



**United Nations
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Programme**

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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fourth Meeting
Prague, 29 November-3 December 2004

PROJECT PROPOSALS: SAO TOME AND PRINCIPE

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

Refrigeration

- | | |
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| • Implementation of the refrigerant management plan: assistance for licensing system | UNEP |
| • Implementation of the refrigerant management plan: training of custom officers | UNEP |
| • Implementation of the refrigerant management plan: training of refrigeration technicians | UNEP |
| • Implementation of the refrigerant management plan: monitoring the activities | UNEP |
| • Implementation of the refrigerant management plan: technical assistance | UNDP |

PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECTS
COUNTRY: SAO TOME AND PRINCIPE

PROJECT TITLES**BILATERAL/IMPLEMENTING AGENCY**

(a) Implementation of the refrigerant management plan: assistance for licensing system	UNEP
(b) Implementation of the refrigerant management plan: training of custom officers	UNEP
(c) Implementation of the refrigerant management plan: training of refrigeration technicians	UNEP
(d) Implementation of the refrigerant management plan: monitoring the activities	UNEP
(e) Implementation of the refrigerant management plan: technical assistance	UNDP

NATIONAL CO-ORDINATING AGENCY	Bureau Ozone
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2003, AS OF 21 OCTOBER 2004)**

CFC	4.60
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B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2003, AS OF 21 OCTOBER 2004)

ODS Name	Sub-sector/quantity
CFC	Not listed

CFC consumption remaining eligible for funding (ODP tonnes)	n/a – LVCC
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CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$ million	Phase-out ODP tonnes
	(a) to (c)	70,000	-
	(d)	273,000	18.2

PROJECT TITLE:	Licensing	Customs training	Technician training	Monitoring	Technical assistance
ODS use at enterprise (ODP tonnes):					
ODS to be phased out (ODP tonnes):					2.82
ODS to be phased in (ODP tonnes):					
Project duration (months):	6	121	24	36	24
Initial amount requested (US \$):	20,000	80,000	65,000	20,000	135,156
Final project cost:					
Incremental Capital Cost (US \$)	20,000	45,000	55,000	20,000	110,000
Contingency (10%) (US \$)					
Incremental Operating Cost (US \$)					
Total Project Cost (US \$)	20,000	45,000	55,000	20,000	110,000
Local ownership (%):					
Export component (%):					
Requested grant (US \$):	20,000	45,000	55,000	20,000	110,000
Cost-effectiveness (US \$/kg):					
Implementing agency support cost (US \$):	2,600	5,850	7,150	2,600	9,900
Total cost of project to Multilateral Fund (US \$):	22,600	50,850	62,150	22,600	119,900
Status of counterpart funding (Y/N):					
Project monitoring milestones included (Y/N):					Y

SECRETARIAT'S RECOMMENDATION	Blanket approval at the costs indicated above
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PROJECT DESCRIPTION

Background

1. The Government of Sao Tome and Principe has submitted a refrigerant management plan (RMP) project proposal for the consideration of the Executive Committee at its 44th Meeting.

ODS consumption

2. Based on a survey of ODS consumption conducted in 2003, during preparation of the Sao Tome and Principe country programme/RMP, total CFC consumption was estimated at 4.6 ODP tonnes used for servicing refrigeration equipment (3.4 ODP tonnes for domestic appliances and 1.2 ODP tonnes for MAC units). The CFC baseline for Sao Tome and Principe is 4.7 ODP tonnes.

3. Until recently, fishing, farming and forestry were the principal economic activities in the country. The fishing fleet consisted of 2,000 vessels. Two State-owned companies were involved in industrial fishing; however, both companies have now shut down following the State's withdrawal. The refrigeration equipment, which includes several large-capacity CFC-based cold rooms has been abandoned on the respective sites.

4. There are 14 registered refrigeration and air-conditioning servicing workshops in Sao Tome and Principe employing 88 technicians on a regular basis. There is no specialised MAC servicing centre and therefore MAC units are serviced by technicians working for the refrigeration servicing workshops or by garage mechanics. The majority of the servicing enterprises are poorly equipped and their employees commonly employ bad servicing and refrigerant handling practices. Formal refrigeration training courses are not available in the country; most technicians' refrigeration knowledge was acquired through in-house training or has been learnt empirically. Of the 14 refrigeration servicing workshops, only one has a MAC recovery and recycling machine for HFC-134a.

5. The current prices of refrigerants per kg are: US \$9.23 to US \$11.54 for CFC-12, US \$18.46 to US \$21.54 for HFC-134a, and US \$10.00 to US \$13.07 for HCFC-22.

Policy framework

6. The Government of Sao Tome and Principe is proposing to establish legislation and a regulatory system to control imports of ODS and ODS-based equipment by early 2005.

Sub-projects in the RMP

7. The RMP consists of the following programmes:

- (a) Assistance for licensing system (US \$20,000): to assist the Government of Sao Tome and Principe in drafting and enforcing a licensing system and a quota system to control imports of ODS and ODS based equipment;

- (b) Training programme customs officers (US \$80,000): to train 25 customs officers on the import/export regulations and the identification of ODS and ODS-based equipment;
- (c) Training programme for refrigeration service technicians (US \$65,000): to train 20 refrigeration technicians as trainers in good refrigeration practices and to introduce non-CFC refrigerants. The trainers will train a total of 88 service technicians;
- (d) Technical assistance programme for the refrigeration-servicing sector (US \$135,156): to supply basic service tools and equipment to 14 workshops (including recovery and recycling machines); and to train service technicians in the correct use of the equipment and in refrigerant recovery and recycling; and
- (e) Management of the activities proposed in the RMP project.

8. The Sao Tome and Principe RMP project was submitted with an official letter from the Minister of Natural Resources and the Environment of Sao Tome and Principe stating the Government's commitment to achieve, without further requests for funding, at least 50 per cent reduction in CFC consumption by 2005 and 85 per cent reduction by 2007.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

9. The Government of Sao Tome and Principe submitted to the 44th Meeting of the Executive Committee the Sao Tome and Principe country programme/RMP project proposal in accordance with Decision 22/24. In its review of the Sao Tome and Principe country programme (UNEP/OzL.Pro/ExCom/44/64), the Secretariat raised issues related to Sao Tome and Principe's status of compliance with regard to data reporting.

10. The Secretariat pointed out to UNEP that the request for assistance for the development of ODS regulations was not eligible since this assistance should have been provided by UNEP during the preparation of the country programme/RMP. UNEP indicated, that under Decision 31/48 on RMPs, countries are eligible to receive double funding for RMP preparation with the commitment to establish legislation during that period. However, for the preparation of the Sao Tome and Principe country programme/RMP only US \$30,000 (instead of US \$60,000) was approved. UNEP is currently assisting the Government to establish relevant ODS legislation, but additional support will be required to finalize it.

11. The Secretariat discussed the following consumption and cost items with UNEP and UNDP: the amount of CFCs used during servicing of domestic refrigeration systems; the two training programmes for refrigeration technicians: one as a stand-alone activity and one within the technical assistance programme; and the cost of logistical arrangements, international consultants for the training programmes and DSA for experts which should be covered under the

UNEP CAP budget. All of these issues were addressed and further documented by UNDP and UNEP, and the costs of the sub-projects adjusted as follows:

- (a) Assistance for licensing system (US \$20,000);
- (b) Training programme for customs officers (US \$45,000);
- (c) Training programme for refrigeration service technicians (US \$55,000);
- (d) Technical assistance programme for the refrigeration servicing sector (US \$110,000); and
- (e) Management of the activities proposed in the RMP project (US \$20,000).

RECOMMENDATIONS

12. The Fund Secretariat recommends blanket approval of the projects at the funding level indicated below, on the understanding that:

- (a) The Government of Sao Tome and Principe would have flexibility in utilizing the resources available under the technical assistance programme to address specific needs that might arise during project implementation;
- (b) To the extent possible, the technical assistance programme should be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools if the proposed results are not achieved, and should not commence until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar; and
- (c) UNEP would provide appropriate monitoring throughout project implementation.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the refrigerant management plan: assistance for licensing system	20,000	2,600	UNEP
(b)	Implementation of the refrigerant management plan: training of custom officers	45,000	5,850	UNEP
(c)	Implementation of the refrigerant management plan: training of refrigeration technicians	55,000	7,150	UNEP
(d)	Implementation of the refrigerant management plan: monitoring the activities	20,000	2,600	UNEP
(e)	Implementation of the refrigerant management plan: technical assistance	110,000	9,900	UNDP
