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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: TUNISIA**

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

Phase-out

- National ODS phase-out plan (second tranche)

World Bank

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**Tunisia**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
ODS phase out plan	IBRD

<b>(II) LATEST ARTICLE 7 DATA (ODP Tonnes)</b>				<b>Year: 2008</b>	
CFC: 12.2	CTC: 0	Halons: 0	MB: 6.6	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					12.2								12.2
CTC													0
Halons													0
Methyl Bromide										6.6			6.6
Others													0
TCA													0

<b>(IV) PROJECT DATA</b>			2006	2007	2008	2009	2010	Total
<b>Montreal Protocol Consumption Limits</b>		CFC	435.1	130.5	130.5	130.5	0.	
		HAL	52.2	52.2	52.2	52.2	0.	
<b>Maximum Allowable Consumption (ODP Tonnes)</b>		CFC	300.	130.5	130.5	130.5	0.	
		HAL	42.	42.	42.	42.	0.	
<b>Project Costs (US\$)</b>	IBRD	Project Costs	790,000.		345,395.			1,135,395.
		Support Costs	59,250.		25,905.			85,155.
<b>Total Funds Approved in Principle (US\$)</b>		Project Costs	790,000.		345,395.			1,135,395.
		Support Costs	59,250.		25,905.			85,155.
<b>Total Funds Released by the ExCom (US\$)</b>		Project Costs	790,000.		0.			790,000.
		Support Costs	59,250.		0.			59,250.
<b>Total Funds Requested for Current Year (US\$)</b>		Project Costs				345,395.		345,395.
		Support Costs				25,905.		25,905.

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

1. On behalf of the Government of Tunisia, the World Bank has submitted to the 59<sup>th</sup> Meeting of the Executive Committee a request for funding for the second and last tranche (2008) of the national ODS phase-out plan (NPP) amounting to US \$345,395 plus agency support costs of US \$25,905. The request is accompanied by a progress report on the implementation of the NPP during the years 2006 to 2008 and part of 2009, the implementation plan for 2010, a verification report for the years 2006 and 2007 and multi-year agreement tables.

### Background

2. The NPP for Tunisia was approved by the Executive Committee at its 49<sup>th</sup> Meeting to completely phase-out CFC consumption in the country by 2010. Total funding of US \$1,135,395 plus agency support costs of US \$85,155 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$790,000 plus agency support costs of US \$59,250 for the implementation of the first tranche of the NPP.

### Verification report

3. The verification report is related to the consumption of CFCs and halon. Tunisia does not produce nor export ODS and its consumption is equal to the import. According to the report there was no import of halons in the years 2006 and 2007. The licensing system is functioning since 2002 and import is allowed based on a license issued by the National Environmental Protection Agency (ANPE). For CFC-12, the quotas for import are established at a level of 55 ODP tonnes in 2006 and 50 ODP tonnes in 2007, substantially lower than the maximum allowable consumption of 300 ODP tonnes for 2006 and 130.5 ODP tonnes for 2007, respectively. There were licenses issued for the import of 45.9 ODP tonnes of CFCs in 2006 and 22.7 ODP tonnes of CFCs in 2007.

4. The report compared different sources of information and some minor inconsistencies were found. According to the importers 46.37 ODP tonnes of CFC-12 were imported in 2006, which is about the same as reported by the Ministry of Commerce (46.3 ODP tonnes), but differs from ANPE's figure of 58.16 ODP tonnes of CFC-12, reported to the Ozone Secretariat. ANPE has also reported the import of small amounts of other CFCs: 0.01 ODP tonnes of CFC-113, 0.40 ODP tonnes of CFC-114 and 0.44 ODP tonnes of CFC-115 in 2006. The difference of 11.79 ODP tonnes of CFC-12 between ANPE and importers data is explained by internal transfers from customs to local consumers. There were no inconsistencies found for 2007 among the same sources and according to them 17.7 ODP tonnes of CFC-12 was imported. The data is consistent with both Article 7 data as well as country programme data, and the verification shows clearly that the actual consumption was well below the maximum allowable consumption.

### 2008 and 2009 progress report

5. The NPP for Tunisia was approved in July 2006. Its implementation was delayed and actual activities started only in 2008. The NPP covers the foam, aerosol (including metered dose inhalers (MDI)), halon and refrigeration servicing sectors.

6. All identified enterprises in the foam sector had either converted or changed their operations by the end of 2007. CFC-11 is no longer imported and instead, typically methylene chloride (MC) is in use. Activities in the sector consist of technical assistance and awareness raising. A sector study was initiated in 2008 and completed in 2009, confirming foam enterprises conversion; a technical assistance workshop was held in 2009. The activities in the foam sector are now completed and remaining funds are being reallocated to the other sectors.

7. Similar activities were also implemented in the aerosol sector, where companies either converted or changed their operations early. Aerosol and halon sector studies were initiated in 2008 and completed in 2009; one technical assistance workshop in the aerosol sector and another in the halon sector were organized in 2009.

8. Regarding legislation and the enforcement, two customs training workshops for 60 officers that initially were foreseen for 2008 were organized in 2009; 32 refrigerant identifiers are to be procured in late 2009 in addition to the amounts foreseen in the original plan. The training of technicians in good practice in refrigeration management will be implemented in 2010, and a survey as well as a sector study was already conducted in 2009. Equipment for refrigeration servicing sector to be procured in late 2009 includes 15 recovery and recycling (R&R) units for the MAC sector, tools for 39 small shops and 23 R&R units for commercial refrigeration.

9. The Project Monitoring Unit (PMU) is established in the country and supports reporting and monitoring activities. Awareness-raising activities took place in 2007 and 2008. In June 2009 a meeting “The Montreal Protocol: 22 Years of Successes and Achievements” was organized with 400 participants.

10. The unspent balance of the approved funding as of June 2009 is US \$720,820 equivalent to 91.2 per cent of the funding approved so far.

#### 2010 Implementation programme

11. The World Bank has provided with the submission an update of the overall plan, with changed targets for e.g. the amount of technicians to be trained, the amount of training provided for customs officers, and the purchase of halon R&R equipment. However, activities in the foam sector originally foreseen were almost completely removed, since there seem to be no more activities needed in that sector.

12. For 2010, it is planned to train 2,433 technicians in good practice in refrigeration management, which will complete the overall plan under the NPP. Another two workshops will be organized for customs officers so that in total four workshops will be provided, as compared to the three originally planned. Two MDI transition workshops will be organized in 2010. In the halon sector two additional technical assistance workshops will be held, and R&R equipment will be purchased for the management and storage of halon; this activity was not envisioned in the original plan. Awareness activities and strengthening of PMU will continue in 2010 as well.

### **SECRETARIAT’S COMMENTS AND RECOMMENDATION**

#### **COMMENTS**

13. The national ODS phase-out plan is foreseen with only two tranches. Tunisia has, during the implementation time of this plan, made significant progress in accelerating the phase-out beyond the requirements of the Montreal Protocol and the Agreement covering the phase-out plan.

14. The World Bank, on behalf of Tunisia, almost completely removed the foam sector activities from the plan and carried out some additional adjustments. The removal of the foam sector activities, however, related only to a total amount of US \$50,000 which was reduced to below US \$5,000. The changes, which are contained in the annual implementation plan, are in the view of the Secretariat within the flexibility provided under the Agreement during the implementation of one tranche. The budget increases in different sectors appear to be matched by according increases in the actual activities. The Executive Committee may wish to consider approving the 2010 implementation programme with those changes to the overall plan.

15. In decision 57/15 the Executive Committee decided that bilateral and implementing agencies should not submit for the Committee's consideration requests for funding of tranches of multi-year agreements with low rates of implementation of activities, initiated with previously approved tranches, and where the rate of disbursement of funding available from the previously approved tranche was less than 20 per cent, even when the levels of consumption of the ODS under consideration were below the maximum allowable levels under the Montreal Protocol and in the Agreement between the Government concerned and the Executive Committee. At the end of June 2009, the disbursement for this Agreement – according to the World Bank's definition of disbursement which is actual funds that flow from the accounts of the Bank to the country client's special account – was at 9 per cent.

16. The World Bank informed that they perceived differences between the World Bank and the other implementing agencies in employing the UN definition of disbursement, and that would the UN definition be used, then Tunisia would have definitely surpassed the 20 per cent disbursement requirement. While the Secretariat could not subscribe fully to that view, the World Bank proposed to submit to the Executive Committee the biennial plan and second tranche submission, with the condition that contractual obligations as defined by the Secretariat plus actual disbursements amount to a sum greater than 20 per cent of the funding under the first tranche of the NPP by the first day of the Meeting. The Bank would withdraw the submission at that time if this were not the case. This proposal was agreeable to the Secretariat.

## RECOMMENDATION

17. The Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of the national ODS phase-out plan in Tunisia during the years 2006 to 2008;
- (b) Takes note of the verification report for the years 2006 and 2007; and
- (c) Approves the 2010 annual implementation plan.

18. The Secretariat also recommends that the Executive Committee, depending on the update on the status of disbursements of the national ODS phase-out plan of Tunisia to be provided by the Secretariat, either:

- (a) Notes that the World Bank withdrew the submission for the second tranche of the national ODS phase-out plan for Tunisia; or
- (b) Approves the second and final tranche (2008) of the national ODS phase-out plan for Tunisia at a cost of US \$345,395 plus agency support costs of US \$25,905 for the World Bank, on the understanding that the World Bank will submit a progress report on the 2010 annual implementation and a verification report of the 2008 and 2009 CFC and halon consumption to the 62<sup>nd</sup> Meeting of the Executive Committee.

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