



**United Nations
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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-eighth Meeting
Montreal, 3-7 April 2006

PROJECT PROPOSAL: DOMINICAN REPUBLIC

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

Phase out

- Terminal phase-out plan for Annex A (Group I) substances: UNDP
(second tranche)

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PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
COUNTRY: DOMINICAN REPUBLIC

PROJECT TITLE **BILATERAL/IMPLEMENTING AGENCY**

Terminal phase-out plan for Annex A (Group I) substances: (second tranche)	UNDP
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SUB-PROJECT TITLES

(a) Licensing programme	UNDP
(b) Mobile air conditioning programme	UNDP
(c) Domestic refrigeration programme and complementary training to custom officers	UNDP
(d) Commercial refrigeration programme	UNDP
(e) Technical assistance to avoid the use of CTC and TCA in the solvents sector	UNDP
(f) Monitoring unit	UNDP

NATIONAL CO-ORDINATING AGENCY:	National Ozone Program – Ministry of Environment and Natural Resources
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2004, as of 24 February 2006)**

CFC-11	6.71	CFC-115 (as part of R502)	2.51
CFC-12	301.14		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2004, as of 3 March 2005)

ODS	Ref.	ODS	Ref.
CFC-11	6.71	CFC-115	2.51
CFC-12	301.14		

CFC consumption remaining eligible for funding (ODP tonnes)	
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CURRENT YEAR BUSINESS PLAN: Total funding US \$430,000: total phase-out 171.00 ODP tonnes

PROJECT DATA		2004	2005	2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	Montreal Protocol limits	539.80	269.90	269.90	81.00	81.00	81.00	0.00	1,322.60
	Annual consumption limit	311.20	269.50	252.00	81.00	81.00	53.00	0.00	1,048.10
	Annual phase-out from ongoing projects	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Annual phase-out newly addressed	41.30	17.90	171.00	0.00	28.00	53.00	0.00	311.20
	Annual unfunded phase-out								
TOTAL ODS CONSUMPTION TO BE PHASED OUT		41.30	17.90	171.00	0.00	28.00	53.00	0.00	311.20
Total ODS consumption to be phased-in (HCFCs)									
Project costs (US \$):									
Funding for lead agency UNDP			500.000	400.000	400.000	211.600	200.000	0	1,711.600
Total project funding			500.000	400.000	400.000	211.600	200.000	0	1,711.600
Support costs (US \$)									
Support cost for lead agency UNDP			37.500	30.000	30.000	15.870	15.000	0	128.370
Total support costs			37.500	30.000	30.000	15.870	15.000	0	128.370
TOTAL COST TO MULTILATERAL FUND (US \$)			537.500	430.000	430.000	227.470	215.000	0	1,839.970
Project cost effectiveness (US \$/kg)									5.5

FUNDING REQUEST: Approval of funding for 2nd tranche (2006) as indicated above.

SECRETARIAT'S RECOMMENDATION	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Dominican Republic, UNDP has submitted to the 48th Meeting of the Executive Committee the request for a second tranche of the Terminal phase-out plan for Annex A (Group I) substances. The phase-out plan for the Dominican Republic was approved at the 45th Meeting. The plan will lead to the final phase-out of CFCs in the country by the year 2010 and will assist the Government of the Dominican Republic to meet its 2007 compliance targets for CFC consumption. The request for the second tranche of the phase-out plan amounts to US \$400,000 plus agency support costs of US \$30,000.

2. The Terminal phase-out plan for Annex A (Group I) substances was approved in April 2005 at the 45th Meeting of the Executive Committee. The total funds approved in principle amounted to US \$1,711,600 plus US \$128,370 in support costs. The implementation of this phase-out plan supports the Government of the Dominican Republic in meeting its Montreal Protocol obligations including the complete phase out of CFCs by 1 January 2010. In order to achieve these targets, a series of investment, non-investment, technical assistance and capacity building activities will be, and are being, implemented by the Dominican Republic with the assistance of UNDP. The 2005 Annual Implementation Programme of this phase-out plan was approved as the first tranche under this plan, and related funds were released at the 45th Meeting of the Executive Committee.

3. UNDP submitted on behalf of the Dominican Republic preliminary consumption data for 2005 showing a consumption of 217.82 ODP tonnes, less than the maximum allowable consumption for the year 2005 under the phase-out plan of 269.9 ODP tonnes. The consumption appears to have continued the downward trend shown in 2004, but it is not yet possible to present the final consumption data for the year 2005.

4. The country undertook the verification of the consumption in the year 2004, although the conclusion of the Agreement between the Dominican Republic and the Executive Committee only took place in 2005 and therefore a verification of 2004 data is not mandatory. The summary of findings from the verification suggested possible improvements in the co-operation with customs which will be addressed in the implementation of the 2006 plan.

5. UNDP reported a low level of implementation activity in 2005. Of the 13 milestones set for 2005, only five have been achieved, and no disbursements took place. For 2006 a number of activities are foreseen, in particular customs training, training of technicians in combination with a license scheme, and a recovery and recycling activity.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The Secretariat noted the low level of implementation activity in 2005. UNDP explained that delays were related to the set-up of the institutional structure and administrative issues in the

country. UNDP further informed the Secretariat that measures will be taken during 2006, and that extra attention and assistance would be provided to achieve a speedy execution of the project. It may be noted that phase-out plans in their first year often experience delays of this type. With the focus promised by UNDP and the indication that the 2005 consumption figures are already 34 tonnes lower than the 2006 target, it is likely that these delays might well be compensated for in the next 12 months.

7. The Secretariat discussed with UNDP a number of issues, among them the targets for technician training, the activities related to customs, and the purchase of recovery and recycling equipment. Relating to the latter, the Secretariat pointed to the mixed results of recovery and recycling programmes, and to the fact that the Agreement between the Dominican Republic and the Executive Committee contained a clause in paragraph 8 b) specifying that the recovery and recycling programme for the refrigeration-servicing sector shall be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved. UNDP agreed to modify their purchase activities compared to their original plan submitted. The Secretariat informed UNDP that in case of conflicting conditions the fulfilment of the above-mentioned condition in the Agreement should receive priority over the timely use of the funding provided.

8. The verification of the 2004 consumption data could not be fully reviewed, as only a brief summary of the findings in the verification of national consumption targets was submitted. Since the country is not obliged to provide any verification for their 2004 consumption as it predates the Agreement, the Secretariat did not insist on the submission of more data, particularly given the indication from the preliminary 2005 consumption data that substantive CFC reductions are being achieved. The findings, relating to the co-operation between the National Ozone Unit and the customs authorities, were taken into account in the formulation of the annual plan for 2006.

RECOMMENDATION

9. The Fund Secretariat recommends blanket approval of the second tranche of the phase-out plan with associated support costs at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
	Terminal phase-out plan for Annex A (Group I) substances: (second tranche)	400,000	30,000	UNDP

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