



**United Nations  
Environment  
Programme**

Distr.  
LIMITED

UNEP/OzL.Pro/ExCom/44/60  
30 October 2004

ORIGINAL: ENGLISH



---

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**PROJECT PROPOSAL: UGANDA**

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

Refrigeration

- Refrigerant management plan update: refrigeration and air-conditioning sector France

**PROJECT EVALUATION SHEET  
UGANDA**

**PROJECT TITLES****BILATERAL/IMPLEMENTING AGENCY**

(a) Refrigerant management plan update: refrigeration and air-conditioning sector	France
---	--------

<b>NATIONAL CO-ORDINATING AGENCY</b>	National Environment Management Authority
--------------------------------------	---

**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP tonnes, for 2003, as of October 2004)**

Annex A, Group I CFCs	4.10		
-----------------------	------	--	--

**B: COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, for 2003, as of October 2004)**

ODS Name	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity.
CFCs	Refrigeration 3.68			

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	12.80
--	-------

<b>CURRENT YEAR BUSINESS PLAN ALLOCATIONS</b>		Funding US \$ million	Phase-out ODP tonnes
	(a)	79,000	10.9

<b>PROJECT TITLE:</b>	<b>(a)</b>
<b>ODS use at enterprise (ODP tonnes):</b>	4.1
<b>ODS to be phased out (ODP tonnes):</b>	*
<b>ODS to be phased in (ODP tonnes):</b>	n/a
<b>Project duration (months):</b>	36
<b>Initial amount requested (US \$):</b>	73,200
<b>Final project cost:</b>	
Incremental Capital Cost (US \$)	
Contingency (10%) (US \$)	
Incremental Operating Cost (US \$)	
Total Project Cost (US \$)	75,000
<b>Local ownership (%):</b>	100
<b>Export component (%):</b>	0
<b>Requested grant (US \$):</b>	75,000
<b>Cost-effectiveness (US \$/kg):</b>	n/a
<b>Implementing agency support cost (US \$):</b>	9,750
<b>Total cost of project to Multilateral Fund (US \$):</b>	84,750
<b>Status of counterpart funding (Y/N):</b>	n/a
<b>Project monitoring milestones included (Y/N):</b>	Y

<b>SECRETARIAT'S RECOMMENDATION</b>	Blanket approval at the costs indicated above
-------------------------------------	---

\* To be in compliance with the 2005 and 2007 Montreal Protocol limits (CFC baseline is 12.8 ODP tonnes)

## PROJECT DESCRIPTION

1. From 1999 to 2002, CFC consumption in Uganda ranged between 12.2 and 13.4 ODP tonnes and, in 2003, CFC consumption decreased to 4.1 ODP tonnes. The CFC baseline for Uganda is 12.8 ODP tonnes.
2. According to the survey conducted to prepare the RMP update for Uganda, most CFC consumption is for servicing domestic refrigerators and freezers (about 150,000 units), commercial refrigeration systems (7,000 systems) and MAC units (5,000 units). A significant number of the MAC units are not in operation; therefore, CFC consumption used in this sub-sector is low. However, the Ozone Unit considered it important to address training and awareness within this sub-sector under the RMP.
3. There are approximately 500 service technicians in the country, with varying technical skills. Approximately 75 per cent of technicians have some basic training in refrigeration servicing either through local training schools or courses organized by the industry or the Ozone Unit. There are an additional 200 part-time technicians who have not received any formal training.
4. The current prices of refrigerants per kg are: US \$7.73 for CFC-11, US \$5.15 for CFC-12, US \$23.60 for R502, US \$12.88 for HFC-134a and US \$5.58 for HCFC-22. The refrigeration equipment recently being imported is non-CFC-based, which has led to an increase in the use of alternative refrigerants in spite of the price differential between different refrigerants.

### ODS regulations

5. ODS regulations were enacted in November 2001 under the National Environment Act. The regulations include several controls on ODS import/export and use, *inter alia*, a ban on import of any CFC-based refrigeration equipment; all ODS users and importers must register with the National Environment Management Agency in order to import and use ODS and must report regularly to the Agency; and a ban on import and/or export from/to non-Parties.
6. The licensing system that is in place has not yet been enforced. In this regard, the RMP update will focus on making sure that the provisions of the ODS regulations are fully enforced. This will ensure that Uganda does not end up in non-compliance in the future, since quotas will be issued according to allowed consumption levels.

### Refrigerant management plan (RMP)

7. The Uganda RMP had been approved at the 26th Meeting of the Executive Committee as a German bilateral project. The RMP was developed as a national/regional project involving 14 South and East African countries. The activities covered under the RMP were related to legislation/policy, training of refrigeration servicing technicians and training of customs officers.

8. The training of customs officers was held as part of the regional training programme, and 5 customs officers and the Ozone Officer from Uganda were trained as trainers. The training programme for customs officers was planned for October 2004.

9. Two refrigeration technicians were trained in Germany as trainers in good refrigeration servicing practices. The training centre in Uganda received the necessary tools and equipment to provide training courses to other refrigeration technicians. Two additional training courses have been conducted for 25 refrigeration technicians.

10. Under the recovery and recycling sub-project (approved for UNDP at the 19th Meeting of the Executive Committee), one training workshop on recovery and recycling operations was conducted. Fifteen units and one recycling machine were to be distributed among service workshops, however, the recovery units have not yet been distributed.

#### RMP update

11. The RMP update proposal, as submitted, includes a request for assistance with finalization and approval of the ODS regulations (US \$6,000); complementary training programmes for customs officers (US \$23,200) and refrigeration servicing technicians (US \$33,900); and assistance to restart the previously approved recovery and recycling programme (US \$10,100).

12. The Uganda RMP update project was submitted with an official letter from the Government of Uganda, signed by the Executive Director of the National Environment Management Authority, stating the Government's commitment to achieve, without further requests for funding, at least the 50 per cent reduction in consumption of CFCs by 2005 and the 85 per cent reduction by 2007.

### **SECRETARIAT'S COMMENTS AND RECOMMENDATION**

#### **COMMENTS**

##### Level of CFC consumption

13. The Secretariat notes that the project proposal has been submitted in accordance with the provisos of Decision 31/48 and subsequent decisions taken by the Executive Committee regarding RMP proposals, including the level of funding requested.

14. Uganda's 2003 CFC consumption of 4.1 ODP tonnes is 8.7 ODP tonnes below its CFC baseline consumption (e.g., 12.8 ODP tonnes). In this regard, the Secretariat sought an explanation of how the reduction in CFC consumption had been achieved, taking into account that, as of today, ODS regulations have been enacted but the ODS licensing system has not been implemented yet; only 25 technicians have been trained through the training programme approved in the original RMP and no customs officers have been trained yet; and the recovery machines included in the approved recovery and recycling programme have not yet been distributed.

15. Subsequently, the Government of Germany pointed out that the sharp reduction in the level of CFC consumption was attributed to the use of CFC in stockpiles from previous years. Also, a more comprehensive method of collecting ODS data from the customs records has been established, ensuring that the amounts of ODS imported are recorded more accurately. Furthermore, in the recent past, the consumption of non-ODS refrigerants has increased.

#### Non-compliance with the Montreal Protocol by Uganda

16. At their 15th Meeting, the Parties to the Montreal Protocol noted that Uganda had failed to report data for either of the control periods — 1 July 2000-30 June 2001 and 1 July 2001-31 December 2002 — and had reported annual data for 2001 which was above its baseline. In the absence of further clarification, Uganda was presumed to be in non-compliance with its obligations under Article 2A of the Montreal Protocol. Therefore, the Parties urged Uganda to report data for the control periods from 1 July 2000 to 30 June 2001 and 1 July 2001 to 31 December 2002 as a matter of urgency.

17. At its 32nd Meeting held in July 2004, the Ozone Secretariat informed the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol that Uganda had submitted data showing that it had entered a state of compliance. Subsequently, the Implementation Committee noted with appreciation Uganda's return to compliance and reminded Uganda of its obligations, pursuant to Decision XV/43 of the 15th Meeting of the Parties, to introduce an import ban, and invited it to report on any action it had taken to that end.

#### Alternative approach to the RMP update

18. Based on the results achieved so far in the implementation of recovery and recycling programmes (e.g., much lower amounts of CFCs recovered than the amount originally estimated) and the limited number of end-users that could benefit from the small incentive programme that was proposed in the RMP update, the Secretariat suggested that the Government of Germany might examine the merits of combining all the activities proposed under one overall budget (US \$75,000) earmarked to provide a mix of training and equipment/service tools (such as ancillary equipment for the recovery/recycling units already purchased in the original RMP, brazing equipment, vacuum pumps, leak detectors and other basic tools) to be selected on the basis of the needs identified in the course of project implementation. Subsequently, the Government of Germany agreed to adopt this approach.

#### Change of bilateral agency

19. Subsequent to the conclusion of the discussion of the project between Germany and the Secretariat, the Government of Germany submitted an official communication indicating that the Government of France would be the bilateral agency that would implement the RMP update project. The reason for the change of the bilateral agency was that Germany's maximum level of funding for bilateral cooperation in the 2003-2005 triennium has been fully utilized.

20. The Secretariat also received a letter from the Government of France officially re-submitting the RMP project proposal and a letter from the Government of Uganda indicating its agreement to the change of bilateral cooperating agency.

**RECOMMENDATION**

21. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below, on the understanding that:

- (a) The Government of Uganda would have flexibility in utilizing the resources available under the RMP update, to address specific needs that might arise during project implementation;
- (b) To the extent possible, the project would be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools, if the proposed results were not achieved; and
- (c) The Government of France would provide appropriate monitoring throughout project implementation.

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	Implementation of the RMP: technical assistance in the refrigeration servicing sector	75,000	9,750	France

----