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REFRIGERANT MANAGEMENT PLANS (RMP)

This document consists of:

- Part I: Summary of the meeting of the contact group on refrigerant management plans (22 January 2000, UNEP DTIE office)
- Part II: Facilitator's proposal of a draft decision to be presented to the 30th Meeting of the Executive Committee

Part I

Summary of the meeting of the contact group on refrigerant management plans (22 January 2000, UNEP DTIE office)

In attendance:

Blaise Horisberger Switzerland (Chair), Terezinha Bassani Campos (Brazil), Victor Yameogo (Burkina Faso), Liu Yi (China), Mustapha Kleiche (France), Peter Störmer, Beatrice Vincent (Germany), Atul Bagai (India), David Omotosho (Nigeria), Ingrid Kokeritz (Sweden), Paul Horwitz (USA), Devious Marongwe (Zimbabwe), Michael Graber (Ozone Secretariat), Eduardo Ganem (Multilateral Fund Secretariat), Lambert Kuijpers (TEAP Co-Chair), Frank Pinto (UNDP), Sidi Menad Si Ahmed (UNIDO), Jeremy Bazyé (RNC Africa), Thanavat Junchaya (RNC, SEAP), Catalina Mosler (RNC LAC), Geoff Tierney, Heather Coombes (UNEP).

It was agreed at the outset that the meeting would not attempt to draft text. Instead, the text could be drafted after the meeting to reflect the discussions and agreed by e-mail among the participants. The objective would be to present an agreed proposal to the 30th ExCom. UNEP, GTZ and Sweden had prepared papers that summarised views from National Ozone Officers on existing RMPs, ways their preparation and implementation might be improved and the time required to plan and implement phase-out strategies in high volume consuming countries. The meeting then discussed the three agenda points in order.

1. **Review of information received on existing RMPs** to assess (a) in what ways they might be inadequate to achieve complete sectoral phaseout (b) what additional elements might be required to achieve the objective (c) the modalities of preparing, submitting and funding such additional elements.

It was noted that, as a principle, ExCom does not reopen approved projects. Many RMPs have already been approved as “terminal projects”, with the expectation that they will deliver the complete phaseout of consumption in the sector for the country concerned. As phaseout is not required until 2010, it may be too early now to evaluate whether or not the approved RMPs will meet the objective. On the other hand, some ozone officers had responded to enquiries by saying that their RMPs were complete and would fulfil all requirements while a number of them had responded by saying that their RMPs would not achieve total phaseout for several reasons. While the “core activities” (train the trainers, customs training and recovery/recycling) were useful, most RMPs did not include consideration of the informal, SME and MAC sectors, nor longer term follow up activities to promote the sustainability of the project.

According to Dec. 23/15, the “overall objective of an RMP is to develop and plan a strategy that will manage the use and phase-out of virgin CFC refrigerants for servicing and air-conditioning equipment”. Dec. 24/24 emphasises that this strategy should cover CFC phase out in the entire sector, including institutional and legislative aspects and consideration of how to address the problem of the informal sector. Some existing RMPs did not include a clear government strategy by which phaseout would be achieved. For many countries, compliance with the freeze and subsequent control measures would require that such a strategy be developed and related activities be undertaken urgently.

The group accepted that some of the existing RMPs might lack certain elements to ensure phaseout. This would be serious for LVCs, which might only have the RMP to help meet the Protocol targets. The group recognised that some of the necessary additional activities might be eligible for MLF funding while others would be the responsibility of the national government to fund. RMPs should therefore specify all the government actions and activities necessary to meet phaseout targets, together with the proposed means of funding them. This would form the core of their phaseout strategy. The group noted that some RMP submissions had included additional activities, for example public awareness, but that these had not been funded under the existing guidelines. The group agreed that countries with approved RMPs, which they believe are inadequate to fully achieve the phaseout, might usefully take their existing RMP and see what additional elements might be required to meet the phaseout targets at least until 2007. There could then be a further review in 2005 to determine progress against targets and to see whether further activities might be required.

Having considered these and other points, the group agreed to recommend a draft decision to the Executive Committee, attached as Annex A, Section A.

2. **Preparation and approval of new RMPs.** (a) What needs to be done to avoid the difficulties with existing RMPs. (b) what changes to guidelines or procedures need to be made in order that the remaining countries can produce successful RMPs?

The group noted that around 20 LVCs had not yet had RMPs approved. There was agreement that RMPs to be approved in future should not have the same problems that had been identified with existing RMPs. Many difficulties could be avoided if the existing guidelines were followed more closely, especially concerning the preparation of a government phase out strategy and ensuring that the activities suggested really meet the country's needs. RMPs should include a government commitment to meet the phase out targets together with the government's strategy to achieve the necessary reductions in consumption. All sectors and sub-sectors should be included and thinking should advance beyond the traditional four "core" elements, although these would continue to play a part in achieving phase out. To assist in this process, it was recommended that implementing agencies could compile a list of problems with existing RMPs and lessons learned to help inform the preparation of new RMPs. The group also recognised that preparing "strategic" RMPs would require more project preparation time than usual. Accordingly, and considering the experience to date, the group agreed that the development of any necessary regulations or legislation should take place during the project preparation phase. To facilitate this work being carried out both thoughtfully and expeditiously prior to the submission of RMP funding proposals, the group recommended that project preparation costs for new RMPs should be double the level that has been provided to date. However, once the RMP were approved, it should be clear that the country could not come back again to the ExCom for funding additional activities. Therefore, the total level of funding for the implementation of new RMPs could be increased by up to 30% compared to the level of funding approved to date, with flexibility for the country in selecting and implementing the RMP components which it deems most relevant in order to meet its phase-out. This approach was agreed.

The group discussed whether the existing guidelines, in particular Section 3.1 last bullet, required changes in order to reflect the wider scope envisaged for new RMPs. The relevant section reads:

Formulate a refrigerant Management policy (which will include all or some of the following elements, in accordance with country-specific needs):

- 1. Training programme for refrigeration technicians*
- 2. Recovery and Recycling system*
- 3. Training programme for customs officials*
- 4. Improved system for collection and monitoring and control of consumption of ODS refrigerant.*

The group noted that, of the four components listed, training in good practice (#1) and customs training (#3) were essential components. Reductions in emissions and use of up to 40% were possible with good practice training. Further reductions of between 20% and 40% could be achieved by limiting imports of CFC-using equipment, which required customs training. The group did not wish to extend the list in case this led to a “wish-list” approach from countries and agencies. The group agreed that the current wording contained sufficient flexibility, but that it might be useful to add a sentence to clarify that the elements listed are examples and that the RMP should include a comprehensive strategy designed to enable the country to meet its obligations under the Protocol.

The group agreed that all RMPs to be proposed to the ExCom from the 30th meeting onwards should be prepared according to this new clarification of the guidelines. In addition, the group discussed whether retrofits and disposal/destruction elements should be considered. It was acknowledged that retrofitting might constitute one of the elements of a government’s RMP strategy, while the Executive Committee might consider it not to be sustainable or necessary for compliance at present. Nonetheless, a country could use the level of RMP funding traditionally provided for all RMP activities to initiate retrofits if that is what its strategy demonstrates is critical to achieving compliance with the upcoming 50 and 85% reduction steps. The group also agreed that it would be useful to provide NOUs with further information on the policy options of storage/disposal/destruction of unusable CFCs.

In an effort to ensure that new RMPs are terminal projects and to avoid the problems encountered in RMPs approved to date, the group agreed to recommend a draft decision to the Executive Committee, attached as Annex A, Section B.

- 3. RMPs for large countries** – What guidelines should the ExCom give to large consuming countries about preparing RMPs and/or getting their consumption in this sector under control?

The group accepted the point that large consuming countries might face future problems if they did not bring consumption in the refrigeration servicing sector under control and that this would take time. It was therefore prudent to begin to prepare the strategy now. However, unlike low volume consumers, these countries had many different sectors involved in meeting consumption targets and some kind of prioritisation would be necessary. Hence, countries should be encouraged to prepare a strategy for the refrigeration servicing sector in the context of a wider national plan (or country programme update) which would set out, inter alia, the relative contribution of each sector towards achieving the country’s compliance. In this way, a strategic judgement on the relative priorities for funding of refrigeration versus other sectors could be made. Some countries, such as China India and Brazil, were already updating their country

programmes so this should not pose a problem. Other countries [with residual CFC consumption of over 1000 ODP tonnes] *{text to be removed in case of consensus}* might wish to apply for funds to update their country programmes consistent with any requirements which the ExCom might establish and, in that context, to prepare their refrigeration strategy. Whichever option is followed, the refrigeration strategy submitted to ExCom should include an introduction setting out the role and priority of the activities being proposed in assisting the country to meet its control obligations. Having agreed this approach, the group also noted that preparation of the strategy did not mean automatic approval of funds to implement the activities contained in the strategy. Decisions on funding the elements of the RMP strategy would have to be taken bearing in mind the priorities of the country set out in its national plan or updated country programme and the availability of other reduction opportunities in meeting the country's control obligations.

The group therefore agreed to recommend a draft decision to the Executive Committee, attached as Annex A, Section C

Part II

Facilitator's proposal of a draft decision to be presented to the 30th Meeting of the Executive Committee

Subject: Refrigerant Management Plans – Supplementary Guidance

Section A: Already Approved RMPs for LVCs

1. To request national ozone officers, with the assistance of the implementing agency concerned, to review and assess the content, implementation to date and expected outcomes of their RMP against its objective to phase out all consumption in the refrigeration sector according to the Montreal Protocol timetable. In undertaking this review, national ozone officers should;
 - Calculate current and forecast future consumption in relation to the freeze, 50% cut in 2005, 85% cut in 2007 and phaseout in 2010 and calculate the size of consumption cuts in the refrigeration sector required to meet these targets.
 - Include forecast cuts in consumption attributable to the activities already approved under the RMP, including training activities and recovery/recycling.
 - Ensure that the current and expected future consumption of all sub-sectors, including the informal sector, SMEs and MACs are included in the review.
 - For each activity identified consider the cost and means of funding, including national financing.
 - Ensure that the RMP and government strategy for delivering phaseout includes adequate provision for monitoring and reporting on progress.
2. To agree that LVCs (or groups of LVCs) with already approved RMPs may submit to the Executive Committee requests for funding additional activities necessary to reduce consumption and thereby ensure compliance with the Protocol. Such additional activities should be essential parts of their comprehensive strategy for phase out in the refrigeration sector. Additional funding shall not exceed 25% of the funds approved for the original RMP or, where relevant, RMP components. With the possible exception of the post-2007 period noted in paragraph 4 below, no further funding beyond this level, including funding related to retrofits, would be considered for activities in this sector.
3. Requests for additional funding consistent with paragraph 2 should be accompanied by:
 - A justification for the additional activities to be funded in the context of the country's national phase out strategy

- An clear explanation of how this funding, together with the initial RMP funding and steps to be taken by the government, will ensure compliance with the Protocol's reduction steps and phase out.
 - A commitment to achieve, without further requests for funding, at least the 50% reduction step in 2005, and the 85% reduction step in 2007. This shall include a commitment by the country to restrict imports if necessary to achieve compliance with the reduction steps and to support RMP activities.
 - A commitment to annual reporting of progress in implementing the RMP and meeting the reduction steps.
4. To agree that the Executive Committee will review in 2005 whether further assistance is needed for the post 2007 period and what assistance the Fund might consider at that time to enable full compliance with the Protocol's phase out requirements.

Section B Preparation and approval of new RMPs for LVCs.

1. To decide that the project preparation phase for RMPs should, as intended by the existing guidelines, include a full survey of CFC consumption in all subsectors, the development of a comprehensive government phase out strategy and a commitment by the government to enact regulations and legislation required for the effective implementation of activities to phaseout the use of CFC refrigerants. To enable these preparatory activities, including the development of legislation and regulations, to be completed in full, the funding provided for the project preparation phase should be double the level traditionally provided.
2. To agree that the provisions relating to existing RMPs in Section A, paragraphs 1, 3 and 4 above shall also apply to new RMPs submitted pursuant to this decision.
3. To decide that in lieu of the ability given to already approved RMPs to request additional funds, the total level of funding for the implementation of new RMPs could be increased by up to 30% compared to the level of RMP funding typically approved to date, with flexibility for the country in selecting and implementing the RMP components which it deems most relevant in order to meet its phase-out commitments. With the exception of the post 2007 phase noted in Section A paragraph 4 above, no further funding beyond this level, including funding for retrofits, would be considered for activities in this sector.
4. To decide that the following text should be added to the RMP guidelines after the last bullet in section 3.1:

“The elements and activities proposed for an RMP, whether they are to be funded by the Multilateral Fund or the country itself, should reflect the country's particular circumstances and address all relevant sectors including the informal sector. They should be sufficient to ensure fulfilment of the countries' control obligations at least up to and including the 85% reduction in 2007, and should include mechanisms for reporting progress.”

- to add the following text to the RMP guidelines after the last bullet in section 3.1;- “The elements and activities proposed for an RMP should reflect the country’s particular circumstances and address all relevant sectors, including the informal sector. They should be sufficient to ensure fulfilment of the countries’ control obligations at least until the 85% reduction in 2007 and mechanisms for reporting progress.

Section C RMPs for Higher Volume Consuming Countries

Considering the need for large consuming countries to initiate planing for dealing with this large and complex sector, as well as the related decision of the Meeting of the Parties, the Executive Committee decides:

1. To consider requests for funding the development of long term strategies for the refrigeration sector for high volume consuming countries [defined as those with residual CFC consumption over 1000 tonnes] *{to be removed in case of consensus}*. High volume consuming countries that have not yet undertaken country programme updates should undertake this strategic RMP development in the context of such updates, consistent with any Executive Committee guidance on country program updates.
2. That future Executive Committee decisions on funding the implementation of the elements of such RMP strategies should take into account the relative priority in national government planing of CFC reductions in the refrigeration sector and the availability of other reduction opportunities in meeting the country’s control obligations.