



**United Nations
Environment
Programme**



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/28/30
15 June 1999

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-eighth Meeting
Montreal, 14-16 July 1999

PROJECT PROPOSALS: HONDURAS

This document includes the comments and recommendations of the Fund Secretariat on the following project proposals:

Refrigeration

- Refrigerant management plan: national recovery and recycling project UNIDO
- Refrigerant management plan: customs training UNIDO
- Refrigerant management plan: phase I: training of trainers in good refrigerant management practices, phase II: national technicians training project UNIDO

PROJECT EVALUATION SHEET HONDURAS

SECTOR: Refrigeration ODS use in sector (1998): 84.867 ODP tonnes
 RMP
 Sub-sector cost-effectiveness thresholds: n/a US \$/kg

Project Titles:

- (a) Refrigerant management plan: national recovery and recycling project
- (b) Refrigerant management plan: customs training
- (c) Refrigerant management plan: phase I: training of trainers in good refrigerant management practices, phase II: national technicians training project

Project Data	RMP	RMP	RMP
	(a)	(b)	(c)
Enterprise consumption (ODP tonnes)			
Project impact (ODP tonnes)	14.20		
Project duration (months)	24	24	24
Initial amount requested (US \$)	375,000	69,150	203,000
Final project cost (US \$):			
Incremental capital cost (a)	342,600	68,150	190,000
Contingency cost (b)	32,400	3,000	18,000
Incremental operating cost (c)			
Total project cost (a+b+c)	375,000	71,150	208,000
Local ownership (%)	100%	100%	100%
Export component (%)	0%	0%	0%
Amount requested (US \$)	375,000	69,150	203,000
Cost effectiveness (US \$/kg.)			
Counterpart funding confirmed?			
National coordinating agency	Unidad Tecnica del Ozono		
Implementing agency	UNIDO	UNIDO	UNIDO

<i>Secretariat's Recommendations</i>			
Amount recommended (US \$)	245,900	38,250	70,000
Project impact (ODP tonnes)	14.20	n/a	n/a
Cost effectiveness (US \$/kg)	n/a	n/a	n/a
Implementing agency support cost (US \$)	31,967	4,973	9,100
Total cost to Multilateral Fund (US \$)	277,867	43,223	79,100

PROJECT DESCRIPTION

(a) Refrigerant management plan: national recovery and recycling project

(b) Refrigerant management plan: customs training

(c) Refrigerant management plan: phase I: training of trainers in good refrigerant management practices, phase II: national technicians training project

Refrigerant Management Plan For Honduras

1. In 1997, the total ODS consumption in the refrigeration servicing sector in Honduras was estimated at 84.8 ODP tonnes, representing 100 per cent of the total ODS consumption.

2. Based on data gathered during a survey completed in 1998, there are about 2,000 refrigeration technicians with varying levels of skill. Thus, the industrial users and large service organizations have reasonably well trained technicians while there are a large number of informal service workshops with unskilled/untrained technicians who service household refrigerators and smaller refrigeration equipment, and electrical and mechanical equipment. Some service shops, also service MAC equipment.

3. The Ozone Unit has employed a lawyer to develop the Import/Export Licensing system to be put in place in Honduras in 1999, and to assess the need for developing new regulations and/or amendments to existing ones in order to implement: a ban on new manufacturing installations using ODS (refrigeration and air conditioning equipment, aerosol products with ODS propellants, foam manufacture with ODS; electronics or other industries using ODS-based solvents); increased import tax on ODSs (particularly CFC-11, CFC-12 and R-502); restriction or ban on imports of refrigeration and air conditioning equipment which operate on ODS; reduced import duties on ozone friendly refrigerants and recovery and recycling equipment.

4. The RMP identified two basic training programmes: (i) training for customs officers to identify and develop techniques for collecting and reporting consumption of ODS import and ODS-based equipment, to implement the newly established licensing system; and (ii) a "train the trainers" programme for refrigeration technicians in good management practices, aimed at improving service practices to prevent release of CFCs into the atmosphere (this activity could become a prerequisite for certification of service technicians).

5. The RMP also includes a subproject for the establishment of a recovery and recycling network comprising 63 recovery units (including units to be used in the training programme on good servicing practices) and 4 recycling centres for servicing commercial and industrial refrigeration equipment, at a total cost of US \$245,090. This activity also provides for 4 one and a half-day workshops for service technicians on practical demonstrations on recovery operations. The recycling centres will be located at training centres in four major cities to ensure fair practices and control the price of recycled refrigerant.

6. Implementation of these projects will lead to recovery and recycling of 14.2 tonnes of CFC each year. This amount would be additional to the amount of refrigerant, which might be saved from the teaching of good service and maintenance practices at the training seminars.

7. The Government and national stakeholders are committed to the freeze and phase out requirements of the Montreal Protocol. Early decisions will be taken to finalize and implement some or all of the action items that have been presented in the RMP. The Honduras Ozone Unit will be responsible for the monitoring, co-ordination and successful implementation of the phase-out activities proposed in the RMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The Secretariat drew UNIDO's attention to a bilateral project in the MAC and refrigerated transport sectors approved in March 1998 and is currently under implementation by the US EPA in several Central American countries including Honduras. The project is to provide training for technicians and recovery and recycling equipment for MAC workshops. UNIDO informed the Secretariat that the MAC sector will be covered under the bilateral project; however the training programme for technicians proposed in the RMP, will provide training only to those technicians that have not benefited from the receipt of equipment.

2. UNIDO and the Secretariat also discussed issues related to the logistical arrangements for the training programmes and the level of funding requested, as well as the size of the recovery and recycling programme in relation to CFC consumption level and its sectoral distribution. UNIDO agreed to revise these requests and adjusted the level of funding, accordingly

RECOMMENDATION

1. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

	Project Title	Project Cost (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Refrigerant management plan: national recovery and recycling project	245,900	31,967	UNIDO
(b)	Refrigerant management plan: customs training	38,250	4,973	UNIDO
(c)	Refrigerant management plan: phase I: training of trainers in good refrigerant management practices, phase II: national technicians training project	70,000	9,100	UNIDO