



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/46/35  
3 June 2005

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-sixth Meeting  
Montreal, 4-8 July 2005

**PROJECT PROPOSAL: TANZANIA**

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

Refrigeration

- Refrigerant management plan update France

**PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECTS  
TANZANIA**

PROJECT TITLES	BILATERAL/IMPLEMENTING AGENCY
(a) Refrigerant management plan update	France

<b>NATIONAL CO-ORDINATING AGENCY</b>	National Ozone Office
--------------------------------------	-----------------------

**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**

**A: ARTICLE-7 DATA (ODP TONNES, 2003, AS OF MARCH 2005)**

Annex A, Group I	148.2		
------------------	-------	--	--

**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2004 AS OF MAY 2005)**

ODS Name	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity.
CFC-12	98.36 (servicing)	0.18 foam		

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	
--	--

CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$ million	Phase-out ODP tonnes
	(a)	Included in business plan of Germany, with no funding	

<b>PROJECT TITLE:</b>	<b>(a)</b>
<b>ODS use at enterprise (ODP tonnes):</b>	113.2
<b>ODS to be phased out (ODP tonnes):</b>	*
<b>ODS to be phased in (ODP tonnes):</b>	n/a
<b>Project duration (months):</b>	36
<b>Initial amount requested (US \$):</b>	157,252
<b>Final project cost:</b>	
Incremental Capital Cost (US \$)	
Contingency (10%) (US \$)	
Incremental Operating Cost (US \$)	
Total Project Cost (US \$)	157,252
<b>Local ownership (%):</b>	100
<b>Export component (%):</b>	0
<b>Requested grant (US \$):</b>	157,252
<b>Cost-effectiveness (US \$/kg):</b>	n/a
<b>Implementing agency support cost (US \$):</b>	20,443
<b>Total cost of project to Multilateral Fund (US \$):</b>	177,695
<b>Status of counterpart funding (Y/N):</b>	n/a
<b>Project monitoring milestones included (Y/N):</b>	Y

<b>SECRETARIAT'S RECOMMENDATION</b>	Blanket approval at the costs indicated above
-------------------------------------	---

\* To be in compliance with the 2005 and 2007 Montreal Protocol limits (CFC baseline is 253.9 ODP tonnes).

## PROJECT DESCRIPTION

1. The Government of Tanzania has submitted for consideration by the Executive Committee at its 46th Meeting a project proposal for a refrigerant management plan (RMP) update at a cost of US \$157,252. Through the implementation of the RMP update project, the Government of Tanzania will meet its 2005 and 2007 ODS phase-out obligations under the Montreal Protocol.

### Background

2. As reported in the project proposal, in 2003, total CFC consumption in Tanzania was estimated at 148.2 ODP tonnes. Of this amount, 113 ODP tonnes was used for servicing refrigeration systems and the remaining 35.2 ODP tonnes was used in the foam sector. In 2004, the Government of Tanzania reported (in the context of the progress report on the implementation of the country programme) a CFC consumption of 98.36 ODP tonnes used in the refrigeration sector and 0.18 ODP tonnes in the foam sector. The CFC baseline for Tanzania is 253.9 ODP tonnes.

3. According to the survey conducted to prepare the RMP update for Tanzania, most of the CFC consumption is for servicing commercial refrigeration equipment (about 62 per cent of total CFC consumption), MAC units including buses and railways (22 per cent) refrigerated transport (9 per cent) and domestic refrigerators (7 per cent).

4. There are approximately 100 established refrigeration servicing workshops, and between 400 and 500 service technicians. Only a small number of technicians have formally attended refrigeration training. During the survey, service technicians indicated that HFC-134a is very expensive in comparison to CFC-12 and HCFC-22 refrigerants; they are not familiar with the use of HFC-134a refrigerant; and CFC-12 is still easily available in the country. They also indicated that the retrofitting of some parts in CFC-based equipment for non-CFC refrigerants (e.g., expansion valves, filter driers, compressor oil) is expensive and, therefore, customers prefer to continue using CFC-12.

5. Current refrigerant prices per kg are: US \$5.15 for CFC-12, US \$8.82 for HFC-134a and US \$5.50 for HCFC-22.

6. The refrigeration servicing sector has reported that, due to the current price differential between CFC and non-CFC refrigerants, sometimes HFC-134a-based refrigeration equipment is serviced with CFC-12. This practice is especially prevalent among the smaller workshops, where customers demand the cheaper solution.

### ODS regulations

7. ODS regulations in Tanzania have been drafted since 2000. However, they have not yet been approved since they were part of a new Environment Act. The Environment Act was only approved by the Government of Tanzania in November 2004. Currently, the Ozone Officer is assisting in the process of approving the ODS regulations as soon as possible.

8. The lack of ODS regulations is the major issue currently faced by Tanzania. Without ODS import controls, the 50 per cent reduction in CFC consumption by 2005 might not be accomplished by Tanzania, particularly as CFC-12 based compressors are being imported into the country.

#### Refrigerant management plan (RMP)

9. The Tanzania RMP was approved at the 26th Meeting of the Executive Committee as a German bilateral project. The RMP was developed as a national/regional project involving 14 South and East African countries. The activities covered by the RMP were related to legislation/policy, training of refrigeration servicing technicians and training of customs officers.

10. The training of customs officers took place as part of the regional training programme; six customs officers and the Ozone Officer from Tanzania were trained as trainers, and an additional 20 officers were also trained. The training course was successfully implemented; however, participating customs officers highlighted the need for the ODS regulations to be approved before they could control the trade in ODS.

11. Four refrigeration technicians were trained in Germany as trainers in good refrigeration servicing practices. The training centre in Tanzania received the necessary tools and equipment to provide training courses to other refrigeration technicians. In 2003, the trainers conducted a training course for 17 technicians as part of the RMP activity. At the conclusion of the training course, the trainees decided to establish a refrigeration association to be known as the Tanzania Association for Refrigeration and Air-conditioning. The Ozone Unit agreed to provide the necessary assistance to the Association to promote its activities aimed at improving the standard of refrigeration servicing in the country. In February 2004, an additional training course was conducted for 15 technicians.

12. Under the recovery and recycling sub-project (approved at the 36th Meeting of the Executive Committee), training workshops on recovery and recycling operations were conducted in which 21 technicians were trained. Five recovery and recycling units and 20 recovery machines were only distributed to servicing workshops in 2004. The amount of CFC-12 recovered is not yet known.

#### RMP update

13. The RMP update proposal, as submitted, includes a request for assistance with finalization and approval of the ODS regulations; complementary training programmes for customs officers and for refrigeration servicing technicians; and an incentive programme for retrofit/drop-ins for the commercial refrigeration subsector. The total cost of the RMP update is US \$157,252.

14. The Tanzania RMP update project was submitted with an official letter from the Senior Permanent Secretary of the Vice President's Office of Tanzania, stating that the Government is fully aware of the conditions set by the decision 31/48 of the Executive Committee, requiring the country to meet its 2005 and 2007 ODS phase-out obligations. Furthermore, the Government of

Germany indicated that the Government of Tanzania is fully aware that no additional funding would be available from the Fund to achieve the 2005 and 2007 allowable levels of CFC consumption.

## **SECRETARIAT'S COMMENTS AND RECOMMENDATION**

### **COMMENTS**

15. The Secretariat notes that the project proposal has been submitted in accordance with the provisos of Decision 31/48 and subsequent decisions taken by the Executive Committee regarding RMP proposals, including the level of funding requested.

16. In the project proposal it is reported that the original RMP project (approved in November 1998) has been implemented successfully. However, it is also reported that limited results had been achieved from implementation of activities approved in the original RMP. In this regard, the Secretariat sought additional clarification from the Government of Germany as follows:

- (a) CFC consumption had increased from 71.64 ODP tonnes in 2002 to 148.2 ODP tonnes in 2003. The reason for this considerable fluctuation in the amount of CFC imported into the country is not clear.

Germany reported that the Ozone Unit was unable to explain the fluctuation in CFC consumption in the country. Since there are no CFC import controls yet in Tanzania, CFC consumption reports prepared by the Ozone Unit are based on import records in customs offices, and on information voluntarily provided by importers. The Ozone Unit also indicated that some CFCs might be being kept as stocks for later use, and that some CFCs might be re-exported to neighbouring countries; however, in the absence of adequate record keeping, it is not possible to determine the amounts of CFC being re-exported;

- (b) Of the 400 to 500 persons involved in the servicing of refrigeration equipment, only 32 had received formal training.

Germany reported that the majority of the technicians that had been trained through the original RMP came from towns outside the training facility, and so utilized all the resources that were available for the training programme. Therefore, only a limited number of technicians could be trained. The training programme proposed within the RMP update plans to establish additional training centres in the country's major cities;

- (c) One of the specific activities that had been proposed under the original RMP project was the establishment of an import/export licensing system. However, ODS regulations have not yet been approved.

Germany reported that the approval of the draft ODS regulations was dependent on the approval of the Environmental Act. The Act was approved in November 2004; therefore, the Ozone Officer is of the opinion that the ODS regulations will be approved by July 2005, as all legal obstacles have already been resolved;

- (d) Only 20 customs officers have received training. Moreover, the training programme did not cover ODS import policies, since the ODS regulations are still awaiting approval by the relevant authorities.

Germany reported that the draft ODS regulations were used during the training programmes provided to customs officers. However, in order for the officers to enforce the regulations, the regulations must be approved by the Government. This issue was stressed by customs officers during the training courses.

17. One of the activities proposed in the RMP update is a retrofit/drop-in incentive scheme. Based on the current price difference between CFC and non-CFC refrigerants and the limited availability of non-CFC refrigerants, the Secretariat raised its concern regarding the long-term sustainability of the programme. The Secretariat further suggested that most of the funding available under the RMP update (i.e., US \$157,252) might be used to assist the Government of Tanzania in enacting ODS regulations (including the ODS licensing system), providing training to all of the refrigeration service technicians in the country and, once the legislation was in place, provide training to customs officers. Once these activities were implemented, the Government of Tanzania could submit a request to the Executive Committee for the approval of a TPMP, in accordance with decision 45/54, where incentive schemes and other technical assistance programmes could be included.

18. The Government of Germany reported that the emphasis of the RMP update project is on the approval of the ODS regulations, and training for customs officers and refrigeration servicing technicians. However, the Government of Tanzania requested to include the incentive scheme in the project, in case appropriate conditions for the scheme arose at a later date.

#### Change of bilateral agency

19. The original RMP was implemented by the Government of Germany as part of its bilateral contribution to the Fund. Since Germany's maximum level of funding for bilateral cooperation in the 2003-2005 triennium has been fully utilized, the Government of Germany indicated that the Government of France would take over funding of this project. The project will still be implemented by the Government of Germany.

20. The Secretariat also received a letter from the Government of France officially re-submitting the RMP project proposal, and a letter from the Government of Tanzania indicating its agreement to the change of bilateral cooperating agency.

**RECOMMENDATION**

21. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below, on the understanding that the Government of France will provide appropriate monitoring throughout project implementation.

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	Implementation of the RMP update	157,252	20,443	France

----