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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: NIGERIA**

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

Phase-out

- National CFC phase-out plan (seventh and eighth tranches) UNDP and UNIDO

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

### Nigeria

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
CFC phase out plan	UNDP, UNIDO

<b>(II) LATEST ARTICLE 7 DATA (ODP Tonnes)</b>					<b>Year: 2008</b>
CFC: 16.5	CTC: 0	Halons: 0	MB: 0	TCA: 0	

<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)</b>										<b>Year: 2008</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					16.5								16.5
CTC													0
Halons													0
Methyl Bromide													0
Others													0
TCA													0

<b>(IV) PROJECT DATA</b>			2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
<b>Montreal Protocol Consumption Limits</b>			CFC	3,650.	3,650.	3,650.	1,825.	1,825.	547.5	547.5	547.5	0.
<b>Maximum Allowable Consumption (ODP Tonnes)</b>			CFC		3,352.7	3,137.	1,725.4	1,015.9	507.6	286.1	86.1	0.
<b>Project Costs (US\$)</b>	UNDP	Project Costs	5,013,929.	2,976,827.	2,077,141.	797,122.	489,181.	385,000.	341,200.	113,000.		12,193,400.
		Support Costs	449,318.	264,834.	183,863.	69,261.	42,146.	32,770.	28,228.	8,290.		1,078,710.
	UNIDO	Project Costs	682,386.	255,000.								937,386.
		Support Costs	82,521.	33,150.								115,671.
<b>Total Funds Approved in Principle (US\$)</b>		Project Costs	5,696,315.	3,231,827.	2,077,141.	797,122.	489,181.	385,000.	341,200.	113,000.		13,130,786.
		Support Costs	531,839.	297,984.	183,863.	69,261.	42,146.	32,770.	28,228.	8,290.		1,194,381.
<b>Total Funds Released by the ExCom (US\$)</b>		Project Costs	5,696,315.	3,231,827.	2,077,141.	0.	0.	0.	1,286,303.	385,000.		12,676,586.
		Support Costs	531,839.	297,984.	183,863.	0.	0.	0.	111,407.	32,770.		1,157,863.
<b>Total Funds Requested for Current Year (US\$)</b>		Project Costs								454,200.		454,200.
		Support Costs									36,518.	

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

1. On behalf of the Government of Nigeria, UNDP as the lead implementing agency, has submitted to the 59<sup>th</sup> Meeting of the Executive Committee a request for funding for the seventh tranche (2008) and the final eighth (2009) tranche of the national CFC phase-out plan (NPP) amounting to US \$454,200 plus agency support costs of US \$36,518; the eighth tranche is the final tranche of the plan. All funds have been released in previous tranches for the co-operating agency UNIDO. The request was accompanied by a progress report on the implementation of the NPP during the periods 2006-2007, 2007-2008 and 2009, the implementation plan for 2009-2010, a verification report for the years 2007 and 2008 and multi-year agreement tables.

### Background

2. The NPP for Nigeria was approved by the Executive Committee at its 38<sup>th</sup> Meeting to completely phase-out CFC consumption in the country by 31 December 2009. Total funding of US \$13,130,786 plus agency support costs of US \$1,194,381 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$5,013,929 plus agency support costs of US \$449,318 for UNDP and US \$682,386 plus agency support costs of US \$82,521 for UNIDO for the implementation of the first tranche of the NPP.

3. UNDP had originally submitted a request for sixth, seventh and eighth tranches to the 57<sup>th</sup> Meeting of the Executive Committee, but only the sixth tranche was approved. At that time, UNDP did not provide a verification of the consumption in 2007; a verification for the years 2005 and 2006 had been submitted in 2008 to the 54<sup>th</sup> Meeting, and the Agreement between the Government of Nigeria and the Executive Committee appeared to be in need of clarification. The Executive Committee clarified in decision 57/29 that verification of consumption had to be provided as part of the request for every second funding tranche under the Agreement between the Government of Nigeria and the Executive Committee approved at the 38<sup>th</sup> Meeting.

### 2006-2007, 2007-2008 and 2009 progress report

4. The progress report submitted to the 57<sup>th</sup> Meeting covered the period September 2006-December 2008. The current progress report included the same period and additionally activities implemented in 2009. UNIDO which is responsible for the aerosol and refrigeration manufacturing sectors has completed its activities under the NPP.

5. In the foam sector three phases of the project implementation were foreseen. Phases I and II are now completed and 95 box foam machines were purchased, delivered and installed; training was also provided. Fifteen box foam machines were purchased in December 2008 under Phase III, equipment has arrived in 2009 and is in process of clearing.

6. The report indicates a constantly rising price for CFC-12. The first set of refrigeration equipment was purchased in 2006 and provided to 30 training centres in June 2008. A second set of equipment was purchased in 2007, arrived to the country in 2008 and currently is being distributed to approximately 70 technician associations. Train-the-trainers workshops in good refrigerant management practices were organized for 60 trainers in 2006 and 2007. Nationwide training in “Good Refrigerant Management Practices” started in 2008 and 4,273 technicians were trained. The training programme continued in 2009 and it is planned to train 6,240 technicians during the period between 7 September and 17 October 2009. Train-the-trainers workshops were also held for customs and the National Agency for Food and Drug Administration and Control (NAFDAC) officers, and 67 officers were trained in 2006. Refrigerant identification equipment was purchased in 2006 and 2007. Customs training workshops were organized in 2007 and 2008, and 577 officers were trained. More than 500 officers were trained in April-May 2009.

The implementation of an end user incentive programme continues after a stakeholders workshop held in Lagos in 2008.

7. The unspent balance of the approved funding is US \$929,277 equivalent to 7 per cent of the funding approved so far.

#### Verification

8. The verification report confirms that Nigeria does not produce ODS and that therefore consumption is equal to import. An ODS import/export licensing system was established in the country in 1998; it appears to continuously work on the basis of application for import licenses only once the ODS is already in a Nigerian port. Currently the NAFDAC implements a licensing procedure that requires importers to obtain permit. The report compares import data provided by the customs service that uses a computerised system of import control, with data provided by the importers; the importer data suggests actually lower imports than customs data, but customs data has been viewed as the more reliable source of information. According to customs data, 17.5 ODP tonnes of CFC-12 was imported in 2007 and 16.5 ODP tonnes of CFC-12 in 2008, which is fundamentally lower than the maximum allowable consumption of 507.6 ODP tonnes in 2007 and 286.1 ODP tonnes in 2008, respectively. These figures are consistent with country programme and Article 7 data.

#### 2009-2010 Implementation plan

9. A number of activities are foreseen for the end of 2009 and 2010. Further training of technicians in good refrigerant management practices will be provided with an objective of training a total of 2,500 technicians. Additional 200 customs officers will be trained. The remaining equipment for the foam enterprises will be commissioned, and the end-users incentive programme will continue.

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

#### **COMMENTS**

10. This request covers the remaining two tranches of the national CFC phase-out plan for Nigeria. The overall plan experienced slow implementation until approximately 2007 but appears now to be well on its way. The implementation appears to be progressing well, according to the reports received, and the reduction in consumption in Nigeria is very significant.

11. The verification report opened again an issue already discussed with Nigeria at great length in the past; whether a licensing system which allows asking for a licence only once the goods are already in the country at customs is actually fulfilling the requirements that the Montreal Protocol has towards a such a system. However, given the fulfilment of all conditions for tranche release in the Agreement, the Secretariat was not in the position to pursue this inquiry further.

#### **RECOMMENDATION**

12. The Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the sixth tranche of the national CFC phase-out plan in Nigeria between the years 2006 and 2009;
- (b) Takes note of the verification report for the years 2007 and 2008; and
- (c) Approves the 2010 annual implementation plan.

13. The Secretariat further recommends blanket approval of the seventh and eighth tranches of the national CFC phase-out plan for Nigeria, 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 62<sup>nd</sup> Meeting of the Executive Committee:

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	National CFC phase-out plan (seventh tranche)	341,200	113,000	UNDP
(b)	National CFC phase-out plan (eighth tranche)	28,228	8,290	UNDP

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