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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-sixth Meeting
Doha, 8-12 November 2008

PROJECT PROPOSAL: MADAGASCAR

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

Phase-out

- Terminal phase-out management plan (second tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Madagascar

(I) PROJECT TITLE	AGENCY
ODS phase out plan	UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2007
CFC: 2.1	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2007		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffina	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					2.1								2.1
CTC													0
Halons													0
Methyl Bromide													0
TCA													0

(IV) PROJECT DATA			2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	7.2	7.2	7.2	0.	
		CTC	0.1	0.1	0.1	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	2.3	2.3	2.3	0.	
		CTC	0.	0.	0.	0.	
Project Costs (US\$)	UNEP	Project Costs	133,000.	87,000.			220,000.
		Support Costs	17,290.	11,310.			28,600.
	UNIDO	Project Costs	78,000.	47,000.			125,000.
		Support Costs	7,020.	4,230.			11,250.
Total Funds Approved in Principle (US\$)		Project Costs	211,000.	134,000.			345,000.
		Support Costs	24,310.	15,540.			39,850.
Total Funds Released by the ExCom (US\$)		Project Costs	211,000.	0.			211,000.
		Support Costs	24,310.	0.			24,310.
Total Funds Requested for Current Year (US\$)		Project Costs		134,000.			134,000.
		Support Costs		15,540.			15,540.

(V) SECRETARIAT'S RECOMMENDATION:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Madagascar, UNEP as the lead implementing agency has submitted a report on the implementation of the first work programme of the Madagascar Terminal Phase-out Management Plan (TPMP) to the 56th Meeting of the Executive Committee. UNEP has also submitted a request for funding for the second tranche of the TPMP at a total cost of US \$134,000 (US \$87,000 plus agency support costs of US \$11,310 for UNEP and US \$47,000 plus agency support costs of US \$4,230 for the cooperating agency, UNIDO).

Background

2. The TPMP for Madagascar was approved by the Executive Committee at its 52nd Meeting, to completely phase out CFC consumption in the country by 2010. Total funding of US \$345,000 plus agency support costs of US \$39,850 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$211,000, plus agency support costs of US \$24,310 for the implementation of the first tranche of the TPMP.

Progress report on the implementation of the first tranche of the TPMP

3. Following the approval of the TPMP by the Executive Committee, a new decree was adopted in the year 2007 regulating import, use and trade of CFC refrigerants and halons, as well as refrigeration equipment. A national workshop regarding the introduction of a new legislation was organized for major stakeholders. The national awareness campaign on the new legislation is ongoing.

4. Four training workshops for refrigeration servicing technicians were organized in three geographical regions. A total of 20 trainers and 160 technicians were trained and certified. Four training workshops for customs officers were prepared between August and October 2008. As a result, about 100 custom officers and importers will be trained in monitoring and control of import of ODSs and ODS containing equipment, with a focus on CFCs.

5. Refrigeration servicing kits and cylinders with several alternative refrigerants were purchased and distributed to service workshops through the Association of Refrigeration Technicians in Madagascar. The objective of the scheme is to make alternative refrigerants available in the Malagasy market and to encourage retrofitting of CFC based equipment to new refrigerants.

6. Parts for the local assembly of 40 recovery machines were purchased and distributed to selected workshops. During the implementation of this component, it became evident that the planned assembling of a recovery unit in Madagascar is not as efficient as expected for a variety of reasons. An adjustment has been made accordingly in the specifications for servicing and refrigerant recovery equipment to be delivered under the second tranche, to better fit the needs of the refrigeration servicing technicians in Madagascar.

7. As of September 2008, out of US \$211,000 approved as the first tranche, US \$138,511 has been disbursed and US \$72,649 committed.

2008-2009 annual implementation programme

8. The following activities are proposed for the implementation by UNEP and UNIDO under the second tranche: additional training programmes for customs officers; continuation of training and certification programme for refrigeration service technicians in good practices in refrigeration and hydrocarbon retrofitting; procurement and delivery of refrigerant recovery machines and servicing tools and equipment; public awareness campaign; monitoring, verification and management of the TPMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. The Government of Madagascar has reported data on its 2007 ODS consumption under Article 7. The Secretariat has also received the Government's report on the implementation of its country programme. The 2007 CFC consumption reported by the Government of Madagascar of 2.12 ODP tonnes was 0.18 ODP tonnes below the allowable level of consumption of 2.3 ODP tonnes for the year.

10. UNIDO had implemented in this project an approach where parts for recovery machines were imported and subsequently assembled using local labour. It turned out that the machines were relatively large in size, restricting mobility, the overall cost per unit that was similar to that of a preassembled recovery units, and the performance was low. The Secretariat advised UNIDO and UNEP to analyse the situation and to disseminate the experience gained among other countries that have chosen a similar approach in their TPMPs.

11. The recovery and recycling programme is an important component representing about US \$113,000 or 33 per cent of the total TPMP funding. A close link was meant to be established between ongoing TPMP activities and two R&R projects approved under the RMP for Madagascar and implemented by France as bilateral activities. The project "Implementation of the RMP: set up a national recovery and recycling network" was approved in November 1999 at the 29th Executive Committee Meeting at US \$82,700 for a recovery and recycling network comprising 40 refrigerant recovery units for commercial and industrial refrigeration equipment, with an expected impact of 1.2 tonnes of recovered and reused CFCs each year. The project has been reported as completed with disbursement of US \$70,805. The second R&R project was approved in November 2005 at US \$40,500 to reactivate the R&R programme and establish a new R&R site, and is still ongoing. The Secretariat sought advice from UNEP on the impact of the implemented activities and how two R&R projects under the RMP would be integrated into the overall R&R network under the TPMP and how the work under this project is coordinated with UNEP and UNIDO ongoing activities. UNEP's response indicates that there appears to be a lack of coordination between the bilateral activities of France on recovery and recycling and those being implemented under the TPMP.

12. The analysis of the 2007 country programme report showed that a monitoring system for reporting on recovered and recycled CFCs is not in place. There is no information on either the number of recovery and recycling machines in operation or on the amount of recovered, recycled and reused refrigerants. The qualitative assessment of the CFC recovery and recycling system is "negative". It appears from the country programme that the monitoring of the existing recovery and recycling scheme has been limited, at most; at the same time, this is precondition for purchase of R&R equipment as stipulated in paragraph 8 of the Agreement. . The Secretariat requested clarifications on this issue and proposals on the improvement of monitoring functions of institutions concerned. UNEP clarified that the country is setting up a monitoring unit which will be operational by November 2008. The scope of the monitoring, however, will be limited to activities being implemented under the TPMP not covering the R&R system being presently established in parallel under the RMP.

RECOMMENDATION

13. The Fund Secretariat recommends blanket approval of the second tranche of the TPMP with associated support costs at the funding level shown in the table below with the following proviso: "The Executive Committee requested the Government of Madagascar, UNEP and UNIDO in cooperation with the Government of France to undertake measures to incorporate the recovery and recycling system established and being developed under bilateral activities of France into a combined scheme with the

TPMP, to extend the monitoring under the TPMP to the combined scheme, and to report on this monitoring and its results as part of the submission of the next tranche.”

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan (second tranche)	87,000	11,310	UNEP
(a)	Terminal phase-out management plan (second tranche)	47,000	4,230	UNIDO
