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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-fourth Meeting  
Montreal, 7-11 April 2008

**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:  
(fourth tranche)

UNDP

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## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

### Dominican Republic

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
CFC phase out plan	UNDP

<b>(II) LATEST ARTICLE 7 DATA (ODP Tonnes)</b>				<b>Year: 2006</b>	
CFC: 156.2	CTC: 0	Halons: 0	MB: 21.3	TCA: 0	

<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)</b>							<b>Year: 2006</b>						
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					154.7								154.7
CTC													
Halons													
Methyl Bromide										21.3			21.3
TCA													

<b>(IV) PROJECT DATA</b>		2004	2005	2006	2007	2008	2009	2010	Total
<b>Maximum Allowable Consumption (ODP Tonnes)</b>	CFC	311.2	269.9	252.	81.	81.	53.	0.	
<b>Project Costs (US\$)</b>	UNDP	Project Costs	500,000.	400,000.	400,000.	211,600.	200,000.		1,711,600.
	Support Costs	37,500.	30,000.	30,000.	15,870.	15,000.			128,370.
<b>Total Funds Approved in Principle (US\$)</b>	Project Costs	500,000.	400,000.	400,000.	211,600.	200,000.			1,711,600.
	Support Costs	37,500.	30,000.	30,000.	15,870.	15,000.			128,370.
<b>Total Funds Released by the ExCom (US\$)</b>	Project Costs	500,000.	400,000.	400,000.	0.	0.			1,300,000.
	Support Costs	37,500.	30,000.	30,000.	0.	0.			97,500.
<b>Total Funds Requested for Current Year (US\$)</b>	Project Costs					211,600.			211,600.
	Support Costs					15,870.			15,870.

<b>(V) SECRETARIAT'S RECOMMENDATION:</b>	<b>Pending</b>
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## PROJECT DESCRIPTION

1. On behalf of the Government of the Dominican Republic, UNDP has submitted to the 54th Meeting of the Executive Committee, a funding request for the fourth tranche of the national CFC phase-out plan (NCPP) for the Dominican Republic, at a total cost of US \$211,600 plus agency support costs of US \$15,870.

### Background

2. The NCPP for the Dominican Republic was approved at the 45th Meeting of the Executive Committee, with UNDP as the implementing agency. The implementation of this NCPP supports the Government of the Dominican Republic in meeting its Montreal Protocol obligations, including the complete phase-out of CFCs by 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 total funds approved in principle for the NCPP amounted to US \$1,711,600 plus agency support costs of US \$128,370.

### Verification

3. The verified maximum consumption for 2006 was 168.2 ODP tonnes (170.3 metric tonnes), by 7.0 ODP tonnes higher than the data reported as preliminary in the beginning of 2007. This relates mainly to import of CFC-115, which was recorded by the customs but not by other authorities. Based on customs data, the consumption was verified on a level 83.3 ODP tonnes lower than the maximum allowable consumption under the Agreement. The Government had reported under Article 7 a consumption of 156.2 ODP tonnes. UNDP had been requested to advise the Government to change their Article 7 reporting accordingly.

### 2007 annual programme

4. During the implementation of the 2007 annual programme, apparently significant progress was made. The following table includes some key indicators, based on the financial status:

Planned and actual expenditures	Status as compared to overall plan		Status 2007: Actual expenditures as compared to plan	Importance of sector (Share in overall plan)
	End of 2006	End of 2007		
Sector				
Customs training	0.0%	41.7%	100.0%	12.8%
Good practices in refrigeration	5.0%	60.5%	83.3%	17.8%
Refrigeration service investment component	6.0%	61.9%	60.1%	54.9%
Solvent phase-out project	0.0%	44.8%	89.6%	5.2%
PMU & monitoring	14.9%	86.0%	104.7%	9.3%
Total	5.6%	60.4%	71.1%	100.0%

5. Good progress on customs training had been made; in total 140 customs officers trained. More than 300 technicians have been trained in good practices in refrigeration. The equipment purchasing has proceeded well, and a large share of the equipment has arrived in the country. The investment component, which contains equipment such as MAC R&R units and retrofit kits, commercial recycling kits, alternative refrigerant imports, and ODS identifiers, as well as training related to the equipment, has initiated delivery of a large share of the items foreseen. The solvent sector component carried out the first of three planned assessments of solvent users and addressed them with an information campaign. The PMU, *inter alia*, produced a detailed quantified report on the refrigeration service sector support.

6. For 2007, the maximum allowable consumption was 81.0 ODP tonnes, equal to the compliance target for 2007 under the Montreal Protocol. Preliminary data was reported indicating an ODS consumption of 26.84 ODP tonnes, or 33 percent of the maximum allowable consumption.

#### 2008 annual implementation programme

7. The 2008 annual implementation programme foresees training of another 140 customs officers, 350 technicians, and carrying out outstanding delivery under the refrigeration service investment component. For solvent sector activities, a second set of assessment and information campaign is being planned. A PMU component is also included in the planned activities.

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

#### **COMMENTS**

8. The verification report was comprehensive and addressed the 2006 consumption, in line with the requirements for this tranche. The verification also provided insight into the licensing and quota system. The consumption amounted to 168.2 ODP tonnes, well within the limits prescribed by the Agreement (252.0 ODP tonnes). While the country issued in 2006 licenses for 245 ODP tonnes, or 97.2 percent of the maximum allowable consumption, only 71 percent of the CFC-12 license and none of the CFC-11 license was utilised. Imports of CFC-115 were several tonnes above the license indicate some possible remaining enforcement issues.

9. The Secretariat noted that after the slow pace in implementing the previous annual programmes, the activities under the CFC phase-out plan have significantly accelerated in 2007. A PMU manager was selected and introduced in mid-2006, which might have contributed to increase the speed of implementation significantly.

10. At the time of writing of the report, the Secretariat was still discussing the background to the high expenditures attributed to the PMU in 2007. According to the agency's report, more than twice the amount originally planned was spent on the PMU, monitoring and related activities, which is four times the amount in previous years. Until the issue has been sufficiently resolved and some additional information regarding the solvent sector has been received, the Secretariat cannot provide a recommendation.

**RECOMMENDATION**

11. Pending.

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