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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fiftieth Meeting  
New Delhi, 6-10 November 2006

**Addendum**

**PROJECT PROPOSAL: INDONESIA**

This document is issued to:

- **Replace** in paragraph 7 (c) and (d) on pages 7 and 8 all occurrences of “2004” with “2005”.
- **Add** the following paragraphs on page 8 in the comment section:

14(bis) The Secretariat had a number of detailed discussions with UNDP and the World Bank regarding the annual implementation plan. The agreement with Indonesia foresees during the year 2007 a phase-down of consumption to less than 1% of the 2005 consumption level as per verification attempt. This need was not reflected in the activities of the annual plan when originally submitted. The agencies subsequently provided the Secretariat with a qualitative description of how the available funding is to be refocused, including prioritising activities in the Servicing Sector. The agencies could, however, not deliver a quantitative plan and a schedule before finalisation of this document. It was also not possible for the agencies to provide an updated estimate on the CFC consumption by sector and sub-sector to readjust the focus of the implementation accordingly. The agencies are presently refocusing their monitoring and data collection activities to improve the understanding of a number of sectors and sub-sectors, among them the Servicing Sector. Surveys are scheduled to be completed late this year.

14(ter) The verification of the CFC consumption in 2005 indicated a consumption level equal or higher than 3,624 ODP tonnes, which was considerably higher than the 2,835.31 ODP tonnes as reported by the Government of Indonesia to the Ozone Secretariat under Article 7 of

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the Montreal Protocol. The verification reported licensed imports of CFC in 2005 to be between 1,002 and 1,526 ODP tonnes, although this was reportedly only part of the total imports. However, the customs records showed a total of 88.84 ODP tonnes imported in 2005. Therefore it was doubtful whether the control regime currently being implemented would allow the verification to produce results that could confirm that the maximum allowable consumption target of 3,880 ODP tonnes as specified in the agreement has been met. However, the enactment of legislation approved in July 2006 provides the country with the opportunity to establish for 2007 a system to monitor and control imports with sufficient accuracy. Once in operation, this system might be assessed in the first half of 2007, as part of the verification.

14(qua) No verification has been provided for the consumption of CTC and TCA, which have under the agreement consumption limits of zero ODP tonnes and 2.6 ODP tonnes, respectively, for the year 2005. The 2005 Article 7 data shows zero ODP tonnes for both TCA and CTC.

- **Replace** paragraph 15, on page 8, in the recommendation section **with** the following:

15. The Executive Committee might wish to consider:

- (a) noting, with appreciation, that the new ODS import control regulations had been adopted and were being implemented, and that funding of US \$2,176,800 plus support costs of US \$177,642 for the 2005 tranche approved at the 48<sup>th</sup> Meeting is being released accordingly;
- (b) deferring to the 51<sup>st</sup> Meeting the consideration of the request for the 2006 tranche together with the following further information to be submitted by the lead agency UNDP:
  - (i) A revised verification report regarding the 2005 consumption of CFC, CTC and TCA, in accordance with the guidelines of the Executive Committee adopted at the 46<sup>th</sup> Meeting. This verification should also emphasize the experience in the initial implementation of the regulation revised in July 2006 and include detailed information about the actual operation of the new institutional structure, division of responsibilities, collection and reporting of information on actual ODS imports, establishment of import quotas and the list of importers, and awarding of import licenses.
  - (ii) A revised 2006 annual implementation plan, taking into account the 2007 and 2008 consumption targets, and providing information on the estimated remaining CFC consumption by sector, planned allocation of remaining balances and funding requested, and expected impact of the activities on the remaining consumption.

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