



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/50/39
10 October 2006



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fiftieth Meeting
New Delhi, 6-10 November 2006

PROJECT PROPOSAL: LESOTHO

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

Phase-out

- Terminal CFC phase-out management plan (third tranche) Germany

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
LESOTHO**

PROJECT TITLE**BILATERAL/IMPLEMENTING AGENCY**

Terminal CFC phase-out management plan (third tranche)	Germany
--	---------

NATIONAL CO-ORDINATING AGENCY:

National Ozone Unit, Lesotho

LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**A: ARTICLE-7 DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)**

Annex A, Group I: CFC	0		
Annex B, Group II: Halons	0		

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2005, AS OF SEPTEMBER 2006)

ODS	Aerosol	Foam	Ref.	ODS	Solvents	Process agent	Fumigant
CFC			0				

CFC consumption remaining eligible for funding (ODP tonnes)

n/a

CURRENT YEAR BUSINESS PLAN: Total funding US \$20,000: total phase-out 0.4 ODP tonnes.

PROJECT DATA	2003	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol limits		5.1	2.55	2.55	0.76	0.76	0.76	0	
Annual consumption limit		1.4	0.8	0.4	0				
Annual phase-out from ongoing projects									
Annual phase-out newly addressed									
Annual unfunded phase-out									
TOTAL ODS CONSUMPTION TO BE PHASED OUT			0.6	0.4	0.4				1.4
Project cost as originally submitted (US \$)									
Final project costs (US \$):									
Funding for Germany	75,000	35,000	17,300						127,300
Total project funding	75,000	35,000	17,300						127,300
Final support costs (US \$):									
Support cost for Germany	9,750	4,550	2,249						16,549
Total support costs	9,750	4,550	2,249						16,549
TOTAL COST TO MULTILATERAL FUND (US \$)	84,750	39,550	19,549						143,849
Final project cost effectiveness (US \$/kg)									n/a

FUNDING REQUEST: Approval of funding for the third tranche (2006) as indicated above.

SECRETARIAT'S RECOMMENDATION

Blanket approval

PROJECT DESCRIPTION

1. On behalf of the Government of Lesotho, the Government of Germany has submitted a progress report on the implementation of the second work programme of the Lesotho ODS terminal phase-out management plan (TPMP) and a request for funding for the third and final work programme at a total cost of US \$17,300 plus agency support cost of US \$2,249.

Background

2. The TPMP for Lesotho was approved by the Executive Committee at its 41st Meeting, to completely phase out CFC consumption in the country by 2007. Total funding of US \$127,300 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$75,000 plus agency support cost for Germany, for the implementation of the first work programme (UNEP/OzL.Pro/ExCom/41/42 and Corr.1). At its 45th Meeting, the Executive Committee approved an additional US \$35,000 plus agency support cost for Germany for the implementation of the second work programme (UNEP/OzL.Pro/ExCom/45/33).

Progress report on the implementation of the second work programme

3. Two training workshops for refrigeration service technicians were conducted with the participation of 34 technicians.

4. Implementation of the incentive scheme for end-users continued with the assistance of the Lesotho Refrigeration Association. So far a total of 35 medium sized CFC-based commercial refrigeration systems in supermarkets and butcheries have been retrofitted to alternative refrigerants, namely R-406 and R-408. The beneficiaries were identified by the refrigeration association, and the retrofit was conducted by its trained and certified technicians. The Ozone Unit was responsible for ensuring that the retrofit was completed successfully. The uncontaminated CFC-12 recovered from this equipment has been used mainly to service domestic refrigerators.

5. As of 31 August 2006, US \$106,884 has been disbursed and an additional US \$12,000 will be disbursed by the end of 2006.

Plan of action for the third work programme

6. The Government of Lesotho commits to implementing the following activities as part of the third work programme:

- (a) Continue implementing the incentive scheme for end-users. All remaining CFC-based commercial refrigeration systems still in operation in the country have been identified;
- (b) Further training programmes for refrigeration servicing technicians, including MACs, and development of a code of good practice for the refrigeration sector;
- (c) Additional customs training courses to ensure that customs officers are aware of the impending ban on imports of ODS;

- (d) Awareness activities for end-users and the general public; and
- (e) Monitoring and management of the activities included in the TPMP, including data reporting, as applicable.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

7. Through the implementation of the TPMP, the Government of Lesotho committed to achieving the complete phase-out of CFCs by January 2008. The Secretariat noted that in 2005, the Government of Lesotho reported zero consumption of CFCs and all other ODSs under Article 7 of the Montreal Protocol. The CFC baseline for Lesotho is 5.13 ODP tonnes.

8. Noting that there is still CFC-based commercial refrigeration equipment in operation, the Secretariat asked for an estimate of CFC consumption in 2006. The Government of Germany indicated that the Government of Lesotho was aiming to maintain zero consumption of CFCs in 2006. The incentive scheme is expected to encourage owners of CFC-based refrigeration equipment to retrofit their systems to alternative refrigerants. Moreover, refrigerant importers have already been informed that imports of CFC refrigerants will not be allowed.

9. The Government of Germany also informed the Secretariat that, according to the Ozone Unit and the refrigeration association, there are still 45 CFC-based commercial refrigeration systems in operation, some of which will be retrofitted. There are no CFC-based chillers in the country. CFCs are still used for servicing domestic refrigerators scattered throughout the country. In urban areas, the tendency has been to replace CFC-based domestic refrigerators with new non-CFC-based units.

10. It has been found that the CFC recovered from retrofitted systems is usually contaminated with oil, and only about 80 kg of CFC-12 has been recovered and reused. Currently, there are about 5 kg of CFC-12 stored. Refrigeration service workshops are aware of the incentive scheme and, where applicable, approach the Ozone Unit and/or the refrigeration association for assistance. Zero imports of CFC refrigerants have ensured that the refrigeration sector is converting to alternatives.

11. The Government of Lesotho has also reported zero consumption for halons, CTC, TCA and methyl bromide (MB). Although these ODSs were not included in the TPMP project, the Secretariat sought additional information on whether or not the consumption of all these ODS has been permanently phased out in Lesotho. The Government of Germany indicated that the Government of Lesotho believes that while there is a need to use these ODS, the country has effectively placed import controls on these substances.

RECOMMENDATION

12. The Fund Secretariat 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)	Terminal CFC phase-out management plan (third tranche)	17,300	2,249	Germany