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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-third Meeting
Montreal, 26-30 November 2007

PROJECT PROPOSAL: ZAMBIA

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

Phase-out

- Terminal phase-out management plan (first tranche) UNDP and UNEP

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

PROJECT TITLE **BILATERAL/IMPLEMENTING AGENCY**

Terminal phase-out management plan (first tranche)	UNDP and UNEP
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NATIONAL CO-ORDINATING AGENCY:	National Ozone Unit
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP TONNES, 2006, AS OF OCTOBER 2007)

CFC	6.6	MB	6.0

B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2006, AS OF OCTOBER 2007)

ODS	Aerosol	Foam	Ref. Mfg.	Ref. Servicing	Solvents	Process agent	Fumigant Non-QPS
CFC				6.6			
MB							6.0

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN: Total funding US \$200,000 total phase-out 0 ODP tonnes.

PROJECT DATA		2006	2007	2008	2009	2010	Total
CFC (ODP tonnes)	Montreal Protocol limit		4.11	4.11	4.11	0	n/a
	Annual consumption limit		4.11	4.11	4.11	0	n/a
	Annual phase-out from ongoing projects						
	Annual phase-out newly addressed			2.0	2.11	0	4.11
	Annual unfunded phase-out						
TOTAL ODS CONSUMPTION TO BE PHASED OUT				2.0	2.11		4.11
Total ODS consumption to be phased-in (HCFCs)			0	0	0	0	0
Final project costs (US \$):							
Funding for Lead IA: UNEP			94,000	52,000			146,000
Funding for Cooperating IA: UNDP			111,500	37,500			149,000
Total project funding			205,500	89,500			295,000
Final support costs (US \$):							
Support cost for Lead IA: UNEP			12,220	6,760			18,980
Support cost for Cooperating IA: UNDP			10,035	3,375			13,410
Total support costs			22,255	10,135			32,390
TOTAL COST TO MULTILATERAL FUND (US \$)			227,755	99,635			327,390
Final project cost effectiveness (US \$/kg)							n/a

FUNDING REQUEST: Pending

SECRETARIAT'S RECOMMENDATION	Pending
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PROJECT DESCRIPTION

1. On behalf of the Government of Zambia, UNEP as the lead agency, has submitted a terminal phase-out management plan (TPMP) for the phase out of ODS in the refrigeration and air-conditioning sector for consideration by the Executive Committee at its 53rd Meeting. The project will also be implemented with assistance from UNIDO. The total cost of the Zambia TPMP as submitted is US \$295,000 (US \$146,000 plus agency support costs of US \$18,980 for UNEP and US \$149,000 plus agency support cost of US \$13,410 for UNIDO). The project proposes the complete phase of CFCs by the end of 2009. The CFC baseline for compliance is 27.4 ODP tonnes.

Background

2. From the 15th Meeting onward, i.e. before the concept of RMPs was developed, the Executive Committee approved training and certification programmes for refrigeration technicians and a national programme for recovery and recycling. After developing the concept of an RMP, typical activities for an RMP, which so far had not been funded for Zambia, were approved as assistance in the design of policies and regulations. A subsequent RMP update provided further support. In total, the Fund supported CFC phase-out activities in Zambia at the amount of US \$349,420 plus agency support costs for UNIDO, UNDP and Germany. Upon request, UNEP provided information regarding the implementation of the RMP update, approved at the 42nd Meeting. Compared to the project proposal for the RMP update approved at the 42nd Meeting, an incentive scheme for retrofit has not yet been implemented, and the RMP update has a remaining balance of more than US \$40,000, which is the funding originally foreseen for the retrofit activity. Other than that, the RMP and RMP update have been implemented with the following activities:

- (a) Delivery of 30 recovery units and 2 recovery and recycling machines in 2000 and 2001. The report informs, though, that only 12 of the recovery and recycling machines are functional if spare parts are provided; the remaining are no longer usable or can not be tracked any more;
- (b) Training of over 150 customs officers in six workshops in 2005 on the ODS controls and on how to operate refrigerant identifiers, of which 15 were delivered; and
- (c) Three trainers were trained and, subsequently, six training courses have been held training 150 technicians. Ten thousand (10,000) ODS phase-out Handbooks were published and distributed to the technicians and other stakeholders in government and industry. The capacity of the Vocational Training College and the Higher Learning Institutions in Zambia was strengthened with training equipment. Over 70 refrigeration technicians have participated in the related courses and 40 have been certified by the government.

3. According to the reported Article 7 consumption data, Zambia had a baseline consumption of CTC of 0.7 ODP tonnes, with zero consumption reported since the year 2002, and a baseline consumption of TCA of 0.1 ODP tonnes, with zero consumption since the year 2000. Zambia has never reported any consumption of HCFCs, other fully halogenated CFCs or halons.

Policy and legislation

4. In 2001, Zambia issued an “ODS Control Regulations Statutory Instrument No. 27” controlling the import and use of ODS and ODS-containing equipment. The regulations control the import, export, production and consumption of ODS through a licensing system. The ODS control regulations empower the relevant institutions to demand permits and licenses concerning any controlled substances and prosecute offenders. The procedure on import and clearing of ODS includes a comparison between amount required for licenses and the quota for a given year, and issuing of a permit. The quota is authorized by the environment authority. The survey undertaken as part of the preparation for the TPMP concluded that many small scale importers are not aware of the licensing system and the related procedures, therefore unintended illegal imports might take place, and consequently, there might be the need for awareness measures.

Refrigeration-servicing sector

5. According to the project proposal the consumption of CFCs dropped in 2006 to 6.6 tonnes, of which 1.6 ODP tonnes (HFC-134a: 2.4 tonnes, HCFC-22: 3.2 tonnes) were consumed in the domestic refrigeration sub-sector. About 4.8 tonnes of CFC-12 (HFC-134a: 7.2 tonnes; R507: 4.1 tonnes; HCFC-22: 9.7 tonnes, R717 (ammonia): 5.5 tonnes) were consumed for the servicing of commercial and industrial refrigeration equipment, and 123 kg of CFC-12 (HFC-134a: 200 kg, HCFC-22: 270 kg) for mobile air conditioning. All of this consumption was used for the servicing of equipment. The current prices of refrigerants per kg are: US \$6.94 for CFC-12, US \$14.45 for HFC 134a, US \$18.52 for R507 and US \$4.15 for HCFC-22.

Activities proposed in the TPMP

6. The following activities are proposed to be implemented through the TPMP project:
- (a) Assistance for the review of the ODS regulations and amendment to improve compliance with the subregional ODS control mechanism, including some assistance for a related workshop and related information dissemination;
 - (b) Extension of customs training. According to the project document and information provided by UNEP, the number of customs officers is 450, of which 150 have been trained. UNEP provided information regarding a high turnover of customs in border posts and therefore a need of additional training. UNEP proposes to undertake the customs training component by hiring a consultant to travel to the different customs posts, to train another 200 customs officers by conducting workshops over two years. In addition, it is planned to purchase ten refrigerant identifiers;
 - (c) Extension of the refrigeration training scheme by training of at least 250 technicians and engineers in retrofitting of equipment to non-ODS technologies. This training is partly an upgrade of training provided under the RMP. The training is planned on the basis of a train-the-trainer approach, its implementation is envisaged to continue until the end of 2009;

- (d) A technical assistance programme for recovering and retrofitting commercial and domestic refrigeration and air conditioning equipment is the fourth component. This is intended to complement the technician training programme by providing parts and spare parts for existing and locally built recovery and R&R machines, and to provide incentives for purchasing a stock of alternative refrigerants, not yet locally available, for retrofitting of refrigeration equipment. The total cost proposed for this component is US \$74,000.
 - (e) Finally, a monitoring component to ensure satisfactory implementation and subsequent follow-up is also foreseen.
7. A work plan for 2008 has been submitted with the TPMP proposal.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The Secretariat raised a number of issues related to the original amount allocated to the proposed non-investment components, the methodology of customs training, the number of refrigerant identifiers included, and the need to establish and sustain retrofit centres. The Secretariat also raised a significant number of questions regarding the eligibility of the proposed items, and explored the possibility to use remaining funds under the RMP update for similar activities under the TPMP. The Secretariat's discussions with UNEP regarding these issues are still ongoing.

RECOMMENDATION

9. Pending
