire de 46 tonnes PAO a été ajoutée au secteur des climatiseurs d'automobile à titre de provision pour les retraits estimatifs en 2004 de véhicules utilisant des climatiseurs d'automobile avec CFC.

Vérification des activités en matière d'assistance technique et de gestion/politique

16. Le PNUD a indiqué que, lors de l'inspection des dossiers du ministère de l'Environnement et des agences d'exécution pertinentes, le consultant indépendant a confirmé que les activités ci-dessus indiquées dans le programme annuel de mise en oeuvre de 2004 avaient été mises en oeuvre et substantiellement achevées.

Plan annuel de mise en oeuvre (PAM) pour 2006

17. Le PNUD a présenté un PAM pour l'année actuelle selon le mode de présentation indiqué dans les lignes directrices approuvées. L'élimination proposée dans chaque secteur concorde avec celle qui est indiquée dans l'Accord (et telle qu'elle apparaît au tableau à la page 2 du présent document). Un tableau détaillé des activités d'assistance technique et de gestion proposées pour exécution est aussi inclus. Par souci de brièveté, il n'est pas reproduit dans la présente fiche d'évaluation mais apparaît au complet dans la présentation du PNUD (jointe). Le budget annuel pour chaque activité sectorielle et le montant total des demandes de financement (y compris la durée des activités) sont montrés aux tableaux pertinents du PAM, reproduits ci-dessous.

Tableau 6.1 : Réfrigération (fabrication) : PNUD

Activité	Dépenses prévues ($ US)
Unité de coordination et de gestion du plan sectoriel (UCGPS) - budget de fonctionnement	35 000
Assistance technique	100 000
Ateliers et sensibilisation	25 000
Équipements	450 000
Essais et formation	80 000
Élaboration et mise à exécution des politiques	15 000
Vérification et certification	5 000
Imprévus	40 000
TOTAL	**750 000**

Tableau 6.2 : Réfrigération (entretien) : PNUD

Activité	Dépenses prévues ($ US)
UCGPS - budget de fonctionnement	26 000
Assistance technique	50 000
Ateliers et sensibilisation	50 000
Équipements	50 000
Formation	50 000
Élaboration et mise à exécution des politiques	5 000
Vérification et certification	3 000
Imprévus	16 000
TOTAL	**250 000**

Tableau 6.3 : Entretien des climatiseurs d'automobile : Banque mondiale

Activité	Dépenses prévues ($ US)
Projets d'investissement – équipements	80 000
Essais et démarrage	20 000
Assistance technique, formation, ateliers	26 800
TOTAL	**126 800**

Tableau 6.4 : Mousses : Banque mondiale

Activité	Dépenses prévues ($ US)
Projets d'investissement (équipements, essais et démarrage)	1 000 000
UCGPS - budget de fonctionnement	10 000
Assistance technique	10 000
Ateliers et formation	17 000
Élaboration et mise à exécution des politiques	10 000
Vérification	3 000
TOTAL	**1 050 000**

Tableau 7 : Financement et coûts d'administration

Sous-projet	Agence d'exécution	Tranche ($US)	Coûts d'appui ($US)	Total ($US)	Durée des activités
Secteur de la réfrigération (fabrication)	PNUD	750 000	67 500	817 500	2006 - 2007
Secteur de la réfrigération (entretien)	PNUD	250 000	21 300	271 300	2006 - 2007
Secteur des climatiseurs d'automobile	Banque mondiale	126 800	10 092	136 892	2006 - 2007
Secteur des mousses	Banque mondiale	1 050 000	78 750	1 128 750	2006 - 2007
Total		**2 176 800**	**177 642**	**2 354 442**	

OBSERVATIONS ET RECOMMANDATIONS DU SECRÉTARIAT

OBSERVATIONS

18. À la suite du regroupement des plans sectoriels en Indonésie en un PNE approuvé à la 44e réunion en novembre 2004, l'indicateur d'efficacité principal pour la période de référence 2004 est la limite nationale de consommation de CFC de 5 546 tonnes PAO pour 2004, tel que stipulé dans l'Accord approuvé. Le Secrétariat a donc soulevé deux principaux points avec le PNUD : a) les données supplémentaires disponibles sur la méthodologie statistique utilisée pour vérifier la consommation de CFC en Indonésie en 2004 sont-elle suffisantes pour appuyer une recommandation positive de la vérification, et b) l'Indonésie a-t-elle pris les mesures nécessaires pour instaurer un système de surveillance et des règlements efficaces des importations afin de pouvoir contrôler de manière efficace et déclarer précisément la consommation en 2006 et par la suite.

19. Bien que ces deux questions soient séparées, et prenant note que la consommation en 2005 (devant être vérifiée à la fin de cette année) ne peut aussi être déterminée autrement que par un échantillonnage statistique, savoir que l'Indonésie a réussi à réglementer ses importations et qu'elle utilise un nouveau système solide offrirait un contexte permettant d'examiner le rapport de vérification actuel pour 2004.

20. Le Secrétariat a indiqué au PNUD que, sous réserve des renseignements et des explications supplémentaires à fournir tel qu'indiqué ci-dessous, il serait possible de recommander favorablement la vérification de 2004. Toutefois, le Secrétariat semblait aussi vouloir recommander d'envisager de retenir le décaissement de tout financement supplémentaire, même s'il était approuvé, jusqu'à ce que l'instauration et la mise à exécution en Indonésie de règlements efficaces en matière d'importation et d'un système de surveillance aient été démontrées. Les observations détaillées ci-dessous sont présentées dans ce contexte.

Vérification de l'efficacité

Consommation nationale

21. La méthodologie et les objectifs décrits à la section 11.1 de la présentation semblent complets. Toutefois, en l'absence d'un système opérationnel de réglementation des importations, la méthodologie mise beaucoup sur la corrélation des renseignements de sources commerciales qui ne sont pas ouvertes à un processus formel de vérification. Le Secrétariat a demandé des explications sur la validité de l'hypothèse présentée dans l'évaluation, en particulier en relation avec la part de marché des diverses entreprises qui avaient fourni des renseignements sur les importations et les ventes, par exemple, afin de confirmer que l'approvisionnement en CFC de Cool Group et de Sugi Group compte pour 95 pour cent des importations non consignées. D'autres explications ont aussi été demandées afin de connaître la base utilisée pour les quantités de CFC exportées vers l'Indonésie et de savoir de quelle façon on tenait compte des données des ports francs.

22. Les données sur les ventes intérieures des distributeurs semblent être un élément clé du processus de contre-vérification. Le Secrétariat a demandé aussi plus de détails sur les

hypothèses dans cette partie du rapport de vérification. Par exemple, comment on sait que quatre distributeurs comptent pour plus de 90 pour cent des CFC vendus, et comment on a confirmé que les chiffres fournis par les distributeurs pour les ventes étaient fiables et complets.

23. Le PNUD a indiqué qu'il n'y avait actuellement en Indonésie que deux groupes d'importateurs majeurs, non enregistrés. Ces groupes d'importateurs avaient participé à plusieurs interactions antérieures et actuelles avec le ministère de l'Environnement ainsi qu'avec les agences d'exécution, et avait aussi aidé à fournir les données d'importation au niveau de l'utilisateur au moment des études précédant la préparation des divers plans sectoriels. Ainsi, si l'on exclut le seul importateur accrédité (enregistré), soit PT. PPI, et quelques utilisateurs-importateurs directs, il serait possible d'établir de manière fiable par le truchement des nombreuses interactions et des nombreux dialogues avec le ministère de l'Environnement et les agences d'exécution, et plus particulièrement le PNUD, que les deux principaux importateurs non enregistrés comptent pour environ 95 pour cent par volume des importations totales de CFC en Indonésie. On en a donc conclu que les données de ces deux importateurs non enregistrés, Cool Group et Sugi Group, étaient suffisamment représentatives de la situation réelle concernant les importations en Indonésie.

24. En ce qui a trait aux exportations des pays fournisseurs, à titre de corroboration des importations établies ci-dessus, le ministère de l'Environnement a obtenu de ses interlocuteurs de l'UNO des principaux pays exportateurs de CFC (Chine, Inde et Corée du Sud) les données sur les exportations de CFC vers l'Indonésie en 2004. Sauf pour l'UE, qui n'a pas répondu à la demande de l'UNO, les données ont été fournies par écrit par ces pays exportateurs. En ce qui concerne Singapour, les données du port franc ont été difficiles à obtenir, car il est impossible au pays de contrôler le commerce dans une zone franche. Les données utilisées sur les exportations de l'UE et de Singapour ont plutôt été basées sur les importations réelles consignées par le service des douanes.

25. En ce qui concerne les ventes intérieures, le PNUD a indiqué qu'il y a environ vingt distributeurs de CFC connus en Indonésie, mais seulement quatre fonctionnent à grande échelle, dont deux sont aussi les principaux importateurs auxquels on a fait référence ci-dessus. Les quatre distributeurs sont bien connus du marché et du ministère de l'Environnement, car ils ont participé à des ateliers et des réunions dans l'industrie depuis la préparation de divers plans sectoriels depuis 2002. Les interactions avec ces quatre distributeurs pendant la vérification de l'efficacité des activités de 2003 l'an dernier a aussi aidé à établir leur part respective de marché à un facteur estimatif de 90 pour cent qui avait été jugé fiable si l'on se fondait sur les nombreuses rencontres et discussions. Les données obtenues des utilisateurs de CFC, dans les secteurs tant de la fabrication que de l'entretien, ont indiqué à maintes reprises qu'ils obtenaient leurs CFC auprès d'un ou plusieurs des quatre distributeurs. Ces quatre distributeurs à eux seuls possèdent la solidité financière et les qualités nécessaires pour stocker des CFC en quantités requises pour répondre à la demande du marché de gros. On a donc jugé fiable d'échantillonner les données de ces quatre principaux distributeurs, afin d'en arriver à une estimation de la quantité globale de CFC vendue sur les marchés intérieurs. Les chiffres sur les ventes ont été obtenus sur des indications verbales à partir de leurs dossiers, car les distributeurs étaient réticents à fournir la documentation matérielle. Cool Group et Sugi Group ont aussi indiqué les

quantités de CFC qu'ils vendaient aux deux autres distributeurs et celles qu'ils vendaient directement sur le marché, afin d'éviter la double comptabilisation.

26. La méthode utilisée pour vérifier la consommation nationale en Indonésie n'est pas classique en ce qu'elle importe des dossiers qui ne sont pas un outil utile. Néanmoins, étant donné que la limite supérieure de l'échelle de consommation estimée par le PNUD (2 505 à 3 775 tonnes PAO) est encore inférieure de presque 30 pour cent à la limite de consommation de 2004 précisée dans l'Accord et au degré de convergence des quatre estimations obtenues, on peut en déduire que la limite de consommation de 2004 dans l'Accord a été respectée.

27. Le Secrétariat fait remarquer que la consommation de CFC de 2004 déclarée en vertu de l'Article 7 et dans les données du programme de pays est de 3 960 tonnes PAO. Étant donné que le gouvernement de l'Indonésie aurait été assujetti aux mêmes contraintes que le PNUD au moment d'établir le niveau de consommation, l'écart entre les données déclarées et les données de la vérification semble compréhensible.

Élimination sectorielle et de l'entreprise en 2004

28. Les données sur la consommation nationale sont le principal paramètre susceptible de vérification dans un plan national d'élimination. Toutefois, l'élimination des CFC réalisée pendant la période de déclaration est aussi susceptible de vérification en vertu de l'Accord et elle est un indicateur utile du succès des mesures prises dans le cadre du PNE. Elle permet aussi d'avoir une meilleure idée des différences dans la consommation nationale d'une année à l'autre. Par exemple, l'élimination totale des CFC réalisée en 2004 devrait être étroitement reliée à la diminution de la consommation nationale entre 2004 et 2005.

29. L'objectif d'élimination totale des CFC pour 2004 était de 976 tonnes PAO en raison de l'achèvement des projets autonomes en cours, plus 690 autres tonnes PAO en raison des activités du PNE. Le rapport du PNUD a indiqué une élimination totale en raison des projets en cours de seulement 465 tonnes PAO. Le PNUD a par la suite fourni des explications à l'effet que les réductions totales visées de 776 tonnes PAO dans le secteur des mousses et de 200 tonnes PAO dans le secteur des aérosols visaient les chiffres de la consommation de base de CFC approuvée dans les entreprises couvertes par ces projets. Le rapport initial n'avait pas été inclus dans les données de base appropriées en raison des diverses modifications à la structure des projets depuis les approbations initiales. Lorsque les valeurs de base appropriées étaient utilisées, y compris l'élimination partielle des CFC d'un projet cadre achevé en 2005, l'élimination totale des CFC dans le secteur des mousses était de 627 tonnes PAO.

30. En outre, l'élimination réelle des CFC dans le secteur des aérosols en 2004 a été de 400 tonnes, et non de 200 tonnes comme on l'avait d'abord indiqué, puisque les entreprises en question les avait entièrement éliminés en 2004, même si l'élimination avait initialement été programmée pour 2004-2005. Cela étant, l'élimination totale des projets en cours a été de 1 027 tonnes PAO, dépassant ainsi l'objectif dans l'Accord. L'élimination des CFC des projets en cours avait été vérifiée par le consultant lors d'une inspection de la documentation d'achèvement du projet.

31. En ce qui a trait à l'élimination des CFC des activités dans le cadre du PNE, le rapport du PNUD a fait état d'un montant total de 916 tonnes PAO. De ce montant, 223 tonnes PAO ont été éliminées dans le secteur des aérosols par rapport à l'objectif de 80 tonnes PAO de l'Accord. Le PNUD a indiqué que, de la consommation admissible restante au moment de la préparation du PNE, seulement 80 tonnes PAO ont été attribuées à ce secteur. Toutefois, la seule grande entreprise concernée avait éliminé la totalité de sa consommation de 223 tonnes PAO de CFC, ce que le rapport mentionnait exactement.

32. Le Secrétariat s'est aussi enquis en particulier de ce que représentait l'échantillon de 15 pour cent utilisé pour évaluer l'élimination des CFC dans le secteur de l'entretien, et de ce qui concerne la vérification des quantités estimatives de 50 tonnes PAO et 46 tonnes PAO de CFC éliminées respectivement en raison du programme incitatif de reconversion et du retrait de véhicules dotés de climatiseurs avec CFC. Le PNUD a indiqué que des données avaient été fournies pour montrer que l'échantillon était représentatif de la répartition géographique, en tenant compte de l'emplacement des infrastructures industrielles en Indonésie, et qu'on avait aussi tenu compte de la taille des entreprises. Quant aux quantités estimatives particulières de CFC éliminées (ci-dessus), le PNUD a fourni des explications à l'effet que les estimations s'appuyaient sur des critères solides. Toutefois, il n'a pas été possible de vérifier ces deux quantités.

33. L'élimination totale de 1 943 tonnes PAO de CFC déclarée en 2004, tel que révisée par le PNUD, dépasse l'objectif de 1 666 tonnes PAO. Bien que certains aspects de la vérification donnent lieu à certaines incertitudes, il semblerait que l'élimination totale en raison d'activités achevées en 2004 concorde avec les activités entreprises et les niveaux envisagés dans l'Accord.

Rapport sur les activités

34. Le PNUD a indiqué entre autres dans son rapport que, dans le cadre du programme de récupération et de recyclage, il semble que la plus grande partie ou la totalité des équipements a été livrée aux 188 ateliers d'entretien en 2004. Toutefois, la formation des techniciens n'a pas commencé avant la deuxième moitié de 2005. On a demandé des explications sur l'utilisation et l'état des équipements qui semblent avoir été installés dans les ateliers d'entretien jusqu'à 12 mois avant la formation des techniciens. Le PNUD a répondu que les équipements avaient d'abord été fournis aux grandes entreprises qui avaient été installées pour qu'elles s'en servent sans délai, et que la formation opérationnelle avait été fournie. Le programme de formation de 2005 auquel on fait référence est le programme de formation général visant les compétences pour les techniciens, lequel n'est pas lié particulièrement aux activités de récupération et de recyclage.

35. Le Secrétariat s'est aussi informé des progrès réalisés dans le programme incitatif pour utilisateurs finals, qu'on avait indiqué à la fin de 2004 comme n'ayant pas bien avancé. Le PNUD a expliqué que les utilisateurs finals sélectionnés étaient maintenant à mettre en oeuvre la transition à des équipements sans CFC, et que les 50 tonnes de réductions indiquées dans ce sous-secteur en 2004 ne provenaient pas directement du programme incitatif mais d'un petit nombre de gros utilisateurs qui avaient séparément remplacé leurs systèmes de réfrigération existants avec CFC.

Cadre réglementaire

36. À une réunion de haut niveau à Jakarta en février 2006, des dirigeants du ministère de l'Environnement de l'Indonésie, y compris le ministre, ont informé les représentants du Secrétariat et les quatre agences d'exécution qu'ils entendaient surmonter les obstacles actuels à la réglementation des importations en introduisant des mesures réglementaires pertinentes. Dans le contexte de cet examen, le Secrétariat a indiqué au PNUD que les progrès semblaient à toutes fins pratiques lents, et que le travail restant à terminer n'est pas simplement administratif mais comprend des accords en matière de politiques au-delà du contrôle du ministère de l'Environnement. Le PNUD a par la suite indiqué qu'un projet de nouveaux règlements en est maintenant à l'étape de l'examen final. Les règlements permettraient d'enregistrer les importateurs jusqu'au 31 décembre 2007, date de l'élimination finale des CFC en Indonésie. Les contingents d'importation seraient fixés par le ministère de l'Environnement.

37. Le PNUD a ajouté que, bien qu'il soit approprié qu'il n'y ait aucun nouveau résultat sur le terrain depuis quelques mois et que la révision des règlements en matière de SAO n'avait pas encore été réalisée, les activités et le travail entrepris par le ministère de l'Environnement et les agences d'exécution devraient être dûment reconnus comme des étapes importantes, et qu'il semble fort bien que ces efforts mèneront très bientôt à la révision réelle des règlements existants.

38. Reconnaissant que l'Indonésie a elle-même entrepris et convenu de l'objectif très ambitieux d'élimination complète d'ici décembre 2007, deux ans en avance du calendrier du Protocole de Montréal, le PNUD a suggéré que retenir le décaissement des fonds poserait une entrave aux réalisations déjà obtenues sur le terrain, ou les mettrait même en péril, et a demandé que les deux questions du projet financement et des règlements à l'importation soient jugées séparément.

39. L'adoption et la mise à exécution de règlements efficaces en matière d'importation seront importantes, sinon essentielles, à la capacité de l'Indonésie à réaliser l'élimination totale des CFC à la fin de 2007. En outre, la vérification du niveau national de consommation présentera un défi substantiel en l'absence de règlements visant les importations. La principale raison permettant au Secrétariat d'indiquer que la vérification de la consommation de 2004 est satisfaisante est que l'objectif de réglementation de 5 546 tonnes PAO dans l'Accord en 2004 se situe bien au-delà des niveaux estimatifs de consommation nationale de 2 505 à 3 775 tonnes PAO. Ce qui pourrait ne pas être le cas en 2005, année pour laquelle le niveau de réduction de 50 pour cent du Protocole est de 4 166 tonnes PAO. La vérification en 2005 devra aussi avoir lieu sans le bénéfice de règlements effectifs en matière d'importation. Si le régime de réglementation des importations est instauré sans plus de retard, il sera possible d'utiliser les règlements pour contrôler la consommation nationale en 2006 et aider à la vérifier en 2007. Retenir le décaissement de la tranche de financement approuvée pour 2006 pourrait servir d'incitatif direct en vue de l'adoption rapide du nouveau projet de règlements.

40. Quant aux effets de la mise en oeuvre, les tableaux 7 à 9 reproduits ci-dessus (paragraphe 8) indiquent que le seul secteur qui sera probablement touché par un retard sera le secteur des mousses de la Banque mondiale, pour lequel la tranche de financement 2006 est de

près d'un million $US. Toutefois, même dans ce secteur, le rapport du PNUD indique un solde inutilisé de 365 110 $US.

Programme annuel de mise en oeuvre 2006

41. Le Secrétariat n'a aucune observation à formuler sur le programme annuel de mise en oeuvre 2006 qui pourrait être examiné pour approbation.

RECOMMANDATIONS

42. Le Comité exécutif pourrait souhaiter envisager :

a) d'approuver le programme annuel de mise en oeuvre 2006 pour le plan national d'élimination en Indonésie;

b) d'approuver un financement de 2 176 800 $US plus des coûts d'appui totaux de 177 642 $US pour sa mise en oeuvre, à la condition que le financement ne soit pas décaissé tant que le Secrétariat du Fonds n'aura pas été officiellement informé par le gouvernement de l'Indonésie, par le truchement du PNUD à titre d'agence d'exécution principale, que les nouveaux règlements en matière de contrôle des importations de SAO ont été adoptés et sont en train d'être mis en oeuvre.

INDONESIA

NATIONAL PHASE-OUT PLAN FOR ANNEX-A GROUP-I AND ANNEX-B GROUP-II & III SUBSTANCES

REPORT ON 2004 ANNUAL IMPLEMENTATION PROGRAMME, SUBMISSION OF 2006 ANNUAL IMPLEMENTATION PROGRAMME AND REQUEST FOR RELEASE OF 2005 FUNDING TRANCHES

Prepared Jointly By:

KEMENTRIAN LINGKUNGAN HIDUP (KLH), GOVERNMENT OF INDONESIA
UNITED NATIONS DEVELOPMENT PROGTAMME
WORLD BANK
UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

6 February 2006

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL ON SUBSTANCES THAT DEPLETE THE OZONE LAYER

PROJECT COVER SHEET - MULTI-YEAR PROJECTS

COUNTRY:	INDONESIA

PROJECT TITLE:	**BILATERAL/IMPLEMENTING AGENCIES**
Phase-out of Annex-A, Group-I and Annex-B, Group-II and III substances in Indonesia	UNDP – Lead Implementing Agency World Bank – Cooperating Agency UNIDO – Cooperating Agency

SUB-PROJECT TITLE (S):	
Phase-out Plan Implementation and Coordination:	UNDP
Phase-out in Refrigeration (Manufacturing) Sector:	UNDP
Phase-out Management in the Refrigeration (Servicing) Sector:	UNDP
Phase-out in the MAC Sector	World Bank
Phase-out in the Aerosols Sector:	World Bank UNDP
Phase-out in the Foams Sector:	World Bank
Phase-out in the MDI Sector:	World Bank
Phase-out in the Solvents Sector:	UNIDO

NATIONAL COORDINATING AGENCY:	Kementrian Lingkungan Hidup (KLH)

LATEST REPORTED CONSUMPTON DATA FOR ODS ADDRESSED IN THE PROJECT:

A. Article-7 Data (ODP Tonnes, 2004, as of 2005):

Annex-A Group-I Substances (CFCs) ODP Tonnes	3,960.27	Annex-B Group-III Substances (TCA) ODP Tonnes	107.40
Annex-B Group-II Substances (CTC) ODP Tonnes	15.00	Annex-E Group-I Substances (MeBr) ODP Tonnes	63.00

B. Country Programme Sectoral Data (ODP Tonnes for 2004, as of 2005):

Substance	Aerosols	Foams	Refrigeration	Substance	Solvents	Process Agent	Fumigant
CFC-11	2.10	501.27	462.42	**CTC**	15.00	0.00	0.00
CFC-12	684.20	0.00	2,174.28	**TCA**	107.40	0.0	0.00
CFC-115	0.00	0.00	38.00	**MeBr**	0.00	0.00	63.00

CFC CONSUMPTION REMAINING ELIGIBLE FOR FUNDING (ODP Tonnes) :	**30 (for MDI)**

CURRENT YEAR BUSINESS PLAN: Funding level US$ million, Total Phase-out ODP Tonnes

PROJECT DATA

See Agreement table appended in next page.

FUNDING REQUEST:

Approval of funding for the next tranches (2005) is requested as below:

Sub-project	Implementing Agency	Tranche (US$)	Support Costs (US$)	Total (US$)
Refrigeration (Manufacturing) Sector	UNDP	750,000	67,500	817,500
Refrigeration (Servicing) Sector	UNDP	250,000	21,300	271,300
MAC Sector	World Bank	126,800	10,092	136,892
Aerosols Sector	World Bank	0	0	0
	UNDP	0	0	0
Foams Sector	World Bank	1,050,000	78,750	1,128,750
MDI Sector	World Bank	0	0	0
Solvents Sector	UNIDO	0	0	0
Total		**2,176,800**	**177,642**	**2,354,442**

Prepared by: UNDP in consultation with KLH and Cooperating Agencies **Date:** February 2006

PROJECT COVER SHEET – CONT'D)

PROJECT DATA		2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Compliance Milestone					**4,166**		**1,250**			**0**	
Maximum Allowable Annual Consumption of the Substances (ODP tonnes)				5,546	3,880	2,331	1,122	30	30	0	N/A
Total Annual Reductions of Substances (ODP tonnes)			**779**	**1,666**	**1,549**	**1,209**	**1,092**	**0**	**30**	**0**	**6,325**
Annual Reduction from on-going projects (ODP tonnes)			559	976	652	300	100	0			2,587
Annual CFC phase-out target in the **Refrigeration (Mfg) Sector** – **UNDP** (ODP tonnes)		0	0	300	300	300	241	0			1,141
Annual CFC phase-out target in the **Refrigeration (Servicing) Sector - UNDP** (ODP tonnes)		0	0	200	300	322	250	0			1,072
Annual CFC phase-out target in the **MAC Sector – World Bank** (ODP tonnes)		0	220	110	110	110	365	0			915
Annual CFC phase-out target in the **Aerosols Sector – World Bank** (ODP tonnes)		0	0	80	0	0	70	0			150
Annual CFC phase-out target in the **Foams Sector – World Bank** (ODP tonnes)		0	0	0	130	156	66	0			352
Annual CFC phase-out target in the **MDI Sector – World Bank** (ODP tonnes)		0	0	0	0	0	0	0	30		30
Annual CFC phase-out target in the **Solvent Sector – UNIDO** (ODP tonnes) +		0	0	0	57	21	0	0			78
Annual Reduction through Sector Plans (ODP tonnes)		**0**	**220**	**690**	**897**	**909**	**992**	**0**	**30**		**3,738**
Annual Funding Instalments (US$)	**UNDP Refrigeration (Mfg)**	**1,288,000**	**2,200,000**	**1,762,000**	**750,000**	**217,000**	**181,000**	-	-	-	**6,398,000**
	Support Cost	111,920	194,000	156,900	67,500	19,530	16,290	-	-	-	566,140
	UNDP-Refrigeration (Svg)	**2,196,758**	**1,805,987**	**500,000**	**250,000**	**159,555**	-	-	-	-	**4,912,300**
	Support Cost	195,708	160,939	43,400	21,300	13,160	-	-	-	-	434,507
	World Bank (MAC)	**1,369,800**	**1,347,300**	**1,347,300**	**126,800**	**125,800**	-	-	-	-	**4,317,000**
	Support Cost	121,962	119,937	119,937	10,092	10,002	-	-	-	-	381,930
	World Bank (Aerosols)			**371,910**							**371,910**
	Support Cost			27,893							27,893
	UNDP (Aerosols)			**224,000**							**224,000**
	Support Cost			13,440							13,440
	World Bank (Foam)	**0**	**0**	**1,725,000**	**1,050,000**	**147,564**	**35,000**	-	-	-	**2,957,564**
	Support Cost	0	0	129,375	78,750	11,067	2,625	-	-	-	221,817
	World Bank (MDI)	*	*	*	*	*	*			*	*
	Support Cost	*	*	*	*	*	*			*	*
	UNIDO (Solvent)			**1,464,733**							**1,464,733**
	Support Cost			108,974							108,974
Total Annual Funding Instalment (US$)		**4,854,558**	**5,353,287**	**7,394,943**	**2,176,800**	**649,919**	**216,000**	-	-	-	**20,645,507**
Total Support Costs (US$)		429,590	474,876	599,919	177,642	53,759	18,915	-	-	-	1,754,701
Total Costs to MLF		**5,284,148**	**5,828,163**	**7,994,862**	**2,354,442**	**703,678**	**234,915**	-	-	-	**22,400,208**

+ Phase out targets in the Solvent Sector (UNIDO) also include 5.6 ODP tonnes of 1,1,1 trichloroethane (TCA) and 16.5 ODP tonnes of carbon tetrachloride (CTC) **NOT** reflected in the above table. For TCA, 3.0 and 2.6 ODP tonnes will be phased out in 2005 and 2006 respectively. For CTC, 16.5 ODP tonnes will be phased out in 2005. There will be no further consumption of CTC and TCA after 2005 and 2006 respectively.

* Funding for the MDI Sector is not considered in this Agreement and the country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund, as stipulated in paragraph 2 of the Agreement.

Phase-out of Annex-A Group-I and Annex-B Group –II & III Substances

Report on 2004 Annual Implementation Programme

1. Background

The agreement between Government of Indonesia and the Executive Committee of the Multilateral Fund (Document UNEP/OzL.Pro/ExCom/44/73, Annex-XI) covering the total phase-out of Annex-A Group-I and Annex-B Group II & III substances in Indonesia, includes and supersedes the previous agreements covering the Refrigeration and Foam Sectors. The agreement was approved at the 44th Meeting of the Executive Committee of the Multilateral Fund, at a total funding level of US$ 20,645,507. The breakdown of the approved overall funding, the disbursement schedule and annual CFC consumption and phase-out control targets, reproduced from the agreement is as below:

PROJECT DATA		**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**Total**
Compliance Milestone					**4,166**		**1,250**			**0**	
Maximum Allowable Annual Consumption of the Substances (ODP tonnes)				5,546	3,880	2,331	1,122	30	30	0	N/A
Total Annual Reductions of Substances (ODP tonnes)			**779**	**1,666**	**1,549**	**1,209**	**1,092**	**0**	**30**	**0**	**6,325**
Annual Reduction from on-going projects (ODP tonnes)			559	976	652	300	100	0			2,587
Annual CFC phase-out target in the **Refrigeration (Mfg) Sector – UNDP** (ODP tonnes)		0	0	300	300	300	241	0			1,141
Annual CFC phase-out target in the **Refrigeration (Servicing) Sector - UNDP** (ODP tonnes)		0	0	200	300	322	250	0			1,072
Annual CFC phase-out target in the **MAC Sector – World Bank** (ODP tonnes)		0	220	110	110	110	365	0			915
Annual CFC phase-out target in the **Aerosols Sector – World Bank** (ODP tonnes)		0	0	80	0	0	70	0			150
Annual CFC phase-out target in the **Foams Sector – World Bank** (ODP tonnes)		0	0	0	130	156	66	0			352
Annual CFC phase-out target in the **MDI Sector – World Bank** (ODP tonnes)		0	0	0	0	0	0	0	30		30
Annual CFC phase-out target in the **Solvent Sector – UNIDO** (ODP tonnes) +		0	0	0	57	21	0	0			78
Annual Reduction through Sector Plans (ODP tonnes)		**0**	**220**	**690**	**897**	**909**	**992**	**0**	**30**		**3,738**
Annual Funding Instalments (US$)	**UNDP Refrigeration (Mfg)**	**1,288,000**	**2,200,000**	**1,762,000**	**750,000**	**217,000**	**181,000**	**-**	**-**	**-**	**6,398,000**
	Support Cost	111,920	194,000	156,900	67,500	19,530	16,290	-	-	-	566,140
	UNDP-Refrigeration (Svg)	**2,196,758**	**1,805,987**	**500,000**	**250,000**	**159,555**	**-**	**-**	**-**	**-**	**4,912,300**
	Support Cost	195,708	160,939	43,400	21,300	13,160	-	-	-	-	434,507
	World Bank (MAC)	**1,369,800**	**1,347,300**	**1,347,300**	**126,800**	**125,800**	**-**	**-**	**-**	**-**	**4,317,000**
	Support Cost	121,962	119,937	119,937	10,092	10,002	-	-	-	-	381,930
	World Bank (Aerosols)			**371,910**							**371,910**
	Support Cost			27,893							27,893
	UNDP (Aerosols)			**224,000**							**224,000**
	Support Cost			13,440							13,440
	World Bank (Foam)	**0**	**0**	**1,725,000**	**1,050,000**	**147,564**	**35,000**	**-**	**-**	**-**	**2,957,564**
	Support Cost	0	0	129,375	78,750	11,067	2,625	-	-	-	221,817
	World Bank (MDI)	*****	*****	*****	*****	*****	*****			*****	*****
	Support Cost	*	*	*	*	*	*			*	*
	UNIDO (Solvent)			**1,464,733**							**1,464,733**
	Support Cost			108,974							108,974
Total Annual Funding Instalment (US$)		**4,854,558**	**5,353,287**	**7,394,943**	**2,176,800**	**649,919**	**216,000**	**-**	**-**	**-**	**20,645,507**
Total Support Costs (US$)		429,590	474,876	599,919	177,642	53,759	18,915	-	-	-	1,754,701
Total Costs to MLF		**5,284,148**	**5,828,163**	**7,994,862**	**2,354,442**	**703,678**	**234,915**	**-**	**-**	**-**	**22,400,208**

+ Phase out targets in the Solvent Sector (UNIDO) also include 5.6 ODP tonnes of 1,1,1 trichloroethane (TCA) and 16.5 ODP tonnes of carbon tetrachloride (CTC) **NOT** reflected in the above table. For TCA, 3.0 and 2.6 ODP tonnes will be phased out in 2005 and 2006 respectively. For CTC, 16.5 ODP tonnes will be phased out in 2005. There will be no further consumption of CTC and TCA after 2005 and 2006 respectively.

* Funding for the MDI Sector is not considered in this Agreement and the country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund, as stipulated in paragraph 2 of the Agreement.

2. Refrigeration (Manufacturing) Sector (UNDP)

2.1 Investment and Enterprise-level Activities

Enterprise Participation

The second batch of 34 participating enterprises was endorsed by KLH in January 2004, upon verification of the enterprise baselines by SPMCU and UNDP. Upon completion of all activities in these enterprises targeted in 2004 and 2005, the CFC phase-out that would be achieved, would contribute 287 ODP MT to the 2005 and 2006 annual CFC phase-out targets.

The third batch of 3 additional participating enterprises was endorsed by KLH in August 2004, upon verification of the enterprise baselines by SPMCU and UNDP. Upon completion of all activities in these enterprises (targeted in 2005 and 2006), the CFC phase-out that would be achieved would contribute 77 ODP MT to the 2005 and 2006 annual CFC phase-out targets.

Procurement

- In January 2004, UNDP announced the Invitations for Expressions of Interest for prospective suppliers of the equipment to be procured for the second batch of 34 participating enterprises (referred to above). The Invitations for Expressions of Interest were posted in the websites of UN Development Business, IAPSO and UNDP-Jakarta for one month. UNDP also prepared the technical specifications and finalized the short list of 6-8 vendors for each type of equipment to be procured for this batch of enterprises in January 2004. The international competitive bidding exercise was carried out in February 2004 and purchase orders issued in June 2004. The total funds committed for the procurement for the second batch of 34 participating enterprises amounted to about US$ 755,000.

- In November 2004, UNDP announced the Invitations for Expressions of Interest for prospective suppliers of the equipment to be procured for the third batch of 3 participating enterprises (referred to above). The Invitations for Expressions of Interest were posted in the websites of UN Development Business, IAPSO and UNDP-Jakarta for one month. UNDP also prepared the technical specifications and finalized the short list of 6-8 vendors for each type of equipment to be procured for this batch of enterprises in October 2004. The international competitive bidding exercise was carried out in November/December 2004 and purchase orders issued in January/February 2005. The total funds committed for the procurement for the third batch of 3 participating enterprises amounted to about US$ 260,000.

Completions

All enterprise-level activities such as site preparation, installation of equipment, training, trials and commissioning, were completed for 32 of the 45 enterprises, who were participants in the first batch. SPMCU assisted by UNDP experts confirmed completion of all these activities, including phase-out of CFCs, phase-in of the replacement technology, depletion of CFC stocks and destruction of redundant CFC-based baseline equipment. Certificates of completion confirming this were issued to 32 enterprises, resulting in a CFC phase-out of 334 ODP MT during 2004, against the agreed phase-out target for 2004 of 300 ODP MT.

2.2 Technical Support Component

A technology assistance workshop was held in August 2004 to provide technology guidance to the enterprises in the sector, UNDP and KLH experts. About 52 enterprises attended the workshop.

2.3 Policy & Management Support Component

KLH continued follow-up on the procedures needed to effect the modification of existing regulations on CFC imports (instituting a realistic licensing/quota system and new regulations for registration/reporting of CFC usage), with the relevant government departments and stakeholders. A coordination meeting was held in May 2004 with the Department of Customs and Ministry of Industry and Trade, for discussions on the planned regulation changes covering an import quota system and registration/reporting system for CFC usage. A workshop for government policy/decision-makers was held in August 2004, to discuss the various options and modalities for accomplishing these regulatory changes.

KLH, with the assistance of UNDP and World Bank, carried out the verification of activities under the 2003 Annual Implementation Programme, through Faculty of Mechanical Engineering, Universitas Indonesia.

SPMCU/KLH assisted UNDP and World Bank in preparation of the reporting documentation for the 2005 Annual Implementation Programme and on the progress of the 2003 Annual Implementation Programme.

SPMCU/KLH also continued verification of baselines of prospective participant enterprises to be included in future batches.

2.4 Brief report on activities carried out during 2005

2.4.1 Investment Component

Enterprise Participation

SPMCU continued the exercise of verification of baselines at prospective participant enterprises. From the original 180 enterprises identified in 2002 in the sector survey at the time of preparation of the proposal, it was found that 25 had changed business, 14 closed down and 46 enterprises had not yet responded.

SPMCU continued to search and receive proposals from enterprises to make sure that all refrigeration manufacturers in the country could be reached and evaluated for participation in the program. In 2005 SPMCU identified additional 16 enterprises, however after survey and verification, only 10 enterprises were considered eligible for participation in the program, all of them were with a foaming-baseline with total annual CFC consumption of 100.03 MT. However, most of these companies were established after July 1995, therefore their endorsement is still on hold, pending decision by KLH.

Procurement

Following the endorsement of KLH for 37 eligible enterprises in end-2004, equipment procurement actions were completed by UNDP for these enterprises. During 2005, the equipment delivery, installation, commissioning and trials was completed or in process.

Enterprise-level Activities

All activities were completed at the remaining 14 of the 45 enterprises which were endorsed and had participated in the first batch and at 29 enterprises from the second batch and relevant UNDP completion documentation signifying project completion was issued.

2.4.2 Policy and Management Support Component

Policy and Regulatory Actions

The enforcement of ODS regulations has been facing a challenge especially in monitoring the imports of ODS. In 1998, Ministry of Industry and Trade had appointed PT. Perusahaan Perdagangan Indonesia (PT. PPI), as sole authorized and registered importer of CFCs. In 2004, PT. PPI had imported only around 437 MT of CFCs, while the market demand for CFCs had been above 3,000 MT. The verification exercise of national CFC consumption in 2003 indicated that imports had been made by unregistered importers and these imports were largely unrecorded. The determination of the exact national annual consumption is thus difficult as the existing data on recorded imports would not be reliable. SPMCU continued meetings of government stakeholders for finding solutions to address this problem. A series of meetings between the ministries of Environment, Industry and Trade and other stakeholders were facilitated to resolve the issue through an amendment of existing regulations. By the end of 2005, the draft of a new regulation that would expand the list of registered importers had been produced.

Awareness Actions

A workshop for public awareness was organized at the Jakarta Convention Center during the commemoration of the National Environment Day. Different type of campaign was carried out during the commemoration of the International Ozone Day by organizing public rallies and providing the participants with T-shirts displaying "Stay Sun Safe" appeal. A number of road show workshops in Sumatra, Kalimantan and Sulawesi were arranged, for information dissemination on the plan and promoting participation by eligible enterprises.

2.4.3 CFC Phase-out and Results

In 2005, a total phase-out of 305.75 MT ODP was achieved through completion of enterprise-level activities. The annual phase-out target in 2005 at the amount of 300 MT ODP was therefore achieved.

2.4.4 Reporting and Verification

SPMCU and KLH prepared the reporting on 2004 activities and annual implementation programme for 2006 with the assistance of UNDP.

The verification of 2004 activities was carried out through Universitas Indonesia from late 2004 until early 2005 and the final report was completed by mid 2005 and submitted to the Executive Committee Secretariat for its review in July 2005.

A competitive bidding exercise was carried out in October 2005, for selecting an independent entity to carry out the task of verification of 2004 activities. A consulting firm PT. Hatfindo Prima, a subsidiary of Hatfield Group, Canada, was selected.

3. Refrigeration Servicing Sector (UNDP)

3.1 Recovery/Recycling Programme

Enterprise Participation

The identification of refrigeration servicing establishments was carried out throughout 2004, by SPMCU/KLH with assistance from UNDP, through:

a) Assosiasi Bengkel Electronik Indonesia (Indonesia Electronic Service Association)

b) Department of Mechanical Engineering, Institut Teknologi Bandung (ITB).

c) Department of Mechanical Engineering, Universitas Trisakti.

The first batch of 188 major servicing establishments and 60 training establishments was endorsed for participation by KLH to UNDP (for which preparatory actions for procurement were carried out by December 2003). An additional 59 major servicing establishments were endorsed for participation by KLH to UNDP in November 2004.

SPMCU continued outreach efforts for identification of servicing establishments for participation in the recovery and recycling Programme, in the northeastern regions such as Batam and Sumatra, in cooperation with Assosiasi Bengkel Electronik Indonesia (Indonesia Electronic Service Association) and local environmental bodies (Bappedalda) and through holding local workshops. About 76 service establishments were identified in this region as a result.

Procurement

- UNDP issued purchase orders for the refrigerant recovery/recycling equipment for 188 servicing establishments and 60 training establishments in May 2004. The purchase order for equipment for the additional 59 servicing establishments was issued in December 2004, using the previous bidding exercise. The total funds committed for this procurement are about US$ 1.15 million.

- The equipment ordered for the 60 training establishments began to arrive in December 2004 and the distribution of equipment commenced (all equipment has been distributed for both the servicing and training establishments of the first batch by early 2005).

3.2 Pilot Retrofitting/Replacement Demonstration Programme

In order to facilitate and complete identification of participating 70 representative end-users in this Programme, preliminary screening of about 28 supermarkets, 13 hotels, 7 hospitals, 5 restaurants, 5 marine installations and 10 industrial installations (total 68) was completed in 2003. The mechanism of participation in the Programme and for providing assistance to these end-users was finalized in 2004. It was found that due to varying schedules for retrofitting/replacement by different end-users and high expectations of compensation, the Programme was not moving ahead according to schedule. However, many of these end-users and other identified end-users already completed retrofitting/replacement of their existing CFC-based installations in 2004, leading to a reduction of CFC usage by about 50 ODP MT annually. The demonstration retrofitting/replacement activities are expected to be ongoing at between end-2004 and mid-2005.

Efforts to promote retrofit/replacement of existing CFC-based equipment, continued throughout 2004, through periodic mini-workshops involving of ASATHI (Indonesian Association of Hotel Engineers, ARPI (Cold Chain Association of Indonesia) and APRINDO (Association of Indonesian Retail Merchants), which in turn disseminated information to their members through their newsletters.

3.3 Technical Support Component

Technical assistance for establishing a National Competency Standard for Refrigeration Technicians was provided. The standard is being formulated by Standards & Technology Division of KLH with assistance of local technical and legal experts.

3.4 Training Programme

Institut Teknologi Bandung (ITB), who was retained to carry out the Master Trainers programme initiated during 2003 (resulting in 82 Master Trainers) continued the tasks in 2004, targeting an additional 83 Master Trainers, drawn from four outlying regions: Balikpapan (East Kalimantan), Medan

(North Sumatra), Palembang (South Sumatra) and Makassar (South Sulawesi). In December 2004 the first training workshop was carried out in Balikpapan involving 14 Master Trainers from Balikpapan, Banjarmasin and Pontianak (the remaining 3 workshops were carried out in the first half of 2005).

For the Technician Training Programme, modalities and draft MOUs were developed, for collaborating with selected Training Establishments (who have already received the demonstration servicing equipment) to deliver the training programmes. It is expected that upon finalization of arrangements between KLH and these Training Establishments, such as course materials, curriculum, etc., the Technician Training programme would commence in the second half of 2005.

3.5 Policy and Management Support Component

- A meeting with the Technical Committee of the National Ozone Steering Committee was facilitated to obtain support for KLH's initiative to effect changes in the current regulations governing import and trade of CFCs.

- An inter-divisional meeting within KLH was organized to discuss and press for regulatory changes governing registration and reporting requirements for CFC users

- Several road show workshops were arranged in Sumatra, for awareness and information dissemination related to the impacts of commitments and obligations arising out of the phase-out plan for the servicing sector.

- A workshop for green journalists was organized by KLH for promoting Ozone Layer Protection through media in conjunction with the commemoration of the International Ozone Day. Around 14 journalists from print and electronic media participated in the workshop.

3.6 Brief report on activities carried out during 2005

3.5.1 Investment Component

Recovery & Recycling Programme

The process of identification of service establishments for the program was carried out through socialization of the program by organizing "road show" workshops across the country, concentrating on major cities such as the provincial capitals like Jakarta, Bandung, Semarang, Surabaya, Denpasar, Palembang, Medan and Batam. In these workshops, SPMCU coordinated with local associations or local chapters of national associations such as Electronic Workshop Association, Electronic and Refrigeration Association as well as the Department of Environment of the local government. The partner organizations identify their members as well as other service establishments, accumulate statement and commitment letters and send them to SPMCU. The associations also served as the liaison between SPMCU and the enterprises. This cooperation proved to be efficient and effective. A total of 188 servicing enterprises had been endorsed in the first batch and 59 in the second batch. The process of procurement, distribution and commissioning of the recovery and recycling equipment for all 247 enterprises was completed. During 2005, 199 enterprises from Greater Jakarta, Central Java, East Java, Bali, North Sumatra and South Sumatra completed activities and signed relevant documentation.

In order to expedite further identification of servicing enterprises for participation in the program, Universitas Trisakti was retained as a consultant for identification of potential recipients with the target of 420 in Java area. This task was completed in 2005. The result of the identification process by the consultant, combined with registration through Master Trainers and through socialization, is being verified for the next endorsement by KLH.

Pilot Retrofitting/Replacement Demonstration Programme for end-users

A local expert was retained for identifying end-user participants in this program. A total 37 end-users from the hotel, hospitals, ice-factories, restaurant and food processing industries, located in Greater Jakarta, Central and West Java, South Sulawesi and Bali, were identified in 2005. The conversions at these end-users are in progress.

Demonstration equipment for Training Establishments

During 2005, demonstration servicing equipment was provided to an additional 60 training establishments.

Training Programme

The Master Trainers programme was completed in the first quarter of 2005, with 69 additional Master Trainers from Makassar, Medan and Palembang. There is now a pool of total 156 Master Trainers.

The Technician Training programme commenced in 2005 and was conducted through major service establishments and the training establishments. The technicians were provided with classroom and hands-on training, a guide in good practices, documentation and other technical reference materials. Upon completion of the prescribed course they were provided with a certificate. In 2005, a total 81 technicians from Malang, East Java (20), Semarang, Central Java (43) and Jakarta (18) were trained by Institut Teknnologi Malang, Balai Latihan Pekerja dan Teknisi Semarang, PT Sanjaya Sakti Semarang and Universitas Gunadarma Jakarta respectively. Technician training for about 1,000 technicians is in progress currently.

3.5.2 Technical Support Component

Competency Standard for Refrigeration Technicians

The draft of the National Standard of Work Competence (SKKNI) for refrigeration technicians was presented by the consultant appointed for this purpose and was discussed in a meeting attended by representatives of several institutions including the Ministry of Manpower. It was agreed that the National Standard would be attached to the existing National Standard for Metal and Machinery. Series of discussion have been organized to establish the legal framework for the future implementation of the standard.

Awareness Actions

Effort to improve public awareness has been carried out in coordination with local governments. Series of road-show workshops were organized in Jakarta, Semarang, Surabaya, Medan, and Palembang along with the events for signing of completion documentation by recipient servicing establishments of the first and second batches of recipients.

3.5.3 CFC Phase-out and Results

CFC phase-out was projected to be a result of implementation of recovery and recycling program, retirement of old equipment, retrofit/replacement of CFC-based refrigeration equipment and better servicing practices as the result of training. In 2005, 198 recipients of recovery and recycling equipment had signed the completion documentation and started using the equipment in their daily service. The use of the equipment was expected to reduce the need of CFC by 175 ODP MT based on their average annual consumption. An additional 100 ODP MT is projected to be reduced through retirement of old equipment and an additional 50 ODP MT through retrofitting/replacement of CFC-based equipment. Thus, the 2005 phase-out target would be achieved.

4. MAC Servicing Sector (World Bank)

The phase-out objective of the 2004 Annual Implementation Programme is to ensure that the national CFC-12 consumption limit for MAC sector of 695 MT will not be exceeded in 2004.

4.1 Policy Action

Discussion with other related government agencies was facilitated in March, participated by representatives of the Ministry of Environment, Department of Trade and Industry, Custom and Excise, National Police Department, Attorney, Bandung Institute of Technology, Department of Agriculture, and Association of Experts on Air Condition and Refrigeration. The meeting was to discuss the development of draft for proposing measures/regulations such as: a) ban on new MAC installations with CFC based system, b) prohibition on venting the remaining CFC, c) compulsory use of recovery until when the system is serviced or decommissioned; d) prohibition of mislabeling containers; e) training for proper method in MAC servicing sector, and f) plan to equip appropriate government agency such as custom and excise with CFC identifier for prevention of smuggling. The meeting paid special attention on the suspicion of the occurrence of illegal import of CFC as the records of CFC import made available from the Custom and Excise, the National Bureau for Statistic and the sole registered importer PT Perusahaan Perdagangan Indonesia were far below the actual demand.

Issuance of certification – Certification scheme is being developed in line with the training for technicians programme. The training of trainers has been completed and 20 trainers passed the technical examination for qualification for training the technicians. Appropriate certificate was issued to them for undertaking training for technician through their respective training institutions.

4.2 Enterprise-level activities

The 2004 Annual Implementation Programme aims to eliminate the consumption of 110 MT of CFC-12 by installing about 108 recycling machines. 108 service shops have been identified in Jakarta, West Java, Central Java, East Java and Bali. The respective recovery, recycling and recharging machines have been delivered and commissioned at the respective 108 MAC service shops.

4.3 Technical Assistance (TA) Activities

TA activities under the MAC Sector Plan's 2004 Annual Implementation Programme concentrate on the following: (a) strengthening the overall institutional framework for phase-out; (b) provides regulatory support; (c) public awareness, (d) management, monitoring and evaluation of the project and enhancement of capabilities of participating institutions under the PMU; (e) project implementation that will be subcontracted to an independent institution, and, (f) information exchange. The activities carried out in the first implementation programme are as follows:

- *Workshops to MAC service shop personnel involved in implementation of phase-out activities*. Eleven workshops have been carried out in Jakarta, Bandung, and Surabaya in 2004 (an additional 6 workshops were held in 2005). These workshops were attended by 614 service shop owners or their representatives, prior to receiving the recycling machines (375 service shops in 2004). Statement and commitment letters had been obtained during the survey of identification of these service shops.

- Socialization programme was carried out in collaboration with BPLHD (Provincial Agency for Environment Protection) of West Java Province on June 28, 2004. Awareness programme was implemented by promoting the programme during the commemoration of International Ozone

Day by organizing journalist outreach, displaying banners at the highway connecting Jakarta and Bogor.

- *Train the trainer programme*. This programme has been organized on September 6 to 10, participated by trainees represented 20 training institutions across the country. The curriculum comprised the principles of refrigeration and refrigerants, MAC system, leak detecting and repairing, retrofitting from CFC base to non-CFC base, principle and practice of recovery, recycling and recharging, and general good MAC servicing practice.

- *Development of Standard Inspection Manual*. The first version of standard inspection manual for identification of refrigerant type in the MAC unit was produced and distributed to the trainees of the Train the Trainers Programme on September 10. This version would be further developed and distributed during the upcoming Train the Technicians Programme.

- *Development and printing of pamphlets*. Stickers for car owners to identify refrigerant type in the MAC unit, name of the shop that last worked on the system, and detailed of work done would be produced and distributed during the train the technicians Programme and together with the distribution of R&R equipment to the beneficiaries. Fliers/leaflets were also distributed during workshops and surveys so that potential service shops are more familiar and convinced about the program.

- *Training.* Train the technicians Programme was in preparation. Proposals from the appointed training centers that sent their staff to the Train the trainers Programme were being reviewed.

- *Monitoring Reports.* During delivery of 3R machines, DWA also attached monthly monitoring report to be submitted every quarter. Each shop is provided 24 monitoring forms for 2 years. Through monitoring report, DWA can evaluate utilization and performance of the recycling machines as well as commitment of the service shop in using the machine. Monitoring reports can also help identify any problems arising in the field.

4.4 Brief report on activities carried out during 2005

4.4.1 Investment Component

Surveys of potential service shops were conducted from April 2005 to July 2005 concentrated in 7 regions of Sumatera Island (South Sumatera, Jambi, West Sumatera, Batam Island, Riau Kepulauan, Riau and Lampung). During the survey, letters of commitment to participate in the MAC sector plan Programme were attained by the Group Coordinator for 108 service shops. Total target ODP phase-out of the 108 shops is 124.4 MT of CFC-12.

Table 1: Distribution of Potential Shops by Region

	Region	No. of Shops	%
1	South Sumatera	24	22.2
2	Jambi	6	5.6
3	West Sumatera	16	14.8
4	Batam Island	8	7.4
5	Riau Kepulauan	3	2.8
6	Riau	35	32.4
7	Lampung	16	14.8
Total		108	100.0

The bidding process for the prospective supplier has been completed. The L/C is being currently opened. The equipment arrived in the service shops in December 2005.

4.4.2 Non-investment Component

Workshops for MAC service shop personnel involved in implementation of phase-out activities - Workshops for approximately 180 MAC service shops were conducted to prepare and inform service shop owners and technicians about their rights and responsibilities under the Programme including monitoring and reporting requirements for CFC-12 consumption, and to inform them about the operating procedures in MAC sector phase-out approach. Workshops were held in: (i) Bandung (August 2005) for 48 service shops covering an area around Jakarta, Bogor and Western Java; (ii) Solo (held in July 2005) for 16 service shops covering Central and Eastern Java and Bali; and (iii) Medan – workshops were held here for 116 service shops covering the North Sumatera area (in September 2005)

5. Foam Sector (World Bank)

5.1 Background

The Montreal Protocol Executive Committee in its decision at 42nd Meeting on March 2004 has approved the Sector Plan phase-out for the use of CFC in the Indonesian Foam sector. With the completion of this sector plan, all CFC-11 consumption in the foam sector in Indonesia will be eliminated completely by the end of 2007. In accordance with the Executive Committee's approval of the Sector Plan for the Phaseout of the use of CFCs in the Foam Sector in Indonesia in its 42nd Meeting, Indonesia is hereby requesting release of the second tranche of US$1,050,000 for implementation of the year 2006 Annual Implementation Programme. With this funding, Indonesia's CFC-11 consumption for servicing in the foam sector will be reduced by 155.7 MT in 2006.

The plan consists of investment component to replace present ODS-based technology with a combination of non-ODS and, where not feasible, low-ODS technologies (water-based (CO2) and HCFC-141b). Conversion projects will be accompanied by associated non-investment and policy actions to ensure that the phase-out proceeds on schedule and those ineligible enterprises are also compelled to stop use of CFC-11.

Table 2. Control Target of ODP Elimination and Annual Funding

Year of Programme	Total consumption in Foam Sector (MT)	Estimated Ineligible & Not Identified Consumption (MT)	Impact Targeted in Given year (MT)	Investment Project Fund Approved ($)	National & supporting Activities ($)
2001	2,651.00	0	0		
2002	2,583.00	66.2	0		
2003	2,515.00	66.2	0		
2004	2,046.00	66.2	0	30,000	70,000
2005	1270.20	66.2	129.8	1,570,000	75,000
2006	688.40	66.2	155.7	1,000,000	70,000
2007	232.70	66.2	66.05	107,654	35,000
Sub-Total			**352.00**	2,707,654	250,000
Adjustment for HCFC-141b Consumption			-18.9		
Grand Total (MT)			**333.1**		

The extract of the Agreement between Government of Indonesia and the Executive Committee of the Multilateral Fund (Document UNEP/OzL.Pro/ExCom/42) covering the disbursement schedule and annual CFC consumption and phase-out control targets, pertaining to the foam sector in Indonesia, is reproduced in Table 3 below:

Table 3. CFC Consumption and Phase-out Control Targets for the Foam Sector:

Parameter	2003	2004	2005	2006	2007	2008	2009	2010	Total
Maximum allowable annual consumption on the substances (ODP tonnes)		5,546	3,880	2,331	1,122	30	30	30	N/A
Annual CFC phase-out target in the foam sector (ODP tonnes)	0	0	129.8	155.7	66.5	0	0	0	352
Annual Funding Installment (US$)	0	1,725,000	1,050,000	147,564	35,000	0	0	0	2,957,564
Agency Support Costs* (US$)	0	129,375	78,750	11,067	2,625	0	0	0	221,817

By completing this sector phase-out plan, all CFC-11 consumption in the foam sector in conjunction with presently ongoing foam projects by the end of 2007 in Indonesia will be eliminated. The funding request targets the remaining eligible consumption of CFC-11 will be carried out through a series of annual Programmes. The overall project impact is 333.1 ODP MT. From investment projects for phase-out of eligible consumption, the impact is 279.1 ODP MT, and from policy actions to phase-out identified ineligible consumption, the phase-out amount is 54 ODP MT.

The investment project consists of 20 rigid foam and 10 integral skin foam enterprises. This investment conversion projects shall be accompanied by associated policy actions to ensure that the phase-out proceeds on schedule and that ineligible enterprises are also compelled to stop use of CFC-11. The implementation of work plan was prepared with objective to assure that control target to eliminate the national consumption in foam sector by December 2007 for 333.1 MT of CFC-11.

5.2 Objectives

The objectives of the 2004 annual programme was to develop the implementation mechanisms and implementation arrangements to ensure the phase-out target for the following year would be able to be achieved in a timely manner. This objective was achieved. The phase-out target for the year 2004 was attained from the completion of on-going individual/terminal project.

5.3 Projected Activities Target

Target	- Establishment of project implementation arrangement for investment and non-investment component - Designated a group coordinator to facilitate the implementation of investment project component - Designated a coordinator to facilitate the implementation of non-investment project component

5.4 Programme Implementation of 2004

The Foam Sector Plan was approved at the MP Executive Committee (ExCom) meeting in March 2004 for the amount of $2.95 million. The first tranche of $1,725,000 was released to support preliminary stage of the project activities.

5.4.1 Investment Component

- KLH and the World Bank agreed upon implementation arrangements for the foam sector plan implementation.

- The implementation of investment activities is being carried out by PT. Dasa Windu Agung (DWA) as the group coordinator and representative of the beneficiaries through a Sub-grant Agreement Document No. B-215E/Dep.VI/LH/11/2004 signed officially in November 2004.

- The Group Coordinator (GC) is responsible for identifying and verifying eligibility of recipients, as well as procuring and distributing the equipment to the selected foam enterprises. An annual work plan was prepared by GC describing the implementation plans in order to carry out the investment component of sector foam phase-out plan.

- During 2004, the GC carried out pre-assessment visits to relevant prospective foam recipients to revalidate the original baseline information. It was considered important to assess the current conditions of prospective recipients and to assure that requirements for the conversion technology are still valid and acceptable.

- Part of the process included informing enterprises fully on the implications of selecting HCFC-141b as an alternative technology. Presentation of the costs and consequences of the selection had been introduced to the prospective enterprises.

- The pre-assessment visit and its evaluation verified the eligibility of 11 Rigid Foam enterprises and 5 Integral Skin Foam enterprises to be endorsed by KLH. The participation of these 16 project beneficiaries will reduce 130,7 ODP MT of CFC-11 in 2005.

- Rigid Foam: Under rigid foam sub-sector, 11 foam enterprises participated. They are dealing with production of insulation panel for telecommunication and commercial refrigeration, in-situ, solar heater, house ware products and others. The rigid foam sub-sector contributed consumption of 83.24 tons of CFC-11 in 2004, with consumption of polyol and isocyanate of 274 tons respectively.

- Integral Foam: Under the integral foam sub-sector, foam enterprises participated. They are dealing with the production of arm rests, accessories for automotive and furniture. Potential foam enterprises under the sector deal in production of arm rest, accessories for automotive and furniture. Under the rigid foam sector, 47.5 tons of CFC-11 was consumed in 2004, with consumption of polyol and isocyanate of 397 tons and 274 tons respectively.

5.4.2 Non-Investment Component

- It was agreed by the World Bank and KLH that the non-investment component would be implemented through KLH. Responsible person had been assigned to coordinate the non-investment component.

- World Bank and KLH agreed on the implementation mechanism which described the roles and responsibilities of the various stakeholders

- The operational mechanism for enterprise participation in the Plan was finalized in consultation with the World Bank.

- The modalities and procedures for verification of baseline of participating enterprises were finalized. This included development of documentation requirements and obtaining commitments from the enterprises in line with KLH and World Bank regulations.

5.5 Brief report on activities carried out during 2005

5.5.1 Investment Component

- By the end of 2005, the programme will be able to deliver the phase-out target for 129.8 ODP MT.

- it was confirmed that 16 enterprises confirmed to participate in the programme. These comprise of 11 rigid foam enterprises and 5 integral skin foam enterprises which engage in the production of automotive/furniture products. The companies have been endorsed by KLH and approved by the World Bank

- The 11 rigid foam enterprises participating in foam sector plan implementation in 2005 are located in various areas: 6 enterprises are located in Jakarta, 2 located in East Java and 2 in Medan. The survey found enterprises have satisfactory working conditions. It was also found that conditions of production facility of each enterprise different to another depending on scale of economic and products being produced. Some enterprises still apply conventional production process using hand-mix and others have already applied foam machines in their production facilities. The companies are listed in the Table 4 below:

Table 4. Companies Participated in 2005 Phase out Activities in Foam Sector

No	Name of Company	ODP (Kg)
1	Adi Budaya Cipta, PT	3,500
2	Bernadi Utama, PT	6,000
3	Cipta Karya, CV	4,000
4	Harrison UD	3,000
5	Langgeng Makmur Industri Tbk, PT	18,000
6	Logam Menara Murni, PT	8,000
7	Mega Metal Perdana, PT	11,000
8	Pangaji Mario Refconindo, PT	12,100
9	Sigma Engineering, PT	4,640
10	Wika Intrade, PT	9,000
11	Willich Isolasi Pratama, PT	4,000
	TOTAL	83,240.00

- The 5 integral skin foam enterprises participating in foam sector plan implementation in 2005 are located in various areas: two enterprises are located in Jakarta and the other three are located in East Java. The survey of their production facilities found that all of the enterprises use foaming equipment in their production. The integral skin companies are listed in Table 5 below:

Table 5. Companies participated in 2005 Phase out Activities in Integral Skin Foam:

No	Name of Company	ODP (Kg)
1	Biru SCK, PT	6,000
2	Kumala Indah Tata	13,500
3	Mitra Sakti Motor, UD	5,000
4	Rizata Wijaya	9,000
5	Sumber Mulia, UD	14,000
	Total	47,500

- The bidding process to procure 16 units foaming machine and its accessories has been finalized. The purchase contract with the selected supplier Rim Polymers Industries Pte. has been signed. The equipment arrived in the designated ports and has been delivered to the enterprises which were followed by installation, commissioning and trials.

5.5.2 Non-investment Component

- Workshop for prospective enterprises with the involvement related government institutions had been carried out to introduce the programme and provide some background implementation of sector foam phase-out plan. Four workshops were conducted by MoE in cooperation with the Group Coordinator with objectives for awareness and understanding about foam sector project to local government, ministries, potential and existing foam enterprises. The workshops were held in Medan, Bekasi, Surabaya, and Jakarta.

- Policy Development: Activities under the policy development subcomponent include a review of existing regulations (e.g. MOT issued regulation use CFC until 2007 for small and medium enterprise, health and safety regulations relating to alternatives such as flammable substances and Methylene Chloride, etc.) to determine recommendations for improving the regulations under the foam sector. The review will be conducted by a consultant, and the process for hiring a consultant was initiated in August 2005. In addition, the consultant will conduct a study on economic instruments to encourage industries to implement non-ODS technologies. The draft is expected to be completed by December 2005.

- Technical Assistance: Develop information materials in Bahasa Indonesia for environmentally benign substitute technologies for foam sector, conduct analysis about the applicability of alternative technologies for the Indonesian enterprise.

- Public Awareness: A consultant has been hired to fulfill the Terms of references for public awareness. Activities under the public awareness component includes the following:

  - Public awareness tools development
  - Workshop for foam enterprises, local stakeholders and chemical suppliers.

6. Aerosols Sector (World Bank)

The Executive Committee approved the release of funds for the Technical Assistance project in the aerosol sector in the amount of US$371,910. Currently the KLH have selected a nodal person for the aerosol sector. KLH has developed a workplan for activities in 2005. A local consultant was hired to revalidate the list of aerosol companies, interview companies to glean needs, develop recommendations for the aerosol companies, develop a handbook on safety, technical, legal (e.g. regulations) issues, and to organize a public awareness/stakeholder workshop. The stakeholder workshop will comprise of members of the Ministry of Health and the Ministry of

Finance, Ministry of Industry, the Cosmetic Association, aerosol companies, aerosol industry, NGOs (e.g. Consumer Help Desk), and the KLH, would be conducted to define the aerosol technical assistance needs in Indonesia. Advertisements will be made to raise public awareness, inform stakeholders about the availability of National Aerosol Filling Centre, and inform companies about the possibilities about participating in TA programme.

7. Solvent Sector (UNIDO)

The Plan for Terminal Phase-out of ODS in the Solvent Sector was approved by Executive Committee at its 44th h Meeting in November 2004. The implementation of the project started in January 2005. The work plan for the project and the Operational Mechanism for Implementation (OMI) were discussed. It was recognized that the major reduction in the use of solvents had to be made in the course of 2005. The major component of the plan in 2005 was investment support through the implementing of ODS phase out projects.

7.1 Industry Conversion projects in 2005

7.1.1 One larger maintenance company, GMF Aero Asia has been identified to be eligible for retroactive payment of already purchased cleaning equipment while converting from TCA to water based systems in their cleaning operations. Relevant contract to execute the payment of total amount of U$ 40,233 evidenced by eligible invoices has been prepared by UNIDO.

7.1.2 Three shoe sole producing companies have been identified as users of CFC-113 and TCA for cleaning and degreasing of shoe soles prior to painting and gluing. Agreement on the participation in the solvent sector plan and the Agreement on the implementation procedures including company commitment to stop the use of any ODS solvent in the future were signed.

7.1.3 Selection/Procurement of Machinery: Technical specifications were prepared and competitive bidding organized. Quotations have been solicited from various potential suppliers. Bids were evaluated and purchase orders placed.

7.2 Project Management

7.2.1 Organizational set up has been done within Ministry of Environment and responsibility for the project implantation has been assigned to selected staff.

7.2.2 Appointees for different responsibilities and Government approval of the plan per se have been announced to UNIDO in October 2005.

7.2.3 Creation of Sector Phase-out Plan Management & Coordination Unit (SPMCU) is being reviewed.

7.2.4 Hiring of National Experts, members of SPMCU was delayed and it was not done until end 2005.

7.3 Government Action

7.3.1 The Government is actively working with UNDP as Lead Implementing Agency as well as with UNIDO and the World Bank as cooperating agencies on the effective procedures to restrict imports of the solvents and to ensure compliance with relevant Agreement.

7.4 Achievement in 2005

As a result of activities undertaken in 2005, the following is the achievement through the implementation of this project component:

Phase out of TCA	5.4 ODP MT
Phase out of CFC-113	58.2 ODP MT
Total:	63.6 ODP MT

8. Policy Actions

While Indonesia has established a licensing system in 1999, the effectiveness of the existing regulation has been a challenge for the Government of Indonesia to monitor and control its ODS supply. Since 2004, UNDP and the World Bank has been working closely with the Ministry of Environment (KLH) on proposed changes to the existing regulatory framework, to institute a realistic licensing/quota system and new regulations for registration/reporting of CFC usage. KLH has worked with the relevant government departments and stakeholders to that effect. A coordination meeting was held in May 2004 with the Department of Customs and Ministry of Industry and Trade, for discussions on the planned regulation changes covering an import quota system and registration/reporting system for CFC usage. A "Proposal for the New Regulatory Mechanism required for Compliance with the Montreal Protocol" was drafted by UNDP and the World Bank, provided to KLH and introduced to the Technical Committee/Stakeholder Workshop for government policy/decision-makers held in August 2004, to discuss the various options and modalities for accomplishing these regulatory changes.

In March 2005, a joint interagency mission (UNDP, World Bank, UNIDO and UNEP) was conducted, to interact with the Ministry of Trade and Industry and Customs to mobilize cooperation and support on the effort to amend the regulation. The mission met with the Minister of Environment who assured the agencies at the meeting that he would intervene to expedite the changes in the regulation. Since then KLH had a series of meetings (seven times) with related government institutions, such as the Ministry of Trade, Ministry of Finance/Custom, Ministry of Industry and the Statistical Bureau, to review existing regulation, in which a draft revised regulation on licensing system has been developed as an output. The improved licensing system is expected to be issued as a Minister of Trade Decree in the near future.

During the MOP held in Dakar in December 2005, the Implementing Agencies and the Multilateral Fund Secretariat had further discussion with the delegation of Indonesia on the progress and a further joint mission to Indonesia to follow-up on the process for amending the regulation was suggested. In this second joint mission that took place in February 2006, with the participation of the Multilateral Fund Secretariat, the mission attended the Technical Committee and Steering Committee meetings and presented to the Committees critical information on compliance with the Montreal Protocol and meeting the requirements on annual Performance Verification on meeting phase-out targets and national consumption limit, as stipulated in the Agreement of the National Phase-out Plan entered into between the Multilateral Fund and the Government of Indonesia. The mission met the Minister of Environment who again reiterated his commitment to intervene with the Minister of Trade to expedite the proposed change of the regulation. The mission was reassured again that a draft revised regulation on licensing system has indeed been developed, and a Ministerial Decree would be issued in the very near future.

The Ministry of Environment also had finalized a MoU with Custom Office to strengthen control on ODS import to Indonesia by Custom. On the same occasion, KLH provided Custom with 20 refrigerant identifiers to be used in main Indonesian ports to ascertain refrigerant types that are coming to Indonesia.

It is emphasized that while the actual change of regulation has not taken place, the efforts and actions undertaken by KLH, and its intensive interaction with the relevant ministries, with assistance and cooperation of the Implementing Agencies, has now led to the production of a draft revised regulation that will soon be issued under a Ministerial Decree. The MoU with Custom Office, and the soon to be issued revised regulation, will definitely improve the monitoring and control by the Government of Indonesia on ODS import. In fact, towards second half of 2005, the sole government-designated registered importer, PT PPI, has already taken a very positive first step, to allocate a quantity of CFC import, to be undertaken by one of the two major unregistered imports, Cool Group,

to import officially under PT PPI's name. All these efforts undertaken by the various institutions in Indonesia to improve its monitoring and control of ODS supplies, should be duly recognized.

9. CFC Phase-out and Results

The CFC phase-out in the various sectors in 2004 is tabulated in Table 6 below:

Table 6. CFC Phase-out Results for 2004

Sector	Agency	Agreed Phase-out Target (ODP MT)	Actual Phase-out Achieved (ODP MT)
Refrigeration (Manufacturing) Sector	UNDP	300	323.79
Refrigeration (Servicing) Sector	UNDP	200	224.95
MAC Servicing Sector	World Bank	110	144.41
Aerosols Sector (PT Yulia)	World Bank / UNDP	80	223
Completion of on-going individual projects	World Bank	976	409.70
Completion of on-going individual projects	UNIDO		55.10

10. Unspent Balance from Previous Fund Tranches

Tables 7, 8 and 9 below highlight the total funding released by the Executive Committee, the amount of fund disbursed or committed by the Implementing Agencies, the unspent balance from fund released, as of 31 December 2005, and the duration/year the unspent balance will be used to cover project activities:

Table 7 - Implementing Agency: UNDP

Sector	Total Amount Approved (US $)	Amount Disbursed / Committed (US $)	Uncommitted / Undisbursed Balance (US $)	Year of Commitment of Unspent Balance (US $)
Refrigeration Manufacturing	5,250,000	2,918,420	2,331,580	2006
Refrigeration Servicing	4,502,746	1,525,985	2,976,761	2006
Aerosols (PT Yulia)	224,000	125,076	98,924	2006

Table 8 - Implementing Agency: World Bank

Sector	Total Amount Approved (US $)	Amount Disbursed / Committed (US $)	Uncommitted / Undisbursed Balance (US $)	Year of Commitment of Unspent Balance (US $)
MAC	4,064,400	3,265,187	799,213	2006
Foam	371,910	6,800	365,110	2007
Aerosols	1,725,000	792,303	932,697	2006

Table 9 - Implementing Agency: UNIDO

Sector	Total Amount Approved (US $)	Amount Disbursed / Committed (US $)	Uncommitted / Undisbursed Balance (US $)	Year of Commitment of Unspent Balance (US $)
Solvents	1,464,733	614,486	850,247	$701,223 -2006 $149,024 – 1Q 2007

11. Performance Verification on 2004 Phase-out Targets and Consumption Limit

11.1 Terms of Reference of Performance Verification

In compliance with the provisions of the Agreement (Document UNEP/OzL.Pro/ExCom/44/73, Annex-XI), an independent performance verification was conducted during the months of December 2005 and January 2006 by an independent entity, PT Hatfindo Prima, an environmental consultancy based in Bogor, Indonesia, to verify that the agreed CFC phase-out targets and consumption limit for 2004 have been achieved. PT Hatfindo was selected through a competitive bidding process. PT. Hatfindo Prima was established in 1990 as the Indonesian subsidiary of the Hatfield Group, Canada. The Hatfield Group, established in 1974 in Vancouver, Canada, provides services to clients in resource industries, governments, international financial institutions, development agencies, and multilateral institutions, in the fields of environment, resource development and institutional training. The Hatfield Group has offices in Canada, Indonesia, Thailand, and Chile. The Hatfield Group specializes in complex, multi-disciplinary environmental projects, often in collaboration with multinational networks of local experts and specialists in particular fields, centering on providing cost-effective and sustainable solutions. Hatfield s clients include UNDP, World Bank, ADB, DANIDA, CIDA, Ford Foundation, etc.

PT. Hatfindo Prima, Indonesia, provides consultancy services for Environment Impact Assessments, Monitoring, Environment Management Systems, Performance Audits, Natural Resource Management, Biodiversity Assessments, Geographical Information Systems and Remote Sensing. PT Hatfindo Prima has never participated in activities related to the Indonesia Sector Phase-out Plan, nor a recipient under these Sector Phase-out Plans.

The performance verification would verify the national level CFC consumption in Indonesia for 2004, based on the data available from the designated importer(s) and the data available from the relevant ministries and customs. In addition, through desk review and meeting/visits to a select number of distributors of the substances concerned, the actual quantities of the substances distributed and sold in Indonesia in 2004, would be estimated. Further, the consumption of substances at the enterprise levels would be established through a statistically credible manner, for cross-checking the import and distribution figures. The performance verification shall also confirm that the annual phase-out targets for the substances for various sectors in 2004 were achieved and all enterprise-level activities were completed. The performance verification would also establish whether or not all the policy, management and technical assistance activities for 2004, were carried out as planned. The scope of work for the performance verification can be summarized below:

- Establish and verify that the national level of consumption of the substances was less than the control target for 2004 (5,546 ODP MT);
- Establish and verify that the national-level phase-out of substances during 2004 was 1,666 ODP MT or more, consisting of 976 ODP MT from completion of on-going projects and 690 ODP MT from activities initiated under the sector phase-out plans;
- Establish and verify that the total phase-out of substances from completion of individually approved ongoing projects during 2004, for various sectors during 2004, was 976 ODP MT or more;

- Establish and verify that total phase-out of substances from completion of sub-projects/ activities for recipients participating in the respective sectoral plans was 690 ODP MT or more; and

- Establish and verify that technical assistance activities in the 2004 Annual Implementation Programmes were duly conducted as described in the 2004 Annual Implementation Programme report.

The general methodology utilized in carrying out the performance verification is described below:

a) From the national production, import and export figures of the substances in Indonesia during 2004, the national-level consumption figures for the substances would be calculated as Consumption = Production + Imports – Exports. Since there was no production or exports in Indonesia, Consumption = Imports. The import figures were obtained from the various official and unofficial sources

b) The data available from NOUs of countries exporting ODS to Indonesia, the total amounts of various ODS entering Indonesia were correlated to confirm the import figures available from various sources

c) The estimated total in-country sales of the substances for 2004 available from the distributors/traders, was used for cross-checking the information available from a) and b) above.

d) The estimated consumption by recipient enterprises during 2004 in the various sectors was used for cross-checking the information available from a) to c) above.

e) The phase-out achieved at the enterprise/recipient-level for ongoing projects in each sector was confirmed through desk review of completion documentation. From this, the sector-level phase-out figures for ongoing projects were established.

f) The phase-out achieved at the enterprise/recipient-level from sub-projects under each sector plan was confirmed through field/in-plant visits. Due to the large number of such recipients, a statistical sampling approach was used. About 15% of the recipients, which represented at least 15% of baseline ODS consumption were randomly selected. From this, the sector-level phase-out figures under the respective sector plans were established.

g) The completion of national-level technical assistance activities was confirmed

In establishing the various control targets and parameters, reasonable extrapolations of data were used as needed.

11.2 Verification of Annual National Level Consumption

11.2.1 2004 Targets

The national level annual consumption and targeted reduction for Annex A Group I, Annex B Group II and Annex B Group III (the Substances) for 2004 are presented in Tables 10 a) and 10 b) below. The maximum allowable annual Substance consumption target is set at 5,546 ODP MT. The total annual reduction target for the Substances is 1,666 ODP MT, of which 976 ODP MT is from the completion of ongoing projects and 690 ODP MT from activities undertaken under the sector plans. The total annual phase-out target of 690 ODP MT is achieved from: Refrigeration Manufacturing Sub-sector, 300 ODP MT; Refrigeration Servicing Sub-sector, 200 ODP MT; Mobile Air Conditioning (MAC) Sector, 110 ODP MT and Aerosol Sector, 80 ODP MT.

Table 10 a) Indonesian Annex A Group I, Annex B Group II and Annex B Group III Consumption and Reduction targets for 2004

	Agreed Target for 2004 (ODP Tonnes)	
Maximum Annual Allowable Consumption of the Substances	5,546	
Total Annual Reduction in Consumption of the Substances	1,666	
- Achievement from completion of on-going projects		976
- Achievement from activities under Sector Phase-out Plans		690

Table 10 b) Sector-level Phase-out Targets

	Agreed Target for 2004 (ODP Tonnes)
Annual Phase-out in the Refrigeration Manufacturing Sector	300
Annual Phase-out in the Refrigeration Servicing Sector	200
Annual Phase-out in the MAC (Servicing) Sector	110
Annual Phase-out in the Aerosol Sector	80
Total	690

11.2.2 2004 National Level Consumption

Recorded and unrecorded Imports

Since there is no production of CFCs in Indonesia or export of CFCs from Indonesia, the figure for national annual consumption should be the same as the amount of CFCs imported.

CFC imports are reported by the National Statistics Bureau (BPS), the Directorate General of Customs and Department of Trade. The official import data from these three sources was verified by PT Hatfindo to be between 437.39 to 615.78 MT, as reflected in Table 11 below. The recorded CFC import as reported by the National Statistics Bureau (BPS) during 2004 was 615.78 MT. The CFC import as recorded by the Department of Trade was 437.39 MT; and the recorded CFC import from data obtained from the Customs was 602.58 MT.

Table 11: 2004 CFC Import Data Recorded by GOI

Substance	**HS Code**	**Recorded Imports (ODP MT)**		
		National Statistics Bureau (BPS)	**Ministry of Trade**	**Directorate General of Customs**
CFC-11	2903.41.000	0	0	0
CFC-12	2903.42.000	529.78	437.39	602.58
CFC-113	2903.43.000	0	0	0
CFC-114/115	2903.44.000	0	0	0
CFC-13	2903.45.100	0	0	0
CFC-112	2903.45.200	86.00	0	0
CFC-111	2903.45.300	0	0	0
CFC-214	2903.45.940	0	0	0
R-502	3824.71.000	0	0	0
CTC	2903.14.000	0	0	0
Total		**615.78**	**437.39**	**602.58**

In accordance with the prevailing regulations, there is only one government-designated (registered) importer of ODS in Indonesia (PT PPI). Based on records provided and examined, the total import of ODS in Indonesia in 2004 by this registered importer was 437.39 ODP MT, which matches data provided by the Ministry of Trade, which is not surprising, as PT PPI is owned by the Ministry of Trade.

Due to the weaknesses (structural as well as enforcement) of the existing import regulations, there were additional imports of ODS predominantly through two main unregistered importers. PT Hatfindo was able to obtain the unrecorded import data from these two unregistered importers, through telephone interviews and in-person meetings. Table 12 below reflects the unrecorded ODS imported:

Table 12 – 2004 CFC Imports by Government Designated Importer and Major Unofficial Importers

Importer	**Unrecorded Imports (ODP MT)**					
	CFC-11	**CFC-12**	**CFC-113**	**CFC-114**	**CFC-115**	**Total**
Cool Group	259	1,408	0	0	0	6,667
Sugi Group	30	320	0	0	0	350
Total	**289**	**1,728**	**0**	**0**	**0**	**2,017**

Given that the above data were unrecorded import, no documentation to support these figures was forthcoming from the unregistered imports. The above-mentioned unregistered importers represent over 95% of the unrecorded imports into Indonesia, based on market information. The total unrecorded imports can thus be extrapolated to a maximum of **2,123** ODP MT.

Based on the figures shown in Table 11 and 12, the total ODS imports in Indonesia in 2004 (recorded and unrecorded) were estimated at **2,560.39 ODP MT (minimum) to 2,738.78 ODP MT (maximum).**

Exports of ODS to Indonesia

The total imports (recorded and unrecorded) figures were cross-checked with official export data of neighbouring exporting countries, China, India and South Korea, as well as the EU and transshipment through Singapore obtained by the NOU from its NOU counterparts. The quantities of CFC exported to Indonesia were verified by PT Hatfindo as reflected in Table 13 below:

Table 13 – Exports of ODS to Indonesia in 2004

Export Country	**Exports of ODS to Indonesia (ODP MT)**					
	CFC-11	**CFC-12**	**CFC-113**	**CFC-114**	**CFC-115**	**Total**
China	61	1,468	0	0	0	1,529
India	0	96	0	0	0	96
South Korea	343	324	0	0	0	667
EU (France)		175	0	0	0	175
Singapore		38	0	0	0	38
Total	**404**	**2,101**	**0**	**0**	**0**	**2,505**

The data from exporting countries in Table 13 above of 2,505 ODP MT corroborates the range of total import figures (recorded plus unrecorded).

Consumption

From Domestic Sales by Distributors

In order to further cross-check the import figures, the total domestic sales of ODS in Indonesia in 2004 was required to be established. There are about 20 distributors of CFCs in Indonesia. Of these twenty distributors, four major distributors accounted for more than 90% of the CFCs sold. Therefore, it was considered reliable to sample these four main distributors, in order to arrive at an estimate of the overall quantity of CFCs sold domestically.

Based on records of sales obtained from these four distributors, the respective quantities of ODS sold by them in Indonesia in 2004 are tabulated in Table 14 below:

Table-14: Net Domestic Sales of ODS in Indonesia in 2004

Distributor	Location	Net Domestic Sales of ODS (ODP MT)					
		CFC-11	CFC-12	CFC-113	CFC-114	CFC-115	Total
AC&R Group	Jakarta	261.12	391.68	0.00	0.00	0.00	652.80
Cool Group	Jakarta	20.00	1,010.00	0.00	0.00	0.00	1,030.00
Herry Group	Jakarta	163.20	384.00	0.00	0.00	0.00	547.20
Sugi Group	Jakarta	28.00	120.00	0.00	0.00	0.00	148.00
Grand Total		**472.32**	**1,905.68**	**0.00**	**0.00**	**0.00**	**2,378.00**

Two of the above four distributors were also unregistered importers. There were sales transactions between the unregistered importers and the two other distributors. The two other distributors also procured the some quantities of ODS from PT. PPI, the registered importer. To avoid potential double counting of figures, the quantities for sales figures between importers and distributors have been ignored and only the net sales to the market have been considered.

Based on the figures in Table-14, PT Hatfindo concluded that the net total quantity of CFCs sold in Indonesia in 2004 was estimated to be **between 2,378 ODP MT and 2,616 ODP MT**, as the four distributors named above account for over 90% of the total sales in Indonesia.

From ODS consuming enterprises in various sectors

ODS consuming enterprises are present in all sectors in Indonesia. Based on the baseline ODS consumption in these ODS consuming enterprises at the time of approval of individual projects or sector plans that aimed to address their ODS consumption, and after deducting the ODS phase-out in these enterprises during 2004, the net maximum demand for ODS at all these enterprises in various sectors is tabulated in Table 15 below:

Table-15: Maximum Demand of ODS in ODS consuming sectors in Indonesia in 2004

Sector	Maximum Consumption based on baseline (ODP MT)		
	Ongoing projects	Sector Plans	Total
Aerosols Sector	0	70.00	70.00
Foams Sector	961.20	352.00	1,313.20
Refrigeration (Mfg) Sector	0.00	817.21	817.21
Refrigeration (Svcg) Sector	0.00	872.00	872.00
MAC (Svcg) Sector	0.00	585.00	585.00
Other Sectors (MDI, CTC)	0.00	118.00	118.00
Grand Total	**961.20**	**2,814.21**	**3,775.41**

It may be noted that the ongoing projects in the Foam Sector covered enterprises in the flexible foam sub-sectors (box foam and molded foam).

Most enterprises in the flexible box foam sub-sector have predominantly converted to Methylene Chloride as the blowing agent in place of ODS, due to economic reasons. Thus, the actual ODS consumption by these enterprises is likely to be substantially lower than the figure indicated above.

Conclusion

Based on the above, the total estimated ODS consumption in Indonesia during 2004, can be summarized in Table 16 below:

Table 16: Summary of Estimates of ODS Consumption in Indonesia in 2004

Total recorded and unrecorded ODS imports in Indonesia	2,738.78 ODP MT
Total exports of ODS to Indonesia	2,505.00 ODP MT
Total domestic sales of ODS in Indonesia	2,616.00 ODP MT
Maximum domestic demand for ODS in India	3,775.41 ODP MT

From Table-16 above, the National-level Consumption of the substances ranges from 2,505 ODP MT to 3,775 ODP MT. It is unlikely that the margin of error in establishing these quantities would exceed ±15%. Thus, even after applying this margin of error, the performance verification confirmed that the national-level consumption of the substances in Indonesia for 2004 is below the agreed maximum allowable consumption of 5,546 ODP MT.

11.3 Verification of CFC Phase-out at Sectoral/Enterprise Level

11.3.1 CFC Phase-out from Completion of Approved On-going Individual Projects

A field survey was conducted based on random sampling of a minimum of 15% of the enterprises from all data provided by UNDP, World Bank, UNIDO and KLH. Random samples are selected from different regions and in different sub-sectors to obtain a representative sample. The phase-out target from on-going projects was 976 ODP MT, comprising of 776 ODP MT from foam projects and 200 ODP MT from aerosol projects.

Aerosol Sector

As part of the preparation of the Country Programme Update in 1999, the Government of Indonesia undertook a survey and estimated that there remained a number of small aerosol fillers and one or two larger aerosol filling companies with a total consumption of around 460 ODP MT for the Aerosol Filling Service Center project by PT Candi Swadaya Sentosa. Review of documentation by PT Hatfindo indicated that 60 ODP MT was phased out by PT Candi itself in 2003. Further review and survey of the Aerosol Filling Service Center documentation also indicated that almost none of the filling centers were consuming CFC anymore in 2004 and 2005 and thus phased out the 200 ODP MT in each of the two year in 2004 and 2005. The achievement of the phase out was further substantiated by the price differential between LPG and CFC prevailing at such significant value that it would not be economical for the filling centers to use CFC at all.

Foam Sector

The phase out target was 776 ODP MT from projects implemented by the World Bank and UNIDO. Verification was completed based on available secondary data including:

- Technical Audit Report for Association Foam Indonesia (Flexible Moulded Project Unit Foam) conducted by Agustinus Wijaya, Technical Auditor, 2004; and

- Project Cover Sheet: Phase out of residual CFCs in the Indonesian Foam Sector, KLH and the World Bank, 2003.

Results of a technical audit conducted in December 2003 involving eight of the 17 companies from the Moulded Foam Project indicated that no CFCs were used in their moulded foam production process. All eight companies utilized new high-pressure foam machines that replace the use of CFC-11 mostly with HCFC-141b. Based on the results of the technical audit, PT Hatfindo concluded that 193.70 ODP MT were phased out by the 17 enterprises in 2004.

From desk review of completion documents, PT Hatfindo also verified the completion in 2004 of the foam project at Udapana, and two foam projects implemented by UNIDO, phasing out 16 ODP MT and 55.10 ODP MT respectively. The total phase-out in the foam sector was therefore verified as 264.80 ODP MT.

Conclusion

Thus the total phase-out achieved by the completion of on-going individual projects in the foam and aerosols sectors, amounted to 464.80 ODP MT, as outlined in Table 17 below, against the phase-out target of 976 ODP MT:

Table 17 – Phase-out from Completion of On-going Individual Projects:

Sector	Baseline Consumption	ODS Phased out	Phase-out Target of On-going Projects
Foam - Udapana	16	16	776
Flexible Moulded Foam Projects	193.70	193.70	
Foam Projects – UNIDO	55.10	55.10	
Aerosols (PT Candi)	460.00	200	200
Total Phase-out from On-going Projects		**464.80**	**976**

11.3.2 Phase-out from Sector Plans

Verification of phase-out targets for sector plan level was conducted in Java (Jakarta, Bogor, Tangerang and Bekasi), East Java (Surabaya), Central java (Semarang) and Yogyakarta, Bali and North Sumatra. A representative sampling of a minimum of 15% of the enterprises as well as percentage of CFC consumption were selected for field survey. Table 18 below provides details of the sampling of field survey:

Table 18 – Field Survey of Completed Sector Plan Projects

Sector	Baseline consumption of completed projects	Baseline consumption of surveyed projects	Number of companies surveyed	% of ODS consumption of completed projects
Refrigeration Manufacturing (32 enterprises)	323.79	100.93	12	N/A
Refrigeration Servicing (247 enterprises)	216.01	39.30	38	18.19%
MAC (108 enterprises)	217.17	27.42	21	12.63%
Aerosol (1 enterprise)	223.00	223.00	1	100%

Through field survey at the selected enterprises, the 2004 CFC consumption at these enterprises were obtained through review of their purchase records. With the calculated percentage (Table 16) of the sampled enterprises' consumption as compared to the total consumption at all the enterprises with completed project, the remaining 2004 CFC consumption at all enterprises with completed projects is extrapolated and shown in Table 19 below:

Table 19 – Extrapolated Remaining 2004 CFC Consumption at Enterprises with Completed Projects

Sector	CFC-11	CFC-12	Total consumption from field survey	% consumption of completed projects	Remaining 2004 consumption (extrapolated)
Refrigeration Manufacturing	0.160	3.356	3.516	N/A	N/A
Refrigeration Servicing	0	7.469	7.469	18.19%	41.06
MAC	0	14.999	14.999	12.63%	118.76
Aerosol	0	0	0	100%	0

Aerosol Sector Plan

Verification of CFC reductions in the aerosol sector was conducted at PT Yulia, one of the largest aerosol-producing companies in Indonesia, producing primarily body spray products. In 2004, PT Yulia committed themselves to the elimination all CFC consumption. Since early 2004, PT Yulia has not utilized aerosols in their production process, having switched to Liquid Petroleum Gas (LPG), which according to representatives from PT Yulia, is cheaper than CFC. Based on the above, the performance verification concluded that PT Yulia has achieved its target for CFC reduction in 2004 and phased out its baseline consumption of 223 ODP MT, against phase-out target of 80 ODP MT.

Refrigeration (Manufacturing) Sector

A total of 32 enterprises in this sector completed their phase out activities in 2004. .Verification for refrigeration manufacturing sector was conducted at East Java (Surabaya) and Jabotabek. From a total list of 32 recipient companies provided by UNDP, 37.5% (or 12 enterprises) were surveyed. Field survey at these 12 enterprises confirmed that project activities were completed and the enterprises no

longer using CFC, and its baseline equipment physically destroyed. PT Hatfindo, through random sampling, therefore verified the completion of all 32 enterprises in the Refrigeration Manufacturing Sector, phased out its baseline consumption of 323.79 ODP MT, against the phase-out target of 300 ODP MT in this sector.

Refrigeration Servicing Sector

247 servicing establishments completed their phase-out activities in 2004. Verification for the refrigeration servicing sector was conducted in East Java (Surabaya), Bali, North Sumatra, and Jabotabek. A total of 38 enterprises were surveyed from a total list of 247 enterprises provided by UNDP (15% of the total), eight companies were in Jabotabek, eleven in East Java (Surabaya), seven in Bali, and twelve in North Sumatra (Medan).

From the field survey, these 38 enterprises consumed a total of 7.469 ODP MT of CFC-12. Using the percentage of consumption these enterprises represented (18.19%), the total remaining CFC consumption at the 247 servicing enterprises can be extrapolated to 41.06 ODP MT (Table 17). Since the 2003 baseline consumption of these 247 servicing establishments were 216.01 ODP MT, and they now only consumed 41.06 ODP MT in 2004, the difference would represents the phase-out achieved in 2004. Therefore a total of 174.95 ODP MT was phased out from these servicing establishments with completed project activities. In addition, through technical assistance programme in retrofitting/replacement demonstration undertaken by about 50 end-users, another 50 ODP MT of CFC would be phased out through reducing CFC demand for servicing. Therefore the total CFC phased out in the Refrigeration Servicing Sector would be 224.95 ODP MT, successfully achieving the phase-out target of 200 ODP MT.

MAC Sector

108 MAC service shops in Jakarta, West Java, Central Java, East Java and Bali have been provided with recovery, recycling and recharging machines.

Verification of CFC reductions in the Mobile Air Conditioning (servicing) industry was completed through field survey of 21 MAC service shops in the four regions, Central Java, Yogyakarta, East Java, and Bali. CFC consumption in 2004 at these 21 MAC service shops was verified. The consumption was used to extrapolate the total CFC consumed at all 108 service shops. The difference between the baseline consumption (217.17 ODP MT) and the 2004 remaining consumption (118.70 ODP MT) would be the verified reduction in CFC in 2004, 98.41 ODP MT. In addition, through retirement of vehicles in 2004, the demand for CFC would have been reduced by 46 ODP MT. PT Hatfindo therefore verified the phase out of a total of 144.41 ODP MT of CFC in 2004.

Conclusion

As a result of the field surveys and verification, the total CFC reduction in 2004 is established at 916.15 ODP MT through phase-out achieved in the Refrigeration Manufacturing, Refrigeration Servicing, MAC and Aerosol sub-sectors, as compared to the phase-out target of 690 ODP MT. Table 20 provides a summary of phase-out achieved with the implementation of the sector plans

Table 20 – Phase-out from Activities under Sector Plan

Sector	Baseline Consumption	2004 consumption from field survey	ODS phased out	Phase-out Targets
Refrigeration Manufacturing	323.79	N/A	323.79	300
Refrigeration Servicing	216.01	(41.06)	174.95	200
Refrigeration Servicing – from Retrofit/Replacement			50	
MAC	217.17	(118.76)	98.41	110
MAC – from retirement of vehicles			46	
Aerosol	223.00	0	223.00	80
Total Phase-out from Sector Plans			**916.15**	**690**

11.4 Verification of Technical Assistance and Policy/Management Activities

Review of KLH and Implementing Agencies' records was conducted to confirm that technical assistance and policy/management activities stipulated in the 2004 Annual Implementation Programme were carried out and substantially completed.

Refrigeration Manufacturing Sector

Technical Assistance

- A technology assistance workshop was organized by KLH and UNDP experts to provide technology guidance to the enterprises in the sector. 52 enterprises participated.

- Standards and Technology Division of KLH with the assistance of local technical and legal experts were formulating the establishment of a National Competency Standard for Refrigeration Technicians.

Policy and Management Actions

- KLH followed up the procedures of modification existing regulations on CFC imports by proposing the institution of a realistic licensing/ quota system and new regulations for registration/ reporting of CFC usage.

- A meeting was held in May 2004 between the Department of Customs and the Ministry of Trade and Industry to discuss planned regulatory changes covering an import quota system and registration/ reporting system for CFC usage.

- In May 2004 a workshop involving government policy/ decision makers was organized to discuss various options and modalities for accomplishing the regulatory changes.

- The Faculty of Mechanical Engineering of the University of Indonesia was carried out the verification of activities under 2003 Annual Implementation Program.

Refrigeration Servicing Sector

Technical Assistance

- Cooperation with ASATHI (Indonesian Association of Hotel Engineers), ARPI (Cold Chain Association of Indonesia) and APRINDO (Association of Indonesian Retail Merchants) continued to promote retrofitting and replacement of existing CFC based equipment throughout 2004. The information was disseminated through the newsletter to their members;

- The Master Trainers Programme was completed for 82 Master Trainers in 2003. An additional 83 Master Trainers from Balikpapan, Medan, Palembang and Makassar continued in 2004. The first workshop facilitated by 14 of the newly trained Master Trainers was held in Balikpapan;

- The demonstration of retrofitting/ replacement activities was implemented between end-of 2004 and mid 2005;

- Modalities and a draft MOU was developed for the Technician Training Programme.

Policy and Management Action

- A meeting with the Technical Committee of the National Ozone Steering Committee was held to support KLH's initiative to effect changes in the current regulations governing the import and trade of CFCs;

- An inter-divisional meeting was held at KLH to discuss an approach to promote regulatory changes governing registration and reporting requirements for CFC users;

- Workshops were conducted in Sumatra to raise awareness and disseminate information related to the impact of commitments and obligations arising from the phase-out plan for the servicing sector.

- A workshop was held for green journalists during the International Ozone Day Commemorations to promote Ozone Layer Protection. 14 journalists from print and electronic media participated.

MAC (Servicing) Sector

Technical Assistance

- Six workshops have been conducted in Jakarta (4 workshops), Bandung and Surabaya to brief participants on the use of recycling machines prior to the delivery of machines to the participants. The workshops were attended by 235 service shop owners and representatives;

- Collaboration with BPLHD (Provincial Agency for Environmental Protection) of West Java province to conduct socialization program was undertaken on June 28, 2004;

- A training for trainers program was delivered on September 6-10. 20 training institutions attended from across the country. The curriculum of training of trainers program covered the principles of refrigeration and refrigerants, MAC systems, leak detecting and repairing, retrofitting from CFC base to non CFC base, principles and practice of recovery, recycling and recharging and general good MAC servicing practice.

- The first inspection manual for the identification of refrigerant types in the MAC unit was developed and distributed during the training of trainers program on September 10, 2004;

- The training for technicians program was prepared and the process to select training centers to conduct training was being reviewed;

- Together with distribution of R&R equipment to the beneficiaries, the program will produce maintenance stickers to place on cars that identify the refrigerant type in the MAC unit, name of the shop that last worked on the system and work detail done;

- A public awareness program was implemented in which banners were displayed along the road between Jakarta and Bogor together with International Ozone Day Commemoration banners.

Policy Action

- A discussion with other related government agencies was organized for March 2004. The Ministry of Environment, Department of Trade and Industry, Customs and Excise, National Police Department, the Attorney General, Bandung Institute of Technology, Department of Agriculture and Association of Experts on Air Condition and Refrigeration attended; The meeting discussed proposed draft measures / regulations including:

    - Ban on new MAC installation using CFC based systems
    - Prohibition on venting remaining CFC
    - Compulsory use of recovery units when the system is serviced or decommissioned
    - Prohibition of mislabeling of containers
    - Training for proper method in MAC servicing sector
    - Plan to equip appropriate government agencies with CFC identifiers to facilitate the prevention of smuggling and the incidence of illegal importation of CFC

- The training of trainers has been completed and 20 trainers passed technical examinations qualifying them for training technicians through their respective training institutions.

Foam Sector Plan

- World Bank and KLH agreed that this component implementation strategy was to be coordinated by KLH and a responsible person to coordinated action at this stage will be named;

- The implementation mechanism was agreed upon describe roles and responsibilities of various stakeholders;

- The operational mechanisms for enterprise participation were finalized through consultation with the World Bank;

- The modalities and procedures for verification of baseline participating enterprises were also finalized.

Aerosol Sector

- A workshop was held and participants involved were the Ministry of Health, Ministry of Finance, Ministry of Industry, the Cosmetic Association, Aerosol companies and industries, NGOs and KLH. The aim of the workshop was to define the aerosol technical assistance needs in Indonesia; and

- A campaign was conducted to raise public awareness and inform stakeholders about the availability of national Aerosol filling centers and to inform companies about the possibilities for participating in the TA program.

11.5 Conclusion of the Performance Verification

Based on the observations and findings above, the conclusions of the performance verification are as below:

a) The national level ODS consumption in Indonesia for 2004 is below the maximum allowable consumption limit of 5,546 ODP MT as per the agreement;

b) The total phase-out of ODS in Indonesia in 2004 exceeds the phase-out targets of 1,666 ODP MT as per the agreement;

c) All technical assistance activities as envisaged in the 2004 Annual Implementation Programme have been satisfactorily carried out.

12. 2006 Annual Implementation Programme and Release of 2005 Funding Tranches

The 2006 Annual Implementation Programme is attached in Annex-1, with a request to the Executive Committee for release of the 2005 funding tranches for the four sectors, as below:

Sub-project	Implementing Agency	Tranche (US$)	Support Costs (US$)	Total (US$)
Refrigeration Manufacturing Sector	UNDP	750,000	67,500	817,500
Refrigeration Servicing Sector	UNDP	250,000	21,300	271,300
MAC Sector	World Bank	126,800	10,092	136,892
Foam Sector	World Bank	1,050,000	78,750	1,128,750
Total		**2,176,800**	**177,642**	**2,354,442**

INDONESIA
Phase-out of Annex-A Group-I and Annex-B Group –II & III Substances

2006 Annual Implementation Programme

1. Data

Country		Indonesia
Year of plan		2006
Number of years completed		3
Number of years remaining under the plan		2 (2006 and 2007)
Target ODS consumption of the preceding year (2005)		3,880
Target ODS consumption of the year of plan (2006)		2,331
Level of funding requested (US$)	Refrigeration Manufacturing	750,000 (UNDP)
	Refrigeration Servicing	250,000 (UNDP)
	MAC Servicing	126,800 (World Bank)
	Foams Sector	1,050,000 (World Bank)
	Total	**2,176,800**
Lead implementing agency		UNDP
Co-operating agency (ies)		World Bank, UNIDO

2. Targets

Indicators		**Preceding Year (2005)**	**Year of Plan (2006)**	**Reduction**
Supply of ODS in Sector (ODP MT)	Import	3,880	2,331	1,549
	Production *	N/A	N/A	N/A
	Total (1)			
Demand of ODS in Sector (ODP MT)	Manufacturing			
	Servicing			
	Stock piling	N/A	N/A	N/A
	Total (2)	**3,880**	**2,331**	**1,549**

* For ODS-producing countries

3. Industry Action

Sector	**Consumption Preceding Year (2005) (1)**	**Consumption Year of Plan (2006) (2)**	**Reduction within Year of Plan (1) - (2)**	**No. of Projects Completed**	**Number of Servicing Related Activities**	**ODS Phase-Out (ODP MT)**
Refrigeration (Mfg)	2,298	1,588				300
Refrigeration (Svcg)						300
MAC Servicing						110
Foams						156
Solvent						21

4. Technical Assistance

Activity	Description	
Refrigeration (Manufacturing) Sector – UNDP		
Workshop for user industry	Objective	Initiating enterprise participation and phase-out activities
	Target group	Prospective recipient enterprises
	Impact	Obtaining enterprise commitments for time-bound phase-out
Technical Assistance for procurement of equipment	Objective	Initiate procurement procedures for equipment to be provided to recipient enterprises for conversion to non-CFC technology
	Target group	Recipient enterprises
	Impact	Finalization of specifications and vendor shortlists, international competitive bidding and issuance of purchase orders/contracts leading to (upon completion) a phase-out of about 150 MT during 2006 and 150 MT during 2007.
Completion of activities at recipient enterprises from the previous batches	Objective	To confirm completion of equipment installation, commissioning and training activities at the recipient enterprises in the previous batches
	Target group	First and second batches of recipient enterprises
	Impact	Phase-out of about 150 MT of CFCs during 2006.
Refrigeration (Servicing) Sector – UNDP		
Workshops for Servicing establishments	Objective	Continued participation, commitments and phase-out activities from service establishments and for disseminating technologies and practices in refrigeration servicing to ensure sustainable reductions in CFC usage.
	Target group	Prospective recipient service establishments. It is proposed to organize a series of one-day workshops regionally
	Impact	Participation agreements with servicing establishments in place for the third and subsequent batches of the recovery/recycling Programme.
Technical Assistance for procurement of equipment	Objective	Initiate procurement procedures for equipment to be provided to the third batch of recipient servicing establishments for recovery/recycling
	Target group	Service establishments (third batch)
	Impact	Finalization of specifications and vendor shortlists, international competitive bidding and issuance of purchase orders/contracts
Technical Assistance for retrofitting/replacement demonstration	Objective	Completion of activities for retrofitting/replacement of CFC-based equipment and demonstration of retrofitting/replacement technologies.
	Target group	About 50 end-users identified and selected for participation in the Programme during 2006
	Impact	Facilitating early retrofitting/replacement decisions for CFC-based equipment by end-users, thereby leading to reductions of about 100 MT in servicing by 2006
Training	Objective	Training of technicians
	Target group	Refrigeration servicing technicians (about 1,000 in the second batch)
	Impact	Delivery of training inputs to technicians, in order to introduce good practices and awareness thereby facilitating indirect emission reductions amounting to about 60 MT during servicing by 2006.
MAC Servicing Sector – World Bank		
Training	Objective	Correct servicing techniques
	Target group	MAC service shop technicians
	Impact	
Workshop	Objective	Good service techniques; develop measures/regulation of MAC regulation
	Target group	Potential service shops; policy makers
	Impact	
Regulatory and Support	Objective	Facilitates policy meetings, discussions and workshops to set up MAC regulations
	Target group	Government and related stakeholders
	Impact	
Awareness & Promotional Programme	Objective	Public awareness for environmental and economic of ozone layer protection
	Target group	General public

	Impact	Public awareness and encourage public to have MAC system repaired by certified technicians
Verification of CFC Consumption by MAC Sector	Objective	Verification of phase-out
	Target group	MAC service shops
	Impact	Phase out target verified
Foam Sector – World Bank		
Workshop	Objective	Participation in phase out activities; and develop measures/regulations for foam sector plan
	Target group	Potential project recipient; policy makers
	Impact	
Technical Assistance	Objective	Provision of technical assistance
	Target group	Ineligible enterprises
	Impact	
Regulatory and Support	Objective	Policy measures
	Target group	Government and related stakeholders
	Impact	Foam regulations strengthened
Awareness & Promotional Programme	Objective	Public awareness
	Target group	General public
	Impact	Awareness of environmental and economic impacts of ozone layer protection programme
Monitoring and Evaluation	Objective	Monitor phase out activities
	Target group	Project recipients and related institutions
	Impact	Monitor and evaluate implementation of project
Verification of CFC consumption in the foam sector	Objective	Verify phase out targets
	Target group	Project recipients
	Impact	Consumption limits verified
Solvent Sector - UNIDO		
Assistance in management, policy management, improvement and enforcement of existing regulations	Objective	Facilitate effective programme implementation and monitoring of ODS supplies
	Target group	Government and related stakeholders
	Impact	Management capacity strengthened
Establishment of management information system, information dissemination techniques and public awareness workshops	Objective	Facilitate effective monitoring of ODS data
	Target group	Government institutions and participating enterprises
	Impact	

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import	Continuing enforcement of existing controls
	Establishment of a monitoring system for ODS users
	Modification of the existing regulations to introduce a realistic quota/licensing system for ODS imports
Public Awareness	Organization of one public awareness workshop and one workshop for government policy makers and decision makers.
Others	See below

The following activities are proposed for 2006, under the Policy and Management Support component:

a) Continuing implementation of the operational mechanism for participation by enterprises in the Sector Phase-out Plans and for obtaining phase-out commitments from enterprises.

b) Verification of baselines of participating enterprises and confirmation of completion of activities at recipient enterprises.
c) Institution of a National Competency Standard for Refrigeration Technicians.
d) Further interactions with District-level environment impact management agencies, to formalize the mechanism for decentralized enforcement and monitoring of ODS controls.
e) Reporting on the 2004 implementation and preparation of 2006 annual implementation programme.

6. Annual Budgets

6.1 Refrigeration Manufacturing (UNDP)

Activity	Planned Expenditures (US $)
Sector Plan Management and Coordination unit (SPMCU) operation	35,000
Technical Assistance	100,000
Workshops and awareness	25,000
Equipment	450,000
Trials and training	80,000
Policy development and enforcement	15,000
Verification and certification	5,000
Contingencies	40,000
TOTAL	**750,000**

6.2 Refrigeration Servicing (UNDP)

Activity	Planned Expenditures (US $)
Sector Plan Management and Coordination unit (SPMCU) operation	26,000
Technical Assistance	50,000
Workshops and awareness	50,000
Equipment	50,000
Training	50,000
Policy development and enforcement	5,000
Verification and certification	3,000
Contingencies	16,000
TOTAL	**250,000**

6.3 MAC Servicing (World Bank)

Activity	Planned Expenditures (US $)
Investment projects - equipment	80,000
Trials and start-up	20,000
Technical assistance, training, workshops	26,800
TOTAL	**126,800**

6.4 Foams (World Bank)

Activity	Planned Expenditures (US $)
Investment projects (equipment, trials and start up)	1,000,000
SPMCU operation	10,000
Technical assistance	10,000
Workshops and training	17,000
Policy development and enforcement	10,000
Verification	3,000
TOTAL	**1,050,000**

7. Funding and administrative costs

The funding tranches and administrative support costs for the three sectors requested for the 2006 Annual Implementation Programme, including the duration activities under this funding tranche will be completed, are listed below:

Sub-project	Implementing Agency	Tranche (US$)	Support Costs (US$)	Total (US$)	Duration of Activities
Refrigeration (Mfg) Sector	UNDP	750,000	67,500	817,500	2006 - 2007
Refrigeration (Svcg) Sector	UNDP	250,000	21,300	271,300	2006 - 2007
MAC Sector	World Bank	126,800	10,092	136,892	2006 - 2007
Foam Sector	World Bank	1,050,000	78,750	1,128,750	2006 - 2007
Total		**2,176,800**	**177,642**	**2,354,442**	