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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-fifth Meeting
Montreal, 5-7 December 2001

PROJECT PROPOSAL: MONGOLIA

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

Refrigeration:

- Recovery and recycling of CFC-12 refrigerant

UNDP

**PROJECT EVALUATION SHEET
MONGOLIA**

SECTOR: Refrigeration ODS use in sector (2000): 13.9 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

(a) Recovery and recycling of CFC-12 refrigerant

Project Data	Recovery/recycling
Enterprise consumption (ODP tonnes)	13.90
Project impact (ODP tonnes)	5.61
Project duration (months)	36
Initial amount requested (US \$)	102,100
Final project cost (US \$):	
Incremental capital cost (a)	102,590
Contingency cost (b)	6,010
Incremental operating cost (c)	
Total project cost (a+b+c)	108,600
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	108,600
Cost effectiveness (US \$/kg.)	19.36
Counterpart funding confirmed?	
National coordinating agency	National Ozone Unit
Implementing agency	UNDP

Secretariat's Recommendations	
Amount recommended (US \$)	108,600
Project impact (ODP tonnes)	5.61
Cost effectiveness (US \$/kg)	19.36
Implementing agency support cost (US \$)	14,118
Total cost to Multilateral Fund (US \$)	122,718

PROJECT DESCRIPTION

Recovery and recycling of CFC-12 refrigerant

1. The Executive Committee approved at its 32nd Meeting the RMP project for Mongolia (UNEP/OzL.Pro/ExCom/32/25) and allocated US \$143,170 for the implementation of the following two sub-projects:
 - (a) Training programme for customs officers and environmental inspectors to ensure a proper enforcement of the ban on imports of CFC based equipment in the country, and
 - (b) “Train the trainers” programme for refrigeration technicians in good management practices.
2. The RMP also included a sub-project for refrigerant recovery and recycling equipment which will be submitted for the consideration of the Executive Committee at a future meeting (the project was included in the 2001 UNDP Business Plan). The Government of Mongolia is submitting this sub-project for consideration by the Executive Committee at its 35th Meeting.
3. The recovery and recycling sub-project comprises 15 refrigerant recovery machines and ancillary equipment, 3 recovery/recycling machines for servicing MAC units, and establishment of 2 recycling centres. It also includes 3 training workshops to familiarise technicians with the RMP project and to train them on recovery and recycling procedures. The total cost of the sub-project is US \$102,100, including US \$13,000 for monitoring all the projects within the RMP.
4. The co-ordination of the overall RMP project, including the monitoring of the quantity and quality of the CFC-12 recycled, will be carried out by the Ozone Unit within the Ministry of Nature and Environment.

SECRETARIAT’S COMMENTS AND RECOMMENDATION

COMMENTS

5. During the review of the original RMP for Mongolia submitted to the 32nd Meeting of the Executive Committee, UNEP informed the Secretariat that the Government of Mongolia was briefed on the implication of Decision 31/48; the Government was committed to achieve, without further requests for funding for the RMP (excluding the recovery and recycling sub-project), at least the 50% and 85% reduction in CFC consumption by 2005 and 2007, respectively; and that adequate monitoring and reporting provisions were also being considered. Furthermore, UNDP confirmed that approval of the sub-project on refrigerant recovery and recycling will represent the total funding to be sought by Mongolia to achieve the required reductions in CFC consumption by 2005 and 2007.
6. Upon a request by the Secretariat, UNDP confirmed that relevant legislation controlling imports/consumption of CFCs in the country is already in place, and the training programmes for

customs officers and refrigeration service technicians have already commenced. As reported by the Ozone Unit, the current price of CFC-12 ranges between US \$4.5 and US \$5.5 per kg.

7. The Fund Secretariat and UNDP also discussed the basis for the request for 15 recovery machines and 3 MAC recovery and recycling machines, considering that the CFC consumption levels in Mongolia is only 13 ODP tonnes. UNDP informed the Secretariat that during the survey conducted for the preparation of the project proposal, 380 commercial/industrial refrigeration installations were identified and 15,600 vehicles with a CFC-12 based units were in operation in the two major cities in Mongolia. Therefore, the requested machines will be distributed among the principle service workshops in the two cities.

RECOMMENDATION

8. The Fund Secretariat, having taken into consideration the commitment by the Government of Mongolia that through the RMP project, the country will be able to achieve the 50% reduction of the CFC baseline by 2005 and 85% reduction by 2007 without further assistance from the Multilateral Fund, recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Recovery and recycling of CFC-12 refrigerant	108,600	14,118	UNDP
