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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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**PROJECT CONCEPT ON THE
ODS DESTRUCTION FOR AFRICAN COUNTRIES**

(SUBMITTED BY UNIDO)



**UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION**

INFORMATION PAPER

PROJECT CONCEPT

REGION:	Central Africa
IMPLEMENTING AGENCIES:	UNIDO and France
PROJECT TITLE:	Strategy for disposal and destruction of ODSs for 6 LVCs Central African countries
PROJECT IN CURRENT BUSINESS PLAN:	Yes ¹
SECTOR:	Destruction - Technical assistance (TAS)
PROJECT DURATION:	12 Months Commencing: Sept 2012 Completion: Sept 2013
TOTAL PROJECT COST:	France USD 100,000 (<i>excluding PSC</i>).
SUBMITTED BY:	UNIDO

EXECUTIVE SUMMARY

UNIDO submitted for the consideration of the 66th Meeting a proposal for a project preparation for an ODS destruction project in six African LVC countries: Cameroon, Central African Republic, Burundi, Gabon, Republic of the Congo and Guinea. After reviewing the proposal, the Executive Committee requested the agency to gather more data on the levels of ODS to be handled within the project and on the collection efforts already in place in these countries, and to re-submit the proposal to the 67th meeting if all the requirements set in decision 58/19 were met.

UNIDO and France developed the proposal further and realized that the needs of these countries, as other countries were broader as far as destruction is concerned. As a result, this project was reformulated. It now aims to develop a methodology for LVC countries in Africa to precisely quantify stocks of unwanted ODS and to address waste in an effective and systematic way. This strategy will also address the economic, environmental and legal dimensions involved in the destruction of ODS in the 6 partner countries, as well as the on-going and planned disposal programs for chemicals related to other multilateral environmental agreements. It will see how synergies can be developed in particular with the Stockholm and Basel conventions.

¹ This project was initially included as a project preparation in UNIDO's Business Plan.

PROJECT CONCEPT

ODS DESTRUCTION FOR AFRICAN COUNTRIES

An important number of LVCs in the African region have expressed interest in addressing the issue of ODS stocks and the need to devise a strategy to safely dispose of current and future unwanted ODSs. Six of these countries have specifically expressed a particular interest to work on a regional basis in order to design a coherent strategy. These are **Cameroon, Central African Republic, Burundi, Gabon, Republic of the Congo and Guinea**. These countries belong to the **Economic Community of Central African States (ECCAS)**² which was created in 1983 for the economic, social and cultural development of Africa, and all of them except Burundi are also part of the **CEMAC - Economic and Monetary Community of Central Africa**³ which was signed in 1994 and aims to create an effective customs union and promotes sector policies. Both treaties intend to help develop a common market for goods, capital, and services. The 6 countries of the project therefore share a common financial, regulatory, and legal structure; they also agree on a common external tariff on imports from non-member countries. These factors will facilitate the trans-boundary movements of ODS stocks amongst them.

Other African countries will be associated to this project through the African Ozone Officer Network meetings so that they can benefit fully from the lessons and tool developed. As such, this project is a pilot and aims to serve as demonstration.

This information paper is being circulated for the Executive Committee's consideration because it is important to address the issue of ODS stockpiles in Africa, since there is a significant risk of leak into the atmosphere, hindering efforts undertaken by Montreal Protocol projects so far. As a first step, the 6 partner countries need technical support in order to collect appropriate data, to formulate effective regulations, and to formulate the most appropriate ODS destruction strategy. Meeting the requirements of decision 58/19 is not possible without further investigation and assistance to these countries, since the National Ozone Units do not yet have the complete information, and further detailed surveys are needed. Moreover, collection efforts in the region are not yet well documented, as requested in the decision. One can therefore only estimate the amount of ODS stockpiled in each of the countries, but this data must be verified.

This paradigm explains why, UNIDO supported by France, propose to withdraw the preparation (PRP) proposal as such and suggest instead to submit a proposal for a technical assistance project (TAS) to the next Executive Committee Meeting. The specific needs of these LVC countries are by no means exceptional and should be considered. This technical assistance project would strengthen the countries' current status in terms of collection efforts, policy and reporting, enabling them to properly conduct destruction activities at a later stage. In view of the importance of this endeavor,

² "Communauté Economique des Etats d'Afrique centrale (CEEAC)"

³ « Communauté économique et monétaire de l'Afrique centrale (CEMAC) »

France is willing to support the full costs of this project (USD 100,000 excl. support cost) through its bilateral contribution to the Multilateral Fund.

Conducting such TAS project is necessary as a first step since African countries generally face extreme hurdles in regards to ODS stockpiles. LVCs in general have greater difficulties managing their ODS stocks than those with large quantities of consumption. It is known that developing and implementing ODS destruction projects in LVCs involve many barriers, including:

- Individual banks of ODS in LVCs are small in quantity, which lowers the cost effectiveness of ODS destruction projects;
- ODS consumption is primarily restricted to servicing and maintenance of RAC equipment which is not a highly organized sector and thus recollection is extremely difficult;
- Awareness of ODS and their harmful effects is extremely low among the population in LVCs;
- Lower economies of scale, lower safety and health standards, lack of human and other resources at all levels;
- No ODS destruction facilities in LVCs;
- No quality analysis facilities as well as no knowledge of the same;
- Servicing of the RAC equipment has inflated the costs of recycled ODS to a huge extent as there is no fresh supply to meet the demand;
- Weak national regulatory and policy measures on the import and export of ODS;
- Weak national regulatory and policy measures on the collection and recovery of ODS.

The last two points are especially crucial for the successful implementation of a regional ODS destruction project. There are policies and regulations in place for all countries for the collection and disposal of persistent organic pollutants (POPs) in general, formulated under the framework of the Stockholm Convention, which means that there is a general awareness about this topic among government officials. However, since the procedure for the collection and recovery of ODS in recovery and recycling centers is very specific, there must be further institutional strengthening and awareness raising to cover that area as well. Moreover, strengthening policy measures on the import and export for the sound disposal of ODS is indispensable for the success of the destruction project and none of the six countries involved has had any laws enacted or policies formulated for such purposes. The regional project will then serve to demonstrate the linkages in between the Montreal Protocol and the Stockholm and Basel Conventions.

Practically speaking, after the verification of data, the need for regulation can be better understood and measures can be enacted; collection efforts can be national and coordinated among the countries, so that they will be able to undertake destruction

activities either by themselves or with the financial assistance from the GEF, who has shown interest in co-funding ODS destruction projects, or from other financial sources.

UNIDO is currently seeking guidance from the Executive Committee on a way forward.

A brief description of the activities to be undertaken under the TAS project, as well as the budget is contained in Annex 1.

ANNEX 1: Objectives, expected outcomes and budget of TAS project

Objective:

The main objective of the technical assistance is to develop a strategy for a future environmentally sound destruction of ODS stocks in the African region.

Beneficiary countries must be aligned in their objectives and expected results in regards to an ODS destruction project. With UNIDO and France, they must develop their own common regional approach and strategy for overcoming barriers to the disposal of unwanted ODS.

The preliminary work including data collection will be carried out in a rational way in order to launch a destruction strategy. The project will aim to destroy specific quantities of ODSs identified in the subgroup of countries according to the guidelines and costs approved by the Executive committee and to the most environmentally and economical technology approved by TEAP.

To achieve this objective, UNIDO and France will analyze the following and provide the results to all LVCs in the region regarding:

- The technological options and their respective feasibility/cost effectiveness for participating countries, as well as their environmental impact. The two main options will be either transportation to a neighboring non-LVC where ODS destruction facilities are available; or to export un-wanted ODS to established destruction facilities in Europe or Western Asia.
- If the export option is the most suitable, then, further analysis will be made on the transportation and transactional costs.
- The legal dimensions (including the ones related to potential transportation of hazardous waste) and the development of the legal and regulatory setting for destruction.
- The development of synergies with other chemical destruction projects in the region and in the project's countries. In particular, on going and future POPs destruction projects will be analyzed to strengthen cooperation.
- Best practices for implementation at the national level will be sought, for example possibilities for development of joint awareness tools and methods for the stakeholders involved
- Resource mobilization options to seek possibilities of co-financing through national participation, GEF, the French Fonds d'Etude et d'Aide au Secteur Privé (FASEP), voluntary carbon markets like VCS, other chemical management financing).

UNIDO will bring experiences from other countries, through the several destruction projects it is involved in (Turkey, Nigeria, China, Mexico and regional project for ECA

for example). It will provide expertise, contacts and experience in order to set the best conditions for the appropriate handling of unwanted ODS stocks in the African region.

ODS policy, legislative, regulatory and institutional framework:

All countries ratified the Vienna Convention and the Montreal Protocol, the London Amendment in 1992 and the Copenhagen Amendment.

Legal provisions already in place which can facilitate the future transportation and destruction of ODS stockpiles:

- i. Treaty Establishing the Economic Community of Central African States (ECCAS)
- ii. The CEMAC international agreement- Economic and Monetary Community of Central Africa
- iii. Protocol on Non-Tariff Trade Barriers
- iv. Protocol on Transit and Transit facilities
- v. Protocol on Customs cooperation within the ECCAS
- vi. Protocol on Cooperation in Industrial development between member states of the ECCAS
- vii. Protocol on Cooperation in Transport and Communications between member states of the ECCAS
- viii. Protocol on Cooperation in Science and Technology between member states of the ECCAS
- ix. Protocol on the Simplification and Harmonization of Trade documents and Procedures within the ECCAS

Justification for the Choice of Countries:

The six selected countries, besides having explicitly expressed their interest in participating in the destruction project, were selected due to two main reasons:

- a. **Existence of previous trade agreements between these countries:** as it was previously mentioned, these countries have already established legislation on trade and customs, making the transportation of ODS from different countries to destruction sites considerably easy. It is also expected that these countries maintain frequent relations and communication among them, which means that negotiations for the development of a common strategy for ODS destruction will run smoothly.
- b. **Proximity:** the proximity between these countries means that transportation costs will be minimized and communication between stakeholders will be easier.

Whilst the TPMP and HPMP programs are targeted at the accelerated phase out of ODS in the servicing sector, the ODS disposal project seeks to reduce potential ODS and carbon emissions from the ODS bank.

Needs of African countries prior to an ODS destruction project:

- (i) **Data collection and verification:** currently, data on the levels of ODS in each of the countries involved in the project cannot be assured. It is crucial to determine the exact levels of stockpiles of ODS to be destroyed in each country. It is also necessary to assure that ODS recovery centers are fully functional and able to be incorporated into a future destruction project.
- (ii) **Verification of legal framework:** project preparation will also address the legal dimensions involved in the destruction of ODS in the 6 selected African countries. The existing legislation under the Economic Community of Central African States must be carefully scrutinized in order to assure that it fully covers the needs of a destruction project. If that is not the case, UNIDO must assist these countries to build on or amend the existing laws and regulations in order for the project to be correctly implemented. Some protocols have already been identified, which will serve as starting point for the verification of the legal framework regarding the transportation of ODS amongst these countries:
 - Update of the local legislation/guidelines in the 6 countries and necessary incentives concerning:
 - a) Ban on ODS emissions and ODS/F-gases containing appliances and their disposal in landfills;
 - b) Collection of end-of- life refrigerators and ACs/MACs (National Expert)
 - Develop a strategy, including technology and legal aspects, for all countries to address current and future quantities of unwanted ODSs, proposing regional and country specific options for destruction project implementation;
- (iii) **Assessment of economic aspects:** the strategy of the TAS project will include all economic aspects of the project. Cost efficiency will be analyzed in order to ensure the respect of cost criteria of the Multilateral Fund, while ensuring the appropriate environmental technology and destruction site.

Activities under the TAS:

- Prepare feasibility report on the different options for destruction: destruction within an African country, and exporting to a European or Western Asian destruction facility. Information of the possible synergies with the Stockholm and Basel Conventions will be included.
- Prepare feasibility reports on destruction of ODS banks from landfills in 6 countries;
- Provide technical assistance from local consultants in preparing National Destruction Plans of ODS for 6 countries;
- Forming a steering group for the project which will be constituted of all the NOUs participating in the regional strategy and UNIDO, and other stakeholder that these members agree to invite to participate. This steering group will use the opportunities offered by the meetings of the African Ozone Officers Network (ODSONET) to meet with the countries, present and discuss the progress of the project.
- Defining the details of the Terms of Reference for the development of the outputs. This should include a confirmation for each participating country of the quantities actually available for the collection/storage/transportation and the proposed options to destroy these quantities.
- Determine the modalities of the project preparation process (ToR for a consultancy including private partners) including a detailed schedule to allow for the outputs to be available by March 2013.
- Contacting potential partners/stakeholders such as:
 - The GEF secretariat
 - Private sector
 - The Stockholm, Rotterdam and Basel Convention Secretariats
 - The Fonds d'Etude et d'Aide au Secteur Privé (FASEP)
 - Voluntary Carbon Markets – VCM
- Compare and review other approved projects or proposals in preparation to learn from best practices, and from the most recent reports of the TEAP/TOC.

Other

- Prepare a presentation for concerned and interested parties on the occasion of an African Ozone Officer Network meeting or thematic meetings;
- Dissemination of results to other interested LVCs in the region and beyond, including on the results of consultations with all other potential partners.

Expected outcomes:

The expected result of the TAS project is to assist LVCs countries in the African region to develop a comprehensive strategy in regards to ODS destruction—collection, storage, legislation, transport and carbon markets.

Activities and Budget:

Activity Type	Cost
Data collection	
Prepare a consultancy study to confirm data on amounts available for disposal/destruction in LVCs in African Region	25,000
Verification and development of legal framework	
Update of the local legislation/guidelines in the 6 countries and necessary incentives concerning: a) Ban on ODS emissions and ODS/F-gases containing appliances and their disposal in landfills; b) Collection of end-of- life refrigerators and ACs/MACs (National Expert)	20,000
Develop a strategy , including technology and legal aspects, for all countries to address current and future quantities of unwanted ODSs, proposing regional and country specific options for destruction project implementation	25,000
Assessment of economic aspects	
Prepare feasibility reports on destruction of ODS banks from landfills in 6 countries	10,000
Provide technical assistance from local consultants in preparing National Destruction Plans of ODS for 6 countries	10,000
Other	
Produce a presentation during a meeting with concerned parties on the occasion of an African regional network meeting or thematic meeting	0
Dissemination of results to other interested LVCs in the region and beyond, consultation with all other potential partners and co-financing opportunities	10,000
TOTAL WITHOUT PSC (excl. support cost)	100,000