



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/71/51
2 November 2013

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-first Meeting
Montreal, 2-6 December 2013

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, third tranche)

UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Uruguay

(I) PROJECT TITLE	AGENCY
HCFC phase out plan (Stage I)	UNDP (lead)

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2012	28.05 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2012	
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			2.6				2.6
HCFC-141b in Imported Pre-blended Polyol		6.8							6.8
HCFC-142b					0.3				0.3
HCFC-22				1.7	23.4				25.1

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	23.4	Starting point for sustained aggregate reductions:	23.33
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	4.18	Remaining:	19.15

(V) BUSINESS PLAN		2013	2014	2015	Total
UNDP	ODS phase-out (ODP tonnes)	1.3	0.2	0.5	2.0
	Funding (US \$)	123,625	21,500	48,379	193,504

(VI) PROJECT DATA			2011	2012	2013	2014	2015	Total
Montreal Protocol consumption limits*			n/a	n/a	23.33	23.33	21.0	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	23.33	23.33	21.0	n/a
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	100,000	0	0	0	200,000
		Support Costs	7,500	7,500	0	0	0	14,000
Total funds requested for approval at this meeting (US\$)		Project Costs	0	0	115,000	0	0	115,000
		Support Costs	0	0	8,625	0	0	8,625

*Difference of 0.07 ODP tonnes from the baseline is due to the rounding.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Uruguay UNDP, as the designated implementing agency, has submitted to the 71st meeting a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP)¹ at the amount of US \$115,000, plus agency support costs of US \$8,625. The submission includes a progress report on the implementation of the second tranche, together with the tranche implementation plan for 2014.

Progress report on the implementation of the second tranche of the HPMP

2. The following activities had been implemented during the second tranche of the HPMP: A five-day workshop for 400 stakeholders (including 180 service technicians) on the use of alternatives to replace HCFCs in the country was implemented; the Technological Laboratory of Uruguay (LATU) was provided with recovery and recycling equipment; actions to evaluate alternatives for HCFC-141b used in flushing were initiated with LATU; major importers of refrigeration and air-conditioning equipment and other stakeholders were consulted to encourage a voluntary reduction in the import of HCFC-based equipment and reduce HCFC consumption. For the awareness component, consultations and meetings were held with universities and colleges and other stakeholders to disseminate information about the country's commitments to the Montreal Protocol and its approach to phasing out HCFCs as well as provide information on alternatives.

3. As of September 2013, of the US \$200,000 approved for the first and second tranches, US \$117,793 had been disbursed and US \$15,404 had been committed. The balance of US \$66,803 will be disbursed in the remainder of 2013 and in early 2014.

Annual plan for the third tranche of the HPMP

4. The main activities to be implemented during the third tranche of the HPMP include:
- (a) Adaptation and promulgation of policy instruments and capacity building of customs and other enforcement officers, and coordination within the Government to develop initiatives to promote the introduction of energy efficient HCFC-free refrigeration and air-conditioning equipment (US \$20,000);
 - (b) Continue testing and evaluation of alternatives to HCFC-141b used for flushing (US \$30,000); and further training of service technicians including provision of equipment for training on the safe use of hydrocarbon refrigerants (US \$40,000);
 - (c) Awareness raising programme to support the sustainability of the HCFC phase-out (US \$10,000); and
 - (d) Monitoring, evaluation and reporting (US \$15,000).

¹The HPMP for Uruguay was approved by the Executive Committee at its 65th meeting to reduce HCFC consumption by 10 per cent of the baseline by 1 January 2015.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Operational licensing system

5. As reported to the 68th meeting, Uruguay has an enforceable system of licensing and quotas for HCFCs. The established import quotas for 2013 is equivalent to the country's baseline of 23.4 ODP tonnes. Import quotas for future years will be based on the limits allowed under the Montreal Protocol.

HCFC consumption

6. The increase in HCFC consumption between 2011 (17.62 ODP tonnes) and 2012 (28.05 ODP tonnes), as shown in Table 1, was due to stockpiling in preparation for the enforcement of the 2013 quota system. UNDP further explained that the Government had embarked on consultations with major importers and customs authorities to ensure that measures are in place to comply with the Montreal Protocol reduction targets.

Table 1. HCFC consumption in Uruguay (2009-2012 Article 7 data)

Substances	tonnes	2009	2010	2011	2012
HCFC-22	ODP	20.33	21.84	16.18	24.95
	mt	369.67	397.09	294.26	453.58
HCFC-141b	ODP	0.75	2.21	0.92	2.64
	mt	7.04	20.12	8.38	23.97
HCFC-142b	ODP	0.77	0.49	0.41	0.29
	mt	11.88	7.47	6.31	4.45
HCFC-123	ODP	0.03	0.04	0.01	0.05
	mt	1.59	2.12	0.50	2.13
HCFC-124	ODP	0.05	0.13	0.09	0.13
	mt	2.46	5.82	4.03	5.95
Total	ODP	22.0	24.7	17.62	28.05
	mt	392.64	432.62	313.44	190.08
HCFC-141b in pre-blended polyols	ODP	5.34	5.76	4.61	6.81
	mt	48.55	52.36	41.95	61.91

Conclusion

7. The Secretariat noted that activities in the servicing sector are progressing in close coordination with stakeholders. Uruguay's import/export licensing and quota system is operational and will enable consumption reductions in line with the Protocol's phase-out schedule. As reported by UNDP, strengthening the training centres by providing equipment, tools and training material as well as training of refrigeration technicians will ensure the long-term sustainability of the activities proposed in stage I of the HPMP.

RECOMMENDATION

8. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) in Uruguay, and further recommends blanket approval of the third tranche of stage I of the HPMP for Uruguay, and the corresponding 2014 annual implementation plan, with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	HCFC phase-out management plan (stage I, third tranche)	115,000	8,625	UNDP
