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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty first Meeting
Montreal, 17 -19 December 2003

COUNTRY PROGRAMME: CAMBODIA

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 Cambodia
- Country Programme Cover Sheet
- Country Programme (Executive Summary)

CAMBODIA COUNTRY PROGRAMME EVALUATION SHEET

Status of ratification of the Vienna Convention and the Montreal Protocol

| | Signature | Ratification | Entry into |
|---------------------------|------------------|---------------------|-------------------|
| Vienna Convention (1985) | | 27-Jun-01 | 25-Sep-01 |
| Montreal Protocol (1987) | | 27-Jun-01 | 25-Sep-01 |
| London Amendment (1990) | | | |
| Copenhagen Amendment | | | |
| Montreal Amendment (1997) | | | |
| Beijing Amendment (1999) | | | |

Production of controlled substances: No controlled substances produced

Consumption of controlled (2002) 99.0 metric tonnes
94.7 weighted tonnes (ODP)

| (tonnes) | CFC-11 | CFC-12 | CFC-113 | CFC-114 | CFC-115 | TOTAL | Halon121 | Halon130 | TOTAL | CTC | MCF | TOTAL | Me-Br |
|----------|--------|--------|---------|---------|---------|-------|----------|----------|-------|-----|-----|-------|-------|
| ODS | 0.8 | 93.4 | | | | 94.2 | | | | | 4.8 | 4.8 | |
| ODP | 0.8 | 93.4 | | | | 94.2 | | | | | 0.5 | 0.5 | |

Distribution of ODP by CFC 99.5% Halon CTC and MCF 0.5% MB

Distribution of ODP by sector: Aerosol Foam Halon Refrigeration Solvent Other MB

Consumption (ODP tonnes): 0.0 0.0 0.0 94.2 0.5 0.0 0.0

Percent of total: 99.5% 0.5%

MONTREAL PROTOCOL (ODP tonnes) CFCs Halons Methyl bromide

Baseline consumption 94.2

Allowable level of consumption in 2005 47.1

Source: Country Programme (2003)

Country Programme

Duration of country programme: 7 years (2004-2010)

ODS phase out target: 85% reduction in CFC consumption by end-2006. Complete phase-out by 2010

Phase out priority area: Refrigeration servicing sector

Cost of activities in country \$1,304,403

Strategy:

The Government is proposing to prohibit the import of ODS-based equipment into the country, formulate relevant ODS regulations where necessary to prohibit the potential use of ODS in manufacturing processes as well as to reduce use of ODS in the servicing workshops; registered existing servicing workshops for close monitoring; comply with the Montreal Protocol's limits on ODS consumption; minimize economic loss to the country in carrying out the ODS phasing-out action.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

1. Based on a survey conducted during the preparation of the 2002 Cambodia country programme/refrigerant management plan (RMP), the ODS consumption in 2002 was estimated at 94.7 ODP tonnes. Of this amount, 94.2 ODP tonnes was CFC used for servicing refrigeration equipment, and 0.5 ODP tonnes was TCA used as a solvent. ODS are imported from Thailand and Vietnam.
2. The Government of Cambodia is proposing the establishment of legislation and a regulatory system to control imports of ODSs and ODS-based equipment. Future investment policies will support Cambodia's commitment to the Montreal Protocol by promoting the use of non-ODS technology and banning/discouraging investment in ODS-based technologies. The Cabinet has not yet approved ratification of the London and Copenhagen amendments to the Montreal Protocol. After the July 2003 election, the new Government has been formed in November 2003. The Ministry of Environment will follow up on the ratification in early 2004.
3. The Government of Cambodia is committed to meet the obligations of the Montreal Protocol though it will be a challenging task given that the proposed activities contained in the country programme would only commence by the middle of 2004.
4. At its 36th Meeting, the Executive Committee approved the institutional strengthening project for Cambodia for a one-year period. As a result, the Ozone Unit was established under the Ministry of the Environment. Since then, the Ozone Unit has been responsible for the preparation of the Cambodia country programme and RMP project. A separate project proposal to extend the institutional strengthening project would be submitted at a future meeting.
5. The country programme also included a RMP project. The Government of Cambodia has requested a total of US \$1,310,403 for the implementation of this project. The Fund Secretariat's comments and recommendations on this request are presented in document UNEP/OzL.Pro/ExCom/41/27.

SECRETARIAT'S COMMENTS

6. Pursuant to Decisions XIV/14 and XIV/16 of the Parties to the Montreal Protocol (regarding data reporting under Article 7), on 1 October 2003, the Fund Secretariat received an official communication from the Government of Cambodia submitting the ODS consumption data based on the data forms available for reporting progress on the implementation of the country programme (Fund Secretariat) and data reporting under Article 7 (Ozone Secretariat). The Implementation Committee, at its 31st Meeting noted with appreciation the fact that Cambodia (among other Parties) has reported its ODS data, thus bringing the country into compliance with the provisions of Article 7.

SECRETARIAT'S RECOMMENDATIONS

7. The Fund Secretariat recommends approval of the Cambodia 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 Cambodia country programme is without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government of Cambodia.

8. The Fund Secretariat also recommends that the Government of Cambodia 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 2004 to 31 December 2004, should be submitted to the Fund Secretariat no later than 1 May 2005.



KINGDOM OF CAMBODIA
NATION-RELIGION-KING

COUNCIL OF MINISTERS
Ministry of Environment

Phnom Penh, 20th October 2003

No : 291 MoE

**To: Chief Officer,
Multilateral Fund For the
Implementation of the Montreal Protocol**
Fax: (514) 282-0068

**Subject: Endorsement Letter for the Country Program and Refrigerants
Management Plan for the Phase Out of the Ozone Depleting
Substances in Cambodia.**

Dear Chief Officer,

I have the honour to herewith submit the Country Program and Refrigerants Management Plan for the Phase Out of the Ozone Depleting Substances in Cambodia to you as well as to the Secretariat of Multilateral Fund for the Implementation of the Montreal Protocol to be considered for Multilateral Fund available financial support for its implementation. In this regard, I would like to inform you that the enclosed Country Program and Refrigerants Management Plan for the Phase Out of the Ozone Depleting Substances in Cambodia is fully endorsed by the Ministry of Environment of Cambodia.

We are pleased to ensure that the Royal Government of Cambodia is highly committed to the implementation of its plan for the phase out of ozone depleting substances as stipulated in the this plan.

We hope that the Country Program and Refrigerants Management Plan will get approve in the 41st Meeting of Executive Committee of the Multilateral Fund in December 2003. *ATH.*

Sincerely yours, *AT*

Sathan

CC:

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H.E Chhann Saphan
Secretary of State for Environment

COUNTRY PROGRAMME COVER SHEET

Country Programme: **Cambodia** Date Received : **October 2003**

Lead National Agency: **Ministry of Environment**

Period Covered by the Country Programme: **2003 – 2010**

1. Phase-out Schedule

| Substances | Current consumption (tonnes x ODP) in 2002 | Planned total consumption until phase out (tonnes x ODP) | Planned year phase out |
|------------|--|--|------------------------|
| CFC 11 | 0.83 | 0.83 | 2010 |
| CFC 12 | 93.35 | 93.35 | 2010 |
| CFC 115 | 0.05 | 0.05 | 2010 |
| Halon 1211 | 0.0 | 0.0 | 2010 |
| Halon 1301 | 0.0 | 0.0 | 2010 |
| CTC | 0.0 | 0.0 | 2010 |
| MTC | 0.48 | 0.48 | 2015 |
| Total: | 94.71 | 94.71 | |

2. Government Action Plan

| Year) | Description of action | Sector | Intended effect |
|-------|---|--------|--|
| | INSTITUTIONAL MEASURES | | |
| 2003 | Establish National Committee to implement Montreal Protocol | All | Create an institutional mechanism to steer ODS phase-out at a policy level |
| 2003 | Establish National Ozone Unit (NOU) within Ministry of Environment | All | Create an institutional mechanism to facilitate ODS phase-out at an operational level |
| 2004 | Establish relevant sector groups to facilitate the formulation and implementation of phase-out action plans. | All | Create an institutional mechanism to assist the NOU to facilitate ODS phase-out in relevant groups |
| 2004 | Enhance data collection and reporting procedure through introduction of an ODS licensing system whereby the approved importers are required to report on quantity and types of ODS imported as well as on potential users | All | Strengthen the institutional mechanism to facilitate ODS phase-out |
| 2004 | Compile information on ozone layer protection. Set up databases on relevant non-ODS technologies and alternatives. | All | Create supporting measures to facilitate ODS phase-out |
| 2004 | Capacity building of Government Ministries in preventing the creation of new sources of ODS consumption e.g. informing relevant approving authorities dealing with importers of ODS and ODS based equipment / products about the ODS action plan and the action required from them. | All | Educate all stakeholders to participate effectively in the national phase-out action plan |
| | REGULATORY MEASURES | | |
| 2004 | Formulation of law / regulations or the issuance of administrative directives to ban the import of ODS products | All | Introduce control measures to facilitate ODS phase-out |
| 2004 | Formulation of law / regulations or the issuance of administrative directives to ban or control the import/sale/use of ODS in the various sectors | All | Introduce control measures to facilitate ODS phase-out |
| 2004 | Formulation of guidelines on the use of non-ODS technologies to assist the relevant Government planning Committees in vetting investment projects | All | Introduce control measures to facilitate ODS phase-out |
| 2004 | Introduce monetary instruments e.g. tax incentive | All | Introduce control measures to |

| Year) | Description of action | Sector | Intended effect |
|--------|---|--------------|---|
| | schemes such as tax reduction on the use of non-ODS based goods and ODS alternatives | | facilitate ODS phase-out |
| 2004 | Initiate voluntary agreements with companies/industry groups under which they commit to change to substitutes/alternatives without further action from the government. | All | Introduce control measures to facilitate ODS phase-out |
| | REPORTS AND STUDIES | | |
| 2004-5 | Registration of users and sources of ODS consumption as a follow-up to the implementation of the CP/RMP | All | To facilitate the ODS phase-out |
| 2005 | Study/Documentation of non-ODS alternatives/substitutes applicable to Cambodia | All | To facilitate ODS phase-out |
| 2005 | Preparation of Country Programme Update | All | Review the implementation of CP/RMP and revised action plan for ODS Phase-out |
| | PUBLIC AWARENESS CAMPAIGNS | | |
| 2004-6 | Organising conference/seminar on ozone layer protection for all the stakeholders | All | To strengthen the capacity of stakeholders participating in ODS phase-out |
| 2004-6 | Organising sector seminar/workshops on non-ODS alternatives/ substitutes | All | To strengthen the capacity of stakeholders participating in ODS phase-out |
| 2004-6 | Organising training seminar/workshops for servicing and maintenance workshop operators | R&A/C Sector | To strengthen the capacity of servicing workshop operators in recycling and reusing of CFCs |
| 2004-6 | Education Curriculum - While public awareness campaigns are carried out, any relevant practical activities are required such as introducing the Ozone Layer Protection as a subject in the education curriculum for Secondary Schools | All | To create awareness on ozone layer protection among secondary schools |
| 2004-7 | Public awareness through Slogan, Poster, Brochures, Pictures competition, sport activities, quiz etc to be carried out through co-operation with mass media | All | To create public awareness on ozone layer protection |

3. Project Summary

| Year | Type of project | Project description | Project cost | Incremental cost | Participating Implementing Agencies | Tonnes x ODP Phased Out |
|--------|----------------------|--|--------------|------------------|--|-------------------------|
| 2004-6 | Training | MAC and refrigeration technicians training | 173,000 | 173,000 | UNEP | |
| 2004-6 | Training | Customs training | 109,000 | 109,000 | UNEP | |
| 2004-8 | Investment | MAC Awareness and Incentive Program | 632,000 | 632,000 | UNDP | 19.2 |
| 2004-7 | Investment | National Recovery and Recycling Program | 241,653 | 241,653 | UNDP | 16.15 |
| 2004-8 | Technical assistance | CP/RMP Implementation Support and Monitoring | 90,000 | 90,000 | UNEP | |
| 2004-5 | Technical assistance | Establishment of ODS licensing system | 58,750 | 58,750 | Swedish International Development Cooperation Agency | |

4. Costs

Cost of Activities and Projects in Country Programme / RMP (US \$1,304,403)

EXECUTIVE SUMMARY

1. This Country Programme and Refrigerant Management Plan (CP/RMP) was prepared by the Government of Cambodia (Ministry of Environment) with assistance from UNEP, UNDP and Sweden. UNEP, as per the approval by the 35th Executive Committee Meeting, was tasked with the responsibility to prepare a national phase-out strategy. UNDP has the responsibilities of formulating the investment components for the Refrigerant Management Plan. The Government of Sweden has been requested by the Cambodia Government to assist in the formulation of ODS import licensing system.
2. The objective of this CP/RMP reflects the commitment of Cambodia to its obligation as a Party to the Montreal Protocol having in mind the socio-economic needs of the country. The CP/RMP was approved by the Government of Cambodia on 3 October, 2003 and is being presented to the 41st meeting of the Executive Committee of the Multilateral Fund for approval.
3. The CP/RMP provides the socio-economic background of Cambodia in which the ODS phase out will take place. It outlines the proposed institutional and policy frameworks for ODS phase-out and outlines the actions to be taken by the Government and industries, the implementation strategies, the action plan and the proposed ODS phase-out projects and activities. Cambodia is seeking financial assistance from the Multilateral Fund (MLF) to fund the activities listed in the CP/RMP.
4. Cambodia does not produce or export ODS. Based on the ODS Survey conducted, the estimated consumption in 2002 was 94.23 Metric Tonnes (ODP) of Annex A Group I CFCs or 0.0075 kg per capita based on a population of 12.5 million in 2002. The major consumption (78.64 MT) is for the servicing needs of Mobile Air Conditioners (MAC) and the remaining 14.71 MT is for servicing the air conditioning (excluding MAC) and refrigeration sector.
5. Based on current consumption trend, Cambodia will need to reduce its consumption of 94.23 ODP MT by at least 47 ODP MT during 2004 to 2005 to meet 50 percent reduction commitments (47.12 ODP MT) and another 34 ODP MT between 2005 and the end of 2006 to ensure its compliance with the 85 percent reduction target of 2007 under the Montreal Protocol.
6. With no additional intervention from the Government or the MLF, Cambodia will not meet the 50 percent reduction requirement and will not be able to meet the subsequent interim phase out targets. With the proposed series of action, Cambodia would be able to reduce the consumption though the impact might not be enough to assist Cambodia to meet the 50 percent reduction target. By introducing best practices in the servicing sector, restricting supply and reduce demand through end-user incentive program, establishment of a system to recover and recycle the currently installed stock of CFCs, Cambodia should be able to meet the last two crucial obligations of 85 and 100 percent reduction in 2007 and 2010, respectively.
