



**United Nations
Environment
Programme**



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/27/26
20 February 1999

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-seventh Meeting
Montreal, 24-26 March 1999

PROJECT PROPOSAL: INDONESIA

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

Halon

- Halon Management Programme for Indonesia, Halon Recovery, World Bank Recycling and Banking

**PROJECT EVALUATION SHEET
INDONESIA**

SECTOR: HALON ODS use in sector: 154 ODP tonnes (1211)
51 ODP tonnes (1301)

Sub-sector cost-effectiveness thresholds: US \$1.48/kg

Project Titles:

(a) Halon Management Programme for Indonesia, Halon Recovery, Recycling and Banking

Project Data	HALON	
	Halon Management Programme	
ODS phase-out (ODP tonnes)	Not applicable but the World Bank listed 972	
Proposed project duration (months)	48	
Incremental capital cost (US \$)	647,900	
- including contingency (%)	10	
Incremental operational cost (US \$)	40,650	
Total project cost (US \$)	688,550	
Local ownership (%)	100%	
Export component (%)	0	
Amount requested (US \$) {Original}	666,550	
{Revised}		
Cost effectiveness (US \$/kg)	N/A	
National Coordinating Agency	Ministry of Environment	
Implementing Agency	World Bank	
Technical review completed?	Yes	

Secretariat s Recommendations:	
Amount recommended (US \$)	486,200
Project impact (ODP tonnes)	N/a
Cost effectiveness (US \$/kg)	N/a
Implementing Agency support cost (US \$)	63,206
Total cost to Multilateral Fund (US \$)	549,406

PROJECT DESCRIPTION

(a) Halon Management Programme for Indonesia, Halon Recovery, Recycling and Banking

1. This project will lead to a comprehensive national halon management programme for Indonesia and support the phase-out achieved through the halon investment projects. The project aims at eliminating use and recover halons from non-essential halon fire protection applications, limit the phase-out costs to users, and promote the use of non-ODS fire protection alternatives. The project will also assist critical and essential halon users in developing their halon phase-out programmes and ensure supply of halons to remaining essential uses. The project will provide reclamation equipment and storage tanks for a central facility and smaller recycling equipment for regional workshops. While it is assumed that a recycling facility will be financed by its operation, all experiences show that it takes two to three years to break even. Technical assistance is requested to support national capacity building.

2. Meeting the 2002 Freeze requirements for halons: The project is supported by national regulations, which will prevent import of new halons and prevent new uses. The project will ensure that Indonesia is able to meet the 2002 freeze target.

SECRETARIAT S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. This project addresses both halon banking and the phase-out of halon 1301 for fixed systems. It complies with the guidelines for halon banking approved at the 18th Meeting (decision 18/22) and is consistent with recent approvals for halon banking.

2. The Executive Committee has already approved projects leading to the phase-out of the halon portable fire extinguisher sub-sector. With this approval, the Bank indicated that no further funding for the halon sector will be required for Indonesia.

RECOMMENDATIONS

1. The Fund Secretariat recommends blanket approval in the amounts as follows:

Project Title	Project Cost US \$	Support Cost US \$	Implementing Agency
Halon Management Programme for Indonesia, Halon Recovery, Recycling and Banking	486,200	63,206	World Bank