



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/53/41
26 October 2007



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-third Meeting
Montreal, 26-30 November 2007

PROJECT PROPOSAL: MALDIVES

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

Phase-out

- Terminal CFC phase-out management plan (first UNDP and UNEP
tranche)

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

PROJECT TITLE **BILATERAL/IMPLEMENTING AGENCY**

Terminal CFC phase-out management plan (first tranche	UNDP and UNEP
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SUB-PROJECT TITLES

(a) Policy, regulatory and institutional support	UNEP
(b) Training, capacity building and awareness raising	UNEP
(c) Technical assistance and end-user incentive programme	UNDP
(d) Coordination and Monitoring	UNEP

NATIONAL CO-ORDINATING AGENCY:	Ministry of Environment, Energy and Water
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2006, as of Sept. 2007)**

Annex I, Group 1 (CFC	1.1		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2006, as of May 2007)

ODS	Aerosol	Foam	Ref. Mfg.	Ref. Servicing	Solvents	Process agent	Fumigant
CFC				1.1			

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN: Total funding US \$226,188: total phase-out 0.3 ODP tonnes.

PROJECT DATA		2006	2007	2008	2009	2010	Total
Annex A CFC (ODP tonnes)	Montreal Protocol limit	2.3	0.69	0.69	0.69	0	
	Annual consumption limit	2.3	0.69	0	0	0	
	Annual phase-out from ongoing projects		n/a				
	Annual phase-out newly addressed		0.69	0	0	0	0.69
	Annual unfunded phase-out						
TOTAL ODS CONSUMPTION TO BE PHASED OUT			0.69				0.69
Final project costs (US \$):							
	Funding for Lead IA: UNEP		100,000	30,000			130,000
	Funding for Cooperating IA: UNDP		75,000	0			75,000
	Total project funding		175,000	30,000			205,000
Final support costs (US \$):							
	Support cost for Lead IA: UNEP		13,000	3,900			16,900
	Support cost for Cooperating IA: UNDP		6,750	0			6,750
	Total support costs		19,750	3,900			23,650
TOTAL COST TO MULTILATERAL FUND (US \$)			194,750	33,900			228,650
Final project cost effectiveness (US \$/kg)							

FUNDING REQUEST: Pending.

SECRETARIAT'S RECOMMENDATION[S]	Pending
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PROJECT DESCRIPTION

1. On behalf of the Government of Maldives, UNEP, as the lead implementing agency, has submitted a terminal CFC phase-out management plan (TPMP) for consideration by the Executive Committee at its 53rd Meeting. The project will also be implemented with assistance from UNDP. The total cost of the Maldives TPMP as submitted is US \$205,000 (US \$130,000 plus agency support costs of US \$16,900 for UNEP and US \$75,000 plus agency support costs of US \$6,750 for UNDP). The project proposes the complete phase-out of CFCs by the end of 2008. The CFC baseline for compliance is 4.6 ODP tonnes.

Background

2. At its 38th Meeting, the Executive Committee approved the refrigerant management plan (RMP) project for Maldives, at a total cost of US \$200,000 plus support costs, to be jointly implemented by UNDP and UNEP. Implementation of these activities resulted in the training of a total of 122 customs and enforcement officers, 22 of which were trained as trainers and covered 43 technicians with 22 trainers. The RMP also provided 13 sets of refrigerant identifiers, and initiated an end-user incentive and awareness programme. The end-user programme is still on-going.

The refrigeration servicing sector

3. In the Maldives, CFC-12 is used predominantly for servicing refrigeration and air conditioning equipment including CFC-based car air conditioners. The entire CFC demand is met by imports through one importer in the country.

4. There are 28 establishments in the country that service refrigeration equipment, 20 of which are based in the capital, Male. In addition to these, there are about 89 single island private resorts with either their own in-house servicing team, or whose equipment is serviced by the establishments on the main island. The number of CFC-based domestic refrigerators in the country was estimated to be 15,000 units, with around 2,000 units serviced on an annual basis. Around 550 units out of 10,300 commercial and industrial refrigeration, and 250 cars with CFC-based MACs out of 2,500 are serviced in a year.

5. There are 500 refrigeration technicians operating in the servicing sector. Most of their training is done in the Maldives Faculty of Engineering Technology or in India and Sri Lanka. Around ten percent of these technicians have received training under the RMP. As part of the good practices training programme, trainers were selected from key personnel of the big service workshops as well as instructors from the Faculty of Engineering with the clear objective of ensuring sustainability in the training programme. The average price of CFC-12 is US \$5.66 per kilogramme and of HFC 134 US \$10.87 per kilogramme.

Activities proposed in the TPMP

6. The Maldives TPMP includes the following sub-projects:

- (a) Policy, regulatory and institutional support;

- (b) Training, capacity building and awareness raising;
- (c) Technical assistance and end-user incentive programme; and
- (d) Coordination and Monitoring

7. The Government of Maldives plans the complete phase-out of CFCs by 1 January 2010. A detailed work plan for 2008 has been submitted with the TPMP proposal.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Non-compliance decisions for Maldives

8. The Parties to the Montreal Protocol have taken the following non-compliance related decisions for Maldives:

- (a) At their 14th Meeting, the Parties noted (Decision XIV/26) that for the July 2000 to June 2001 control period, the Maldives was in non-compliance with its obligations under Article 2A of the Protocol, and requested the country to submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance; and
- (b) At their 15th Meeting, the Parties noted (Decision XV/37) the Maldives' submission of its plan of action through which it committed to (a) reducing CFC consumption to 0 ODP tonnes in 2003, 2004 and 2005; to 2.3 ODP tonnes in 2006; to 0.69 ODP tonnes in 2007; to 0 ODP tonnes in 2008 and 2009, with complete phase out of CFC consumption by 1 January 2010, save for essential uses that may be authorized by the Parties; (b) monitoring its existing system for licensing imports of ODS, including quotas, introduced in 2002; (c) banning, by 2004, imports of ODS-using equipment.

9. The 2006 CFC consumption reported by the Government of Maldives under Article 7 of the Montreal Protocol is 1.1 ODP tonnes, which is 50 percent less than what the country was allowed under its action plan. All imports of ODS coming into the Maldives are now restricted by a strong licensing system and, as of January 2004, the country has enforced a ban on CFC-based equipment, following paragraph 9 (b) above.

Level of funding and implementation modalities

10. During the review of the TPMP, the Secretariat noted that:

- (a) The Maldives has already been able to reduce the use of CFCs to more than fifty percent of allowable consumption level for 2006 (i.e. from 2.3 ODP tonnes to 1.1 ODP tonnes). These reductions are presumably through the activities undertaken under the RMP, in particular the ODS regulations that have been strictly enforced in the country since 2002;

- (b) While the CFC consumption in the country is evenly distributed in the domestic, commercial/industrial and MAC servicing sector, there is more domestic refrigeration equipment that requires servicing annually (2,000 units);
- (c) The country now has a fully operational regulatory ODS framework that requires mandatory licensing of imports, and requires a strict reporting system for ODS importers and users. This regulation also prohibits the import of CFC containing equipment as from January 2004, and the import of cars that are more than five years old;
- (d) While the RMP had an end user incentive programme in place, this programme is still ongoing, and although there has been a review of the prospective participants to the programme, this has not yet been completed;
- (e) A large number of the refrigeration equipment associated with resorts and hotels have trained technicians that look after their servicing. Only 25 percent of the 89 single island resorts (i.e. 22) require assistance in their servicing sector.
- (f) The capacity of customs officers and other enforcement personnel has been strengthened and enhanced with training and with the provision of 13 refrigerant identifiers;
- (g) The main training institute (Maldives Faculty of Engineering Technology) has trained instructors in good refrigeration servicing practices as a result of the RMP; and
- (h) The country is not requesting funding assistance for the MDI sector.

11. Based on the above, the Secretariat discussed with UNEP and UNDP the technical issues related to the current levels of CFC consumption in the Maldives particularly looking at the small sector of private resorts where assistance is required. It also considered ensuring sustainability of the training programmes both for good servicing practices, and enforcement by strengthening the existing technical institute, as well as continuing the incentive programme once results of its achievements are clear.

12. The Secretariat is still discussing with UNEP some unresolved technical issues, and will advise the Executive Committee accordingly on the outcome of this discussion before the 53rd Meeting.

RECOMMENDATION

13. Pending