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

Addendum

PROJECT PROPOSAL: MALDIVES

This document is being issued to:

- **Replace** the project evaluation sheet on page 2 **with** the new one attached.
- **Add** the following paragraphs:

12. bis. UNEP provided clarification on the cost issues raised by the Secretariat, and agreed to include additional equipment for the refrigeration technician training centre as a way of ensuring sustainability of the training of technicians. UNEP also considered the other comments by the Secretariat and amended the sub-project components accordingly.

12. ter. The Government of Maldives submitted a draft agreement between the Government and the Executive Committee setting out the conditions for the complete phase-out of CFCs in Maldives, which is contained in Annex I to the present document. In addition, the overview tables of this multi-year agreement are provided in Annex II.

- **Replace** paragraph 13 **with** the following paragraph:

13. The Secretariat recommends blanket approval of the terminal phase-out management plan for Maldives. The Executive Committee may wish to:

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 issuance of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

- (a) Approve, in principle, the terminal phase-out management plan for Maldives, at the amount of US \$95,000 plus agency support costs of US \$12,350 for UNEP and US \$85,000 plus support costs of US \$7,650 for UNDP;
- (b) Approve the draft agreement between the Government of Maldives and the Executive Committee for the implementation of the terminal phase-out management plan as contained in Annex I to this document;
- (c) Urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan; and
- (d) Approve the first tranche of the plan at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan (first tranche)	80,000	10,400	UNEP
(b)	Terminal phase-out management plan (first tranche)	85,000	7,650	UNDP

**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

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

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			80,000	15,000	0	0	95,000
Funding for Cooperating IA: UNDP			85,000	0	0	0	85,000
Total project funding			165,000	15,000	0	0	180,000
Final support costs (US \$):							
Support cost for Lead IA: UNEP			10,400	1,950	0	0	12,350
Support cost for Cooperating IA: UNDP			7,650	0	0	0	7,650
Total support costs			18,050	1,950	0	0	20,000
TOTAL COST TO MULTILATERAL FUND (US \$)			183,050	16,950	0	0	200,000
Final project cost effectiveness (US \$/kg)							n/a

FUNDING REQUEST: Approval of funding for the first tranche (2007) as indicated above.

SECRETARIAT'S RECOMMENDATION	Blanket approval
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Annex I**DRAFT AGREEMENT BETWEEN MALDIVES AND THE EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR PHASE-OUT OF
OZONE DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of the Government of Maldives (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 9 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for the applicable year;
 - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
 - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set

out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration-servicing sub-sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval

Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Annex-A	Group-I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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APPENDIX 2-A: THE TARGETS, AND FUNDING

	2007	2008	2009	2010	Total
1 Montreal Protocol reduction schedule (ODP tonnes)	0.69	0.69	0.69	0	N/A
2 Max. allowable total consumption of CFCs (ODP tonnes)	0.69	0	0	0	N/A
3 Reduction from on-going projects (ODP tonnes)	0	0	0	0	N/A
4 New reduction under plan (ODP tonnes)	0.69	0.69	0	0	0.69
5 Unfunded reductions (ODP tonnes)	0	0	0	0	0
6 Total annual reduction (ODP tonnes)	0.69	0.69	0	0	0.69
7 Lead IA agreed funding (US \$)	80,000	15,000	0	0	95,000
8 Cooperating IA agreed funding (US \$)	85,000	0	0	0	85,000
9 Total agreed funding (US \$)	165,000	15,000	0	0	180,000
10 Lead IA support costs (US \$)	10,400	1,950	0	0	12,350
11 Cooperating IA support costs (US \$)	7,650	0	0	0	7,650
12 Total agreed support costs (US \$)	18,050	1,950	0	0	20,000
13 Grand total agreed funding (US \$)	183,050	16,950	0	0	200,000

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the third meeting of the Executive Committee in 2007 and 2008.

APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country: _____
 Year of plan: _____
 # of years completed: _____
 # of years remaining under the plan: _____
 Target ODS consumption of the preceding year: _____
 Target ODS consumption of the year of plan: _____
 Level of funding requested: _____
 Lead implementing agency: _____
 Cooperating agency(ies): _____

2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. Industry Action

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1) - (2)	Number of projects completed	Number of servicing related activities	ODS phase-out (ODP tonnes)
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. Technical Assistance

Proposed Activity:

Objective:

Target Group:

Impact:

5. Government Action

Policy/Activity planned	Schedule of implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

7. Administrative Fees

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the terminal phase-out management plan. All the monitoring activities have so far been done through the efforts of the National Ozone Unit (Maldives Department of Pollution Control, Ministry of Environment) with assistance from UNDP and UNEP Regional Offices in Bangkok.

2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Maldives for related auditing. Based on discussion with the Lead IA, Maldives should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Maldives consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY

1. The Cooperating IA will:
 - (a) Provide policy development assistance when required;
 - (b) Assist Maldives in the implementation and assessment of the activities funded for by the Cooperating IA; and
 - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

OVERVIEW TABLES FOR MULTI-YEAR AGREEMENTS
MALDIVES
Annex II

(1) PROJECT TITLE: Terminal phase-out management plan

(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS: Not applicable for first tranche

(3) ARTICLE 7 DATA (ODP TONNES)

Substances	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
CFC	4.6	5.9	0.0	7.8	0.9	1.5	4.6	14.0	2.8	0.0	0.0	0.0	1.1
CTC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Halons	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
MBR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
TCA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-

Source: A7 Data from the Ozone Secretariat

(4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)

Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco Fluffing	Total
				Manufacturing	Servicing					QPS	Non-QPS		
CFC	0.0	0.0	0.0	0.0	1.1	0.0	0.0		0.0	0.0	0.0	0.0	1.1
CTC													0.0
Halons													0.0
MBR													0.0
TCA													0.0

Source: Country Programme Data

(5) PHASE-OUT (ODP TONNES)

Substances	Calendar year	2006	2007	2008	2009	2010	Total	Decision
CFC	Maximum Allowable Consumption (Agreement; per substance if valid)	1.1	0.7	0.0	0.0	0.0		
	Compliance Action Target (MOP)	2.3	0.7	0.0	0.0	0.0		Decision XV/37
	Reduction Under Plan	0.4	0.7	0.0	0.0	0.0	1.1	
	Remaining Phase-Out to be Achieved	0.7	0.0	0.0	0.0	0.0	0.7	

Source: Agreement, Inventory, Progress Report, MOP Report, Project Document (Annual Plan) and Verification Reports.

(6a) PROJECT COSTS (US\$)

Calendar year	2007	2008	2009	2010	Total
UNEP					
Funding as per Agreement	80,000	15,000	0	0	95,000
Disbursement as per Annual Plan					
[Comments]					
UNDP					
Funding as per Agreement	85,000	0	0	0	85,000
Disbursement as per Annual Plan					
[Comments]					

Source: Agreement, Inventory, Progress Reports and Project Document (Annual Plan)

(6b) SUBMISSION SCHEDULES (planned and actual)

Submission year as per agreement	2007	2008	2009	2010
UNDP/UNEP				
Planned submission as per Agreement	Nov. 2007	Nov. 2008		
Tranche Number	1	2		

Source: Agreement, Inventory and Final ExCom Report Decisions

(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS

TYPE OF ACTION / LEGISLATION	Country Programme	
	(Yes/No)	Since when (Date)
1.	REGULATIONS:	
1.1	Establishing general guidelines to control import (production and export) of ODS	
1.1.1	ODS import/export licensing or permit system in place for import of bulk ODSs	
1.1.1.1	ODS import licensing system in place for import of bulk ODSs	N/A Apr-02
1.1.1.2	ODS export licensing system in place for export of bulk ODSs	N/A
1.1.1.3	Permit System in place for import of bulk ODSs	Yes Apr-02
1.1.1.4	Permit System in place for export of bulk ODSs	N/A
1.1.2	Regulatory procedures for ODS data collection and reporting in place	
1.1.2.1	Regulatory procedures for ODS data collection in place	N/A
1.1.2.2	Regulatory procedures for ODS data reporting in place	N/A
1.1.3	Requiring permits for import or sale of bulk ODSs	
1.1.3.1	Requiring permits for import of bulk ODSs	N/A
1.1.3.2	Requiring permits for sale of bulk ODSs	N/A
1.1.4	Quota system in place for import of bulk ODSs	Yes Apr-02
1.2	Banning import or sale of bulk quantities of:	
1.2.1	Banning import of bulk quantities of:	
1.2.1.1	CFCs	N/A
1.2.1.2	Halons	N/A
1.2.1.3	CTC	N/A
1.2.1.4	TCA	N/A
1.2.1.5	Methyl Bromide	N/A
1.2.2	Banning sale of bulk quantities of:	
1.2.2.1	CFCs	N/A
1.2.2.2	Halons	N/A
1.2.2.3	CTC	N/A
1.2.2.4	TCA	N/A
1.2.2.5	Methyl Bromide	N/A
1.3	Banning import or sale of:	
1.3.1	Banning import of:	
1.3.1.1	Used domestic refrigerators using CFC	Yes Jan-04
1.3.1.2	Used freezers using CFC	Yes Jan-04
1.3.1.3	MAC systems using CFC	Yes Apr-02
1.3.1.4	Air conditioners using CFC	Yes Jan-04
1.3.1.5	Chillers using CFC	Yes Jan-04
1.3.1.6	CFC-containing aerosols except for metered dose inhalers	Yes Jan-04
1.3.1.7	Use of CFC in production of some or all types of foam	N/A
1.3.2	Banning sale of:	
1.3.2.1	Used domestic refrigerators using CFC	N/A
1.3.2.2	Used freezers using CFC	N/A
1.3.2.3	MAC systems using CFC	N/A
1.3.2.4	Air conditioners using CFC	N/A
1.3.2.5	Chillers using CFC	N/A
1.3.2.6	CFC-containing aerosols except for metered dose inhalers	N/A
1.3.2.7	Use of CFC in production of some or all types of foam	N/A
2.	ENFORCEMENT OF ODS IMPORT CONTROLS	
2.1	Registration of ODS importers (Yes/No)	Yes
D: QUALITATIVE ASSESSMENT OF THE OPERATION OF RMP		
The ODS import licensing scheme functions		Satisfactory
The CFC recovery and recycling programme functions		Satisfactory

Source: Country Programme and Verification Report

(8) IMPLEMENTATION DETAILS: Not applicable for first tranche

(9) ANNUAL PLAN SUBMITTED COMPARED TO OVERALL PLAN

	Activities		Budget		Explanations
	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]	
Customs Training			30,000		
Train the Trainers	1				
Identifier	5				
Training of Customs Officers	2				
Good Practices in Refrigeration			30,000		
Train the Trainers	1				
Training of Technicians by Trained Trainers	4				
Awareness raising	1				
Curriculum upgrade	1				
Refrigeration Service investment component			85,000		
Conversion, ...	1				
PMU & Monitoring			20,000		
Unforeseen Activities					