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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-third Meeting
Montreal, 12-14 November 1997

PROJECT PROPOSAL: GEORGIA

This documents includes the comments and recommendations of the Fund Secretariat on the following project proposal:

Refrigerant Management Plan

- Training of trainers in refrigeration
- Training in monitoring and controlling of ODSs
- National recovery and recycling programme

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PROJECT EVALUATION SHEET **GEORGIA**

SECTOR: REFRIGERATION ODS use in sector (1996): 23.5 ODP tonnes

Sub-sector cost-effectiveness thresholds: RMP n/a

Project Title: Refrigeration Management Plan

Project Data	REFRIGERATION MANAGEMENT PLAN	
ODS phase-out (ODP tonnes)		3.65
Proposed project duration (months)		36
Incremental capital cost (US \$)		238,560
- including contingency (%)		10
Incremental operational cost (US \$)		
Total project cost (US \$)		238,560
Local ownership (%)		N/A
Export component (%)		N/A
Amount requested (US \$) {Original}		238,560
{Revised}		
Cost effectiveness (US \$/kg)		N/A
National Coordinating Agency	Ministry of Environment	
Implementing Agency	UNDP, UNEP	
Technical review completed?		N/A

<i>Secretariat's Recommendations:</i>		
Amount recommended (US \$)		191,750
Project impact (ODP tonnes)		3.65
Cost effectiveness (US \$/kg)		N/A
Implementing Agency support cost (US \$)		24,927
Total cost to Multilateral Fund (US \$)		216,677

PROJECT DESCRIPTION

Refrigerant Management Plan

1. The Government of Georgia is submitting for consideration by the Committee at its 23rd Meeting the Georgia country programme, with a request for establishment of a national ozone unit (institutional strengthening) (UNEP/OzL.Pro/ExCom/23/57), and a project proposal for the implementation of a refrigerant management plan.
2. Based on information gathered during the preparation of the country programme in 1996, total ODS consumption in the country was estimated at 25.95 tonnes, the majority of which (23.48 tonnes) was used in the refrigeration and air-conditioning sector, with the following sub-sectoral distribution: 16.6 ODP tonnes in domestic refrigeration; 3.2 ODP tonnes in commercial refrigeration; 3.4 ODP tonnes in mobile and domestic air-conditioning units; and 1.4 ODP tonnes for other refrigeration units and stocks.
3. The low ODS consumption levels are mainly due to the severe electricity problems in the country; at least 50 percent of the estimated 1.4 million domestic and commercial refrigerators available in Georgia are not operating, especially during winter. Once the electricity supply normalises, most of this refrigeration equipment would need servicing immediately, increasing consumption of CFCs.
4. The servicing of refrigeration equipment is being provided by small and medium-sized private enterprises. Four of these enterprises have capabilities for assembling refrigeration units. There are approximately 125 repair workshops in the country, with more than 300 service technicians.
5. In 1996, the Georgian Parliament adopted six legal acts on environmental issues. One of the acts, the Framework Law on the Protection of the Environment, provides a solid basis for action on phasing out ODSs. Two additional regulations, one on import permits (which is still in a proposal phase), and the other on an environmental taxation system, would be used as an ODS control mechanism. In addition, the Regional Departments of Environment have the competence to inspect industrial complexes, factories, and storage buildings for the application of environment-friendly practices. The Government is also proposing a legal act on the Protection of the Air which would include the requirements of the Montreal Protocol. This plan will support, at the high political and administrative level, all ODS phaseout measures taken by the Ministry of Environment and other Governmental authorities. Based on this legal plan, the Ozone Unit will develop and implement specific control measures including, inter alia, prohibiting imports of equipment using ODS and new enterprises producing and/or assembling ODS based equipment, establishment of a certification programme for service technicians, establishment of taxes, import quotas and licenses for ODSs; training programme for refrigeration service technicians and implementation of a recovery and recycling project. The RMP proposes a time frame for implementation of these policies, together with regulatory measures and incentives.

6. The RMP identified two basic training programmes, namely, training for monitoring and control of ODS and ODS using equipment, aimed at enforcement officers from the Ozone Unit, and Customs and Bureau of Statistics, to identify and develop techniques for collecting and reporting consumption of import data; and training for refrigeration technicians in good management practices using the "train the trainers" approach. This programme aims at improving service and maintenance practices in order to prevent intentional and/or unintentional release of ODS into the atmosphere, thus making it possible for refrigeration equipment to operate to the end of its useful life.

7. The RMP also includes a subproject for the establishment of a recovery and recycling network comprising 15 recovery units and two recycling centre for servicing refrigeration equipment, at a cost of US \$106,750. This activity also provides for one-day workshops for service technicians on practical demonstration on recovery and recycling equipment. The recovery and recycling programme will be implemented only when necessary economic and policy instruments are put into place in the country.

8. In total, 3.65 tonnes of CFC could be recovered and recycled each year. This amount does not take into account the amount of refrigerant that might be saved owing to the teaching of good service and maintenance practices at the training seminars.

9. The Ministry of Environment will have the overall responsibility for the implementation of the Government's obligations under the Montreal Protocol, the Country Programme and Refrigerant Management Plan. The Ozone Unit will be responsible for the monitoring, co-ordination and successful implementation of proposed phase-out activities in the RMP. ODS consumption will be monitored by the Ozone Unit with the cooperation of the Bureau of Statistics, the Customs Department and suppliers and consumers of ODS.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The Executive Committee at its 22nd Meeting decided to request UNEP, in consultation with the Secretariat, the other implementing agencies and members of the Executive Committee, to review the proposed guidelines for RMPs and submit them to the September 1997 meeting of the Sub-Committee on Project Review (Decision 22/24). The Sub-Committee, at its September Meeting, welcomed the revised draft guidelines and provided further guidance on work to be done. Based on discussion at the Sub-Committee meeting, UNEP IE revised the RMP guidelines for submission to the 23rd Meeting of the Executive Committee.

2. The Georgia RMP follows the RMP guidelines as revised by UNEP.

3. Bearing in mind the importance of the RMP as one of the few activities that could assist the Government of Georgia to meet its obligations under the Montreal Protocol, the Secretariat UNDP and UNEP discussed in detail the major components of the RMP, in particular, the timing of implementation of regulatory and legislative requirements, the fiscal steps to make recovery and recycling economically feasible, and modalities for the implementation of the training programme in good management practices in order to cover the majority of the service technicians operating in the country.

4. The Secretariat and UNDP also discussed the size of the recovery and recycling programme considering the sectoral distribution of CFCs. The cost of the subproject was adjusted accordingly.

5. The Secretariat, UNDP and UNEP discussed the modalities of coordination and implementation of the various activities in the RMP, the monitoring and evaluation roles of the Ozone Unit, the responsibilities of government agencies and industrial associations during implementation of the RMP as well as the Government's commitment to its implementation.

RECOMMENDATION

1. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below:

Project Title	Project Cost US \$	Support Cost US \$	Implementing Agency
Refrigerant Management Plan:			
a) Training of trainers in refrigeration	50,000	6,500	UNEP
b) Training in monitoring and controlling of ODS	35,000	4,550	UNEP
c) National recovery and recycling programme	106,750	13,877	UNDP

2. To request UNEP and UNDP not to proceed with the disbursement of funds approved for the training programmes and the recovery and recycling programme until the regulatory and legislative requirements and fiscal steps proposed by the Government of Georgia are put into place.