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Executive Committee of
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Implementation of the Montreal Protocol

Twenty-second Meeting
Nairobi, 28-30 May 1997

COUNTRY PROGRAMME: CYPRUS

This document consists of:

- Country Programme Evaluation Sheet (prepared by the Fund Secretariat)
- Comments and Recommendations of the Fund Secretariat
- Transmittal Letter from the Government of Cyprus
- Country Programme Cover Sheet
- Country Programme (Executive Summary)

CYPRUS COUNTRY PROGRAMME EVALUATION SHEET

National Ozone Office, Ministry of Agriculture, Natural Resources and Environment

Status of ratification of the Vienna Convention and the Montreal Protocol

Vienna Convention (1985)	Signature	Ratification	Entry into force
Montreal Protocol (1987)		28-May-92	26-Aug-92
London Amendment (1990)		28-May-92	26-Aug-92
Copenhagen Amendment (1992)		10-Oct-94	08-Jan-95

Production of controlled substances: No controlled substances produced

Consumption of controlled substances (1995) 201.9 metric tonnes
221.5 weighted tonnes (ODP)

(tonnes)	CFC-11	CFC-12	CFC-113	CFC-114	CFC-115	TOTAL Halon1211	Halon1301	TOTAL	CTC	MCF	TOTAL	Me-Br
ODS	102.9	87.0	2.0			191.9	10.0	10.0				
ODP	102.9	87.0	1.6			191.5	30.0	30.0				

Distribution of ODP by substance: CFC 86.5% Halon 13.5% CTC and MCF

Distribution of ODP by sector:	Aerosol	Foam	Halon Refrigeration	Solvent	Other
Consumption (ODP tonnes):	3.0	103.0	30.0	85.5	0.0
Percent of total:	1.4%	46.5%	13.5%	38.6%	

Country Programme

Duration of country programme: 4 years (1997-2000)

ODS phase out target: Complete phase out by 2000

Phase out priority area: Foam, refrigeration, halon and aerosol sectors

Cost of activities in country programme: \$134,350

Strategy:

The Government strategy is aimed at phasing out ODS consumption by the end of year 2000, by encouraging voluntary agreements with ODS consumers at the sectoral and individual levels; offering awareness programmes to industry on ODS replacement chemicals and introduction of new technologies; implementing public awareness campaigns to inform the public in general on the effects associated with the depletion of the ozone layer; continuation and refinement of the import monitoring procedures in place, giving the Customs Authorities a mandate in applying the Government policy on ODS; and implementing ODS phase out investment projects.

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

COMMENTS

1. The Country Programme conforms to the format of the approved guidelines.
2. The Government of Cyprus ratified the Vienna Convention and the Montreal Protocol on 28 May 1992. Effective January 1994, Cyprus was re-classified by the Ozone Secretariat as a Party operating under Article 5 of the Montreal Protocol.
3. The Government of Cyprus received financial assistance from the Global Environmental Facility (GEF) for the preparation of its country programme. Immediately after the GEF Proposal was approved, Cyprus was re-classified as a country operating under Article 5. Therefore, the Government of Cyprus is submitting the country programme for its consideration and approval by the Executive Committee of the Multilateral Fund.
4. The total ODS consumption in the country is estimated at 221.5 metric tonnes, mainly CFC-11 and CFC-12 used as a foam blowing agent, for servicing domestic refrigerators and freezers and commercial refrigerators, and for the production of aerosol products. In addition, 10 metric tonnes of halon-1211 were used in portable fire extinguishers.
5. In 1995, the total ODS consumption in the refrigeration sector was 85.5 tonnes, representing 38.6% of total consumption of controlled substances. Six large enterprises consumed 56 tonnes of CFC-11 for the production of foam for furniture, thermal insulation and shoe soles. The shoe sole industry is planning to invest on manufacturing processes with hydrocarbons and other ODS alternative substances. Currently, some sole manufacturers use water as the foam blowing agent with poor results.
6. In 1995, only 3 tonnes of CFCs were consumed in the production of aerosol products by one enterprise. In late 1994, the other 2 aerosol fillers used non-ODS propellants in their filling operations. The Government is planning to phase out consumption of CFCs in this sector from 1997. ODS consumption in other sectors, including metal cleaning, electronic solvents, dry cleaning and industrial solvents, is negligible.
7. The country programme includes a project for the establishment of a National Ozone Office within the Ministry of Agriculture, Natural Resources and the Environment (institutional strengthening). The Government of Cyprus is requesting a total of US \$119,350 for the implementation of this project.
8. The main responsibilities of the Ozone Unit would include: establishment and management of an information system on ODS importers and users; maintenance of records for imports of ODSs; establishment of a registration system for ODS users; formulating, coordinating and monitoring phaseout actions identified in the country programme including legislation; supporting public awareness campaigns; reporting annual consumption to the Ozone Secretariat; and reporting on progress of the country programme implementation to the Multilateral Fund.
9. A project proposal for a refrigeration management plan and train the trainer in good practices in refrigeration is also included in the country programme.

10. The Government of Cyprus has considered decision VI/5 (d) and (e) of the Sixth Meeting of the Parties to the Montreal Protocol which urges countries initially classified as non-Article 5 but reclassified subsequently as operating under Article 5 not to request financial assistance from the Multilateral Fund but they may seek other assistance under Article 10 of the Montreal Protocol. The Government of Cyprus has given this decision careful consideration, and is requesting that financial assistance from the Multilateral Fund be provided in order to achieve the proposed phaseout process.

RECOMMENDATIONS

The Fund Secretariat recommends as follows:

1. To approve the Cyprus Country Programme. Approval of the Country Programme does not denote approval of the projects identified therein or their funding levels.
2. To consider the request of the Government of Cyprus for approval of the amount of US \$119,350 for institutional strengthening in the light of Decision VI/5 (d) and (e) of the Sixth Meeting of the Parties to the Montreal Protocol, since Cyprus is a reclassified Article 5 country.

CYPRUS				REPUBLIC	
UNEP					
Ref. No.: 44/78	☐ Fax ☐ Country ☐ Project ☐ I-AM				MINISTRY OF AGRICULTURE, NATURAL RESOURCES AND ENVIRONMENT, NICOSIA, CYPRUS
Tel. No.: 302883					
Tdax No. 4660					
Telfax No. 445156					
01 AVR. 1997					
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Cc: ☐ Working pages Reg'd ☐					

The Chief Officers
Secretariat of the Multilateral Fund
for the Implementation of the Montreal Protocol
1800 McGill College Ave., 27th Floor
Montreal
Canada H3A 3J6

Dear Sir,

Subject: Letter of Transmittal: Cyprus Country Programme

I submit herewith the Country Programme of Cyprus for the consideration and approval of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol.

The Cyprus Government ratified the Montreal Protocol and Vienna Convention on the 28th May 1992. Cyprus has been classified, effective January 1994, as an Article 5 developing country under the Montreal Protocol.

I would like to place on record our appreciation for the assistance extended through the UNEP IE OzoneAction Programme for the preparation of the Country Programme, which started in 1996.

I do confirm our firm commitment to implementing the actions which are detailed in the Country Programme report and, in this respect, that Cyprus, as a reclassified to Article 5 status, is in need to seek partial assistance from the Multilateral Fund, due to the large incremental cost (over USD7m) needed for the transformation to non-depleting substances.

I further assert that it is our intention to monitor compliance with the Protocol. If necessary, further and different actions from those specified in the Country Programme will be updated and submitted to the Executive Committee of the Multilateral Fund.

COUNTRY PROGRAMME COVER SHEET

Country: CYPRUS
Period covered: 1997 to 2000
Lead National Agency: Environment Service, Ministry of Agriculture, Natural Resources and Environment, Government of Cyprus
Lead Implementing Agency: UNEP
Date Received:

1. Phase-Out Schedule

Substance	Current Consumption 1995 (ODP Tons)	Planned Total Consumption 1996 Until 2000 Phase-Out (ODP Tons)	Planned Year of Complete Phase-Out
Annex A Group I			
CFC 11	102.	276.	200
CFC 12	87.	233.	200
CFC 113	1.	5.	200
TOTAL	191.	515.	
Annex A Group II			
Halon 1211	3	58.	199
Annex B Group II			
Carbon Tetrachloride	0.004		
Annex B Group III			
Methyl Chloroform	0.000	negligible	200
TOTAL	221.504	574.	

2. Government Action Plan

	<i>Action</i>	<i>Responsibility</i>	<i>Timing</i>
1.	Establish National Ozone Committee	Environment Service	Done
2.	Establish National Ozone Office	Environment Service	1997 as soon as approval is given
3.	Develop & implement public awareness campaign	National Ozone Office	1997- 1999 continuous
4.	Strengthen existing ODS import licence system	Customs	May 1997
5.	Develop user enquiry and help system	National Ozone Office	1997-1999 continuous
6.	Promotion for recycling CFCs	Government	1997 as soon as equipment arrive
7.	Sectoral and specific industry projects	National Ozone Office	1997-1999 continuous
8.	Coordinate any approved financial and technical transfer assistance	National Ozone Office/UNEP/UNDP/Env. Ser.	1997- 1999 continuous
9.	Monitor and report on ODS usage	National Ozone Office	1997- 1999 reporting annually
10.	Improved management of the use of refrigerants through development of an RMP	National Ozone Office	1997- 1999

3. Projects Submitted for Funding

<i>Project</i>	<i>Intended Effect</i>	<i>Sector</i>	<i>ODP Tons Phased Out</i>	<i>Incremental Cost US Dollars</i>
1. Institutional Strengthening	Coordination, control, technical support and monitoring	All	N/A	119,35
2. Refrigerant Management Plan	Development of comprehensive phaseout strategy	Refrigeration and Air Conditioning	N/A	15,00
TOTAL			N/A	134,35

4. Projects under Preparation

The following projects are indicative only, and will be formulated by UNDP and submitted for funding in the future. Additional projects may be submitted according to Industry needs. Cost Effectiveness for future projects will be limited to the thresholds as set by the Multilateral Fund.

<i>Project Under Preparation</i>	<i>Intended Effect</i>	<i>Sector</i>	<i>ODP Tons to be Phased-Out</i>	<i>Incremental Cost</i>
Financial assistance for phaseout of the ODS in the Aerosol sector	To complete phase-out in Aerosol Sector	Aerosol sector	3 ODP tons present 76* ODP tons retroactive	TBD**
Recycling of ODS in the Refrigeration and Air Conditioning sector	Recovery and recycling for better management of ODS	Refrigeration and Air Conditioning	35 ODP tons per year	TBD
Implementation of phaseout in Foam sector	Technical and financial support to cover all foam producing sectors for the implementation of new technologies	Foams Sector	103 (1995)	TBD

* Retroactive funding for phaseout implemented in 1994

** To Be Determined

5. Costs

Incremental Cost of Projects Submitted in USD	134,350
Estimated Total Cost of ODS Phaseout in USD	TBD
ODP to be Phased Out	TBD
Cost Effectiveness of Phaseout	TBD

EXECUTIVE SUMMARY

Background

The Cyprus Government ratified the Montreal Protocol and Vienna Convention on the 28 May 1992 and submits this Country Programme for the reduction and complete phaseout of Ozone Depleting Substances (ODS). Cyprus was re-classified, effective January 1994, as a Party operating under Article 5 of the Montreal Protocol. Since the *per capita* consumption of ODS is less than 0.3 kg, Cyprus qualifies for assistance under the Multilateral Fund, the financial mechanism provided by the Montreal Protocol.

Cyprus is seeking assistance by accessing the financial mechanism of the Montreal Protocol through the presentation of this Country Programme.

The Current Situation

ODS Consumption in 1995 in Cyprus was 221.5 ODP Tons. There are four sectors that use ODS listed below:

- **Foams Sector:** This sector had the highest consumption of 103 ODP tons in 1995, which represents 46.5% of the total ODP consumption. ODS are used as a blowing agent for products like polyurethane foam and shoe soles. Phaseout of ODS will take until year 2000, with huge incremental cost to transform the manufacturing process to non-ODS.
- **Refrigeration and Air Conditioning Sector:** This sector includes commercial and domestic installation and servicing and represented 85 ODP tons or 38.6% of the total ODP consumption in 1995. There is no recovery and recycling of the refrigerant for servicing, therefore approximately 30 ODP tons of CFC 12 is released into the environment annually.
- **Fire Fighting Sector:** Consumption of ODS in this sector was 30 ODP tons in 1995, but it is at the phaseout stage.
- **Aerosol Sector:** ODS Consumption in this sector was only 3 ODP tons in 1995, since the sector has invested during the last four years in non-ODS using manufacturing processes.

The incremental cost from 1995 to the complete phaseout, is estimated to be approximately US\$ 7 million. This figure was calculated from costs, as given by the users, to transform their equipment to non-ODS manufacturing processes, including costs for projects.

The Government Action Plan

This Country Programme contains a detailed action plan which provides information on the consumption of ODS in Cyprus and describes the actions that the Government is proposing for the controlled phaseout at a minimal economic cost. The Country Programme action plan proposes to phase-out all ODS consumption by the end of 2000 and aims at an early significant reduction well ahead of Cyprus obligations under the Montreal Protocol.

PROJECT COVER SHEET**Annex I**

Country: CYPRUS

Project Title: INSTITUTIONAL STRENGTHENING
for the phaseout of ozone depleting substances and
the establishment of a National Ozone Office

**Implementing
Agency:** UNEP

**National
Implementing
Agency:** Environment Service, Ministry of Agriculture,
Natural Resources and Environment, Government
of Cyprus

**Project
duration:** 3 years (1997-2000)

**Project
Objective:** ODS phase-out as per Country Programme

Justification: Dedicated unit required to implement, monitor,
provide advice on and compliance with the Country
Programme's ODS phaseout schedule.

**Sectors
covered:** All Sectors

**Proposed
Budget:** US\$ 119,350

5. Budget

The budget requested for the entire three-year project is US\$119,350. This includes capital expense to purchase office equipment and operational expenses for three years as described in the next chart. A full time independent professional staff will be hired as the National Ozone Officer with an incentive, which is calculated as the equivalent salary of an experienced officer, or Grade 8, with the Government of Cyprus. The cost of living in Cyprus is very high, similar to that of France.

INSTITUTIONAL STRENGTHENING PROJECT FOR CYPRUS DETAILED BUDGET

(Figures in US Dollars)

1. CAPITAL EXPENDITURE	1997	1998	1999	3 Year Total
Office Equipment (Personal Computer System with Modem, Software, Photocopier and Fax Machine)	12,000			12,000
Sub Total 1.	12,000			12,000
2. RECURRENT EXPENDITURE				
Professional Staff Incentive (full time)	26,000	26,500	27,000	79,500
Local Travel, Communication Costs	4,000	4,000	4,000	12,000
Maintenance of Equipment		2,500	2,500	5,000
Sub Total 2.	30,000	33,000	33,500	96,500
Total for Items 1. and 2.	42,000	33,000	33,500	108,500
10% Contingency	4,200	3,300	3,350	10,850
TOTAL US\$	46,200	36,300	36,850	119,350

6. Output

The project will provide the basis to implement, monitor, and finalise the phaseout process of all ODS in Cyprus.