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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

**PROJECT PROPOSAL: SUDAN**

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

Phase-out

- National CFC and CTC phase-out plan: third tranche

UNIDO

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<b>PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS</b>
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<b>Sudan</b>
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<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
National CFC and CTC phase-out plan: third tranche	UNIDO

<b>(II) LATEST ARTICLE 7 DATA (ODP Tonnes)</b>				<b>Year: 2006</b>	
CFC: 120	CTC: 0	Halons: 0	MB: 1.8	TCA: 0	

<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)</b>										<b>Year: 2006</b>			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					120.								120
CTC													0
Halons													0
Methyl Bromide									0.5	1.3			1.8
TCA													0

<b>(IV) PROJECT DATA</b>		2004	2005	2006	2007	2008	2009	2010	Total
<b>Maximum Allowable Consumption (ODP Tonnes)</b>	CFC	216.	200.	130.	65.	45.	25.	0.	
	CTC	1.1	0.3	0.	0.	0.	0.	0.	
<b>Project Costs (US\$)</b>	Project Costs	499,480.		220,000.	220,000.	200,000.			1,139,480.
	Support Costs	37,461.		16,500.	16,500.	15,000.			85,461.
<b>Total Funds Approved in Principle (US\$)</b>	Project Costs	499,480.		220,000.	220,000.	200,000.			1,139,480.
	Support Costs	37,461.		16,500.	16,500.	15,000.			85,461.
<b>Total Funds Released by the ExCom (US\$)</b>	Project Costs	499,480.		220,000.	0.	0.			719,480.
	Support Costs	37,461.		16,500.	0.	0.			53,961.
<b>Total Funds Requested for Current Year (US\$)</b>	Project Costs				220,000.				220,000.
	Support Costs				16,500.				16,500.

<b>(V) SECRETARIAT'S RECOMMENDATION:</b>	<b>For blanket approval</b>
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## PROJECT DESCRIPTION

1. On behalf of the Government of Sudan UNIDO, as the lead agency, has submitted the report on the implementation status of the 2007 annual programme of the National CFC and CTC phase-out plan (the NPP), including the 2006 verification report, for consideration by the Executive Committee at its 53<sup>rd</sup> Meeting. As foreseen in the Agreement between the Government of Sudan and the Executive Committee, UNIDO is requesting approval of the third tranche amounting to US \$220,000 plus agency support costs of US \$16,500.

### Background

2. The National CFC and CTC Phase-out Plan for Sudan (NPP) was approved at 44<sup>th</sup> Meeting of the Executive Committee in December 2004. The Government of Sudan was provided with financial support of US \$1,139,480 plus agency support costs to completely phase out its CFC and CTC consumption in accordance with the Agreement between the Government of Sudan and the Executive Committee. The NPP is to phase out the remaining consumption of 216 ODP tonnes of CFCs by 2010 and 1.1 ODP tonnes of CTC by 2007. To achieve this target, a series of investment, non-investment, technical assistance, and capacity-building activities are to be carried out.

### Verification report

3. As requested in the Agreement, UNIDO submitted a verification report on the compliance with the ODS reduction targets for 2006. The report was prepared by a local team of consultants hired by UNIDO. According to the verification report, the consultants examined data provided to them by the Ministry of Industry in respect of import licences issued to importers and data on actual imports provided by the Sudan Customs Administration as well as copies of licenses from importers and distributors. The list of importing companies with respective ODS quantities to be imported is attached to the verification report. The verifier compared the import quotas issued to importers, with the factual import data made available to him through customs. The total 2006 CFC consumption is equal to 120.26 ODP tonnes, which is about 10 ODP tonnes lower than the 2006 consumption target established in the Agreement. Zero ODP tonnes of CTC were imported in 2006. Thus, the CFC and CTC consumption targets have been met. The verifier also reviewed the progress of the implementation of the NPP, including the status of national legislation policies and procedures on ODS imports, examined the system for collecting data on ODS consumption, and formulated conclusions and recommendations.

### Progress report

4. The progress report presents major achievements in the implementation of phase-out activities for the January 2006 – August 2007 period:

- (a) The NOU has compiled the statistical data on the production, import and export of CFC and CTC for the year 2006. The official data was reported to the Fund Secretariat and Ozone Secretariat. The ODS consumption and reduction targets established in the Agreement have been met and CFC and CTC consumption is below the 2006 annual consumption limits.

- (b) A project management unit (PMU) office has been operational with a staff of two personnel since 2005 within the premises of the National Ozone Unit (NOU) in the Ministry of Industry. Through 2006 until today, they have been active in providing all the technical services and material needed for project management in general as well as for the programme of the refrigeration service sector in particular.

5. The NOU assisted the Sudanese Customs Administration (SCA) in organizing additional courses in March 2006 to train in total 40 officers (20 in each course) selected from entry points in states not covered under the previous training programme.

6. The peace agreements of 2004 and 2006 have made it possible to extend the training activities in the refrigeration servicing sector to new areas, namely the western and southern states. In 2006, the PMU office has selected seven additional refrigeration training centres. Necessary training equipment has been provided and national trainers have been trained for these centres. Training of the refrigeration service technicians is an ongoing activity since 2005 in Sudan. About 400 technicians were trained under the NPP in 2006.

7. The ODS related legislation is in place and enacted in Sudan since 2000. Legislation for an import licensing and quota system is in place, but modifications are needed to ensure its effectiveness. The NOU assigned a national expert in 2005 to prepare recommendations for updating the relevant policies. As of the end of 2005 the following guidelines to control import of ODSs and ODS containing equipment and products have been in place:

- (a) CFC and CTC import / export licensing system;
- (b) quota allocation system for import of CFC and CTC;
- (c) regular procedures for ODS data collection and reporting; and
- (d) introduction of penalties in the form of confiscation of ODSs as well as fines in cases of illegal imports; and, banning of:
  - (i) Imports of used domestic refrigerators, freezers, MAC systems, air conditioners and chillers using CFC;
  - (ii) Imports of CFC containing aerosols except for metered dose inhalers;
  - (iii) Use of CFCs in production of all types of foam; and
  - (iv) Sale of bulk quantities of CFCs and CTC.

8. A recovery and recycling scheme is an important activity having direct impact on the reduction of CFC imports for the refrigeration service sector since 2000. The collection of accurate data on the amounts of recovered and reused CFCs is not possible, however, on the basis of data reported by a number of servicing workshops, as well through extrapolation, UNIDO concludes that the amount of recovered CFCs in the year 2006 was about 30 metric tonnes, and approximately 28 metric tonnes were reused.

9. In Sudan, equipment for good servicing and refrigerant recovery practice is an essential factor to control the use of CFCs in the refrigeration service sector. About 460 servicing workshops have benefited from the NPP, receiving servicing tools and equipment. The distribution of 200 cylinders containing nitrogen has proven to be very effective to discontinue the practice of flushing refrigeration systems with CFC-12.

10. The actual expenditures of the first and second tranches amount to US \$491,639, constituting 68.3 per cent of the total allocations. Additionally, US \$165,000 has been obligated for procurement of equipment and for project management.

#### 2007 Annual Implementation Programme

11. The 2007 annual implementation programme provides information on ODS consumption and reduction targets as established in the Agreement, describes industry actions, and lists the following technical assistance activities:

- (a) Continuation of the operational mechanism for coordinating, managing and monitoring the NPP;
- (b) Supplementary customs officers training;
- (c) Supplementary technician training (phase two);
- (d) Continued review of supporting legislation; and
- (e) Public Awareness.

12. The proposed 2006 budget is presented in the following table.

Activities	Planned Expenditures (US \$)
Project management	50,000
Refrigeration servicing sector programme	170,000
TOTAL	220,000

### **SECRETARIAT'S COMMENTS AND RECOMMENDATION**

#### **COMMENTS**

13. The Executive Committee approved the second funding tranche under the NPP for Sudan at its 50<sup>th</sup> Meeting on the understanding that funding for the third tranche will not be approved until improvement of ODS legislation is enacted and submitted to the Executive Committee for confirmation. The Secretariat has sought information from UNIDO on what specific activities related to the improvement and enactment of the ODS related legislation have been undertaken under the 2006 annual implementation programme. UNIDO advised that a national expert, with assistance from members of the National Committee, conducted a study and provided a report to the NOU that indicated that the existing legislation was comprehensive and covered all the necessary aspects to effectively control ODS imports and consumption, and to enable compliance with the Montreal Protocol requirements. The report demonstrated also that

coordinated efforts were necessary to improve the process of issuance of import licenses and flow of information on the distribution of imported ODSs among the stakeholders. The report also concluded that more advanced test equipment has to be provided to the Customs Administration.

14. UNIDO has provided clarifications on a number of queries related to the number of recovery and recycling machines installed, the quantity of recovered and reused refrigerant, and on the financial status of the programme. The Secretariat is satisfied with the content and extent of UNIDO's responses.

15. The data for tables eight and nine of the multi-year overview tables was not received in time with sufficient quality to enable their inclusion in Annex I to this document. Tables eight and nine of the multi-year overview tables will be posted on the intranet of the Secretariat latest two weeks before the Meeting.

### RECOMMENDATION

16. The Fund Secretariat recommends blanket approval of the second tranche of the project, with associated support costs, at the funding levels shown in the table below.

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	National CFC and CTC phase-out plan: third tranche	220,000	16,500	UNIDO

**Annex I - Draft Overview Tables for Multi-Year Agreements**

**Sudan**

**(1) PROJECT TITLE: ODS phase out plan**

**(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS**

Code	Agency	Excom Provision	Fulfilled? (Yes/No)	Comments
SUD/PHA/44/INV/18	UNIDO	Approved in accordance with the Agreement between the Government of Sudan and the Executive Committee.		
SUD/PHA/50/INV/19	UNIDO	Approved on the understanding that funding for the third tranche of the phase-out plan will not be approved until improvement of ODS legislation is enacted and submitted to the Executive Committee for confirmation		

**(3) ARTICLE 7 DATA (ODP TONNES)**

Substances	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
CFC	456.8	635	429.5	306	294.5	294.5	291.5	266	253	216	203	185	120
CTC	2.2	2.8	2.2	4.3	2.2	2.2	2.2	2.2	2.2	1.1	0.7	0.3	0
Halons	2	0	4.5	1.5	0	0	0	0	0	0	0	0	0
Methyl Bromide	3	6	0	3	3	3	3	3	3	1.8	1.8	1.8	1.8
TCA	0	0	0.2	0	0	0	0	0	0	0	0	0	0

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

Year: 2006

Chemical	Aerosol	Foam	Fire Fighting	Refrigerating		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					120								120
CTC													0
Halons													0
Methyl Bromide										0.5	1.3		1.8
TCA													0

<b>(5) PHASE-OUT (ODP TONNES)</b>										
Substances		2004	2005	2006	2007	2008	2009	2010	Total	Decision
CFC	Maximum Allowable Consumption (Agreement: per substance if valid)	216	200	130	65	45	25	0		
	Compliance Action Target (MOP)									
	Consumption Reported in Implementation Report submitted									
	Consumption Reported in the Verification Report									
	UNIDO									
	Reduction Under Plan		16	70	65	20	20	25	216	
	Approved Phase-Out	16		70.3					86.3	
	Actual Phase-Out	68.4		0					68.4	
Remaining Phase-Out to be Achieved										
CTC	Maximum Allowable Consumption (Agreement: per substance if valid)	1.1	0.3	0	0	0	0	0		
	Compliance Action Target (MOP)									
	Consumption Reported in Implementation Report submitted									
	Consumption Reported in the Verification Report									
	UNIDO									
	Reduction Under Plan		0.8	0.3				0.3	1.4	
	Approved Phase-Out	0.8							0.8	
	Actual Phase-Out	3.4							3.4	
Remaining Phase-Out to be Achieved										

<b>(6a) PROJECT COSTS (US\$)</b>							
Calendar year	2004	2006	2007	2008	Total		
UNIDO	Funding as per Agreement	499,480	220,000	220,000	200,000	1,139,480	
	Support Costs as per Agreement	37,461	16,500	16,500	15,000	85,461	
	Funds Approved (Inventory)	499,480	220,000			719,480	
	Estimated Disbursement in Previous Progress Report	150,000				150,000	
	Funds Disbursed in Current Progress Report	266,459				266,459	
	Funds Obligated in Current Progress Report	154,910				154,910	
	Estimated Disbursement in Current Progress Report	233,021	50,000			283,021	
	Disbursement as per Annual Plan						
	Funds Requested						
	Support Costs Requested						
	Comments						

<b>(6b) SUBMISSION SCHEDULES (planned and actual)</b>					
Submission Year as per Agreement		2004	2006	2007	2008
UNIDO	Planned Submission	Dec-2004	Nov-2006	Nov-2007	Nov-2008
	Tranche Number	I	II		
	Revised Planned Submission				
	Date Approved	Dec-2004	Nov-2006		



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

TYPE OF ACTION / LEGISLATION	Country Programme 2006		Verification Report(Yes/No)
	(Yes/No)	Since when (Date)	
1. REGULATIONS:			
1.1 Establishing general guidelines to control import (production and export) of ODSs			
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	Yes	11/20/2001	
1.1.1.2 ODS export licensing system in place for export of bulk ODSs	Yes	11/20/2001	
1.1.1.3 Permit System in place for import of bulk ODSs	Yes	11/20/2001	
1.1.1.4 Permit System in place for export of bulk ODSs	Yes	11/20/2001	
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	Yes	04/10/1994	
1.1.2.2 Regulatory procedures for ODS data reporting in place	Yes	04/10/1994	
1.1.3 Requiring permits for import or sale of bulk ODSs			
1.1.3.1 Requiring permits for import of bulk ODSs	Yes	11/20/2001	
1.1.3.2 Requiring permits for sale of bulk ODSs	Yes	11/20/2001	
1.1.4 Quota system in place for import of bulk ODSs	Yes	01/22/2005	
1.2 Banning import or sale of bulk quantities of:			
1.2.1 Banning import of bulk quantities of:			
1.2.1.1 CFCs	Yes	01/22/2005	
1.2.1.2 Halons	Yes	11/20/2001	
1.2.1.3 CTC	Yes	01/22/2005	
1.2.1.4 TCA	Yes	01/22/2005	
1.2.1.5 Methyl Bromide	Yes	01/22/2005	
1.2.2 Banning sale of bulk quantities of:			
1.2.2.1 CFCs	Yes	01/22/2005	
1.2.2.2 Halons	Yes	11/20/2001	
1.2.2.3 CTC	Yes	01/22/2005	
1.2.2.4 TCA	Yes	01/22/2005	
1.2.2.5 Methyl Bromide	Yes	01/22/2005	
1.3 Banning import or sale of:			
1.3.1 Banning import of:			
1.3.1.1 Used domestic refrigerators using CFC	Yes	11/20/2001	
1.3.1.2 Used freezers using CFC	Yes	11/20/2001	
1.3.1.3 MAC systems using CFC	Yes	11/20/2001	
1.3.1.4 Air conditioners using CFC	Yes	11/20/2001	
1.3.1.5 Chillers using CFC	Yes	11/20/2001	
1.3.1.6 CFC-containing aerosols except for metered dose inhalers	Yes	11/20/2001	
1.3.1.7 Use of CFC in production of some or all types of foam	Yes	11/20/2001	
1.3.2 Banning Sale of:			
1.3.2 MAC systems using CFC			
1.3.2.1 Used domestic refrigerators using CFC	Yes	11/20/2001	
1.3.2.2 Used freezers using CFC	Yes	11/20/2001	
1.3.2.3 MAC systems using CFC	Yes	11/20/2001	
1.3.2.4 Air conditioners using CFC	Yes	11/20/2001	
1.3.2.5 Chillers using CFC	Yes	11/20/2001	
1.3.2.6 CFC-containing aerosols except for metered dose inhalers	Yes	11/20/2001	
1.3.2.7 Use of CFC in production of some or all types of foam	No		
2. ENFORCEMENT OF ODS IMPORT CONTROLS			
2.1 Registration of ODS importers (Yes/No)	Yes	11/20/2001	
D: Qualitative assessment of the operation of RMP			
The ODS import licensing scheme functions:	Very well		
The CFC recovery and recycling programme functions:	Satisfactorily		