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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**PROJECT PROPOSAL: ANTIGUA AND BARBUDA**

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

Phase out

- CFC phase-out management plan

World Bank

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**  
**COUNTRY: ANTIGUA AND BARBUDA**

**PROJECT TITLE****BILATERAL/IMPLEMENTING AGENCY**

CFC phase-out management plan	World Bank
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**SUB-PROJECT TITLES**

(a) Policies and regulations (b) Technical assistance and training (c) Demonstration programme introducing blends as a mean of reducing CFC demand and recover CFC for more critical installations (d) Recovering and recycling programme	World bank
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**NATIONAL CO-ORDINATING AGENCY:**

National Ozone Unit, Ministry of Trade

**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2003, AS OF OCTOBER 2004)**

CFCs	1.50 ODP tonnes		
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**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2003, AS OF OCTOBER 2004)**

ODS	Foam	Ref.	Aerosol	ODS	Solvents	Process agent	Fumigant
CFCs	0	1.94	0				

**CFC consumption remaining eligible for funding (ODP tonnes)**

n/a

**CURRENT YEAR BUSINESS PLAN:** Total funding 0.61 US \$ million: total phase-out 90DP tonnes.

<b>PROJECT DATA</b>		2004	2005	2006	2007	2008	2009	2010	Total
<b>CFCs</b> (ODP tonnes)	Montreal Protocol limits	10.7	5.357	5.357	1.67	1.67	1.67	0	n/a
	Annual consumption limit	2.0	1.8	1.4	1.0	0.5	0	0	0
	Annual phase-out from ongoing projects	0	0	0	0	0	0	0	0
	Annual phase-out newly addressed	0	0.2	0.4	0.4	0.5	0.5	0	2.0
	Annual unfunded phase-out	0	0	0	0	0	0	0	0
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		0	0.2	0.4	0.4	0.5	0.5	0	2.0
Total ODS consumption to be phased-in (HCFCs)		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Project cost as originally submitted (US \$)		69,400	0	27,900	0	0	0	0	97,300
<b>Final Project costs (US \$):</b>									
Funding for the World Bank		69,400	0	27,900	0	0	0	0	97,300
<b>Total project funding</b>		69,400	0	27,900	0	0	0	0	<b>97,300</b>
<b>Final Support costs (US \$)</b>									
Support cost for the World Bank		6,246		2,511	0	0	0	0	8,757
<b>Total support costs</b>		6,246	0	2,511	0	0	0	0	<b>8,757</b>
<b>TOTAL COST TO MULTILATERAL FUND (US \$)</b>		75,646		30,411	0	0	0	0	106,057
Final Project cost effectiveness (US \$/kg)									n/a

**FUNDING REQUEST:** Approval of funding for first tranche (2004) as indicated above.

<b>SECRETARIAT'S RECOMMENDATION</b>	For individual consideration
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## PROJECT DESCRIPTION

1. On behalf of the Government of Antigua and Barbuda, the World Bank has submitted to the 44th Meeting of the Executive Committee a "CFC Phase-Out Management Plan for Antigua and Barbuda". The CFC Phase-Out Management Plan will lead to the final phase-out of CFCs in the country by the year 2009 and will assist the Government of Antigua and Barbuda to meet its 2007 compliance target for CFC consumption.

### Background Information

2. Antigua and Barbuda's reported consumption of Annex A controlled substances for the year 2003 was 1.5 ODP tonnes of CFC. This figure is below the 2005 and 2007 compliance obligations of 5.35 ODP tonnes and 1.605 ODP tonnes, respectively. The World Bank proposes to use the average of three years of consumption as the phase-out to be achieved, i.e. 2.77 ODP tonnes. This proposal is based on the fact that the imports over the last years varied around this level. For a small consumption as in Antigua and Barbuda the minimum quantity possible for importation, if it is to be economical, can constitute a sizeable proportion of the total annual consumption. This might lead to large percentage changes in the annual level of imports since the total consumption is very low.

3. So far, the Executive Committee has approved US \$154,400 for the previous Refrigerant Management Plan. The Secretariat took into account these projects while reviewing the activities proposed in the national phase-out plan.

4. Antigua and Barbuda acceded to the Vienna Convention and the Montreal Protocol in 1992, the London and Copenhagen Amendments in 1993, and ratified the Montreal Amendment in the year 2000. The Beijing Amendment is not yet ratified.

5. The Country Programme in Antigua and Barbuda was approved by the Executive Committee of the Multilateral Fund at its 21st Meeting in 1996. The Executive Committee of the Multilateral Fund approved at its 26th Meeting in 1998 a refrigerant management plan for Antigua and Barbuda.

6. Antigua and Barbuda does not manufacture CFCs and so the difference between imports and exports correspond to the total consumption in the country. The country serves as a regional re-exporter for CFCs to nearby Caribbean Islands within CARICOM. Antigua and Barbuda operates a licensing system based on an agreement between the different stakeholders. The NOU is responsible for setting annual ODS quotas in co-operation with industry, including an additional export component if requested. The Customs Department is responsible for controlling and monitoring ODS imports and exports and reporting these figures back to the NOU. The NOU then reviews the import data to ensure that individual and aggregate quota levels have been met. The system works informally due to the small number of people involved.

### Eligibility

7. Antigua and Barbuda is a low volume consuming country. The country has received funding for a refrigerant management plan at the 26th Meeting; the decision of the Executive Committee that RMPs should achieve, without further requests for funding, at least the 85% reduction step in 2007 is only valid for RMPs approved at or after the 31st Meeting.

8. Decision 31/48 of the Executive Committee limits the funding level for an update to a refrigerant management plan to 50% of the original project. In the case of Antigua and Barbuda, that would correspond to a funding level of \$77,200. The project funding level proposed by the World Bank is US \$97,300, but this leads to a complete consumption phase-out in the country instead of a reduction to 15% of the baseline.

### Content

9. Antigua and Barbuda does not manufacture refrigeration and air conditioning equipment, consequently, only service-related CFC consumption remains in the country.

10. According to the World Bank the objective of the plan is to support the country in phasing out remaining CFC consumption without causing undue economic hardship. In addition, it is meant to fulfil the need to actively promote and fund retrofit actions, particularly in commercial and small food market refrigeration systems, to promote retrofit in MAC units and domestic refrigerators, to extend the life of remaining refrigeration systems wherever possible and to fulfil the need for improved sustainability in training and recycling programmes. The Government is also very concerned that the lack of adequate CFC supply may force premature replacement of refrigeration equipment and put a financial strain on the low-income segment of the population.

11. The TPMP submitted by the World Bank includes the following actions to minimize the impact of this issue:

- (a) Study of CFC use in the sub-sectors concerned;
- (b) Affordable retrofit of remaining CFC equipment as a component in the proposed training programme and encouragement of service providers to develop and implement such retrofits; and
- (c) Providing funds for the incremental cost of retrofits and/or conversions in the food market and mini market refrigeration area that eliminate CFCs as a refrigerant.

Performance targets and disbursement schedule

12. The World Bank has requested approval of the full amount of funding at this 44<sup>th</sup> Meeting. The CFC Phase-out Management Plan proposes to reach zero consumption in 2009, one year ahead of the Montreal Protocol schedule.

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

13. The project proposal focuses on both recovery and recycling as well as retrofitting. This is related to the government policy to try to avoid systems containing CFCs to be abandoned prematurely. After discussions the World Bank agreed to refocus the implementation on the introduction and use of so-called drop-in refrigerants, instead of relying exclusively on recovery and recycling as well as retrofit, covering systems as small as household refrigerators. The World Bank provided an updated project document on this basis.

14. The licensing system of Antigua and Barbuda is not backed by legislation. Nevertheless, it seems to be an effective tool because of the close co-operation of the NOU, industry and customs, where the customs provide essential cross-checking of data. The oversight and verification of imports and exports through customs, being the major control and enforcement component of any licensing and importation scheme, is also the main characteristic of the set-up in Antigua and Barbuda. Under these circumstances the applicability of Decision 38/64, requesting the country to have a licensing system in operation and to have enacted or improved legislation to phase-out ODS consumption, remains unclear.

15. Table 1 shows the import and export data of the last years, the country's consumption and the quota allocation. Based on the figures contained in it, export plays an important role in the determination of consumption. In addition, the absolute amount indicates that compliance is difficult to achieve since even if the use in the country declines, the economically viable shipment size is about the same as the annual consumption. Consequently, already one additional shipment or the delay of one can alter the consumption figures dramatically.

Table 1: Net Consumption for CFC during 1998-2003, in tonnes CFC

Year	Total CFC Imports	Total CFC Reexports	Total CFC consumption	Quota allocation
1998	-	-	10.8	-
1999	-	-	-1.81	-
2000	29.77	23.94	3.64	8.0
2001	10.41	6.67	2.78	6.0
2002	17.01	13.41	3.60	4.0
2003	8.07	6.13	1.94	2.0

16. The World Bank proposes to use a figure above the latest consumption figure as a starting point for a consumption phase-out, basing this figure on the average of three years of consumption. Given the specific situation of the country, the Fund Secretariat believes that averaging three years of consumption could be a helpful way to determine the present level of CFC use in the country, and with it the need for support. The determination of incremental costs did therefore take the three-year average consumption into account.

17. Antigua and Barbuda is fully eligible to receive support for the phase-out of its remaining CFC consumption. The World Bank assured the Secretariat that Antigua and Barbuda accepts and understands that, with the approval of this phase-out plan, there will be no further eligibility for CFC phase-out activities in the country.

## RECOMMENDATION

18. The Executive Committee might consider if Antigua and Barbuda has fulfilled the requirements of decision 38/64 through its system of issuing licenses and having customs certify the level of imports and exports and despite the lack of legal backing for this system.

19. Based on the outcome of above considerations, the Executive Committee might want to approve this phase-out plan at the agreed level of funding with the understanding that:

- (a) The total level of funding of the CFC Phase-Out Management Plan for Antigua and Barbuda is US \$97,300 plus support costs of US \$8,757. This is the total funding that would be available to the Government of Antigua and Barbuda from the Multilateral Fund for the complete elimination of all ozone-depleting substances in Antigua and Barbuda;
- (b) The Government of Antigua and Barbuda commits itself to the phased reduction and complete phase-out of the consumption of ODS in Antigua and Barbuda, according to the following phase-out schedule, which is at a minimum consistent with the Montreal Protocol's control measures for the relevant ozone-depleting substances:

Year	2005	2006	2007	2008	2009	2010
Annual CFC (ODP tonnes)	1.8	1.4	1.0	0.5	0	0

- (c) The Executive Committee approves the first tranche at the amount of US \$69,400 plus support costs of US \$6,246 for the World Bank for the first annual implementation programme;
- (d) The Executive Committee approves in principle the second tranche at the amount of US \$27,900 plus support costs of US \$2,511, with an approval to be requested for the last meeting in 2006. The Executive Committee will not be obliged to approve the second tranche unless the Country has met the targets specified under sub-paragraph (b) for the years 2004 and 2005 as per Article 7 data reporting to

the Ozone Secretariat, and presented a report concerning activities undertaken as well as a work plan for the remaining implementation;

- (e) The Government of Antigua and Barbuda agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of CFCs. The Executive Committee agrees to provide Antigua and Barbuda with flexibility in using the agreed funds consistent with operational procedures as agreed between Antigua and Barbuda and the World Bank in the CFC Phase-Out Management Plan for Antigua and Barbuda;
- (f) The Government of Antigua and Barbuda agrees to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (g) The World Bank will be responsible for reporting annually on the implementation of activities funded under the CFC Phase-Out Management Plan for Antigua and Barbuda and provide a report including customs data to the Executive Committee annually that the ODS consumption reductions in the CFC Phase-Out Management Plan for Antigua and Barbuda have been completed according to the above schedule.

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