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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Sixty-eighth Meeting  
Montreal, 3-7 December 2012

**PROJECT PROPOSAL: URUGUAY**

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

Phase-out

- HCFC phase-out management plan (stage I, second tranche) UNDP

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS****Uruguay**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HCFC phase out plan (Stage I)	UNDP (lead)

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2011	17.62 (ODP tonnes)
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2011</b>	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC-123			0.0						0.0
HCFC-124					0.1				0.1
HCFC-141b		0.0			0.9				0.9
HCFC-141b in Imported Pre-blended polyols		4.6							4.6
HCFC-142b					0.4				0.4
HCFC-22				1.7	14.5				16.2

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009 - 2010 baseline:	23.33	Starting point for sustained aggregate reductions:	28.66
<b>CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)</b>			
Already approved:	4.18	Remaining:	24.48

<b>(V) BUSINESS PLAN</b>		<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
UNDP	ODS phase-out (ODP tonnes)	1.1	6.9	0.2	0.5	8.7
	Funding (US \$)	107,500	442,953	21,500	48,379	620,332
UNIDO	ODS phase-out (ODP tonnes)		1.0			1.0
	Funding (US \$)		73,276			73,276

<b>(VI) PROJECT DATA</b>			<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
Montreal Protocol consumption limits			n/a	n/a	23.33	23.33	21.0	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	23.33	23.33	21.0	
Agreed Funding (US\$)	UNDP	Project costs	100,000	100,000	115,000	20,000	45,004	380,004
		Support costs	7,500	7,500	8,625	1,500	3,375	28,500
Funds approved by ExCom (US\$)		Project Costs	100,000	0	0	0	0	100,000
		Support Costs	7,500	0	0	0	0	7,500
Total funds requested for approval at this meeting (US\$)		Project Costs	0	100,000	0	0	0	107,500
		Support Costs	0	7,500	0	0	0	7,500

<b>Secretariat's recommendation:</b>	Blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of Uruguay UNDP, as the lead implementing agency, has submitted to the 68<sup>th</sup> Meeting of the Executive Committee a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$100,000 plus agency support costs of US \$7,500 for UNDP. The submission includes a progress report on the implementation of the first year of the HPMP, and the annual implementation plan for 2013.

### Background

2. The HPMP for Uruguay was approved by the Executive Committee at its 65<sup>th</sup> meeting, to reduce HCFC consumption by 10 per cent of the baseline by 2015, at a total funding level in principle of US \$380,004 plus agency support costs of US \$28,500 for UNDP. At the same meeting, the Executive Committee approved US \$100,000 plus agency support costs of US \$7,500 for UNDP for the implementation of the first year of the HPMP.

### Progress report on the implementation of the first tranche of the HPMP

3. The final agreement between UNDP and the Government of Uruguay to implement the HPMP was officially signed in March 2012. The current progress report covers activities undertaken by the government during the period after the signing of the agreement.

4. Activities undertaken during this period included a review of the legal framework and licensing system to evaluate and prepare domestic measures for the import, export and transit of HCFCs and equipment containing HCFC as well as awareness raising activities to support HCFC phase-out. For the refrigeration and air-conditioning servicing sector, meetings have been held with relevant stakeholders to prepare and develop the details of the training programme for good practices for this sector. An evaluation of the available training equipment as well as other needs for handling new gases had also been undertaken in order to prepare the specifications for equipment procurement required for this stage of the HPMP. The Government of Uruguay had also initiated the re-design of the refrigeration technicians certification system to focus on elements requiring knowledge on the management of low-GWP alternatives, and evaluated the best options for the establishment of a national HCFC recovery and recycling centre.

5. As of September 2012, of the US \$100,000 in funds approved for the first tranche, US \$23,600 had been disbursed and US \$12,500 have been obligated for the rest of the year. The balance of US \$63,900 will be disbursed in 2013.

### Annual plan for the second tranche of the HPMP

6. The HPMP of Uruguay was designed to have equal annual tranches between 2012-2015. The main activities to be implemented in 2013 include the following:

- (a) Training for customs officials on the new HCFC control measures and identification of refrigerants. Refrigerant identifiers will be purchased and provided to the customs officers for use in ports of entry during the training. These activities will include the training of 40 customs officers and enforcement officers planned in 3 workshops; the provision of identifier kits for customs officers; and consultative workshops for relevant authorities, ODS importers and distributors, and refrigeration associations to promote the safe handling of alternative refrigerants (US \$26,600);
- (b) Evaluation of alternatives to HCFC-141b used for flushing including some training on those promising alternatives that would be demonstrated (US \$20,000);

- (c) A technical assistance programme for the refrigeration servicing sector, including the training and certification of 150 refrigeration technicians in good service practices; the procurement of 3 sets of training equipment for proper handling of low-GWP alternatives, and 15 sets of equipment for the national recovery and recycling centre (US \$82,300);
- (d) Development of awareness related activities focusing on HCFC control measures and adoption of HCFC alternatives (US \$8,700) and
- (e) A project monitoring unit that would be responsible for monitoring the activities included in the implementation plan (US \$26,300).

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

### **COMMENTS**

#### HCFC licensing and quota system

7. In line with decision 63/17, the Secretariat requested the Government of Uruguay through UNDP to confirm that there was an enforceable national system of licensing and quotas for HCFC imports in place, and that this system was capable of ensuring the country's compliance with the Montreal Protocol HCFC phase-out schedule during the implementation of the HPMP. UNDP replied that there were existing ODS regulations to control imports and exports, including HCFCs. UNDP provided a letter from the Government confirming that this licensing system would allow the country to comply with the HCFC control measures under the Montreal Protocol.

#### HCFC consumption

8. The Secretariat had noted with appreciation that the HCFC consumption reported by Uruguay under Article 7 for 2011 was 17.62 ODP tonnes which was lower than its consumption in 2010 (24.7 ODP tonnes) and was around 25 per cent below its established baseline of 23.4 ODP tonnes.

#### Progress Report

9. The Secretariat reviewed the progress report sent by the Government of Uruguay as part of the request for the release of the second tranche. It noted that there were some minor delays in the signing of the agreement between UNDP and the Government therefore the progress report effectively covered only four months of implementation. The activities that had been completed during this period included continued work on HCFC policy to ensure that the quota system is in place by 2013, awareness raising activities, as well as the development of specifications for equipment required for the training of technicians. During this period, agreements with partner stakeholders for both the customs and refrigeration servicing training were also finalised and agreed, and some training workshops were expected to be completed before the end of 2012.

10. The Secretariat further noted that out of the budget of US \$100,000 approved for the first tranche, only US \$23,600 had been spent. UNDP had indicated that an additional US \$12,500 had been obligated for expenditures until the end of 2012. The balance of US \$63,900 would be spent in 2013.

11. In line with the above, UNDP was requested and had provided an updated implementation plan for 2013 which included the activities carried over from the first tranche that would be completed alongside those activities planned for the second tranche. This is set out in the table below:

Agency	Project	Remaining activities from Tranche 1	Balance 2012 to be transferred to 2013	Activities for 2013 (Tranche 2)	Requested funds (Tranche 2)	Total Budget 2013
UNDP	Adaptation and promulgation of policy instruments and capacity building	Training to customs officials on new control measures, HCFC alternatives and identification of refrigerants. 40 customs officer trained in 3 training sessions. Purchase of refrigerants identifier for ports.	6,600	Evaluation and raise awareness of control measures to assure the freeze of HCFC consumption to baseline level.	20,000	26,600
UNDP	Phase-out of HCFC-141b used in flushing activities			Evaluation of alternatives to HCFC-141b used in flushing. Training in the use of selected alternatives. Preparation of normativity to ban HCFC in flushing. Raise awareness on new regulation. Agreements with specific subsectors for adoption of new practices without HCFC-141b.	20,000	20,000
UNDP	Servicing Sector	Training sessions on good practice in refrigeration and alternatives to HCFC. Purchase of equipment for the national refrigerant recovering, reuse and recycling center. (R&R&R) Purchase of 15 equipment sets for R&R&R	42,300	Acquisition of 3 training equipment sets for proper handling of low GWP alternatives. Practical training on new alternatives adoption the main centers and subsector of HCFC consumption. 150 technicians, trainers and students trained in good refrigeration practices. Agreements with specific subsectors to embrace HCFC-free technologies.	40,000	82,300
UNDP	Awareness campaign	Awareness activities related with HCFC control measures and HCFC alternatives adoption.	3,700	Awareness activities related with HCFC control measures and HCFC alternatives adoption.	5,000	8,700
UNDP	Monitoring and evaluation	Audit to project implementation. Follow up to training and control activities.	11,300	Meeting with stakeholders in the main consumption centers. Project implementation reports. Audit to project implementation. Follow up to training and control activities.	15,000	26,300
TOTAL			63,900		100,000	163,900

**RECOMMENDATION**

12. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) in Uruguay and further recommends blanket approval of the second tranche of stage I of the HPMP and the corresponding 2013 annual implementation plan, at the funding level shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	HCFC phase-out management plan (stage I, second tranche)	100,000	7,500	UNDP

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