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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-seventh Meeting
Montreal, 17-19 July 2002

PROJECT PROPOSAL: NIGERIA

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

Halon

- Sectoral phase-out program: establishing a halon bank Germany

**PROJECT EVALUATION SHEET
NIGERIA**

SECTOR: Halon ODS use in sector (2000): 485 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a
n/a

Project Titles:

(a) Sectoral phase-out program: establishing a halon bank

Project Data	Banking
Enterprise consumption (ODP tonnes)	
Project impact (ODP tonnes)	
Project duration (months)	36
Initial amount requested (US \$)	499,000
Final project cost (US \$):	
Incremental capital cost (a)	
Contingency cost (b)	
Incremental operating cost (c)	
Total project cost (a+b+c)	499,000
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	499,000
Cost effectiveness (US \$/kg.)	n/a
Counterpart funding confirmed?	n/a
National coordinating agency	National Ozone Unit
Implementing agency	Germany

Secretariat's Recommendations	
Amount recommended (US \$)	
Project impact (ODP tonnes)	
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	
Total cost to Multilateral Fund (US \$)	

PROJECT DESCRIPTION

Project Description

1. This project will establish a national halon bank for Nigeria. The Halon Banking Management Plan will ensure that Nigeria can meet its obligations under the Montreal Protocol. The halon bank will organise more than 500 users of halon fire protection systems in a recovery and recycling network for halons. The network will provide the following services:

- Halon Bank
- Promotion of recovery and recycling of halons
- Recovery services for halons in the case of maintenance of a fire protection system
- Cleaning of recycled halons
- Storage of halons
- Distribution of halons for essential uses
- Trade of halons

2. The halon bank will be developed by a team of international and national halon bank experts.

Technological options

3. Halon banks are established in various countries. GTZ is currently assisting several countries in the West Asia region in the establishment of a national halon bank. The proposed Nigerian halon bank will be a full operational bank in order to recover, recycle, store and trade in halons. The Nigerian halon bank will exchange information with their neighboring countries in the region.

Economical options

4. An halon bank provides incentives for halon users. The bank will provide services to recover halons, cleaning the substances and storage facilities. For those clients who are not more interested in the halon or who are not qualifying for essential uses will have the possibility to sell their products on the regional and international markets.

Sector Background

5. Nigeria's consumption of halons is mainly for the following:

- Communication;
- Oil and gas;
- Computer installations;
- Critical uses/users: mainly concentrated in the army and airlines where halons can never be replaced;

- Military, civil defence and fire brigade; and
- Energy

6. The proposal did not indicate any consumption by halon fire extinguisher manufacturers or halon system installation operations.

7. Nigeria's baseline for the purposes of compliance with the halon control measures of the Montreal Protocol is 285 ODP tonnes and its 2000 consumption is 485 ODP tonnes. Nigeria is at risk of not achieving its halon consumption freeze obligations. Data on halon consumption from 1994 is available for Nigeria. A survey was conducted for the preparation of this request. The survey identified more than 500 major users of fire protection systems with an overall installed capacity of 3,005 metric tonnes of halon 1211 and 334 metric tonnes of halon 1301.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

8. It appears that US \$120,000 of this project will go to international consultants for the 5 day training of fire experts, development of rules of conduct, technical advice, examination of trade of halons, and development of legislation. The Secretariat requested Germany to indicate the budget that would be used for international consultants.

9. Germany indicated that these funds would be used for international and national consultants but did not provide a breakdown of the costs.

10. The Secretariat also noted that the project did not propose the normal costs for portable recovery/recycling units capable of cleaning and refilling on site for halon 1301 that is expected to be banked in existing installations more so than in storage tanks. The Secretariat requested Germany to reconsider its allocation of budget to accommodate these costs.

11. Germany verified that Nigeria understood that this would be the last project it received in the halon sector recognising that there have not been any fire extinguisher projects.

RECOMMENDATIONS

12. Pending.
