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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirtieth Meeting  
Montreal, 29-31 March 2000

### BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
Methyl bromide non-investment project in Georgia and Moldova	Canada
Recover and recycling project in the mobile air conditioning sector (MACs) in Cuba	Canada
Terminal phase-out project for the conversion of air-conditioning systems in the hospital sector in Cuba (Germany as focal point with Canada, France and UNIDO) (withdrawn)	Canada
Development of national halon banks within a regional context in West Asian countries (Germany as focal point with France and UNEP DTIE)	France
Terminal phase-out project for the conversion of air-conditioning systems in the hospital sector in Cuba (Germany as focal point with Canada, France and UNIDO) (withdrawn)	France
Demonstration retrofit project in Senegal	France
Request for preparation funds to formulate a methyl bromide phase-out project in Kenya	Germany
Request to identify and formulate an investment project in the halon sector in Morocco	Germany
Development of national halon banks within a regional context in West Asian countries (Germany as focal point with France and UNEP DTIE)	Germany
National recovery and recycling network in Syria	Germany
Terminal phase-out project for the conversion of air-conditioning systems in the hospital sector in Cuba (Germany as focal point with Canada, France and UNIDO) (withdrawn)	Germany
Project preparation in the foam sector in Brazil (withdrawn)	Germany
Hydrocarbon retrofit project in Senegal	Switzerland

1. A total of 13 requests totalling US \$3,529,389 for bilateral cooperation were submitted for consideration at 30th Meeting by Canadian and German bilateral agencies. Two projects were subsequently withdrawn. This document contains, by bilateral agency, those projects that are before the Executive Committee for its consideration.

2. Bilateral agencies are more frequently joining with other bilateral and implementing agencies to implement one project. For accounting and progress reporting purposes, each bilateral agency's participation in an activity is considered a separate project. Therefore, one activity may be repeated in documents before the Committee for each bilateral and implementing agency.

3. Table 1 presents a summary of the value and number of requests by bilateral agency before the Executive Committee for its consideration.

**Table 1**

**VALUE AND NUMBER OF PROJECTS FOR BILATERAL COOPERATION, BY BILATERAL AGENCY**

<b>Bilateral Agency</b>	<b>Amount Requested</b>	<b>Number of Projects</b>
Canada	US \$175,000	2
France	US \$201,578	2
Germany	US \$1,039,971	4
Switzerland	US \$83,930	1
<b>TOTAL</b>	<b>US \$1,500,479</b>	<b>9</b>

## REQUESTS FROM THE GOVERNMENT OF CANADA

### Introduction

4. The Government of Canada submitted requests for bilateral cooperation for projects in Cuba and one for Georgia and Moldova. One project in Cuba was withdrawn. The amount requested does not exceed 20 per cent of Canada's total contributions for the year 2000.

5. Table 2 presents a summary of Canada's requests by project title, beneficiary Article 5 country, amount requested, amount recommended, and whether a condition is attached to the recommendation. The total amount recommended, once approved by the Executive Committee, should be offset against Canada's contribution for the year 2000 after accounting for Decision 28/11(b) in which the Committee agreed to offset adjustments recorded at the 28th Meeting against future approvals.

**Table 2**

### SUBMISSIONS FROM THE GOVERNMENT OF CANADA AND RECOMMENDATION

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)	Condition
Methyl bromide non-investment project	Georgia and Moldova	US \$120,000	Pending	
Recovery and recycling project in the mobile air conditioning sector (MACs)	Cuba	US \$55,000	Pending	
<b>TOTAL</b>		<b>US \$175,000</b>	<b>Pending</b>	

### **METHYL BROMIDE NON-INVESTMENT PROJECT IN GEORGIA AND MOLDOVA**

6. This project would integrate two CEIT Article 5 Parties, Georgia and Moldova, within the purview of a wider regional project on methyl bromide in eastern Europe being undertaken by UNEP/DTIE with financing from the Global Environment Facility. The project to be implemented by UNEP DTIE consists of a regional initiative to assist non-Article 5 CEITs in achieving an early phase-out of methyl bromide, based on the identified need for such assistance. It will include the development and translation of public awareness materials, demonstration projects, regional training activities and policy development to phase out methyl bromide.

### **COMMENTS**

7. UNEP did not submit a request for the UNEP workshop in its work programme or in its business plan. If the Committee were to approve requests outside of business plans, the Committee would be approving funding over and above this year's budget.

8. As noted in the Secretariat's comments on Canada's 2000 business plan, the project for surveys on methyl bromide consumption may raise an issue because Moldova has reported zero

consumption of methyl bromide for the years 1996, 1997, and 1998. Canada indicated that it was seeking further clarification of the information on methyl bromide for these two countries.

## **RECOMMENDATION**

9. Pending.

### **RECOVERY AND RECYCLING PROJECT IN THE MOBILE AIR CONDITIONING SECTOR (MACS)**

10. At its 29<sup>th</sup> Meeting, the Executive Committee approved the refrigerant management plan for Cuba submitted by the Government of Canada as bilateral cooperation. The project included four components: (i) implementation and enforcement of regulations; (ii) training of refrigeration technicians; (iii) training of customs officials; and (iv) implementation of a recovery and recycling project for the MAC. The Executive Committee however, decided to defer the recovery and recycling project pending submission of a reformulated proposal (Decision 29/30).

11. Based on data from 1998, it is estimated that the consumption of CFCs in the MAC sector in Cuba is approximately 60 ODP tonnes representing 10% of the overall consumption in the refrigeration and air-conditioning sector (665 ODP tonnes).

12. This project aims at reducing the consumption and emissions of CFCs in the MAC sector, reducing leakage of MAC equipment during maintenance, instituting the recycling of refrigerant as a good practice in the MAC sector and recovering the recycled CFC from cars, trucks and buses.

13. The Government of Canada proposed not to proceed with project implementation until the appropriate regulatory and legislative requirements proposed by the Government of Cuba, as set out in the approved RMP, are put into place.

## **COMMENTS**

14. The Executive Committee approved at its 15th Meeting a refrigerant recovery and recycling project (including a training programme on recovery/recycling practices) in Cuba and allocated US \$169,000 to UNDP for its implementation. The training programme has been implemented and recovery machines and recycling units have been delivered. Canada has received confirmation from UNDP that this project only included stationary installations and did not in fact cover the MAC sector.

## **RECOMMENDATION**

15. The Executive Committee might wish to consider the request for additional funds for the recovery and recycling subproject covering the MAC sector.

## REQUESTS FROM THE GOVERNMENT OF FRANCE

### Introduction

16. The Government of France submitted requests for bilateral cooperation for projects in Cuba, Senegal, and West Asia. (The project submitted for Cuba was subsequently withdrawn). The amount requested does not exceed 20 per cent of France total contributions for the year 2000.

17. Table 3 presents a summary of France's requests by project title, country, amount requested, amount recommended, and whether a condition is attached to the recommendation. The total amount recommended, once approved by the Executive Committee, should be offset against France's contribution for the year 2000.

**Table 3**

### SUBMISSIONS FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)	Condition
Development of national halon banks within a regional context (Germany as focal point with France and UNEP DTIE)	West Asia	158,813	Pending	
Demonstration retrofit	Senegal	42,765	Pen	
TOTAL		201,578	Pending	

### DEVELOPMENT OF NATIONAL HALON BANKS WITHIN A REGIONAL CONTEXT IN WEST ASIS (GERMANY AS FOCAL POINT WITH FRANCE AND UNEP DTIE)

18. This request is addressed in the comments for the requests from the Government of Germany.

### DEMONSTRATION RETROFIT IN SENEGAL

19. This request is addressed in document UNEP/OzL.Pro/ExCom/30/32, Senegal Project Proposals.

## REQUESTS FROM THE GOVERNMENT OF GERMANY

### Introduction

20. The Government of Germany submitted requests for bilateral cooperation for projects in Brazil, Cuba, Kenya, Morocco, Syria, and West Asia. (The projects submitted for Brazil and Cuba were subsequently withdrawn.) The amount requested does not exceed 20 per cent of Germany's total contribution for the year 2000.

21. Table 4 presents a summary of Germany's requests by project title, country, amount requested, amount recommended, and whether a condition is attached to the recommendation. The total amount recommended, once approved by the Executive Committee, should be offset against Germany's contributions for year 2000.

**Table 4**

### SUBMISSIONS FROM THE GOVERNMENT OF GERMANY AND RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)	Condition
Request for preparation funds to formulate a methyl bromide phase-out project	Kenya	15,096	Pending	
Request to identify and formulate an investment project in the halon sector	Morocco	30,180	Pending	
National recovery and recycling network	Syria	823,782	823,782	
Development of national halon banks within a regional context (Germany as focal point with France and UNEP DTIE)	West Asia	170,913	Pending	
TOTAL		1,039,971	Pending	

### REQUEST FOR PREPARATION FUNDS TO FORMULATE A METHYL BROMIDE PHASE-OUT PROJECT

22. The Government of Kenya requested GTZ to implement a phase out project in the methyl bromide sector to enable Kenya to meet its 2002 freeze requirements. The goal of the project is to develop a comprehensive project proposal for the phase out of methyl bromide in vegetable growing. GTZ noted that the major crops grown in Kenya are cut flowers (1998: 110 tonnes), vegetables (1998: 42 tonnes) and strawberries (1998:15 tonnes). The project cost is US \$15,096.

## COMMENTS

23. UNIDO received funding for a demonstration project in cut flower production. It did not address vegetable and strawberry production.

24. The document on project implementation delays being presented to this meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/30/16) raises an issue with regard to whether further projects in Kenya should be approved pending the resolution of the waiver of demurrage charges imposed on equipment provided with resources from the Multilateral Fund.

## RECOMMENDATION

25. Pending.

## REQUEST TO IDENTIFY AND FORMULATE AN INVESTMENT PROJECT IN THE HALON SECTOR

26. The government of Morocco has requested GTZ to conduct preparatory activities for potential projects in the halon sector. The objective of the project is to undertake a comprehensive survey of the consumption of halon in Morocco, identify the users, and collect data about the stockpiles/installed capacities of the substance in the country. The project would provide the necessary information for determining the requirements of the country with respect to reclamation, recycling, and recovering facilities for halons, the need for a demonstration project, and the development of a halon bank. Germany is requesting US \$30,180 for this activity.

## COMMENTS

27. The latest Article 7 data reported by Morocco to the Ozone Secretariat indicates from a base year (1989) consumption of 10 ODP tonnes, Morocco currently has 0 halon consumption. The freeze level has been determined for Morocco to be 7 ODP tonnes. This is an average of the reported consumption of 21 ODP tonnes in 1995, 0 ODP tonnes in 1996, and 0 ODP tonnes in 1997. Therefore, the latest consumption is 0 ODP tonnes.

28. The guidelines for halon banking are based, however, on the level of installed capacity. Nevertheless, it does not appear that Morocco should have difficulty meeting the halon freeze and the level of installed capacity could be very small. The halon banking guidelines allow for a “one time funding of US \$25,000 which can be used for the acquisition of recycling equipment or as an incentive to recover halons from existing systems, or the establishment of exchange programmes to be decided by the country for countries with a low level of installed capacity (Decision 18/22 (a) (iii)). The cost of the project preparation may result in a grant level (US \$25,000) for Morocco that approximates the cost of project preparation (US \$30,180).

29. The cost listed on the cover page is different from the itemised cost table. Also, the contingency cost calculation needed to be revised. The Government of Germany has been asked to clarify the costs of the proposal and explain the need for some cost items, but as of this writing, a clarification has not been received. The 10 per cent contingency cost should be calculated based on exactly 10 per cent of the sub-total.

## **RECOMMENDATION**

30. Pending.

## **NATIONAL RECOVERY AND RECYCLING NETWORK IN SYRIA**

31. The project is for the establishment of a refrigerant recovery and recycling scheme consisting of recovery units for 450 commercial refrigeration servicing workshops and 40 recovery and recycling units for workshops servicing MAC units and the establishment of a refrigerant reclamation centre. The total project cost is US \$823,782.

## **COMMENTS**

32. The project was a component of the refrigerant management plan for Syria which was approved by Executive Committee at its 29th Meeting (UNEP/OzL.Pro/ExCom/29/65). Taking into consideration that the total bilateral contribution by the Government of Germany for 1999 exceeded the eligible 20 per cent level, the project was deferred. The Government of Germany has therefore resubmitted the project as a bilateral contribution for the year 2000.

## **RECOMMENDATION**

33. The project is recommended for blanket approval as submitted.

## **DEVELOPMENT OF NATIONAL HALON BANKS WITHIN A REGIONAL CONTEXT**

34. Germany and France have received an official request from the Governments of Bahrain, Lebanon, Qatar, and Yemen for the identification, preparation and implementation of national Halon Banks within a regional context. The activities to be conducted include: the formulation of a regional halon banking management plan, the organisation of a workshop for the presentation of the results and dissemination among the regional countries, and the demonstration of activities for the use of alternative and recovery and recycling of halons. UNEP DTIE would conduct the workshop. The project will achieve the following goals: build awareness of the ozone depletion problem, commit to phase out use of newly manufactured halon, reduce unnecessary emissions and uses of halons, develop halon banks and recycling, and eliminate the need for newly manufactured halons.

## COMMENTS

35. As shown in the following table, none of the countries have a high level of installed capacity (1000 MT of halon 1211 and 250 MT of halon 1301). Also, none of the countries have a medium level of installed capacity (one of the halons would have a high level of installed capacity). Effectively, all four countries qualify for a US \$25,000 funding which could be used for the acquisition of recycling equipment or an incentive to recover halons from existing systems or the establishment of exchange programmes to be decided by the country.

Country	Halon 1211 installed capacity (MT tonnes)	Halon 301 installed capacity (MT tonnes)
Lebanon	5.9	51.2
Bahrain	8.3	87.0
Yemen	1.4	50.3
Qatar	0.2	205.1

36. The level of installed capacity is important because countries with a small level of installed capacity are only entitled to a one time grant of US \$25,000 per Decision 18/22. One of the rationales for this decision was that countries with a low level of installed capacity may not be able to make halon banking financially viable; the sustainability of projects is questionable.

37. The project appears to be in part project preparation as one project component is to investigate the need for demonstration projects. The survey for a halon banking management plan has already been funded (US \$35,000) and conducted by France and Germany. All users should be known and any demonstration projects should be considered in advance of recovery and recycling projects because the guidelines require a ban six months after the reclamation centres are set up. Therefore, users would need to have received demonstration projects or conversion projects in advance of the ban on imports.

38. The proposal also indicates that the halon banking management plan could be accomplished by a reclamation for halon 1301 and halon 1211. Decision 18/22 states that countries with a high-level of installed capacity should qualify for reclamation facilities for halon 1301 and halon 1211, respectively (Decision 18/22, para. a (ii)). None of these countries qualify for reclamation facilities.

39. It also suggests that there would be other projects such as service requirements for halon 1211, assistance for changes of codes and standards, dissemination of information and technology, workshops with fire protection associations, conceptualisation and formulation of legal and economic frameworks, and training of customs officials in monitoring and control of halons. These are not provided for as part of the guidelines but instead are provided for through the publications of UNEP that are designed as self-help guides.

40. As mentioned above, the Executive Committee already approved US \$35,000 at its 28th Meeting for a survey to determine the countries' levels of installed capacity. The proposal as submitted contained a cost of an additional US \$40,000 for the formulation of the halon bank

management plan, survey in the countries for international and national consultants. This activity would be double-counting.

41. The objective of the workshop included in the proposal for US \$79,100 is to establish regional co-ordination using the existing networks. As funding for regional networks is covered by the Multilateral Fund, this would also constitute double-counting.

42. Also, UNEP is requesting US \$100,000 for workshops on ODS for the militaries in West Asia. Most of the militaries' ODS consumption is in halon.

43. It is unclear what is meant by a regional halon bank in terms of this proposal. The proposal is requesting similar equipment for all countries. There does not appear to be any pooling of activities for a regional bank other than the workshop. The only other reference to a regional approach is the fact that these countries belong to a similar trade organisation.

44. The Secretariat provided the aforementioned comments to Germany, but as of this writing the Secretariat has not received a response.

## **RECOMMENDATION**

45. Pending.

## REQUESTS FROM THE GOVERNMENT OF SWITZERLAND

### Introduction

46. The Government of Switzerland submitted a request for bilateral cooperation for a project in Senegal. The amount requested does not exceed 20 per cent of Switzerland total contributions for the year 2000.

47. Table 5 presents a summary of Switzerland's requests by project title, country, amount requested, amount recommended, and whether a condition is attached to the recommendation. The total amount recommended, once approved by the Executive Committee, should be offset against Switzerland's contribution for the year 2000.

**Table 5**

### SUBMISSIONS FROM THE GOVERNMENT OF SWITZERLAND AND RECOMMENDATIONS

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)	Condition
Hydrocarbon retrofit	Senegal	83,930	EG	
TOTAL		83,930		

### HYDROCARBON RETROFITS IN SENEGAL

48. This request is addressed in document UNEP/OzL.Pro/ExCom/30/32, Senegal Project Proposals.