



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/60/37
11 March 2010

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixtieth Meeting
Montreal, 12-15 April 2010

PROJECT PROPOSAL: PARAGUAY

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

Phase-out

- Terminal phase-out management plan for Annex A Group I substances (fourth tranche)

UNEP/UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Paraguay

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNDP, UNEP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2008
CFC: 27.3	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2008		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					27.3								27.3
CTC													0
Halons													0
Methyl Bromide													0
Others													0
TCA													0

(IV) PROJECT DATA		2007	2008	2009	2010	Total	
Montreal Protocol Consumption Limits	CFC	31.6	31.6	31.6	0.		
Maximum Allowable Consumption (ODP Tonnes)	CFC	31.6	31.6	31.6	0.		
Project Costs (US\$)	UNDP	Project Costs	160,000.	140,000.	50,000.	21,000.	371,000.
		Support Costs	12,000.	10,500.	3,750.	1,575.	27,825.
	UNEP	Project Costs	80,000.	60,000.	30,000.	24,000.	194,000.
		Support Costs	10,400.	7,800.	3,900.	3,120.	25,220.
Total Funds Approved in Principle (US\$)		Project Costs	240,000.	200,000.	80,000.	45,000.	565,000.
		Support Costs	22,400.	18,300.	7,650.	4,695.	53,045.
Total Funds Released by the ExCom (US\$)		Project Costs	240,000.	0.	280,000.	0.	520,000.
		Support Costs	22,400.	0.	25,950.	0.	48,350.
Total Funds Requested for Current Year (US\$)		Project Costs				45,000.	45,000.
		Support Costs				4,695.	4,695.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket Approval
--	------------------

PROJECT DESCRIPTION

1. On behalf of the Government of Paraguay, UNEP, as the lead implementing agency, has submitted to the 60th Meeting of the Executive Committee a request for funding for the fourth and final tranche of the Terminal phase-out management plan for Annex A Group I substances (TPMP) at a total cost of US \$24,000 plus agency support costs of US \$3,120 for UNEP, and US \$21,000 plus agency support costs of US \$1,575 for UNDP. The submission also includes a progress report on the implementation of the TPMP during 2009 and the implementation programme for 2010.

Background

2. The TPMP for Paraguay was approved by the Executive Committee at its 51st Meeting, to completely phase out CFC consumption in the country by 2009. Total funding of US \$565,000 plus agency support costs of US \$53,045 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$80,000 plus agency support costs of US \$10,400 for UNEP, and US \$160,000 plus agency support costs of US \$12,000 for UNDP, for the implementation of the first tranche of the TPMP. At its 58th Meeting, the Executive Committee approved the second and third tranches at a total cost of US \$90,000 plus agency support costs of US \$11,700 for UNEP and US \$190,000 plus agency support costs of US \$14,250 for UNDP.

Progress report on the implementation of the second and third tranches of the TPMP

3. Following the approval of the second and third tranches of the TPMP, the ODS import licensing system was revised and a new decree was approved covering all ODS; 110 customs officers were trained and awareness programme to 70 additional medium to high level officers was provided. The train-the-trainers workshop for 20 service technicians has been completed and 200 technicians have been and will be trained by the end of March 2010. A certification programme for technicians has been established. Also, 200 additional servicing tools have been purchased and will be delivered during the first half of 2010 (in total, service tool kits for 650 technicians, vacuum pumps for 25 workshops and 12 equipment and tool sets for refrigeration schools will be provided). A committee on good refrigeration practices and the association of refrigeration technicians were established. Meetings with customs officers are conducted on a quarterly basis, monitoring activities of recovery/recycling machines were conducted in 2009 and additional monitoring activities are planned during 2010.

4. As of December 2009, of the US \$520,000 so far approved, US \$362,651 had been disbursed or committed. The balance of US \$157,349 will be disbursed during 2010.

Plan of action for the fourth tranche of the TPMP

5. The Government of Paraguay commits to implementing the following activities under the fourth work programme of the TPMP: enforcement of the ODS import licensing system and prevention of illegal trade in ODS will continue to be implemented. Training will be given to 570 refrigeration service technicians, service tools for handling drop-in refrigerants will be distributed, and 100 refrigeration service technicians will be certified in good practices. Monitoring and verification activities will also continue.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The 2008 CFC consumption reported by the Government of Paraguay under Article 7 of the Montreal Protocol of 27.3 ODP tonnes was already 4.3 ODP tonnes below that of 31.6 ODP tonnes allowed for that year. CFC consumption in 2009 has been estimated at 10.8 ODP tonnes. UNEP also

assured the Government of Paraguay's commitment to sustain zero CFC consumption beyond 2009 by completing all activities in the TPMP.

7. UNEP explained that currently, all Annex C Group I substances (HCFCs) are included in the ODS license system, although they are not included in the quota system. During the preparation of the HPMP, the Government of Paraguay will include HCFCs in the quota system.

8. With regard to a question on the training activities that have been implemented in Paraguay so far, UNEP said that an awareness and sensitization campaign on CFC-12 phase-out was implemented during the RMP for main refrigeration stakeholders. Through the TPMP, a programme on good practices in refrigeration has been established with the participation of 12 training schools. This programme is aimed at establishing a technician certification scheme in the country. The national manual on good practices in refrigeration is given to technicians that take approved courses. With regard to the criteria for the distribution of service tools, UNEP indicated that technicians must have passed the 40-hour course on good practices, and provide proof of work as a technician in the refrigeration and air conditioning sectors. Issues concerning the recovery and recycling scheme and the end-user conversion programme were satisfactorily addressed. Based on a survey of 40 workshops, there are currently 22 recovery machines and three recovery/recycling stations in operation, with 30 per cent of the machines also recovering HCFC-22 and HFC-134a. Nine workshops have changed their address to an unknown location. During the implementation of the 2010 work programme, monitoring of the service workshops that have received recovery machines will continue, and it includes the tracking of the workshops that had moved to new locations. Of a sample of 60 end-users surveyed, it was found that there is still some CFC-based refrigeration equipment in operation in hospitals, supermarkets, and small enterprises.

9. Considering the fact that as of 1 January 2010 no more CFCs can be imported into the country, the fact that refrigeration servicing technicians and customs officers that have been trained through the RMP and the TPMP, and the fact that funding for the preparation of the HPMP has been approved for Paraguay, the Secretariat suggested that UNEP examine the merits of focusing the final tranche of the TPMP on specific activities that will sustain zero consumption of CFCs and facilitate the phase-out of HCFCs in Paraguay. UNEP indicated that CFC consumption in Paraguay had been substantially reduced between 2005 and 2009 thanks to the ODS legislation in place and the activities implemented by major stakeholders so far, including the active participation of the Ozone Unit. Nevertheless, the activities to be implemented through the last tranche of the TPMP, such as additional training programmes on retrofitting equipment with alternative refrigerants, retrofitting refrigeration equipment in buildings of social interest, and monitoring the training programmes and the recovery and recycling scheme, are very important to maintain zero consumption of CFCs in the country.

RECOMMENDATION

10. The Fund Secretariat recommends that the Executive Committee:
- (a) Takes note of the progress report on the implementation of the second and third tranches of the terminal phase-out management plan (TPMP) in Paraguay;
 - (b) Approves the 2010 annual implementation programme associated with the fourth tranche;
 - (c) Requests the Government of Paraguay, with the assistance of UNDP and UNEP, to submit a progress report on the implementation of the work programme associated with the fourth and final tranche of the TPMP no later than the 63rd Meeting of the Executive Committee.

11. The Secretariat further recommends blanket approval of the 2010 plan associated with the fourth and final tranche of the TPMP for Paraguay, 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 phase-out management plan for Annex A Group I substances (fourth tranche)	24,000	3,120	UNEP
(b)	Terminal phase-out management plan for Annex A Group I substances (fourth tranche)	21,000	1,575	UNDP
