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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-first Meeting
Montreal, 19-23 March 2007

PROJECT PROPOSAL: DEMOCRATIC REPUBLIC OF THE CONGO

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

Solvent

- Umbrella project for terminal phase-out of ODS
in the solvent sector (first phase)

Italy

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECT
DEMOCRATIC REPUBLIC OF THE CONGO**

PROJECT TITLE(S)**BILATERAL/IMPLEMENTING AGENCY**

(a) Umbrella project for terminal phase-out of ODS in the solvent sector (first phase)	Italy
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NATIONAL CO-ORDINATING AGENCY

Ministry of Environment

LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF FEBRUARY 2007)**

CFC	268.7	TCA	4.0
CTC	16.5		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF FEBRUARY 2007)

ODS	Subsector/quantity	Subsector/quantity	Subsector/quantity	Subsector/quantity
CFC-11	Aerosol: 10.00	Foam: 75.00	Ref. Servicing: 73.70	
CFC-12	Aerosol: 5.00		Ref. Servicing: 89.90	
CFC-113				Solvents: 11.20
CTC				Solvents: 0.00
TCA				Solvents: 0.00

CFC consumption remaining eligible for funding (ODP tonnes)

CURRENT YEAR BUSINESS PLAN ALLOCATIONS	Funding US \$	Phase-out ODP tonnes
	696,000	37.0

PROJECT TITLE:	Total project	First phase
ODS use in sector (ODP tonnes):	37.3	N/A
ODS to be phased out (ODP tonnes):	37.3	N/A
ODS to be phased in (ODP tonnes):	0	N/A
Project duration (months):	Pending	N/A
Initial amount requested (US \$):	616,970	N/A
Final project costs (US \$):		
Incremental Capital Cost:	Pending	N/A
Contingency (10 %):	Pending	N/A
Non-investment component	Pending	N/A
Total Project Cost:	Pending	Pending
Local ownership (%):	100	
Export component (%):	Nil	
Requested grant (US \$):	Pending	384,900
Cost-effectiveness (US \$/kg):	Pending	n/a
Implementing agency support cost (US \$):	Pending	50,037
Total cost of project to Multilateral Fund (US \$):	Pending	434,937
Status of counterpart funding (Y/N):	N/A	N/A
Project monitoring milestones included (Y/N):	Y	N/A

SECRETARIAT'S RECOMMENDATION

Pending

PROJECT DESCRIPTION

1. On behalf of the Government of the Democratic Republic of the Congo, Italy has submitted an umbrella project for terminal phase-out of ODS in the solvent sector in the Democratic Republic of the Congo, at a total cost of US \$616,970 plus agency support costs of US \$80,206, for consideration by the Executive Committee at its 51st Meeting.

Background

2. The Democratic Republic of the Congo is neither a producer nor an exporter of ODS. CTC, CFC-113 and TCA, the three substances dealt with in the proposed project, form the consumption in the solvent sector of the Democratic Republic of the Congo.

3. Submission of this project had been planned for the 49th Meeting of the Executive Committee, however continued unrest in the Democratic Republic of the Congo resulted in very slow progress on the preparatory work required, including a survey of the solvent sector. As a consequence the project submission had to be postponed.

4. The Eighteenth Meeting of the Parties in its decision XVIII/21 has found the Democratic Republic of the Congo in non-compliance with the control measures related to Annex B, Group II (carbon tetrachloride) and Annex B, Group III (methyl chloroform). The Meeting of the Parties noted the commitment of the Democratic Republic of the Congo:

- “4. (a) To maintain carbon tetrachloride consumption in 2006 at no more than 16.500 ODP tonnes and then to reduce it as follows:
- (i) To 2.2 ODP tonnes in 2007;
 - (ii) To zero in 2008;
- (b) To maintain methyl chloroform consumption in 2006 at no more than 4.000 ODP tonnes and then to reduce it as follows:
- (i) To 3.3 ODP tonnes in 2007
 - (ii) To zero in 2008.”

Project Summary

5. The objective of the terminal umbrella project is to support the Democratic Republic of the Congo to reduce and, subsequently, eliminate consumption of CTC, CFC-113 and TCA in the country, in line with the country's commitment cited above.

6. The project documents name a number of specific enterprises and provide details regarding their baseline equipment, estimated conversion cost and similar issues. The industrial structure described is very basic, comprising cleaning solvent formulators with relatively simple production processes, end users and enterprises that refurbish old machinery and clean it with ODS – containing sprays or in open baths.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. The amount of information in the project document regarding the individual enterprises, in particular regarding their present equipment, equipment needs, and similar information is very limited. The low level of information provided made it difficult to fully assess the eligibility of the project. In particular, there was insufficient detail on baseline equipment, dates of installation of the machines and other related data. The eligibility and incremental costs at the level requested in the original submission could not be confirmed on the basis of the information provided.

8. The country is presently in non-compliance with the phase-out obligations under the Montreal Protocol for CTC and TCA, and has committed to achieving ambitious targets for the year 2007. At the same time, the country has just recently emerged from a long period of instability, and accordingly the conditions for data collection are problematic.

9. The Executive Committee has approved, at its 49th Meeting, a national CFC phase-out plan for the Democratic Republic of the Congo. The remaining eligible consumption of the Democratic Republic of the Congo before approval of the plan has been used as the basis for phase-out through activities funded by the plan, as well as agreed unfunded phase-out in the aerosol sector. The national CFC phase-out plan includes the commitment to phase-out the consumption of all CFCs in all sectors.

10. Italy has been informed that there appears to be no remaining eligible consumption for a CFC phase-out component in the solvent sector, which would preclude the Democratic Republic of the Congo from receiving funding for phase-out activities related to the solvent CFC-113. Since there is no such issue with the solvents CTC and TCA included in the project, Italy has been requested to submit a revised project document taking this into account.

11. A revised project document had not been submitted as of issuing of this document.

RECOMMENDATION

12. Pending.