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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixtieth Meeting
Montreal, 12-15 April 2010

PROJECT PROPOSAL: YEMEN

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

Phase-out

- National ODS phase-out plan (second tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Yemen

(I) PROJECT TITLE	AGENCY
ODS phase out plan	UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2008	
CFC: 247.7	CTC: 0	Halons: 0.6	MB: 29.8	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2008			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC				65.4	182.3								247.7
CTC													0
Halons			.6										0.6
Methyl Bromide										29.8			29.8
Others													0
TCA									0.				0

(IV) PROJECT DATA		2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	269.4	269.4	0.
		TCA	0.6	0.6	0.3
Maximum Allowable Consumption (ODP Tonnes)		CFC	268.7	268.7	0.
		TCA	0.6	0.6	0.3
Project Costs (US\$)	UNEP	Project Costs	315,000.	140,000.	455,000.
		Support Costs	40,950.	18,200.	59,150.
	UNIDO	Project Costs	1,137,500.	233,000.	1,370,500.
		Support Costs	85,313.	17,475.	102,788.
Total Funds Approved in Principle (US\$)		Project Costs	1,452,500.	373,000.	1,825,500.
		Support Costs	126,263.	35,675.	161,938.
Total Funds Released by the ExCom (US\$)		Project Costs	1,452,500.	0.	1,452,500.
		Support Costs	126,263.	0.	126,263.
Total Funds Requested for Current Year (US\$)		Project Costs		373,000.	373,000.
		Support Costs		35,675.	35,675.

(V) SECRETARIAT'S RECOMMENDATION:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Yemen, UNEP, as the lead implementing agency, has submitted to the 60th Meeting of the Executive Committee a request for funding for the second and final tranche (2009) of the National ODS phase-out plan (NPP) at a total cost of US \$140,000 plus agency support costs of US \$18,200 for UNEP and US \$233,000 plus agency support costs of US \$17,475 for UNIDO. The submission also includes a progress report on the implementation of the NPP during the years 2008 and 2009, the implementation programme for 2010, a verification report for the year 2008 and multi-year agreement tables.

Background

2. The NPP for Yemen was approved by the Executive Committee at its 55th Meeting to completely phase out CFC consumption in the country by January 2010; TCA consumption was to be reduced to 0.27 ODP tonnes by 2010, with a maximum consumption of 0.63 ODP tonnes for 2008 and 2009. The total funding for the NPP approved in principle was US \$1,825,500 plus agency support costs of US \$161,938. At the same meeting, the Executive Committee approved US \$315,000 plus agency support costs of US \$40,950 for UNEP and US \$1,137,500 plus agency support costs of US \$85,313 for UNIDO for the implementation of the first tranche of the NPP.

Verification

3. The verification report indicates that Yemen neither produces nor exports any kind of ODS, thus its consumption is equal to its import. Different sources of data were compared and cross-checked in the report. In 2008 the country imported 247.68 ODP tonnes of CFC and 6 ODP kg of TCA, corresponding to a consumption of 0.0 ODP tonnes of TCA. Both the consumption for CFC and for TCA is lower than the maximum allowable levels set at 268.74 ODP tonnes for CFC and 0.63 ODP tonnes for TCA as for both 2008 and 2009 specified in the agreement between the Government of Yemen and the Executive Committee. The preliminary consumption figures for 2009 are available in the report; and indicate that the maximum quantities of CFC and TCA for which import licenses have been issued are 150.1 ODP tonnes for CFC and 40 ODP kg corresponding to a consumption of 0.0 ODP tonnes for TCA. For the period January to September 2009, the customs records showed that imports against these licenses is 93.47 ODP tonnes of CFC. The verification indicates that Yemen has complied with the allowable consumption levels in the agreement, as well as with the phase-out provisions of the Montreal Protocol, for the year 2008 and will likely also do so in 2009.

2008 and 2009 progress report

4. To ensure effective implementation of the legislation several by-laws were developed to supplement the existing licensing and quota system. Capacity-building workshops for industry representatives, local authorities and non-governmental organizations (NGOs) were organized in 2009. Sixty customs officers have been trained and six refrigerant identifiers for customs were purchased and will be delivered in 2010.

5. The equipment for the service sector, consisting of 50 portable recovery units, 100 service kits and 15 MAC recovery and recycling units was delivered to the country; however, acceptance tests showed some issues, and UNIDO is in discussion with the contractor to find solutions. A train-the-trainers workshop on good practices in refrigeration was held for 11 participants. Due to the delay in supplying training equipment to the five training centres previously identified, the training of 400 technicians was postponed to 2010.

6. Originally, the conversion of ten refrigeration companies was foreseen to produce foam panels for refrigerators with HCFC-141b; this technology was selected after a detailed discussion at the 55th Meeting of the Executive Committee. UNIDO discussed the technology options available for the phase out of CFCs in the production of insulating foam with the ten companies included in the project and recommended the merger of the companies to enable conversion to hydrocarbons in the foam application. Seven out of the ten companies agreed to merge and proceed with the application of pentane as a foam blowing agent. The remaining three companies proceeded with conversion to HCFC-141b as a foam-blowing agent. The companies were legally required to halt production when the conversion was to be completed at the end of December 2009.

7. Awareness-raising activities related to the transitional strategy for imported CFC-MDIs were conducted, and information brochures have been published. The monitoring is performed on an ongoing basis. The unspent balance of the approved funding as of 1 January 2010 is US \$328,412, equivalent to 22.6 per cent of the funding approved so far.

2010 Implementation programme

8. A range of activities are foreseen for 2010. These include capacity-building activities including the supply of the identifiers purchased in 2009 and further training programmes for customs officers. The supply of equipment to the training centres, and to train the service technicians with the target of 800 technicians trained is also planned. The project will provide, in 2010, technical assistance for the conversion to non-CFC alternatives, and monitoring activities will continue. The project anticipates that all available funds will be completely used, and based on the information available it is assumed that the full phase-out in 2010 will be achieved.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. The progress of the NPP for Yemen is very swift and encouraging. Despite the approval of the first tranche being only less than two years ago, the tasks have already progressed very well. Both the phase-out efforts funded by this NPP as well as the policy instruments developed and implemented by the Government of Yemen seem to work well. Yemen has fulfilled all its obligations under the agreement and seems to have established a firm basis to discontinue the consumption of CFCs in 2010 and beyond.

10. When this project was discussed at the 55th Meeting, the Executive Committee, after prolonged discussion, decided to fund the conversion to HCFC-141b. Nevertheless, the implementing agencies, UNEP and UNIDO, undertook efforts to further improve the project design after approval and managed to make the relevant adjustments so that 70 per cent of the enterprises will in the future use hydrocarbon blown foam. This was achieved through an agreement between those companies for industrial rationalisation for the foam part.

RECOMMENDATION

11. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of the national ODS phase-out plan (NPP) in Yemen during the years 2008 and 2009 and the verification report for the year 2008;
- (b) Approves the 2010 annual implementation programme associated with the second tranche; and

- (c) Requests the Government of Yemen, with the assistance from UNEP and UNIDO, to submit a progress report on the implementation of the approved work programme above no later than the 63rd Meeting of the Executive Committee.

12. The Secretariat further recommends blanket approval of the 2010 plan associated with the second and final tranche of the NPP for Yemen with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	National ODS phase-out plan (second tranche)	140,000	18,200	UNEP
(b)	National ODS phase-out plan (second tranche)	233,000	17,475	UNIDO
