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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-ninth Meeting
Port Ghalib, Egypt, 10-14 November 2009

PROJECT PROPOSAL: CUBA

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

Phase-out

- National ODS phase-out plan for CFCs: 2009 and 2010 annual implementation plans

UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Cuba

(I) PROJECT TITLE	AGENCY
ODS phase out plan	Canada, France, Germany, UNDP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2008
CFC: 74.4	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2008		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					11.5			62.9					74.4
CTC									0.				0
Halons													0
Methyl Bromide										0.9			0.9
Others													0
TCA													0

(IV) PROJECT DATA			2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	625.1	312.6	312.6	93.8	93.8	93.8	0.	
		CTC		0.4	0.4	0.4	0.4	0.4	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	498.5	312.6	260.	93.8	93.8	0.	0.	
		CTC	2.7	0.4	0.4	0.4	0.4	0.4	0.	
Project Costs (US\$)	Canada	Project Costs	400,000.	62,000.						462,000.
		Support Costs	52,000.	8,060.						60,060.
	France	Project Costs	80,319.							80,319.
		Support Costs	10,441.							10,441.
	Germany	Project Costs	43,453.							43,453.
		Support Costs	5,649.							5,649.
	UNDP	Project Costs	196,228.	566,000.	461,000.	180,000.	106,000.	50,000.		1,559,228.
		Support Costs	14,717.	42,450.	34,575.	13,500.	7,950.	3,750.		116,942.
Total Funds Approved in Principle (US\$)		Project Costs	720,000.	628,000.	461,000.	180,000.	106,000.	50,000.		2,145,000.
		Support Costs	82,807.	50,510.	34,575.	13,500.	7,950.	3,750.		193,092.
Total Funds Released by the ExCom (US\$)		Project Costs	720,000.	628,000.	512,228.	641,000.	0.	0.		2,501,228.
		Support Costs	93,600.	67,890.	38,417.	48,075.	0.	0.		247,982.
Total Funds Requested for Current Year (US\$)		Project Costs						156,000.		156,000.
		Support Costs						11,700.		11,700.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Cuba UNDP, as the lead implementing agency, has submitted to the 59th Meeting of the Executive Committee a request for funding for the fifth and sixth (final tranche) of the national ODS phase-out plan for CFCs (NPP) at a total cost of US \$156,000 plus agency support costs of US \$11,700 for UNDP. The submission includes a progress report on the implementation of the NPP during 2008 and 2009, the verification report and the implementation programme for 2010. The NPP is also being implemented with assistance from the Government of Canada.

Background

2. The NPP for Cuba was approved at the 43rd Meeting of the Executive Committee at a total cost of US \$2,145,000 plus agency support costs for the Governments of Germany (lead agency), Canada and France, and for UNDP. The first and second funding tranches were approved at the 43rd and 45th Meetings of the Executive Committee. At the 47th Meeting, the representative of Cuba presented a request to transfer the projects assigned to Germany and France under its NPP to UNDP, and to appoint UNDP as the lead agency for implementation of the NPP. This transfer was approved at the 48th Meeting, with US \$550,645 including agency support costs being assigned to UNDP and a revised agreement between the Government and the Executive Committee.

3. At its 52nd Meeting, the Executive Committee considered a request by the Government of Cuba for the procurement of two vehicles to be utilized in the implementation of the NPP. Subsequently, the Committee decided (decision 52/20) to approve the request by the Government on the understanding that future progress reports and the project completion report would advise on the final disposal of the vehicles. At its 53rd Meeting, the Executive Committee approved funding for the third and fourth tranches of the NPP at a total cost of US \$641,000 plus agency support costs of US \$48,075 for UNDP. At that Meeting, the Committee also approved a revised phase-out schedule contained in its Agreement with the Government of Cuba.

Progress report and verification

4. During 2008 and 2009, implementation of the NPP in Cuba focused on the commercial refrigeration and air conditioning sub-sectors. A number of activities were carried out, including training programmes for refrigeration technicians in retrofitting (89 technicians) and good servicing practices (5,300 technicians). Two dedicated utility vehicles that were procured in September 2007 have been used since then to service over 220 refrigerated facilities in 14 provinces of Cuba. A group of CFC-11 chillers has also been identified for retrofitting in 2008. In domestic refrigeration, more than 2.6 million CFC-based refrigerators and 260,000 domestic air conditioning systems have been replaced with non-CFC systems, and 80 refrigerant recovery centres have been set up as part of a Government programme. Awareness activities are ongoing, and the legal system regulating ODS consumption and imports has been improved.

5. In regard to the NPP component, supported through bilateral cooperation from the Government of Canada, the recovery and recycling scheme became operational in 2005. A total of 223 recovery and recycling machines have been distributed and ten training workshops on recovery/recycling practices and the use of alternative refrigerants have been conducted. Awareness and training material, including manuals on retrofitting practices and on good practices in refrigeration, brochures on alternative refrigerants, and videos on retrofitting and recovery/recycling techniques have been developed and distributed among technicians.

6. The Secretariat reviewed the verification report submitted by UNDP and noted that total CFC imports (i.e., 74.42 ODP tonnes) had been verified through examination of import licenses and actual imports based on customs reports.

7. As of July 2009, of the US \$1,989,000 so far approved for the first tranche, US \$1,840,648 had been disbursed or committed. The balance of US \$148,352 will be disbursed in 2010.

Plan of action for the fifth and sixth tranches of the NPP

8. The Government of Cuba commits to implementing the following activities: training an additional 200 technicians in retrofitting techniques; implementing the retrofitting methodology and using the manuals that have been developed; retrofitting additional commercial refrigeration equipment and completing the retrofit of CFC-based domestic refrigerators. It will also procure additional spare parts and tools for the retrofit programme, increase the use of natural refrigerants and technologies; continue the public awareness campaigns; and conduct project monitoring and reporting.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. The 2008 CFC consumption reported by the Government of Cuba under Article 7 of the Montreal Protocol of 74.4 ODP tonnes was already 19.4 ODP tonnes below that of 93.8 ODP tonnes allowed for that year under the Protocol. According to information provided by UNDP, no CFCs have been imported in 2009, and the Government of Cuba expects that CFC consumption for 2009 will be zero.

10. The Secretariat also requested UNDP to provide a short report on the status of implementation of the chiller and MDI sub-sectors in Cuba. In regard to the MDI project, UNDP reported that the conversion and commissioning of the production plant has been completed. Product development for the HFA-salbutamol (80 per cent of total MDI production) has been completed and three industrial batches resulted in successful laboratory and stability tests. The second product, HFA-fluticasone, has also been developed, and the industrial batches are expected to be done within the next month. No CFC's are being used for the manufacture of MDIs in Cuba. In regard to the chiller demonstration project, UNDP reported that the project is being implemented according to the work plan. So far, four chillers have been installed and are currently being tested before they enter into full operation; five additional chillers are now already in the country and are in the process of being installed. The Cuban technicians have been trained in Canada at a chiller production facility.

11. The Secretariat also sought clarification from UNDP on whether the Government of Cuba will be able to achieve the complete phase-out of CFCs by the end of 2009 and sustain that level of consumption through the activities proposed in the fifth and sixth tranches of the NPP. The Government of Cuba and UNDP strongly believe that, with the activities included in the request for the last two tranches, it will be possible to reach zero CFC consumption and maintain it in the future.

12. Noting that funding for the preparation of the HPMP was approved by the Executive Committee at its 56th Meeting, the Secretariat also suggested that, during the implementation of the final tranche of the TPMP, UNDP considers advising the Government on undertaking some preliminary action to facilitate the phase-out of HCFCs in due time. UNDP reported that preparation of the HPMP is expected to commence in the last quarter of 2009. All activities proposed in the last tranches of the NPP would be implemented to support future control of HCFCs.

RECOMMENDATION

13. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the third and fourth tranches of the national ODS phase-out plan for CFCs (NPP) in Cuba;

- (b) Takes note of the verification report of the 2008 CFC consumption;
- (c) Approves the 2010 annual implementation.

14. The Secretariat further recommends blanket approval of the fifth and sixth tranches of the NPP for Cuba, with associated support costs at the funding level shown in the table below, on the understanding that UNDP will submit a progress report on the 2010 annual implementation and a verification report of 2009 CFC consumption to the 62nd Meeting of the Executive Committee:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National ODS phase-out plan for CFCs (fifth and sixth tranches)	156,000	11,700	UNDP
