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REFRIGERANT MANAGEMENT PLAN REVIEW MEETING REPORT

(Submitted by UNEP DTIE)

RMP REVIEW MEETING

REPORT

14 November 1998, Cairo

UNEP DTIE

OzonAction Programme

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1. Background

The Guidelines for the preparation of Refrigerant Management Plans were approved by the Executive Committee at its 23rd Meeting in 1997.

Since then total funds of US\$ 1.6 million have been approved for the formulation of 44 RMPs. Up to November 1998, 25 RMPs have been completed and approved for implementation, 11 of which were prepared without special funding provisions (within a CP or R&R project preparation). None of these RMPs has been fully implemented yet.

Following the recommendations of the Sub-Committee on Project Review, the Executive Committee at its 25th Meeting, July 1998, in Montreal requested UNEP to organize, in association with the Tenth Meeting of the Parties, a workshop involving bilateral donors, implementing agencies and the Secretariat to review experiences to date with Refrigerant Management Plans (RMPs), in order to improve the quality of preparation and implementation of RMP projects (UNEP/Oz.L.Pro/ExCom/25/25, Paragraph 54b).

The objectives of the Meeting were to review the lessons learned during preparation and implementation of RMPs, to identify the issues affecting the effectiveness of the RMPs and to explore the ways to resolve the issues.

2. Workshop Proceedings

The RMP Review Meeting was held on 14 November 1998, in Cairo back to back with the 26th Meeting of the Executive Committee and was organized with the financial and technical support from the Governments of Switzerland and Germany.

As background for the meeting the following documents were prepared:

- Concept Notes by MFS and UNEP;
- Background paper by UNEP;
- Additional documents and presentation were also provided¹.

Out of the 43 participants, 19 were ODS officers from Article 5 countries, 9 were representatives of non-Article 5 countries. Representatives of the Secretariat of the MF and of all the IAs, as well as consultants involved in the formulation of RMPs also participated at the meeting.

The Meeting was conducted under the moderation system (metaplan methodology) to encourage the involvement of all participants in an effective manner through broad discussion process.

The RMP Review meeting started with brief sharing of experience by the Implementing Agencies and the MF Secretariat. The workshop participants were then encouraged to list the issues and the options on pin-cards in a brainstorming session.

During the meeting the participants discussed the success and failures of RMPs to date, the main impediments, drivers pushing for success (and possibly hindering the success) and the reasons thereof.

The initial results from the brainstorming session were divided according to their relation to the RMP development and implementation processes. The participants split in two sub-groups to assess and analyze these issues. Each group was tasked to summarize the recommendations,

¹ 1. Review of the RMP Process - Bishnu Tulsie, Ozone Officer of St. Lucia;
2. RMP: why and how - Dr. Khalil, UNDP Consultant;
3. RMP Review Meeting/Workshop - Dr. Schall, Germany;
4. RMP and Related Activities, An Overview - UNEP DTIE.

drawing upon the brainstorming session's comments. The recommendations were finally discussed and agreed by all participants in a plenary session.

A report was prepared by the moderators of the meeting stating all impediments, successes, drivers, failures, reasons for failures, suggested improvements and recommendations for preparation of RMPs and for implementation of RMPs. Slate of recommendations arising out of the meeting were also listed (see Annex I - Table 4: Slate of Recommendations from the Moderators' Report).

A small working group, consisting of Switzerland, USA, Germany, Canada, Malaysia and St. Lucia, WB and UNEP DTIE met to discuss the way forward for the submission of the outcome to the Executive Committee. this report has been prepared by UNEP DTIE as pr the methodology suggested by the small review group.

3. Analysis of the Recommendations

This report collates all the recommendations of the Meeting, as provided in the Moderators' Report and:

- a) distils and condenses, the recommendations (from the two groups) and summarizes them in broader headings, and
- b) analyses if these issues are reflected in the Guidelines for the Preparation of RMP and ranks the following way:
 - fully reflected (marked with ***);
 - reflected, but not sufficient detail provided (marked with **);
 - not at all reflected (marked with *);
- c) presents a set of recommendations for next steps according to the criteria listed above

Following is the analysis of recommendations:

3.1. Preparation of RMPs

i) Duration of RMP formulation

- * Adequate time should be allowed for development of RMPs, according to methodology stipulated and steps described in the Guidelines;

ii) Responsibility of NOUs

- ** The NOU, who, by definition² is responsible for the coordination of the RMP preparation. NOU should also be responsible for translation of all necessary documents into appropriate languages and dissemination to stakeholders and additional resources should be provided for these activities;

iii) Data Collection

- ** Methodology of Data collection (how to estimate future CFC demands and “service tail”, how to develop data collection forms, etc.) needs to be elaborated in detail;

iv) Legislation and Regulations

- ** Though the need for a specific plan for establishing legislation/regulations is indicated in the Guidelines³, additional methodology for planning, drafting and

² Guidelines for Development of Refrigerant Management Plans: page 4, Heading 4

³ Idem, page 7, Step 4 and page 8, point iii) of Heading 5.

enforcement of these legislation/regulations need to be elaborated. Along with this, sufficient resources should be provided for expert assistance.

v) Consultants

- *** Cooperation between national and international consultants is an important condition for the success of the preparation of the RMPs⁴;
- * Elaboration is needed on the Guidelines for Consultant⁵ to reflect the recommendations on requirements of consultant and his/her background and expertise (expertise in policy, as well refrigeration sector is essential). Additional resources for such assistance should be provided.

vi) Recovery and Recycling

- *** Parameters and assumptions for effective and successful R&R need to be reviewed. Guidelines and methodology for assessment of needs, adequacy and size of Recovery and Recycling projects need to be prepared.
- ** Though the recommendations related to R&R and Formulation of Training Projects are addressed by the Guidelines⁶, they confirm the need to develop a methodology for Preparation of Recovery and Recycling Projects.

vii) Coordination

- * Coordinating mechanism, to ensure effective cooperation, needs to be established between IAs, bilaterals (and their consultants) to harmonize the methodology for needs assessment during RMP preparation and to exchange information on ongoing national projects;
- Regional Coordination between the Article 5 countries is recommended

viii) Ownership

- ** Though the issue of stakeholders involvement is elaborated in the Guidelines⁷, it is recommended that the following statement is also included and followed in its spirit:

“The preparation of RMPs should allow for national stakeholder consultations in order to build capacity and encourage a sense of ownership of the final product”.

- *** There is a need to involve the informal sector during the RMP preparation.

ix) Performance Indicators

- *** The need to seek and develop performance indicators, i.e. estimate of reduction of CFCs should be part of the Guidelines⁸;
- * Following needs to be added to the guidelines at appropriate place:

“Assessment of national situation and economic conditions when new technology proposed and projects are being scheduled.”

3.2. Implementation of RMPs

25 RMPs are in implementation phase but none of these has yet been fully implemented. Nevertheless, based on implementation experiences to date, the following recommendations arose:

⁴ Idem

⁵ Idem, page 7, Heading 5.

⁶ Idem, page 7, Step 4, vi). and page 8, points v; vi; vii; x; and xi;

⁷ Idem, page 4, Step 1. and on page 8, last paragraph

⁸ Idem, page 10, Heading 7. Impact

i) Continued Public Awareness and Training

- Throughout implementation of RMPs, the awareness and training activities need to be continued and necessary resources should be provided. Either IS projects need to better reflect the public awareness and training needs related to RMP implementation (and accordingly have the necessary resources included) or, resource allocations directed to these elements need to be considered when developing and implementing RMPs.

ii) Policy Setting and Enforcement

- Governments require policy setting and adequate machinery for enforcement (including that against illegal trade). Effective policy setting may result in reducing cost of implementation. This is linked to the issue of ownership and to the need to address RMP related institutional capacity building.

iii) Production of R&R Equipment

- It maybe necessary to consider manufacture of R&R equipment at local level to reduce costs.

iv) Flexibility in Approval of Activities for Funding

- RMPs are relatively new for Article 5 countries. Their implementation may require innovative approaches and policy instruments. Multilateral Fund should have enough flexibility to accommodate resources for such approaches once the country is committed to the phaseout, with an aim to address RMP related institutional capacity-building.

v) Coordination

- The mechanism of coordination among IAs and bilateral agencies should continue during the implementation of RMPs.

vi) Review of IS Projects

- IS projects Guidelines should be reviewed in light of requirements on implementation of RMPs.

4. Resource Implications

Preparation of RMPs:

In view of the need for additional detail and involvement of wider cross-section of stakeholders, resources for RMP preparation need to be enhanced with a view to providing support to encourage local capacity-building and a better sense of ownership in regard to the aims and objectives of the RMP process (linked to comments below).

Allocations at National Level

As RMP preparation is the activity involving mainly country stakeholders, adequate allocation of resources should be made for the national experts and authorities.

Eligible Incremental Costs

Implementation of RMP would require the undertaking of following activities:

- Training for Service Technicians for handling R&R;
- Training for Service Technicians for Retrofitting Packages;
- Retrofitting;
- Preparation for training course at national level;

- Developing and Adapting training curriculum for refrigeration courses in training institutions;
- Training equipment (for Training the Trainers of Technicians in Refrigeration and for Training the Customs Officers);

These should be considered as eligible for funding:

Monitoring

IS Projects do not include provisions for monitoring of the activities under the RMPs. Monitoring of implementation of RMPs would require additional resources.

Awareness Raising

Implementation of RMP would require ongoing awareness at Government level (various Ministries and Customs Authorities), as well as at technicians' level. Such activities require that messages be given in local and regional languages. Consumer awareness would require extensive outreach. These would, though, have resource implications in implementing RMPs.

Savings

The concept of 'savings' accrued during implementation of RMPs should be studied and guidelines should be proposed.

Assistance Related to:

- drafting national legislation/Action Plan;
- building capacity for development/elaboration and enforcement of legislation/regulations at national level;
- setting up coordination mechanism at IAs level;
- setting up of training courses and working with professional association, where appropriate;
- where appropriate, dissemination of national experiences and harmonization of activities (e.g. development of import/export licensing systems and customs training) within a regional context.

would need the sufficient resources as part of the cost for RMP implementation.

5. Recommendations for consideration to the Executive Committee

In light of the above recommendations and taking into account that:

- RMPs are crucial for the CFCs phaseout in the refrigeration sector, particularly in LVCs and VLVCs;
- each country may be facing specific constraints which will require detailed analysis and tailor-made solutions;

the Executive Committee may want to:

1. consider flexible ways to address:

a) the needs for additional expertise and resources during preparation of RMP for:

- data collection;
- thorough needs assessment of the refrigeration sector;
- assessment of national situation and economic conditions when new refrigeration technology and policy are proposed and Recovery and Recycling projects are being scheduled;

b) the needs for additional expertise and resources during implementation of RMPs for:

- establishment of appropriate economic, regulatory and legislative measures to facilitate implementation of RMPs;
- implementation of support measures to ensure sustainability of RMP objectives through training institutes, Industry Associations, etc.;
- translation and dissemination of information and training documents at national level;
- integrated approach in Recovery and Recycling projects with a retrofitting package;
- development of sector specific public awareness activities;
- monitoring of RMP implementation activities;

2. urge IAs to submit the feedback on completed and ongoing R&R projects to enable completion of the guidelines for preparation and implementation of R&R projects;

3. consider:

- revision of RMP guidelines and development of related methodologies in view of the above mentioned needs and recommendations from the RMP Review Meeting;
- establishment of coordination mechanism between IAs and bilaterals for preparation and implementation of RMPs.

Annex I: Table 4: Slate of Recommendations from Group I and Group II⁹

I. Recommendations from the RMP Planning Group

Logistical suggestions:

- Provide the NOU with enough funds to translate relevant documents to official national language
- Allocated funds are to be made available to translate background documents into the 6 official languages
- NOU has task in dissemination info
- Translation in local language
- Allow adequate time to develop RMP fully (might be several years)
- Approved funding should reach the country /NOU in time

Data recommendation:

- Estimate further CFC demands where it will come from
- More assist NOU to establish collect / collate data
- UNEP with help of its consultants should develop models for how to estimate data for sectors / sub-sectors where data are commonly lacking e.g. in refrigeration sector
- Develop better data collection forms / procedures for RMP

Legislation:

- RMP must include recommendations on accompanying legislative instruments (e.g. taxes)
- Allow funding and time to include consideration of the necessary legal control measures (policy)
- Use legislation to alter supply –increase costs

Consultants I.A.' s:

- Obligatory cooperation between national and international consultants
- Involve local consultants more intensively
- Yearly meeting IA' s to exchange information and coordinate activities – network meeting-
- Achieve balance between technical and solid economic aspects of RMP
- TORs for IAs , bilateral & consultants should provide harmonized RMP
- Allow funding which is enough to involve both policy and refrigeration experts
- Review of parameters / assumption for R&R

Coordination:

- Involvement of all relevant stakeholders
- National RMP-Group under NOU (ownership + all parties)

⁹RMP Review Meeting Moderators' Report

- Exchange every 3 months of status reports of RMP / R 7R projects between IA' s

Others:

- Seek performance estimate of reductions CFC
- Schedule projects when economic conditions are right (project viability)
- Greater involvement of informal sector

Recommendations transferred from group 2 to group 1

- Ensure the sustainability of training courses (programs)
- RMP preparation should give stakeholders a sense of ownership of the process and the product
- Assess need for R&R project (within the RMP)
- Integrated approach – complimentary activities / project e.g. R&R and retrofitting package
- Lack of strategy in timing of training
- Need for criteria for assessing R&R equipment need
- Criteria for need of R&R project
- For R&R projects certain criteria shall be made at the planing stage including logistics (time), consultants available on feasibility of equipment
- Inadequacy of new technology with the local condition

Funding:

- Need to develop list of eligible incremental costs
- Estimated cost of implementation
- Cost of preparing the RMP
- Realistic distribution between national cost and international support cost
- Equal distribution of funds between ozone units and imp. Agencies
- Stakeholders- increase funding for RMP preparation to allow time for more interaction between consultants and national authorities
- Eligible incremental cost when implementing the RMP in the following years
- Costs to be considered for eligibility include instance: retrofit as part of RMP (not only T + R&R)
- Training to include retrofitting with HC's and HFC/blends
- Consideration of financing if not covered by MF
- Include operational costs / savings
- Include monitoring and /or maintenance element in project listed in action plan
- Funding should cover cost of training all service technicians by national training institutes and the equipment needed at the training institutes
- Cost of customs training and cost of equipment to identify CFC, to be included
- Separate funding allocated for monitoring RMP (R&R output) activities (outside IS Project)

- Funding to allow changes in training curriculum
- Allow funding for operation of trade association cooperation
- Specific guidelines on levels of funding for monitoring activities within the RMP
- Funding for targeted awareness raising (e.g. to service technicians, equipment, owner, customers)

ii. Recommendations from the RMP Implementation Group

RMP level:

- Need for funding to assist government in taking some of following steps prior to any other activity:
- Economic /Legislate measures to make favorable conditions
- Import controls & Legislation to keep CFC prices up
- Tax on CFC subsidy on substitutes
- Legal measures about CFC refrigeration should be taken under existing regulations to avoid delay
- Need to eliminate illegal trade of CFCs
- Governments should enact specific laws for CFCs
- General public awareness and information
- Heavy Penalties to be put in place to stop illegal imports of CFCs
- Equipment for customs officers to identify refrigerant
- To avoid low CFC price – legislation on import to control quantity of CFCs coming in
- Government should give priority to this problem
- Consider: production at a national level of additional recovery equipment

ExCom level:

- Ensure sustainability of R&R network
- Harmonize the implementation of legislation and regulation with other activities
- To keep prices favorable phaseout in production should synchronize with Consumption
- Need for complementary activities such as: public awareness, support in setting up legislation, licensing systems, implementation of Refrigeration Association
- Eligibility at ExCom of complimentary actives
- Support on legislation speed up
- Provide enabling environment for implementation of RMPs
- Regulation should be taken before delivering R&R equipment
- Use an "IA" and / or consultants in helping NOU move legislative process approval forward
- Harmonization of appropriate RMP activities (e.g. Development/ Enhancement of legislative, regulatory framework; Import/export licensing, customs training at regional level
- Integration of existing non-investment activities within RMPs

- Enhance national capacity to address RMP- related non-investment components
- Provision of increased institutional capacity.
- Building activities to develop and / or enhance national; legislative and regulatory frameworks
- Enhance coordination amongst national stakeholders (from outset)
- Review of institutional support of RMPs in light of IS Projects

Monitoring:

- Certain projects within the RMP should include monitoring funds
- Increased funding for monitoring
- Local consultant for monitoring
- Funding to ensure R&R activities are properly implemented
- Technical back-stopping for RMP should be continuous
- Dedicated funding for monitoring of R+R
- Close monitoring of R+R
- Monitoring and evaluation rules of ozone units
- Assessment on implementation of RMP components
- Assessment of operation costs/savings

Timing:

- Flexibility in timing to allow for successful implementation of RMP
- Regulations take time to be adopted

Stakeholders:

- Participation of all stakeholders

Feedback:

- Feedback from IA./ bilateral agencies to A5 and vice versa
- Set up strict timeline to give lessons learned on R&R
- Feedback mechanism should be clearly defined
- Encourage dissemination of local expertise within regional contexts

Information + awareness:

- Involvement of professional associations as information focal points
- Special awareness for SME body + informal sector, representatives + associations (e.g. provision of a network)
- Curriculum update for technical schools /training centers, training programs
- Certifying of technicians completing training