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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

COUNTRY PROGRAMME: SAUDI ARABIA

This document consists of:

- Country Programme Evaluation Sheet (prepared by the Fund Secretariat)
- Comments and Recommendations of the Fund Secretariat
- Transmittal Letter from the Government of Saudi Arabia
- Country Programme Cover Sheet
- Country Programme (Executive Summary)

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.

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SAUDI ARABIA COUNTRY PROGRAMME EVALUATION SHEET

National Ozone Unit, Presidency of Meteorology and Environment

Status of ratification of the Vienna Convention and the Montreal Protocol

	Signature	Ratification	Entry into effect
Vienna Convention (1985)		1 Mar 1993	30 Jun 1993
Montreal Protocol (1987)		1 Mar 1993	30 Jun 1993
London Amendment (1990)		1 Mar 1993	30 Jun 1993
Copenhagen Amendment		1 Mar 1993	30 Jun 1993
Montreal Amendment (1997)		-	-
Beijing Amendment (1999)		-	-

Production of controlled substances: No controlled substances produced

Consumption of controlled substances: (2005) 924.5 metric tonnes
(other than HCFCs) 906.1 weighted tonnes (ODP)

(tonnes)	CFC-11	CFC-12	CFC-113	CFC-114	CFC-115	TOTAL Halon121	Halon130	TOTAL	CTC	MCF	MB
ODS		878.5				878.5					46.0
ODP		878.5				878.5					27.6

Distribution of ODP by substance: CFC 97% MB 3%

Distribution of ODP by sector: Aerosol Foam Halons Refrigeration Solvent MB
Consumption (ODP tonnes): 878.5 27.6
Percent of total: 97% 3%

MONTREAL PROTOCOL (ODP tonnes)	CFCs	Halons	Methyl bromide
Baseline consumption	1,798.5	1064.0	0.6
Allowable level of consumption in 2007	269.7	532.0	0.5

Source: Country Programme (2007)

Country Programme

Duration of country programme: 3 years (2008-2010)

ODS phase out target: complete phase-out by end of 2009

Phase out priority area: Refrigeration servicing sector

Cost of activities in country US \$2,135,000

Strategy:

The Government is committed to phasing out the consumption of ODS in a controlled and cost effective manner. It will take the steps outlined in the Action Plan to meet its obligations under the Protocol. Development and implementation of control measures, public awareness campaigns and training activities are the main components of the action plan. Additional legislation will be put in place and enactment texts will be defined, where necessary, to meet the objectives described in the action plan. Technical monitoring capacity will be improved to ensure effective monitoring of the legal and technical provisions provided for under the Montreal Protocol.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

DESCRIPTION

1. Based on a national survey conducted during the preparation of Saudi Arabia's country programme, the ODS consumption in 2005 was estimated at 878.5 ODP tonnes of CFC-12 and 27.6 ODP tonnes of methyl bromide. This consumption data was reported under Article 7.
2. The principal consumption of ODS in 2005 was in the refrigeration and air conditioning servicing sector and, with the inclusion of HCFC-22, amounted to 1,117.72 ODP tonnes or 97.6% of total ODS consumption. CFC-12 consumption could include a small quantity used by some SME refrigeration enterprises that may still manufacture small items of refrigeration equipment using CFC-12. Halon 1211 and halon 1301 are still in use in critical areas, particularly in the oil and gas producing industries, although there were no imports in 2005. Methyl bromide is used for the fumigation of dates and for QPS applications. In 2005, methyl bromide consumption was estimated at 52.8 ODP tonnes, of which 27.6 ODP tonnes was for fumigation and 25.2 ODP tonnes for QPS applications.
3. The Government of Saudi Arabia has ratified the Vienna Convention, the Montreal Protocol and the London and Copenhagen Amendments to the Protocol.
4. The Government has indicated that conversion of the various manufacturing sectors that used ODS in Saudi Arabia is substantially complete and has been achieved without seeking support from the Multilateral Fund. Saudi Arabia is now requesting support for capacity building measures and technical assistance needed to complete the phase-out of CFCs and methyl bromide, and to ensure sustainability of phase-out in the foam, halon and solvent sectors. Phase-out in the aerosol sector has been completed for a number of years and no further activities are envisaged. Assistance is also sought to establish and support a national ozone unit.
5. The Government of Saudi Arabia is proposing the updating of existing regulations, training of customs officers and promotion of the enforcement of regulations to curb illegal trade. A national refrigeration and air-conditioning taskforce will be established to build the capacities of relevant national institutions, and to disseminate the concepts of good practice to refrigeration technicians. It will also update codes of practice and vocational curricula, develop a compulsory certification scheme and carry out training programmes for technicians. Recovery and recycling programmes will be implemented in the refrigeration and MAC sectors and a technical assistance programme implemented for the remaining SMEs involved in manufacturing small refrigeration equipment. Technical assistance will also be provided in the methyl bromide sector to facilitate the complete phase-out of methyl bromide for controlled uses. Small technical awareness programmes will be implemented in the foam, halon and solvent sectors.
6. The Government of Saudi Arabia is committed to meeting its obligations under the Montreal Protocol, although this is recognised as a challenging task in relation to the 2007 85 per cent CFC reduction target, given that the proposed activities contained in the country programme will only commence at the end of 2007. A request by the Government of Saudi Arabia for a change of baseline data for methyl bromide consumption is currently under consideration by the Implementation Committee.

7. At its 49th Meeting, the Executive Committee approved project preparation funding of US \$65,000 to prepare this country programme combined with a national phase-out plan.

SECRETARIAT'S COMMENTS

8. The country programme also includes a capacity building and technical assistance project at a proposed cost of US \$1,835,000 and a request for institutional strengthening funding to support a national ozone unit at a cost of US \$300,000 over three years. The Fund Secretariat's comments and recommendations on these requests are presented in documents UNEP/OzL.Pro/ExCom/53/52 and UNEP/OzL.Pro/ExCom/53/18 respectively.

9. The combined country programme/national phase-out plan for Saudi Arabia, as first submitted, raised the issue of the ability of the country to comply with the 2007 Protocol CFC phase-out target of 85 per cent. The matter is fully addressed in the Secretariat's comments on the capacity building and technical assistance project submission in the document referred to in the previous paragraph. The review process resulted in a revision of the project proposal originally submitted as a national phase-out plan to a once off capacity building and technical assistance project without specific phase-out targets, which could be considered for approval without prejudice to the operation of the Protocol's non-compliance mechanism.

10. A second issue is Saudi Arabia's methyl bromide consumption and its related baseline, which is currently established at 0.6 ODP tonnes. Methyl bromide consumption data reported under Article 7 for 2005 amounted to 27.6 ODP tonnes. At the 38th meeting of the Implementation Committee, Saudi Arabia requested a change to its methyl bromide baseline. Under Recommendation 38/35 the Implementation Committee requested additional data to support the proposal. Saudi Arabia subsequently advised that data was being assembled, but that there was insufficient time to complete this activity prior to the 39th Meeting of the Committee. In Decision XIX/23 the Parties presumed that Saudi Arabia was in non-compliance with the control measures for methyl bromide and requested the country to provide an explanation for its excess consumption and a plan of action to return to compliance. The plan of action might include import quotas and policy and regulatory instruments. Pending consideration of this information Saudi Arabia was regarded to be a country in good standing and should continue to receive assistance. The capacity building and technical assistance submission includes a technical assistance component of US \$150,000 for methyl bromide as the final funding to assist Saudi Arabia to phase-out all remaining consumption in this sector.

SECRETARIAT'S RECOMMENDATION

11. The Fund Secretariat recommends approval of the Saudi Arabia country programme, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels. Approval of the Saudi Arabia country programme should be without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of future consumption data submitted under Article 7 by the Government of Saudi Arabia and also its request for a change of baseline for methyl bromide.

12. The Fund Secretariat also recommends that the Government of Saudi Arabia be requested to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para. 135). Using the approved format, the initial report, covering the period 1 January 2007 to 31 December 2007, should be submitted to the Fund Secretariat no later than 1 May 2008.



FACSIMILE TRANSMISSION

Ms. Maria Nolan
Chief Officer
Multilateral Fund Secretariat for the implementation of Montreal Protocol
Montreal, Canada

Subject: Country Programme & National Phase-out Plan of Saudi Arabia for Ozone Depleting Substances

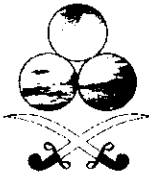
Dear Ms. Nolan,

I would like to convey the commitment of the Government of Saudi Arabia to work with UNIDO as a lead agency and UNEP as a cooperating agency on the implementation of the National Phase-out Plan and program in Saudi Arabia for phasing-out Ozone Depleting Substances.

As you know that currently, the Kingdom is passing through a critical phase of their ODS phasing out plan where we have completed the phasing out targets with major industrial sectors and have come to the informal service sector, where we need technical and financial support to carry-out our plan as required by the Montreal Protocol.

The implementation of the project will enable the Government of Saudi Arabia to achieve its target for a total phase-out of relevant ODS by the year 2010 as required under the control measures set by Montreal Protocol. I would also like to mention that the Government of Saudi Arabia doesn't intend to seek additional support from the Multilateral Fund for phasing out those substances in future.

Please accept, madam, the assurance of my highest consideration and appreciation to the Multilateral Fund Secretariat and to the Executive Committee for the support extended to the Government of Saudi Arabia in the phase out of ozone depleting substances since 1993. We would



also like to use this opportunity to thank UNIDO and UNEP for the cooperation in preparing this project.

With regards

A handwritten signature in black ink, appearing to read 'A. Ashour', written over a horizontal line.

Dr. Ahmed A. Ashour
Deputy For Environmental Affairs

cc:

Mr. Sidi Menad Si Ahmed
Director, Multilateral Environmental Agreements Branch
UNIDO

Mr. Rajendra Shende
Head of OzonAction Programme
UNEP/DTIE

Paris, France
Dr. Habib Elhabr
Director and Regional Representative
UNEP/ROWA

COUNTRY PROGRAMME COVER SHEET

Country Programme: **Saudi Arabia** Date Received: **October 2007**

Lead National Agency: **National Ozone Committee/ Presidency of Meteorology and Environment**

Period covered: **2007 – 2010**

1. Reported Consumption

Year	CFCs	Halons	Carbon Tetra-chloride	Methyl Chloroform	HCFCs	Methyl Bromide
1995	1,828.4	1,450.0	990.0	-	13.8	-
1996	1,668.2	1,180.0	568.7	-	23.2	-
1997	1,899.0	562.0	326.7	-	29.8	1.2
Baseline	1,798.5	1,064.0	256.2	29.8	-	0.6
1998	1,921.8	346.0	682.0	1.5	34.9	1.4
1999	1,710.4	244.0	57.2	62.0	119.3	1.8
2000	1,593.6	171.0	38.5	25.8	110.6	3.0
2001	1,593.0	286.0	25.3	1.7	143.7	5.4
2002	1,531.0	257.0	-	-	138.4	-
2003	1,300.0	-	-	-	176.0	-
2004	1,150.0	214.0	27.5	-	212.9	-
2005	878.5	0	0.0	0.0	239.2	27.6
Protocol Phase-Out Targets	2010	2010	2010	2015	-	2015

2. The Action Plan

Sector	Action	Date	Expected results
All	Institutional Strengthening of the National Ozone Unit.	January 08	Efficient and effective coordination and administration of ozone matters
	Preparation of Country Program and Capacity Building and Technical Assistance Project	Jan-Sep 07	Submitted to 53 rd ExCom, Nov 2007
Regulations	Contract national legal expert(s)	Jan – Dec 08	Update existing regulation for the control of ODS, train the Customs Officers, promote the enforcement of national relevant regulations among relevant stakeholders and curb illegal trade.
	Update National Regulation based on finding of the review	Jul – Dec 08	
	National enforcement workshops for policy makers and stakeholder	Jan - Dec.09	
	Provision of Identifiers and upgrade testing facilities	Jan – May 08	
	Training program for Customs and related authorities; phase I	Aug – Oct 08	

Sector	Action	Date	Expected results
	Training program for Customs and related authorities; phase II	Dec 08 – Jun 10	
Refrigeration and air conditioning - Training	Establish National Refrigeration and Air-Conditioning Taskforce	Jan – Mar 08	<ol style="list-style-type: none"> 1. Build the capacities of national institutions to disseminate the refrigeration good practice concepts among technicians 2. Update the national educational and vocational refrigeration curricula 3. Promoting the update of the national codes of practice and developing of a compulsory certification scheme 4. Review and promote the update of national standards of refrigerants and refrigeration and air-conditioning systems
	Update refrigeration curricula of the technical educational and vocational training	Jan 08 - Jan 09	
	Update existing Codes of Practice according to the Curricula update	June - Dec 08	
	Develop compulsory certification scheme for refrigeration servicing profession	Nov 08 – Apr 09	
	Prepare mandatory minimum national technical requirements for licensing refrigeration companies/workshops	Jan – Dec 08	
	Review and update relevant national standards	Jan 08 – June 09	
	Upgrade the technical capacities of the technical education and vocational training facilities for the 10 vocational schools and institutes	Jan – Jul 08	
	Training program; Phase I Training of 60 master trainers in two workshops	Aug – Oct 08	
	Training program; Phase II (2500-3000 technicians)	Nov 08 – Sep 10	
Refrigeration and air conditioning – Recovery & Recycling	Preparation of equipment specifications	Feb - Mar 08	Promote good practices in refrigeration servicing; increase recovery and recycling of CFCs, particularly from larger refrigeration appliances or chillers; and make the CFC recovered from dismantled equipment available for other domestic and commercial refrigeration equipment
	Invitation to Bid, receipt of bid evaluation of bids	Apr-Aug 08	
	Purchase order and receipt of equipment	Sep 08-Feb 09	
	Training in use of equipment	April 09	
	Distribution of equipment	May-June 09	
Refrigeration and air conditioning – MAC Recovery & Recycling	Preparation of equipment specifications	Feb-Mar 08	Promote good practices in MAC servicing; increase recovery and recycling of CFC-12
	Invitation to Bid, receipt of bid evaluation of bids	Apr-Aug 08	
	Purchase order and receipt of equipment	Sep 08-Feb 09	
	Training in use of equipment	April 09	
	Distribution of equipment	May-June 09	
Refrigeration and air conditioning – MAC Retrofit	Designing of Awareness Campaign	Feb – May 08	Provide awareness and training on the retrofit CFC-12 MAC systems to HFC-134a based MAC systems
	Implementation of Retrofit Awareness Campaign	Jun 08 – Dec 09	
	Selecting service shops for training retrofitting	Jun – Sep 08	

Sector	Action	Date	Expected results
	Identifying manufacturers in each sector that have converted to non-ODS, and MeBr users	Jun – Dec 08	
	Identifying and contracting experts	Jan 09	
Technical Assistance	Technical assistance workshops in each thematic area	Mar – Dec 09	Enable sound and sustainable conversion
	Manage and co-ordinate the project implementation	Jan 08 – Dec 10	
	Establish policy development and enforcement program		
Project Management and Monitoring	Develop and implement training, awareness and capacity-building activities for key government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the project objectives and obligations		Close monitoring of the implementation of the project, tracking the promulgation, and enforcement of policy and legislation
	Preparation of annual implementation plans		
	Establish and operate a reporting system of usage of ODS/substitutes		
	Reporting on implementation progress of the project		
	Undertake independent monitoring of all the activities implemented in the project		
	Present reports on project implementation status		
	Prepare periodic (annual) assessment of the consumption of ODS in the refrigeration sector and evaluate the impact of the projects being undertaken		

3. Proposed Budget:

Item	Funding Requested	Implementing Agency
<i>Institutional Strengthening Project</i>		
<i>Institutional Strengthening (3 years)</i>	\$300,000	UNEP
<i>Policy Update, Enforcement and Prevention of Illegal Trade</i>		
Contracting national legal expert(s) to review and update the national regulations	\$10,000	UNEP

Item	Funding Requested	Implementing Agency
National enforcement workshops for policy makers and stakeholder	\$10,000	UNEP
Provision of Identification and Upgrade testing facilities	\$50,000	UNEP
Training program for Customs and related authorities; phase I (30 Master Trainers)	\$10,000	UNEP
Training program for Customs and related authorities; phase II (2,000-2,200 officers)	\$60,000	UNEP
Sub-Total	140,000	
Refrigeration Training, Standardization and Certification		
§ Update the refrigeration curricula of the technical educational and vocational training	\$50,000	UNEP
§ Update the existing Codes of Practice according to the Curricula update		
§ Develop compulsory certification scheme for the refrigeration servicing profession		
§ Prepare mandatory minimum national technical requirements for licensing refrigeration companies/workshops		
§ Review and update relevant national standards		
Upgrading the technical capacities of the technical education and vocational training facilities; (5 sets of training equipment and tools for the 10 vocational schools and institutes)	\$90,000	UNEP
Training program; Phase I Training of 60 master trainers in two workshops	\$20,000	UNEP
Training program; Phase II (2,500-3,000 technicians)	\$115,000	UNEP
Sub-Total	275,000	
Recovery and Recycling		
500 Service Sets for small/medium workshops (\$750 per set)	375,000	UNIDO
50 portable recovery Sets for Medium workshop (\$2,000 per set)	100,000	UNIDO
40 R&R Sets for Large workshops/end-users (\$5,000 per set)	200,000	UNIDO
Assessment, Training, Storage, Distribution, International Expert and Miscellaneous	150,000	UNIDO
Sub-Total	\$725,000	
MAC Recovery/Recycling and Retrofit		
50 R/R/R Sets for MAC workshops (\$2,500 per set)	125,000	UNIDO
MAC Retrofitting Awareness Campaign	45,000	UNIDO
Assessment, Training, Storage, Distribution, International Expert and Miscellaneous	50,000	UNIDO
Sub-Total	\$220,000	
Technical Assistance to Manufacturing Sectors		
CTC & MCF	\$25,000	UNIDO
Foam	\$25,000	UNIDO
Refrigeration Manufacturing	\$100,000	UNIDO
Halon	\$25,000	UNIDO
MeBr	\$150,000	UNIDO
Sub-Total	\$325,000	
Project Implementation and Monitoring		
Project implementation, management and coordination incl. monitoring and reporting	\$160,000	UNIDO
Total cost of Institutional Strengthening plus the Capacity Building and Technical Assistance Project	\$2,135,000	

EXECUTIVE SUMMARY

The Kingdom of Saudi Arabia ratified the 1985 Vienna Convention, 1987 Montreal Protocol, 1990 London Amendments, and the 1992 Copenhagen Amendments by Royal Decree No. 1, dated 25 August 1992 and is classified as an Article 5 country. The Montreal and Beijing Amendments will be ratified at a later date. Saudi Arabia was initially classified as a non-Article 5 Party, but was reclassified in 1994 as an Article 5 Party after data submission and request for reclassification. In order to comply with the upcoming provisions of the Protocol, the Government of Saudi Arabia has carried out a national survey and formulated its Country Programme/National Phase-Out Plan with the assistance of UNIDO and UNEP and funding assistance from the Multilateral Fund.

The Country Programme provides data on import and use of ODS in Saudi Arabia and expresses the commitment of the Government to phase out consumption of ODS. An Action Plan for the required activities has been defined, and steps will be taken to implement the action items to achieve phase out without causing undue economic hardship to the industrial, commercial and, in particular, the domestic consumers. There are major concerns that the country will not be able to comply with the 2007 reduction and may need till 2009 to return to compliance. Legislative actions and market forces such as decrees, licensing systems, leading to rising prices and increasing availability of ozone friendly technologies continue to play a vital role in the shift by consumers to ODS free technology, particularly in the commercial and industrial sector.

Saudi Arabia does not produce any ODS and all its requirements are met through imports. The total 2005 ODS consumption, as per reported Article 7 data amounted to 1,170.52 ODP Tonnes. The country is currently collecting and evaluating data for reporting consumption for 2006.

The principal consumption of ODS in 2005 is in the Refrigeration and Air Conditioning sector – 1,117.72 ODP Tonnes or 95.5% (including HCFC-22). Halon 1211 and Halon 1301 are still in use in critical areas; particularly in the Oil and Gas producing industries although there have been no imports in 2005. Methyl Bromide is used for date fumigation and QPS applications, and 2005 consumption is estimated at 52.8 ODP Tonnes, consisting of 27.6 ODP Tonnes for fumigation and 25.2 ODP Tonnes for QPS applications.

The government has nominated the National Ozone Committee (NOC) within the Presidency of Meteorology and Environment (PME) as the focal point for Montreal Protocol activities. An institutional strengthening project is submitted separately for establishment of a dedicated National Ozone Unit which will coordinate and monitor activities towards a complete phase out of ODS.

A total of US \$2,135,000 is being requested from the Multilateral Fund for the Institutional Strengthening Project (3 years) and to implement the identified project. The project includes policy update and enforcement, refrigeration training and certification, recovery and recycling, MAC Recovery, Recycling and Retrofit and technical assistance for the manufacturing sector (foam, refrigeration, solvent) and Halon and Methyl Bromide user sector, along with project management and monitoring.