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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixtieth Meeting
Montreal, 12-15 April 2010

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 (third tranche) UNDP, Canada

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Uruguay

(I) PROJECT TITLE	AGENCY
CFC phase out plan	Canada, UNDP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2008
CFC: 26.4	CTC: 0	Halons: 0	MB: 8.4	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2008		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					17.5			8.9					26.4
CTC													0
Halons													0
Methyl Bromide										11.4	8.4		19.8
Others													0
TCA													0

(IV) PROJECT DATA			2006	2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	99.6	29.9	29.9	29.9	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	99.5	29.9	29.9	29.9	0.	
Project Costs (US\$)	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.
Total Funds Approved in Principle (US\$)		Project Costs	400,000.	90,000.	0.	75,000.		565,000.
		Support Costs	38,800.	9,060.	0.	7,275.		55,135.
Total Funds Released by the ExCom (US\$)		Project Costs	400,000.	0.	90,000.	0.		490,000.
		Support Costs	38,800.	0.	9,060.	0.		47,860.
Total Funds Requested for Current Year (US\$)		Project Costs				75,000.		75,000.
		Support Costs				7,275.		7,275.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket Approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Uruguay UNDP, as the lead implementing agency, has submitted to the 60th Meeting of the Executive Committee a request for funding for the third and final tranche of the terminal phase-out management plan (TPMP) for Annex A Group I substances at a total cost of US \$45,000 plus agency support costs of US \$3,375 for UNDP, and US \$30,000 plus agency support costs of US \$3,900 for the Government of Canada. The submission also includes a progress report on the implementation of the TPMP during 2008 and 2009 and the implementation programme for 2010.

Background

2. The TPMP for Uruguay was approved by the Executive Committee at its 50th Meeting, to completely phase out CFC consumption in the country by 2009. Total funding of US \$565,000 plus agency support costs of US \$55,135 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$204,000 plus agency support costs of US \$18,000 for UNDP, and US \$160,000 plus agency support costs of US \$20,800 for Canada. At its 56th Meeting, the Executive Committee approved the second tranche 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 Canada.

Progress report on the implementation of the second tranche of the TPMP

3. Following the approval of the second tranche of the TPMP by the Executive Committee, the following activities were implemented: 434 additional service technicians were trained and 76 service tool kits were distributed, bringing the total up to 986 technicians trained, of whom 929 have been certified, and 562 tool kits distributed. The certification scheme for refrigeration technicians was also prepared for approval. After a review of the recovery and recycling scheme in operation by key stakeholders, it was concluded that the funding available (about US \$75,000) would be better utilised in strengthening the training institutes through the allocation of updated equipment. The on-line ODS system, which includes controls on ODS and ODS-based equipment, is operational. Periodical meetings of the Ozone Unit and Customs were conducted to analyze the import licensing system and illegal CFC trade control, and to decide on corrective measures, as required. Monitoring and reporting activities included in the TPMP were also implemented.

4. As of March 2010, of the US \$490,000 approved for the first two tranches, US \$423,829 had been disbursed or committed. The balance of US \$66,171 will be disbursed during 2010. Of the US \$90,000 approved for the second tranche, US \$23,829 (equivalent to 26.5 per cent) had been disbursed.

Plan of action for the third tranche of the TPMP

5. The Government of Uruguay commits to implementing the following activities under the third work programme of the TPMP: provide additional training programmes for refrigeration service technicians and distribute service tool kits; distribute the manual on good refrigeration servicing practices to all technicians and training institutes; and establish a framework law under which a decree to regulate the technicians' activities can be approved. It also proposes to continue promoting the use of good servicing, maintenance and containment practices, the use of drop-in refrigerants, and the recovery and recycling of refrigerants, particularly in the commercial refrigeration sector; and implementation, monitoring, and control of the activities included in the TPMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The 2008 CFC consumption reported by the Government of Uruguay under Article 7 of the Montreal Protocol of 26.4 ODP tonnes was already 3.5 ODP tonnes below that of 29.9 ODP tonnes allowed for that year. CFC consumption in 2009 has been estimated at 6.4 ODP tonnes. UNDP explained that one of the main reasons for the reduction in the consumption of CFCs is the work with importers who, through continuous consultations, agreed to reduce CFC imports for refrigeration servicing applications beyond the control measures under the Protocol at the same time that training and tools were being given to the technicians. The focus on promoting alternative refrigerants was disseminated through all the workshops held, and assistance from local and international experts was given during training and equipment conversions. To ensure the long term sustainability of the phase-out achieved, the technical institutes of refrigeration, and the associations of refrigeration technicians in Uruguay will be strengthened through the certification and registration of technicians, and regular meetings, courses and workshops during the implementation of the final tranche of the TPMP.

7. With regard to the ODS legislation in place, UNDP indicated that it provides for the registration of import/export of HCFCs, but not the application of quotas for such substances. There is a legal framework under which the quota system will be designed and developed in the future, adapted to the specific conditions of Uruguay, as well as providing all operational procedures to make the system effective once the national imports control measures enter into force. UNDP also confirmed the Government of Uruguay's commitment to sustain zero CFC consumption beyond 2009 by completing all activities in the TPMP.

8. Upon a request for additional information on the status of the recovery and recycling scheme, UNDP explained that, based on consultation with users of the recovery machine and discussions during training courses, it was found that of the 90 machines distributed so far, about 36 were still operational and some of them could only recover CFCs. The amount of recovered and recycled CFCs is very low; many technicians do not have access to the machines when needed; and in some cases where recovery and recycling was required from large commercial installations, the equipment did not have the capacity to undertake cost-effective recycling of the refrigerant. It was concluded that providing further support to the recovery and recycling network would have a limited impact in reducing consumption; it was therefore decided to strengthen the training institutions in the country instead.

9. Considering that as of 1 January 2010 no more CFCs can be imported into the country, the number of training programmes for customs officers and refrigeration technicians implemented so far, and that funding for the preparation of the HPMP has been approved, the Secretariat suggested that the Government of Canada and UNDP examine the merits of focusing the final tranche of the TPMP on specific activities that will sustain zero consumption of CFCs and facilitate the phase-out of HCFCs in Uruguay. UNDP indicated that the funds available will be used to complete the activities proposed in the last work programme. Several of these activities are addressed to sustaining the phase-out achieved so far, in particular the activities related to the legislation and enforcement project and the one related to the certification of technicians.

RECOMMENDATION

10. The Fund Secretariat recommends that the Executive Committee:
- (a) Takes note of the progress report on the implementation of the first tranche of the terminal phase-out management plan (TPMP) in Uruguay;
 - (b) Approves the 2010 annual implementation programme associated with the third tranche;

and

- (c) Requests the Government of Uruguay, with the assistance of the Government of Canada and UNDP, to submit a progress report on the implementation of the work programme associated with the third and final tranche of the TPMP no later than the 63rd Meeting of the Executive Committee.

11. The Secretariat further recommends blanket approval of the 2010 plan associated with the third and final tranche of the TPMP for Uruguay, with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan for Annex A Group I substances (third tranche)	45,000	3,375	UNDP
(b)	Terminal phase-out management plan for Annex A Group I substances (third tranche)	30,000	3,900	Canada
