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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-first Meeting
Montreal, 17-19 December 2003

PROJECT PROPOSAL: CONGO

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

Refrigeration

- Implementation of the refrigerant management plan: centralized recovery and recycling of CFC-12 programme

UNDP

**PROJECT EVALUATION SHEET
CONGO**

SECTOR: Refrigeration ODS use in sector (2002): 5.5 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

(a) Implementation of the refrigerant management plan: centralized recovery and recycling of CFC-12 programme

Project Data	RMP Update
Enterprise consumption (ODP tonnes)	
Project impact (ODP tonnes)	2.92
Project duration (months)	36
Initial amount requested (US \$)	118,078
Final project cost (US \$):	
Incremental capital cost (a)	
Contingency cost (b)	
Incremental operating cost (c)	
Total project cost (a+b+c)	118,078
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	118,078
Cost effectiveness (US \$/kg.)	
Counterpart funding confirmed?	
National coordinating agency	Ministry of Environment
Implementing agency	UNDP
Secretariat's Recommendations	
Amount recommended (US \$)	118,078
Project impact (ODP tonnes)	2.92
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	10,627
Total cost to Multilateral Fund (US \$)	128,705

PROJECT DESCRIPTION

Background

1. The Government of Congo submitted for the consideration of the Executive Committee at its 40th Meeting a refrigerant management plan (RMP) update project proposal. The project included an incentive programme for replacing or retrofitting CFC-based commercial or industrial refrigeration systems to non CFC technologies at a cost of \$112,000. It also included a training programme and activities for information dissemination and monitoring (UNEP/OzL.Pro/ExCom/40/35).
2. The Fund Secretariat reviewed the project proposal and questioned its long-term sustainability and cost-effectiveness, taking into consideration the large price differential between CFC-12 (US \$6 to US \$9 per kg) and HFC-134a (US \$18.2 to US \$22.7 per kg); and that 50 per cent of the total project cost was for salaries, a workshop, travel and sundries.
3. Subsequently, the Executive Committee decided to defer consideration of the Congo RMP update project and requested UNDP to present additional information to the 41st Meeting to allow evaluation of the project at that time (Decision 40/44).

Revised project proposal

4. The Government of Congo re-submitted the RMP update project proposal. The revised project contains a proposal (at US \$118,078) for the establishment of two CFC recovery and recycling centres (one in Brazzaville and another in Pointe-Noire) to be operated by a few service technicians. During servicing/repair operations to a refrigeration system, technicians from the centre will accompany the service technician who will perform the repairs, to recover the CFC refrigerant from the system. The repair technician will receive credits for recycled refrigerants.
5. The recycling centres will be provided with recovery machines, suitable for recovering CFCs and other non-CFC refrigerants providing that extra costs of the machines falls within budget. The technicians from the centres will also receive basic repair and servicing tools (including vacuum pumps and leak detectors) to assist the technicians in performing proper servicing operations.
6. Hands-on training on recovery and recycling techniques and proper maintenance and installation of refrigeration and air conditioning equipment will be provided to technicians at the centres.
7. The proposal includes funding for the operating costs of the centres, including transportation costs, salaries for the technicians and sundries, for a three year period. Payments for the technicians in the recycling centres will be given every six months, and will be based on the amounts of CFCs recovered and recycled. A system for monitoring the quantity and quality of the CFC recycled is planned to ensure the success of the centralized recovery and recycling programme.

8. The Congo RMP update project was submitted with an official letter from the Government of Congo stating the Government's commitment to achieve, without further request for funding, at least the 50 per cent reduction in consumption of CFCs by 2005 and an the 85 per cent reduction by 2007.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. The Secretariat noted the new activity proposed by UNDP for establishment of a centralized recovery and recycling of refrigerants in Congo (as well as in other several Article 5 countries in Africa). The proposal is consistent with the provisos of Decision 31/48.

10. The Secretariat pointed out that a request for purchasing the recovery and recycling machines and ancillary equipment for the two recycling centres was not included in the project proposal. UNDP indicated that the proposed centres will utilize the equipment that was procured under the national programme for recovery and recycling that was approved by the Executive Committee at its 20th Meeting. Only filters and spare parts for the equipment were requested.

11. Several progress reports on recovery/recycling programmes in other Article 5 countries indicate that recovered amounts of CFCs are smaller than the amounts estimated in the project proposals. In this regard the Secretariat sought an explanation from UNDP on the soundness of the assumptions made for estimating that 2.9 ODP tonnes of CFCs would be recovered in Congo. UNDP informed the Secretariat that in previous recovery/recycling programmes, the repair technicians carried the recovery machine and ancillaries to the repair site even though in many cases no more refrigerant was available in the refrigeration system. In the new approach, the service technicians will call the technician at the centre when it there is a substantial amount of CFC to be recovered. The repair technician will have the incentive to call the centre, since he/she will receive a voucher to obtain 90 per cent of recycled refrigerant back for free. Also, payments to the technicians at the recycling centre will be based on the actual amounts of CFCs recovered/recycled.

12. UNDP also mentioned that, in case where other refrigerants are processed (HCFCs or HFCs), in addition to the CFC quotas established in the UNDP subcontract, additional resources will be available to the centres (as per relevant decisions by the Executive Committee, the extra cost to handle non-CFC refrigerants will be borne by the recipients). By the time the project is completed, and if it proves to be successful, the Government of Congo could request further funding in 2007 in order to maintain the centres. Furthermore, the centres may become self-sufficient if they are able to process other refrigerants in addition to CFCs.

RECOMMENDATION

13. The Fund Secretariat recommends blanket approval of the projects with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the refrigerant management plan: centralized recovery and recycling of CFC-12 programme	118,078	10,627	UNDP