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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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COUNTRY PROGRAMME: KYRGYZSTAN

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 Kyrgyzstan
- Country Programme Cover Sheet
- Country Programme (Executive Summary)

KYRGYZSTAN COUNTRY PROGRAMME EVALUATION SHEET

Status of ratification of the Vienna Convention and the Montreal Protocol

	Signature	Ratification Entry into force	
Vienna Convention (1985)		31-May-00	29-Aug-00
Montreal Protocol (1987)		31-May-00	29-Aug-00
London Amendment (1990)			
Copenhagen Amendment (1992)			
Montreal Amendment (1997)			
Beijing Amendment (1999)			

Production of controlled substances: No controlled substances produced

Consumption of controlled substances (2000) 53.5 metric tonnes
67.3 weighted tonnes (ODP)

(tonnes)	CFC-11	CFC-12	CFC-113	CFC-114	CFC-115	TOTAL	Halon121	Halon130	TOTAL	CTC	MCF	TOTAL	Me-Br
ODS		53.4	0.1			53.5							23.0
ODP		53.4	0.1			53.5							13.8

Distribution of ODP by substance: CFC 79.5% Halon CTC and MCF MB 20.5%

Distribution of ODP by sector: Aerosol Foam Halon Refrigeration Solvent Other MB
Consumption (ODP tonnes): 0.0 0.0 0.0 53.4 0.1 0.0 13.8
Percent of total: 79.3% 0.1% 20.5%

MONTREAL PROTOCOL (ODP tonnes) CFCs Halons Methyl bromide
Baseline consumption 72.8 18.9
Allowable level of consumption in 2005 36.4 15.1

Source: Country Programme (2002)

Country Programme

Duration of country programme: 3 years (2002-2005)

ODS phase out target: Complete phase out of CFCs by end-2009

Phase out priority area: Refrigeration and fumigant sectors

Cost of activities in country programme: \$787,206

Strategy:

The Government is committed to accelerate, if possible, the phase out of CFCs and MB according to the Montreal Protocol phase out schedule; introduce ODS-related regulations including a licensing system to control the imports of ODS and facilitate the phase out process, support implementation of alternative non-ODS technologies in enterprises while minimising risks for producers and consumers; implement public awareness activities supporting the ODS phase-out process; and carry out research programmes with regard to non-ODS based equipment and ozone-friendly technologies by involvement of local resources..

COMMENTS AND RECOMMENDATIONS OF THE FUND SECRETARIAT

COMMENTS

1. The country programme of the Kyrgyz Republic (Kyrgyzstan) was compiled by the National Ozone Working Group, under the guidance of the Ministry of Ecology and Emergency Situations. The country programme was financially supported by the GEF and prepared with assistance from UNDP and UNEP.

2. Kyrgyzstan acceded to the Vienna Convention and the Montreal Protocol on 31 May 2000. At the time of ratification, the country was classified as a non-Article 5 Party to the Montreal Protocol. At the Twelfth Meeting of the Parties (December 2000), Kyrgyzstan was reclassified as an Article 5 country. At present, the ratification of the London and Copenhagen Amendments to the Montreal Protocol are being processed, and they are expected to be ratified in the near future.

3. A survey was carried out in the country to calculate the level of ODS consumption. The State Customs Department, regional environment divisions and main ODS consumers participated in the survey. In 2000, a total of 67.3 ODP tonnes of controlled substances were consumed, of which 53.5 ODP tonnes were mainly CFC-12 and 13.8 ODP tonnes were methyl bromide (MB). The total CFC-12 consumption is related to servicing refrigeration equipment, in particular, commercial refrigeration systems (39.4 tonnes), dairy facilities for milk freezing (6.7 tonnes) and domestic refrigerators (4.4 tonnes). MB is used every year by the Pest Control Expedition for grain fumigation.

4. Through the survey it was also found that in the early 1990s a few enterprises were involved in blowing foam operations; however, these operations were banned since 1995. It was also found that in 1997, about 2.52 tonnes of CFC-113 and 6 tonnes of CFC-13 were used as metal degreasing agents in the electronics industry; however, use of CFCs as solvent has stopped. Since 1995, imports of halons have been banned.

5. The Government of Kyrgyzstan has enacted a law pertaining to the environment protection. Article 25 of the Law relates to the protection of climate and the ozone layer; specifically, it stipulates the establishment of a system for collection of ODS consumption data and inventory of ODS-based equipment; compliance with limiting values and standards of emissions of substances affecting the ozone layer; and regulatory controls for ODS industrial and domestic activities. In addition, a law pertaining to free air protection, stipulates that all juridical persons that repair, maintain or use refrigeration equipment, halon extinguishers and other production containing ODSs, are obliged to make inventories and implement measures to prevent ODS emissions into the atmosphere.

6. The Government is proposing steps to phase out ODS and encourage introduction of non-ODS substitutes, through the establishment of restrictive measures and a policy on ODS export/import, licensing and quota systems including ODS-based equipment; an incentive

programme supported by policy measures favouring the use of alternative substitutes and recycled ODS; training of customs officers and refrigeration service technicians; enforcing the existing regulatory measures in place; and public awareness campaigns on ozone-related issues.

7. The country programme includes a project for the establishment of a National Ozone Office within the Ministry of Ecology and Emergency Situations (institutional strengthening). The Government of Kyrgyzstan is requesting a total of US \$150,524 for the implementation of this project. The Fund Secretariat's comments and recommendations on this request are presented under UNEP's work programme amendments (UNEP/OzL.Pro/ExCom/37/26).

8. The country programme also includes a refrigerant management plan (RMP) project proposal. The Government of Kyrgyzstan is requesting a total of US \$636,682 for the implementation of this project. The Fund Secretariat's comments and recommendations on this request are presented in document UNEP/OzL.Pro/ExCom/37/46.

RECOMMENDATIONS

The Fund Secretariat recommends as follows:

9. To approve the Kyrgyzstan Country Programme. Approval of the Country Programme does not denote approval of the projects identified therein or their funding levels.

10. To request the Government of Kyrgyzstan to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para 135). Using the approved format, the initial report, covering the period 1 August 2002 to 31 December 2003, should be submitted to the Fund Secretariat no later than 1 May 2004.

Country Programme Cover Sheet

Country: Kyrgyzstan
Lead National Agency: Ministry of Ecology and Emergency Situations of the Kyrgyz Republic
Lead Implementing Agency: UNDP, UNEP
Period Covered by 2002 – 2005
Country Programme:
Base Year of Data 2000
Freeze Level 73.35 ODP Tonnes

1. Phase-Out Schedule

Substances	Current consumption in 2000 ODP Tonnes	Planned consumption total until phase-out ODP Tonnes	Planned year of phase-out
(i) Annex A, Group I			
CFC-11	0	0	1998
CFC-12	53.45	394.91	2009
CFC-113	0.1	0.1	2001
Sub-total	53.55	395.01	
(ii) Annex B, Group I			
CFC-13	0	0	1998
(iii) Annex C, Group I			
HCFC-22	0.16		As per MP 0.01.2040
(iv) Annex E			
Methyl Bromide	13.8		As per MP 0.01.2015
Grand total	67.51	359.01	

2. Government Action Plan

Years	Description of action	Sector	Intended effect
2000-2005	1. Institutional strengthening, establishment of ODS monitoring system, enhancing the system of the ecological certification, introduction of economic incentives	All	Development of the monitoring of Action Plan; provisions for established control of ODS use and consumption, and ODS emissions; public awareness raising; incentives to decrease import of ODS and equipment, containing ODS
2002-2004	Legislation development	All	Decrease of ODS import and consumption

2002-2003	Introduction of excise taxes to ODS	All	Import decreasing
2002-2004	Training of the technicians	Refrigeration	Decrease of ODS use for equipment service and maintenance; introduction of ozone-friendly equipment and technologies (safe storage, utilization, recycling and elimination of ODS)
2002-2003	Training of Customs officials	All	Further developing of customs control system
2002-2003	Licensing system and introduction of quota system	All	Decrease of ODS use
2002-2003	Ban of import of equipment containing ODS	All	Decrease of ODS use
2002-2005	Support to research programmes, Provide the access to the alternative technologies	All	Research for new alternative technologies
2002-2004	Recovery & Recycling Programme	All	Decrease of ODS emissions
2002-2005	Public awareness raising activity; Public involvement.	All	Development of public awareness campaigns and activity, public involvement into the discussions of plans and action towards decrease of ODS use
2002-2005	Decrease of MB use	Agriculture	Replacement to other alternatives

3. Projects Submitted for Funding

Starting year	(v)	Implementing Agency	Phase-Out ODP Tonnes	Project cost to MLF US\$	Government or Industry Contribution US\$	Total Project Cost US\$
2002-2005	1. Institutional Strengthening Project and Capacity Building	UNEP		133,650	21,000	154,650
2002-2005	1.1 Establishment and support to the Ozone Office	UNEP				
2002-	2. Monitoring of	UNDP		18,645*		18,645

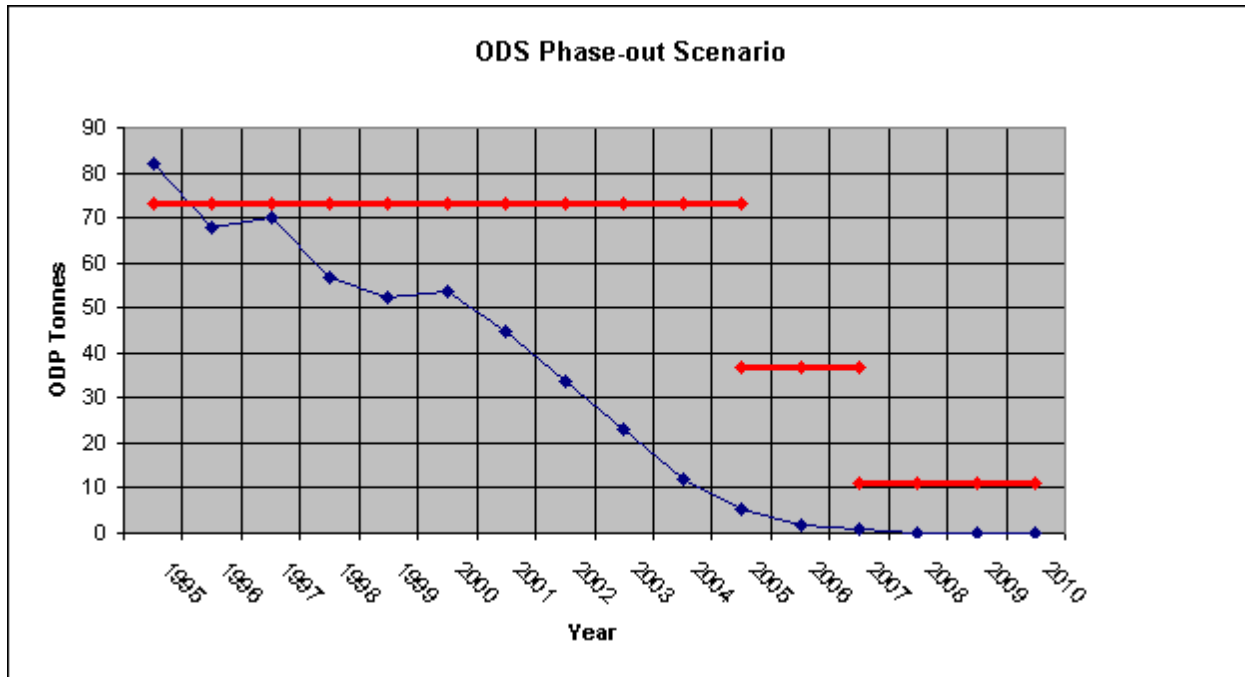
2005	RMP; Development of ecological certification system; Economic incentives and disincentives; Public involvement					
2002- 2003	3. Equipment for Customs Department; Training of Customs officials	UNEP		84,648*		84,648
2002- 2004	4. Training of trainers and refrigeration technicians	UNEP	3	110,627*		110,627
2002- 2005	5. Recovery & Recycling Programme	UNDP	9.1	209,248*		209,248
	6. Awareness and Incentive Programme	UNDP	2.5	211,584*		211,584
2003- 2005	7. Programme of decrease of MB use	UNDP		TO BE DETER MINED		TO BE DETERM INED
Total			14.6	768,402*	21,000	789,402

* Including Agency Support Costs

4. Costs

Cost to the MLF of Projects in the Country Programme in USD	768,402
Estimated cost to complete ODS phase-out in USD	
Estimated cost effectiveness for MLF funded Projects in USD/kg	
Estimated cost effectiveness for the complete phase-out in USD/kg	

5. Phase-out Scenario



Executive Summary

Background

The Kyrgyz Republic acceded to the Vienna Convention for the Protection of the Ozone Layer (Vienna Convention) and the Montreal Protocol on Substances that Deplete the Ozone Layer (Montreal Protocol) on 31 May 2000. At the time of ratification, the country would have been classified as operating under Article 2 of the Montreal Protocol. Following its application to the Twelfth Meeting of the Parties in December 2000, the Kyrgyz Republic was reclassified. It is now listed as a Party operating under Paragraph 1 of Article 5 of the Montreal Protocol.

The Kyrgyz Republic is located in the center of the Asian Continent within the Northeast part of the Central Asian Region between latitudes 39° and 43° North and longitudes 69° and 80° East. It shares borders with Kazakhstan to the North, China to the Southeast, Tajikistan to the Southwest and Uzbekistan to the West. Kyrgyzstan, which is a landlocked country, covers an area of 199 900 sq km with a population of 4 822 938 (as per the 1999 census).

Kyrgyzstan is a mountainous country with 94% of the area higher than 1 000 meters and 40% higher than 3 000 m above the sea level. The average altitude above the sea level is 2 750 m. About 4.25% of the area is covered by forests, 4.4% by water and 53.5% is the portion of the agricultural land which is mostly mountain pastures.

The climate of the country is continental and highly diverse in the 5 main valleys: Chui, Fergan, Issyk-Kul, Talas and Naryn valleys.

According to the data from the Ministry of Health and the Ministry of Internal Affairs, due to the migration of the population, the total population in Bishkek runs up to 1.2 Million of people.

The level of education of the people is comparatively high: more than 12% of the adult population hold University degrees, about 11% of the population hold college degrees, and 50% completed secondary schools, 18% hold general secondary education certificates, 8% possess only primary education certificates and 1.3% of the total population is uneducated. 80% of the latter are older than 55 years.

The economy of the Kyrgyz Republic has been seriously changed during the last 30 years in a similar way as the other CIS countries. After a period of relatively stable prosperity and material well-being that ended in 1991 with the collapse of the Soviet Union and the declaration of independence by all former Soviet Republics, the economy went into a recession that continued up to 1996. Since then and up to now there is a process of stabilization of the economy (see illustration 1).

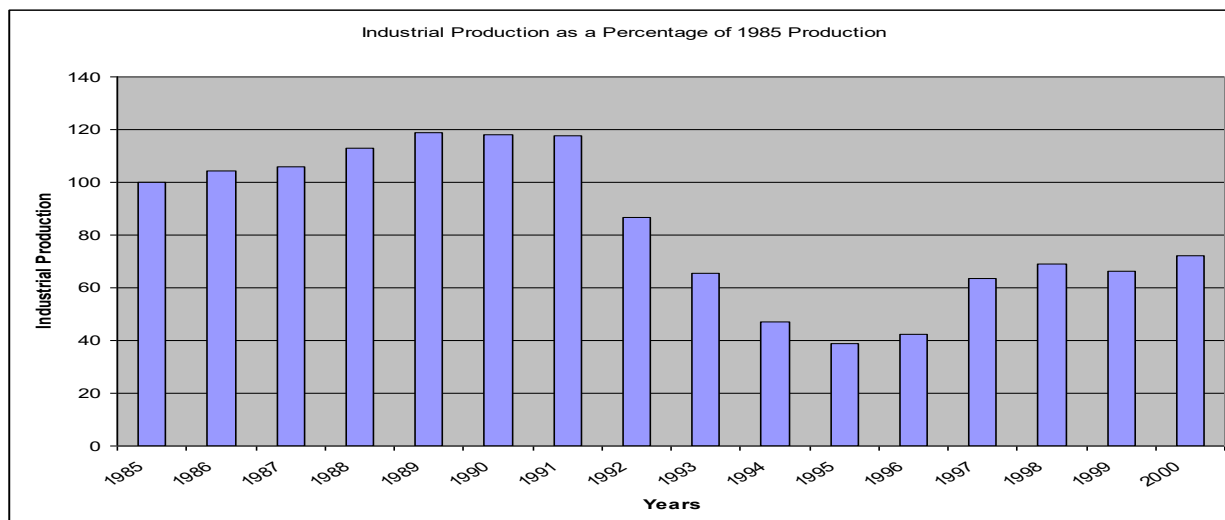


Illustration 1: Industrial Production as a percentage of 1985 Production

In 1991 the recession mostly affected the processing industry sectors. The economy went through considerable institutional framework changes (increase of the extractive industry proportion as compared to the processing industry). In 1993, the industrial output within the GDP was 24.9%. However, in 1997, it was 16.5% (the agricultural sector accounted for about 39% ~ 41.1%). GDP increased since 1996 based on the commissioning of the only one factory: “Kumtor” gold-mining facility.

From 1991 there was a total change in the structure of the agricultural sector. In 1990, the portion of state and collective farms accounted for 62% of the total agricultural sector output, the remainder was of personal subsidiary plots. However, in 1999, the portion of state and collective farms was 14.2% while 48% of total was the individual subsidiary plots. The remainder was the output of the farms that decreased the use of chemicals including ozone-depleting substances.

In 2000 according to data provided by the State Statistics Committee, the structure of the goods turnover by the transport types was as follows (Million of non-passengers Tonne-miles):

Automobile transportation – 1219.5;

Railway transportation – 353.8;

Internal waterways freight traffic – 8.3%;

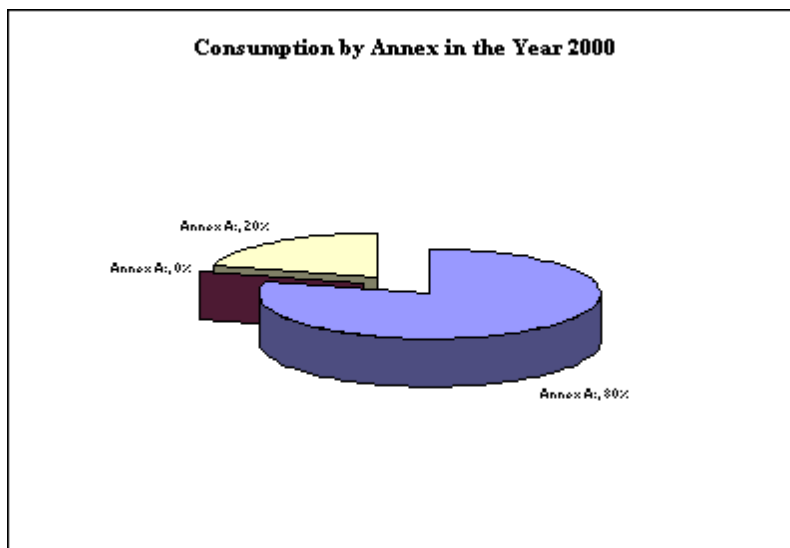
Air freight traffic – 68.1%.

According to this data, it is obvious that the predominant transport traffic in the Kyrgyz Republic is road transportation. This is mainly inland traffic. There is a steady process of the turnover increase in the sector of freight traffic and passengers’ conveyance taking place during the recent past years.

Current situation

According to the Montreal Protocol the year 2000 consumption of ozone-depleting substances (ODS) in the Kyrgyz Republic is 79.45 Tonnes (67.49 ODP Tonnes). Annex A of the Montreal Protocol (MP) accounted for 53.53 ODP Tonnes or 79.3% of the total ODS consumption,

Annex C 0.16 ODP Tonnes (0.24%) and Annex E 13.8 ODP Tonnes (20.45%). The freeze level of Annex A Group I substances is 73.35 ODP Tonnes per year.



In 2000, the base year for the data, the total ODS consumption per capita in ODP was 0.0162 kg. The sub-total consumption per capita for Annexes A&B chemicals was 0.0109 kg.

It must be noted that there is a tendency of steady decrease in ODS consumption that has considerably fallen starting from 1991 due to the industrial recession (see illustration 1). The consumption decreased from 144.27 Tonnes in 1991 down to 79.45 Tonnes in 2000. That shows the continued recession in the country. However, due to the planned economical growth and with no active actions taken, it is predicted that there will be an increase of ODS consumption.

There is no ODS production in the Kyrgyz Republic as well as production of equipment containing ODS. As per the year 2000, the main ODS consuming sector is servicing and maintenance of the refrigeration equipment. That accounts for 53.61 Tonnes or 79.4% of the total ODS consumption. The second largest ODS consuming sub-sector is the agricultural industry where methyl bromide (MB) is widely used for fumigation (grain protection). In 2000, the ODS consumption in this sector was 13.8 ODP Tonnes, or 20.47% of the total ODS consumption.

Implementing the Phase-Out

The Government of the Kyrgyz Republic wishes to express the firm determination to strengthen and develop its collaboration with the international community following the Montreal Protocol and its Amendments.

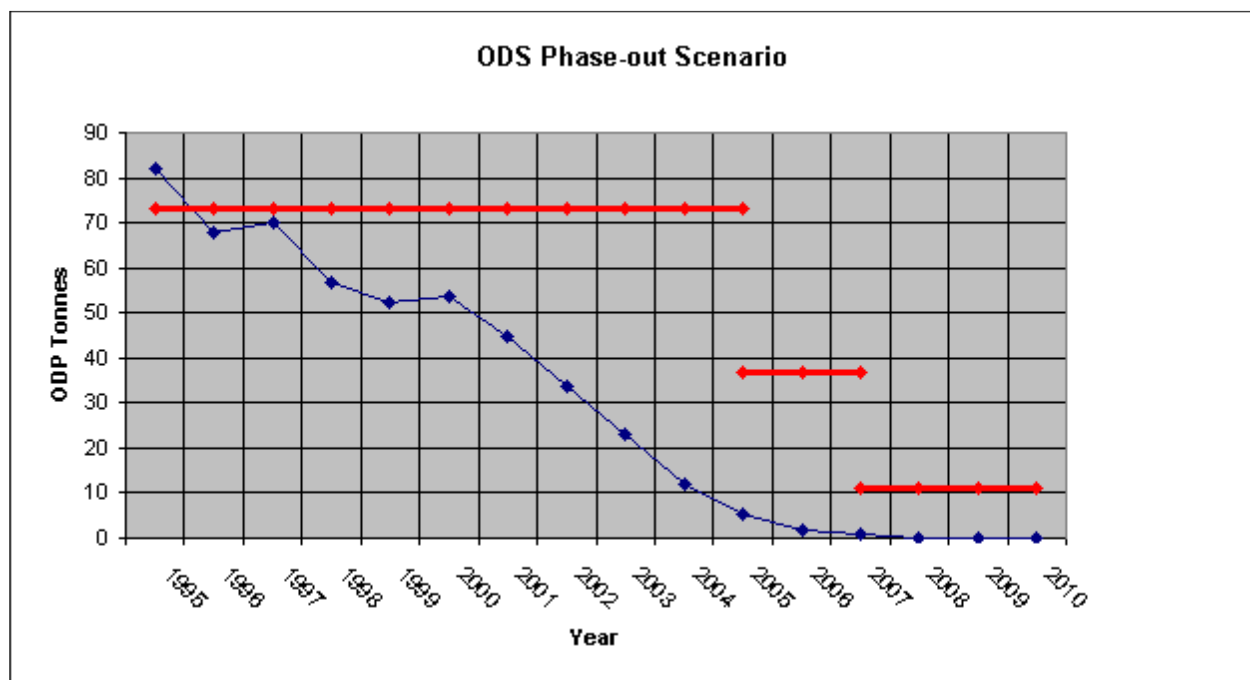
The aim set for the refrigeration equipment servicing sector is to recover, recycle and reuse ozone-depleting substances in order to avoid venting and the necessity to import new refrigerants. This shall be done by training refrigeration technicians in Good Practices to reduce the losses during equipment servicing to the maximum and to use Recovery and Recycling

equipment as well as training in this field. These actions will lead to a decrease in ODS consumption.

The provisions for administrative actions aim at decreasing ODS imports. These include a ban on imports of equipment containing ODS, increase the reliability of the data to be collected by training Customs Officers in identifying ODS and the proper recording of ODS imports. ODS import and consumption licenses are being worked out.

In order to freeze the import to the present level of consumption and to ensure the implementation of the ODS phase out programme; it is intended to establish a quota system. The system of incentives for entrance and application of the alternative or non-ODS technologies is under the process of development. It is being planned to establish a Fund to support and encourage the application of the non-ODS substances to replace ozone-depleting ones.

The chart below shows the phase-out scenario that the Kyrgyz Republic will follow.



The process of implementation of National Projects is contained in the Country Programme:

- Institutional strengthening Project and Capacity Building (Ozone Office);
- Training programme of the trainers of refrigeration technicians;
- Training programme of the Customs Department officials;
- Recover & Recycling Programme,
- Awareness and Incentive Programme,
- Decrease the use of MB use in the agricultural sector.

Table 1. Project Summary Table

No	Project title	Project cost in USD	
		Total Project Cost in USD	Funds Requested from the MLF in USD
1.	Institutional Strengthening Project	154,650	133,650
1.1.	Ozone Office Establishment		
1.2.	Development of the ecological certification system; system of economic incentives to decrease ODS consumption; public awareness and involvement.		
2.	Training Customs Officers and equipment to identify ODS	84,648	84,648
3.	Training of trainers and refrigeration technicians	110,627	110,627
4.	Recovery & Recycling Programme	209,248	209,248
5.	Monitoring of RMP	18,645	18,645
6.	Awareness and Incentive Programme	211,584	211,584
7.	Decrease of MB use in the agricultural sector		TO BE DETERMINED
Total		689,402	668,402

The Kyrgyz Republic (Government) will contribute 21,000 USD to the above projects. This contribution will be provided by the Ministry of Ecology and Emergency Situations of the Kyrgyz Republic.

The Refrigerant Management Plan has been developed within the framework of the present Country Programme.

The phase-out effect of the proposed projects is estimated at 8.7 ODP Tonnes in 2002, 10.9 ODP Tonnes in 2003 and 11.0 ODP Tonnes in 2004. The amount of Methyl Bromide in 2000 is 13.8 ODP Tonnes. A project will be formulated shortly for funding by the MLF in this sector. Taking the phase-out of this project into account, consumption was projected to drop by the years 2003 and 2004. The remaining ODS consumption will be phased out by the establishment of import bans with regard to the equipment containing or using ozone-depleting substances, as well as by quotas system, replacement of MB to other fumigants, development of technologies and incentives supported by community by the way of its involvement in the process of adoption and implementation of decisions.

The Government of the Kyrgyz Republic expects that all ODS in Annex A will be phased out by 2009 through active co-operation between industry and the Government in the implementation of regulatory measures as described in the National Action Plan and by the implementation of the

projects in the present document. The phase-out of HCFC and methyl bromide will be in accordance with target dates set in the Montreal Protocol and its Amendments for countries which are parties operating under Article 5(1).
