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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fiftieth Meeting
New Delhi, 6-10 November 2006

PROJECT PROPOSAL: NAMIBIA

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

Phase-out

- Terminal phase-out management plan for CFCs (second tranche) Germany

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
NAMIBIA**

PROJECT TITLE **BILATERAL/IMPLEMENTING AGENCY**

Terminal phase-out management plan for CFCs (second tranche)	Germany
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NATIONAL CO-ORDINATING AGENCY:	Ozone Unit, Ministry of Trade and Industry
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)

Annex A, Group I: CFC	0		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)

ODS	Aerosol	Foam	Ref.	ODS	Solvents	Process agent	Fumigant
CFC			0				

CFC consumption remaining eligible for funding (ODP tonnes)	
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CURRENT YEAR BUSINESS PLAN: Total funding US \$105,000: total phase-out 3.0 ODP tonnes.

PROJECT DATA		2005	2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	Montreal Protocol limits	10.95	10.95	3.285	3.285	3.285	0	
	Annual consumption limit	3	3	2	0			
	Annual phase-out from ongoing projects							
	Annual phase-out newly addressed							
	Annual unfunded phase-out							
TOTAL ODS CONSUMPTION TO BE PHASED OUT				1	2			3
Total ODS consumption to be phased-in (HCFCs)								
Project cost as originally submitted (US \$)								
Final project costs (US \$):								
Funding for Germany			92,500					92,500
Total project funding			92,500					92,500
Final support costs (US \$):								
Support cost for Germany			12,025					12,025
Total support costs			12,025					12,025
TOTAL COST TO MULTILATERAL FUND (US \$)			104,525					104,525
Final project cost effectiveness (US \$/kg)								n/a

FUNDING REQUEST: Approval of funding for the second tranche (2006) as indicated above.

SECRETARIAT'S RECOMMENDATION	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Namibia, the Government of Germany has submitted a progress report on the implementation of the first work programme of the terminal CFC phase-out management plan (TPMP) for Namibia and a request for funding for the second and final work programme at a total cost of US \$92,500 plus agency support cost of US \$12,025.

Background

2. The TPMP for Namibia was approved by the Executive Committee at its 41st Meeting, to completely phase out CFC consumption in the country by the end of 2007. Total funding of US \$252,500 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$160,000, plus agency support cost for Germany, for the implementation of the first work programme (UNEP/OzL.Pro/ExCom/41/49 and Corr.1).

Progress report on the implementation of the first work programme

3. ODS regulations were in force as of 1 January 2004, and have been incorporated into the customs system that tracks the movement of goods in the country. Training on ODS issues and the ODS regulations was subsequently provided to 177 customs officers through 12 training workshops. The Customs Handbook for Namibia, which was developed under the original RMP project, was distributed to workshop participants. A portion of the training costs was covered by the customs department.

4. An additional training course for 10 refrigeration service technicians was conducted in the southern region of the country. Other courses that were planned for the northern regions were not implemented due to very low interest shown by the local servicing industry. It would appear that the newly graduating technicians from vocational training centres have already received training in good refrigeration service practices. Therefore, assistance was provided to equip the vocational training centres properly to continue providing such courses.

5. Implementation of the first phase of the incentive scheme for end-users has also started. In 2004, a workshop was conducted with the participation of several end-users to specify conversion incentive criteria. However, it became evident that there were only a limited number of privately-owned CFC-based commercial refrigeration systems in operation. Given this situation, the Committee decided to establish a pilot scheme to retrofit Government-owned refrigeration systems located in hospitals, schools, and other facilities.

6. In order to ensure successful implementation of the activities proposed in the TPMP, a Task Force Committee has been established that regularly addresses project implementation issues. The committee is comprised of representatives from the Ministries of Finance and Environment, the Ozone Unit, the refrigeration servicing industry and the Government of Germany.

7. As of 31 August 2006, US \$41,160 had been disbursed and US \$50,000 is planned to be completely disbursed by the end of 2006.

Plan of action for the second work programme

8. The Government of Namibia commits to implementing the following activities as part of the second work programme of the TPMP:

- (a) Continue implementing the incentive programme for end-users to convert refrigeration systems in Government buildings, particularly in the health sector. Once this project is completed, more than 95 per cent of the total CFC-based commercial refrigeration systems in the country will be converted;
- (b) Provide additional equipment and basic tools for training centres;
- (c) Provide a few additional recovery and recycling machines (Namibia received recovery and recycling equipment in 1999 through a bilateral assistance programme by Finland). The project proposes to provide a few additional units to ensure that any needs for CFC-12 can be met with recovered and recycled CFCs.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. Through the implementation of the TPMP, which was approved by the Executive Committee at its 41st Meeting, the Government of Namibia committed to achieving the complete phase-out of CFCs by January 2008. The Secretariat noted that in 2005, the Government of Namibia has reported zero consumption of CFCs and all other ODS (i.e., halons, CTC, TCA and methyl bromide) under Article 7 of the Montreal Protocol. The CFC baseline for Namibia is 21.85 ODP tonnes.

10. Noting that there is still CFC-based refrigeration equipment in operation in buildings owned by the Government, the Secretariat asked for an estimated CFC consumption in 2007 and 2008. The Government of Germany indicated that the Ozone Unit of Namibia is considering to completely ban all imports of CFCs in 2007, given that no imports of CFC have been reported in 2006 so far. There are fewer than 100 CFC-based refrigeration systems (commercial and domestic) still in operation, and two CFC-11 based chillers, which are being addressed through the African demonstration project.

11. In response to a request for additional information on the training programme for refrigeration service technicians and the incentive programme for end-users, the Government of Germany informed the Secretariat that the refrigeration service industry in Namibia has indicated that there is no need for additional training programmes during the implementation of the second work plan of the TPMP. In regard to the incentive scheme, some delays were experienced in its implementation since it originally targeted privately owned refrigeration systems. After the refrigeration service industry confirmed that there were no privately owned CFC-based refrigeration systems in operation, the Ozone Unit proposed a programme with the Department of Works to retrofit Government-owned refrigeration systems through which 40 per cent of the costs of conversion would be covered by the Government. An agreement with the Department of Works has been reached and equipment retrofits have now been initiated.

12. The Government of Germany also indicated that the recovery and recycling machines will be purchased only in agreement with all stakeholders concerned and will be based on a cost-effective use of funds available.

RECOMMENDATION

13. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan for CFCs (second tranche)	92,500	12,025	Germany
