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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
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Montreal, 17 -19 December 2003

PROJECT PROPOSALS: SURINAME

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposals:

Refrigeration:

- Implementation of the refrigerant management plan: development and strengthening of policy and regulatory framework for acceleration of compliance with the Montreal Protocol UNEP
- Implementation of the refrigerant management plan: training of customs officers and other relevant stakeholders in monitoring of ODS UNEP
- Implementation of the refrigerant management plan: training of trainers in good practices of refrigeration UNEP

**PROJECT EVALUATION SHEET
SURINAME**

SECTOR: Refrigeration ODS use in sector (2002): 46 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Titles:

- (a) Implementation of the refrigerant management plan: development and strengthening of policy and regulatory framework for acceleration of compliance with the Montreal Protocol
- (b) Implementation of the refrigerant management plan: training of customs officers and other relevant stakeholders in monitoring of ODS
- (c) Implementation of the refrigerant management plan: training of trainers in good practices of refrigeration

Project Data	Refrigerant management plan		
	(a)	(b)	(c)
Enterprise consumption (ODP tonnes)			
Project impact (ODP tonnes)			
Project duration (months)	12	12	18
Initial amount requested (US \$)	20,000	42,000	70,000
Final project cost (US \$):			
Incremental capital cost (a)			
Contingency cost (b)			
Incremental operating cost (c)			
Total project cost (a+b+c)	20,000	42,000	70,000
Local ownership (%)	100%	100%	100%
Export component (%)	0%	0%	0%
Amount requested (US \$)	20,000	42,000	70,000
Cost effectiveness (US \$/kg.)			
Counterpart funding confirmed?			
National coordinating agency		National Ozone Unit	
Implementing agency	UNEP	UNEP	UNEP

<i>Secretariat's Recommendations</i>			
Amount recommended (US \$)	20,000	42,000	70,000
Project impact (ODP tonnes)			
Cost effectiveness (US \$/kg)			
Implementing agency support cost (US \$)	2,600	5,460	9,100
Total cost to Multilateral Fund (US \$)	22,600	47,460	79,100

PROJECT DESCRIPTION

Servicing sector

1. In 2002, total CFC consumption in the refrigeration servicing sector in Suriname was estimated at 46 ODP tonnes for servicing domestic, industrial and commercial refrigerators (13 ODP tonnes) and MAC units (33 ODP tonnes). The CFC baseline for Suriname is 42 ODP tonnes.

2. The refrigeration equipment in operation in Suriname consists of:

- (a) Approximately 90,000 domestic refrigerators, of which 15,000 are serviced every year;
- (b) Small CFC-based cold storage units, which are continuously re-filled due to leakage;
- (c) Rapidly growing number of small businesses equipped mostly with second-hand commercial refrigerators and/or domestic refrigerators; and
- (d) About 50,000 vehicles and 900 buses fitted with a CFC-12 MAC unit. The road conditions in the country render the need for an average of one recharge per year.

3. There are approximately 15 registered refrigeration and air-conditioning service workshops (some of them only employing one technician), mainly located in the capital city. The service of domestic refrigerators is undertaken by 220 service technicians working in 40 workshops represented mostly by small enterprises (up to 3 persons) or individual technicians. Some of the technicians are exclusively involved in this kind of business but have not received any formal training.

4. The service of commercial and industrial refrigerators is mostly provided by local service companies (3 to 4 qualified technicians). Most of the technicians are aware of recovery/recycling practices, however they do not have the appropriate equipment. Air-conditioning systems are mostly imported, installed and maintained by foreign companies providing regular training to their personnel (including recovery and recycling practices). There are also 25 MAC service workshops with an average service of 5 cars a day.

5. The current prices of refrigerants per kg are: US \$5.5 for CFC-12 and US \$8.50 for HFC-134a.

ODS regulations

6. Currently, several environmental by-laws are being developed, which will include, *inter alia*, ban of any new activity for production of ODSs or ODS-based equipment; introduction of strict control of import/export/trade of all ODSs (including licensing, taxation and/or quotas as

appropriate); obligatory certification of technicians; and development of a fiscal incentive system to encourage the use of non-ODS technologies.

Activities proposed in the RMP project

7. The RMP includes the following sub-projects:
 - (a) Development and strengthening of policy and regulatory framework (US \$20,000): to elaborate ODS related regulations, including a licensing system;
 - (b) Training of customs officers (US \$42,000): to train customs officers, environmental inspectors and staff of the Institute of Statistics and Directorate of Statistics on identification of ODSs and ODS-based equipment and data collection and reporting;
 - (c) Training programme for refrigeration technicians (US \$70,000): to enhance the service skill of refrigeration technicians and to introduce good service practices related to new non-CFC refrigerants; and
 - (d) Establishment of a recovery and recycling programme and an incentive and awareness programme for end-users (cost to be determined at a later stage).

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

Issues related to baseline for compliance by Suriname

8. The Secretariat noted that, at the time of the submission of the RMP project, the Government of Suriname had not yet complied with Decisions XIV/14 and XIV/16 of the Parties (non-compliance with data reporting requirement for the purpose of establishing baselines). The Secretariat also noted that projects proposals submitted to the Executive Committee for countries which did not have a compliance baseline should be considered in the light of the advice provided by the Implementation Committee (Decision 38/12).

9. On the basis of the data presented in the project proposal, the Secretariat noted that Suriname appeared to have been in non-compliance with the CFC freeze since 2000. Therefore, the Secretariat suggested to UNDP and UNEP, as a matter of urgency, that the Government of Suriname send an official communication to the Ozone Secretariat reporting its ODS consumption according to the data collected during the preparation of the country programme.

10. Subsequently, UNDP and UNEP informed the Fund Secretariat that the two agencies are assisting the Government of Suriname in the submission of the ODS consumption data together with the ODS phase out action plan, as proposed in the country programme, to the Ozone Secretariat. Furthermore, Suriname considers that with the assistance from Multilateral Fund, the

2005 phase out targets can be met; the country is ready to take up the challenges ahead to meet compliance to the extent possible.

Issues related to CFC consumption

11. The Secretariat discussed issues related with the calculation of the level of CFC consumption with UNDP and UNEP. Specifically, the number of CFC-based domestic refrigerators serviced every year is high, taking into consideration that 55,000 refrigerators (of a total of 90,000) are operating with HFC-134a refrigerant, and only 15 per cent of the units are repaired annually. Also, the estimated number of vehicles fitted with a CFC-MAC unit was high for a country with a population of 440,000 inhabitants (over 72 per cent of the CFC consumption in Suriname is reported on being used in the MAC sub-sector).

12. In this regard, UNDP and UNEP informed the Secretariat that some of the data provided by the Ozone Unit is not too reliable and some of the calculations on CFC consumption were based on rough assumptions. This situation will be solved, once the Ozone Unit is well established and operational.

13. The Secretariat also noted that the RMP project proposal as submitted was incomplete since the sub-projects identified for recovery and recycling, and the awareness and incentive project have not been developed. In this regard, the Secretariat was informed that, at present, Suriname lacks the institutional capacity to effectively implement activities such as the recovery and recycling, assistance for the MAC sub-sector and end user incentive programmes. The Government is not in a position to endorse, at this time, the investment components of the project.

14. For the above reason UNDP decided to postpone the submission of the investment components of the RMP. After discussion with UNEP on the subject, it was decided that UNEP would submit the training projects of the RMP in order to start implementation of these activities. Once the Ozone Office is established, remaining information required to formulate the investment activities will be collected and analyzed. The level of funding for the investment activities will be based on Decision 31/48.

Level of funding

15. The Secretariat noted that on the basis of Decision 31/48, the CFC consumption level in Suriname and its sectoral distribution, the total level of funding for the Suriname RMP project would be about US\$450,000. The Secretariat also noted that, in accordance with the provisos of Decision 31/48, the Government of Suriname would submit, at a future Meeting of the Executive Committee, an additional request for funding the other sub-projects identified in the RMP.

RECOMMENDATIONS

16. Taking into consideration the urgent need for Suriname to commence implementation of the technical assistance programme for strengthening the policy and regulatory framework for acceleration of compliance with the Montreal Protocol and the training programmes for refrigeration technicians and customs officers, the Fund Secretariat:

- (a) Recommends blanket approval of the project proposals with associated support costs at the funding level shown in the table below, without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues;

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Implementation of the refrigerant management plan: development and strengthening of policy and regulatory framework for acceleration of compliance with the Montreal Protocol	20,000	2,600	UNEP
(b)	Implementation of the refrigerant management plan: training of customs officers and other relevant stakeholders in monitoring of ODS	42,000	5,460	UNEP
(c)	Implementation of the refrigerant management plan: training of trainers in good practices of refrigeration	70,000	9,100	UNEP
