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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-second Meeting
Montreal, 29 March - 2 April 2004

PROJECT PROPOSAL: ALGERIA

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

Refrigeration

- Refrigerant management plan to phase out the use of ODS in refrigeration and air-conditioning sector: 2004 programme

UNIDO

**PROJECT EVALUATION SHEET
ALGERIA**

SECTOR: Refrigeration ODS use in sector (2002): 726 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

(a) Refrigerant management plan to phase out the use of ODS in refrigeration and air-conditioning sector: 2004 programme

Project Data	Refrigerant management plan
Enterprise consumption (ODP tonnes)	
Project impact (ODP tonnes)	200
Project duration (months)	12
Initial amount requested (US \$)	524,647
Final project cost (US \$):	
Incremental capital cost (a)	524,647
Contingency cost (b)	
Incremental operating cost (c)	
Total project cost (a+b+c)	524,647
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	524,647
Cost effectiveness (US \$/kg.)	n/a
Counterpart funding confirmed?	n/a
National coordinating agency	National Ozone Unit
Implementing agency	UNIDO

Secretariat's Recommendation	
Amount recommended (US \$)	524,647
Project impact (ODP tonnes)	200
Cost effectiveness (US \$/kg)	n/a
Implementing agency support cost (US \$)	39,349
Total cost to Multilateral Fund (US \$)	563,996

Background

1. At its 37th Meeting, the Executive Committee approved in principle US \$1,424,647 as the total funds that will be available for Algeria to achieve the phase out of 245 ODP tonnes of CFCs by 2007, representing 85 per cent of the CFC consumption used in the refrigeration servicing sub-sector, and that the Government of Algeria will not seek additional funding from the Multilateral Fund to phase out an additional amount of 315 tonnes used in the informal sector and by a number of large users who import CFCs directly.
2. The Executive Committee also allocated US \$200,000 for the first tranche of the RMP project, with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report. Subsequently, at its 39th Meeting, the Executive Committee approved an additional US \$700,000 for the second tranche of the RMP project.
3. The Government of Algeria submitted for consideration by the Executive at its 42nd Meeting a request for the third tranche of the RMP project amounting to US \$524,647.

Progress report

4. According to the progress report, the training programme for customs officers has been completed and 60 ODS identification kits were provided to customs offices at main borders and at ports. An international refrigeration expert conducted train-the-trainers courses on good refrigeration servicing practices (January and May 2003 at the Institut National Spécialisé en Froid) with participation of technicians from vocational schools. As of the end of 2003, 60 technicians have been trained, 30 of whom will be selected as trainers for the courses to be conducted in 2004. The first set of training equipment and recycling equipment was purchased and used for the training course. The handouts for the training courses have been prepared in both Arabic and French.
5. The specifications of the recovery and recycling equipment were discussed and agreed with major stakeholders. The contract for the supply of recovery and recycling equipment for six recovery/recycling centres and 100 maintenance workshops was awarded in December 2003.
6. The US \$700,000 allocated for the implementation of the 2003 work programme of the Algeria RMP has been obligated and partially disbursed.

Plan of action for 2004

7. The main activities to be implemented in 2004 are: training of 750 technicians on good refrigerant management practices through 30 training courses in six training centres; purchasing additional recovery/recycling equipment and distribution among service workshops; and installation of additional recovery/ recycling centres.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The CFC consumption reported by the Government of Algeria under Article 7 in 2001 and 2002 was 1,021.8 ODP tonnes and 1,761.8 ODP tonnes, respectively. The Secretariat sought an explanation from UNIDO for the increase of 740 ODP tonnes in one year. UNIDO reported that the increase in CFC consumption in Algeria was in the foam sector. According to the progress report on the implementation of the Algeria country programme, submitted by the Government of Algeria to the Fund Secretariat, in 2001 the CFC consumption in the foam sector was nil; however, in 2002 the consumption was reported as 726 ODP tonnes (this increase in consumption will be discussed in the context of any request for assistance for CFC phase out in the foam sector in Algeria).

9. The Secretariat also sought an explanation from UNIDO on the basis for estimating at 45 tonnes the total amount of CFCs that has been phased out through the activities so far implemented since the approval of the RMP project for Algeria. UNIDO reported that the phase-out was an estimated figure, arrived at on the basis that all the activities foreseen in the 2003 work programme of the RMP project were successfully completed. The phase-out is due to effective implementation of ODS import regulations, control of illegal imports, reduction of CFC emissions and certification of technicians.

10. The Executive Committee approved the Algeria RMP project taking into consideration that the Government of Algeria agreed not to seek additional funding from the Multilateral Fund to phase out an additional 315 ODP tonnes of CFCs used in the informal sector and by a number of large users who import CFC directly. In this regard, the Secretariat sought an explanation on whether CFCs have been already phased out from the informal sector and other users. UNIDO reported that the Government of Algeria was providing technical assistance to users in the informal sector, whom together with the licensing and quota system and legislative and regulative measures will phase out their CFC consumption.

RECOMMENDATION

11. The Fund Secretariat recommends blanket approval of the project at the funding level indicated below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
a)	Refrigerant management plan to phase out the use of ODS in refrigeration and air-conditioning sector: 2004 programme	524,647	39,349	UNIDO

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