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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-sixth Meeting  
Doha, 8-12 November 2008

**PROJECT PROPOSAL: URUGUAY**

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

Phase-out

- Terminal phase-out management plan for Annex A Group I substances (second tranche) Canada and UNDP

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**Uruguay**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
CFC phase out plan	Canada, UNDP

<b>(II) LATEST ARTICLE 7 DATA (ODP Tonnes)</b>					<b>Year: 2007</b>
CFC: 29.3	CTC: 0	Halons: 0	MB: 8.4	TCA: 0	

<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)</b>											<b>Year: 2007</b>		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Serviceing					QPS	Non QPS		
CFC					22.7			6.6					29.3
CTC													0
Halons													0
Methyl Bromide										36.6	8.4		45
TCA													0

<b>(IV) PROJECT DATA</b>			2006	2007	2008	2009	2010	Total
<b>Montreal Protocol Consumption Limits</b>			CFC	99.6	29.9	29.9	29.9	0.
<b>Maximum Allowable Consumption (ODP Tonnes)</b>			CFC	99.5	29.9	29.9	29.9	0.
<b>Project Costs (US\$)</b>	Canada	Project Costs	160,000.	42,000.		30,000.		232,000.
		Support Costs	20,800.	5,460.		3,900.		30,160.
	UNDP	Project Costs	240,000.	48,000.		45,000.		333,000.
		Support Costs	18,000.	3,600.		3,375.		24,975.
<b>Total Funds Approved in Principle (US\$)</b>			Project Costs	400,000.	90,000.		75,000.	565,000.
			Support Costs	38,800.	9,060.		7,275.	55,135.
<b>Total Funds Released by the ExCom (US\$)</b>			Project Costs	400,000.	0.		0.	400,000.
			Support Costs	38,800.	0.		0.	38,800.
<b>Total Funds Requested for Current Year (US\$)</b>			Project Costs		90,000.			90,000.
			Support Costs		9,060.			9,060.

<b>(V) SECRETARIAT'S RECOMMENDATION:</b>	<b>For blanket approval</b>
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## PROJECT DESCRIPTION

1. On behalf of the Government of Uruguay, UNDP as the lead implementing agency has submitted a progress report on the implementation of the first work programme of the terminal phase-out management plan for Annex A Group I substances (TPMP) to the 56<sup>th</sup> Meeting of the Executive Committee. UNDP has also submitted a request for funding for the second work programme at a total cost of US \$48,000 plus agency support costs of US \$3,600 for UNDP and US \$42,000 plus agency support costs of US \$5,460 for the Government of Canada.

### Background

2. The TPMP for Uruguay was approved in principle by the Executive Committee at its 50<sup>th</sup> Meeting at the amount of US \$565,000 plus agency support costs of US \$24,975 for UNDP (lead implementing agency) and US \$30,160 for the Government of Canada to completely phase out CFC consumption in the country by 2009. At the same meeting, the Executive Committee approved US \$240,000, plus agency support costs of US \$18,000 for UNDP and US \$160,000 plus agency support cost of US \$20,800 for the Government of Canada for the implementation of the first work programme.

### Progress report on the implementation of the first work programme

3. The Government of Uruguay and UNDP signed the relevant project document only in late 2007. However, several activities were implemented prior to its approval, including a survey of refrigeration technicians operating in the country, a videoconference with refrigeration service technicians on the use of good practices, discussions for the establishment of a certification scheme for refrigeration technicians, and periodic meetings with customs officers to assess the import licensing system, and identify future training needs.

4. In 2008, the following additional activities have been implemented: training workshops for refrigeration service technicians (including trainers), and the distribution of service tools; more training for refrigeration technicians is scheduled for October and November 2008; a workshop for the promotion of drop-in refrigerants and retrofit of CFC-based equipment; a survey on the status of the recovery and recycling equipment; and permanent revision of the ODS legal framework. A revised (online) licensing system, which will include controls on ODS and ODS-based equipment, will be launched in October. A national consultant has been hired for monitoring and reporting on all activities included in the TPMP.

5. As of September 2008, of the total funding of US \$400,000 approved so far, US \$242,886 has been disbursed or obligated. The balance of US \$157,114 will be disbursed in 2008 and the first quarter of 2009.

### Plan of action for the second work programme

6. The Government of Uruguay commits to implementing a number of activities under the second work programme of the TPMP. These include additional training programmes for 100 refrigeration service technicians and refresher courses for 514 technicians that had already received training in 2008; the establishment of a permanent certification systems; provision of incentives and service tools to technicians to promote refrigerant conservation. The programmes also cover use of drop-in refrigerants and improvement of the recovery and recycling scheme; enforcement of the ODS import licensing system; implementation of an online registration system for imports of HCFCs and HFC-134a, final testing of the online licensing system and prevention of illegal trade; and implementation, monitoring, and control of the activities included in the TPMP.

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

7. The 2007 CFC consumption reported by the Government of Uruguay under Article 7 of the Protocol of 29.3 ODP tonnes was already 0.6 ODP tonnes below the allowable level of consumption of 29.9 ODP tonnes for that year. Based on quotas and the needs of the refrigeration and MDI sub-sectors, the expected level of CFC consumption for 2008 will be similar to that in 2007.

8. The request for the second tranche of the TPMP for Uruguay was first submitted to the 55<sup>th</sup> Meeting of the Executive Committee. Noting that the project document between the Government of Uruguay and UNDP was only signed in late 2007, which had delayed the implementation of several of the sub-projects approved under the first tranche of the TPMP, the Government of Uruguay agreed to withdraw the request. Since then, several activities have been completed and others are underway. In spite of the accelerated implementation of the TPMP in 2008, there is still an unspent balance of US \$157,114. On this issue, UNDP pointed out that the total expenditure expected by the end of 2008 will be US \$299,000, and the remaining balance will be disbursed in the first quarter of 2009.

9. Upon a request for additional information on the status of the recovery and recycling scheme established under the refrigerant management plan (RMP), UNDP explained that the small machines available are only able to recover CFC-12. Currently, there is no data on the amounts of CFCs being recycled. In order to address this issue, consideration is being given to managing the recovery/recycling programme through the technicians association.

### RECOMMENDATION

10. The Fund Secretariat recommends approving the second tranche of the plan with associated support costs at the funding level shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	Terminal phase-out management plan (second tranche)	48,000	3,600	UNDP
(a)	Terminal phase-out management plan (second tranche)	42,000	5,460	Canada

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