

## **Annex VIII**

### **DEFINITIONS OF ACTIVITIES INCLUDED IN THE INTERIM GUIDELINES FOR THE FUNDING OF DEMONSTRATION PROJECTS FOR THE DISPOSAL OF ODS**

#### Definitions and characterisation

1. For the purposes of these guidelines, “Collection” will be defined as aggregating a significant quantity of ODS, in relatively uncontaminated liquid form, at a site usable for interim storage in suitable leak-tight containers/cylinders ready for transport. The Executive Committee decided to define the significant quantity of ODS to be aggregated under “collection” as the equivalent in terms of direct climate impact of 145 tonnes of CO<sub>2</sub>. This is on the basis of the mass of CFC-12 contained in a refrigerant cylinder of 13.6 kg (standard refrigerant container), multiplied by the GWP of CFC-12 of 10,720. The relation to climate change implied in this concept is based on decision XX/7 of the Meeting of the Parties which underlined the intention of achieving climate benefits. This translates into, e.g., 31.2 kg (metric) of CFC-11, 113.9 kg (metric) of halon 1211, 21.5 kg (metric) of halon 1301 or 105.7 kg (metric) of CTC. The definition of “Transport” will cover the aggregation of quantities required for destruction or economic long-distance transportation starting with quantities of no less than the equivalent of 145 tonnes of CO<sub>2</sub>, the transportation itself, as well as arranging the necessary procedures. “Destruction” will cover the process from the arrival of bulk ODS at the facility to its physical destruction as defined in decisions IV/11, V/26, VII/35 and XIV/6, of the Meeting of the Parties. “Storage” will cover the storage of ODS in suitable containers at suitable locations beginning with quantities equivalent to 145 tonnes of CO<sub>2</sub> for the time required to arrange for suitable transport, destruction or recycling/reclamation.

2. The following paragraphs illustrate the four categories of activities to make the requirements for each transparent. What activities are necessary and effective, and how they should be funded, is to be determined in each individual case.

#### Collection

3. Based on the above definition, “Collection” includes all efforts to extract ODS from an application or a product. In addition, for products that contain less ODS than specified as “significant”, it would include aggregating the extracted ODS until the necessary quantity is reached. Collection would therefore cover, for example:

- (a) The collection of refrigerators, their transport to a central disassembly or recycling site, and extracting the CFCs from the refrigerators, compressing and transferring them into a transport container;
- (b) Similarly, it would cover the transport of foam, extraction of CFC-11 from it and transferring it into a suitable container; and
- (c) It would also cover the collection of small halon cylinders and their refilling into transport containers, or the recovery of CFCs from a supermarket refrigeration system of 13.6 kg or more of CFC-12 content or a respective amount of other refrigerants with the same climate impact.

4. The effort necessary to collect ODS will depend on:

- (a) The level of integration of ODS with the product, i.e. if the ODS can be recovered at the location of the product, or if the product needs to be transported to a central recovery facility; in the latter case, volume and weight of the product vs. the amount of recoverable ODS are also important factors;
- (b) The geographical distribution of equipment containing ODS, and the amount of ODS contained in the equipment; and
- (c) Its environmental impact, measured in ozone depletion potential (ODP) and greenhouse warming potential (GWP).

5. As defined here, Collection is the category of activity where the decisions are being made on whether the environmental impact of the ODS in the product surpasses the economical and/or ecological cost of its collection, and whether specific approaches for collection would fit into the economics of a planned project or activity. At the present point in time, ODS for some sub-sectors, e.g. building foams, are not collected systematically in any country because of economic and logistic considerations. In other cases, other considerations facilitate the collection of ODS, e.g. the need to collect and dispose of old refrigerators in the event of an energy-efficiency driven refrigerator replacement programme.

#### Transport

6. Based on the above definition for Collection, Transport includes the actual transportation of significant quantities, as defined above, in transport containers, both within a country as well as, where necessary, as transboundary transport. Furthermore, where applicable, necessary efforts to transfer ODS from containers for collection to potentially larger transport units, e.g. 13.6 kg cylinders of CFC-12 to 720 kg transport containers, and tests for substances contained for the purpose of labelling or to avoid undesired mixing will be needed. Transport would therefore cover, for example:

- (a) The transportation of collected, contaminated refrigerant in cylinders from recovery/recycling centres in a country to a central location in the country for subsequent further transport;
- (b) The transportation of halon 1301 in transport cylinders of 21.5 kg or above from building sites to destruction facilities; and
- (c) Arranging of export/import and transit permits, where applicable consistent with the Basel convention, to prepare for transporting from a national storage site to a destruction facility in another country.

7. Paragraph 6 of decision XX/7 of the Meeting of the Parties specifically notes that "... any project implemented pursuant to the present decision when applicable should be done in conformity with national, regional, and/or international requirements, such as those mandated by the Basel Convention and Rotterdam Convention".

### Destruction

8. Based on the definitions for Collection and Transport above, “Destruction” covers preparation of ODS for destruction and the actual destruction itself, using destruction technologies approved by the Meeting of the Parties and operating them taking into account the Code of Good Housekeeping as per the Annex III of the report of the Fifteenth Meeting of the Parties. It would therefore cover, for example:

- (a) The testing of ODS containers for composition, determining the exact content and the contaminants. This could serve to identify impurities in case of destruction facilities being sensitive to contamination, as well as necessary purification processes; at the same time, this allows exact determination of the quantities of the different substances being destroyed, e.g. to serve the reporting needs under Article 7 of the Montreal Protocol, as well as other monitoring needs where exact quantification of substances may be of importance;
- (b) Destruction of CTC from by-production of other chloro-methanes on-line with the chloro-methane production process;
- (c) Minor changes to existing facilities;
- (d) Environmental assessments and application for permits, including, where applicable and required, continuous monitoring of the environmental impact; and
- (e) Destruction of ODS and measurement of the effectiveness of destruction.

9. In the course of project review the Secretariat will need to pay particular attention to the assessment of the cost efficiency of destruction activities given that there appears to be a large amount of destruction capacity available at competitive prices. Agencies should therefore be encouraged to discuss related matters with the Multilateral Fund Secretariat early on during the project preparation phase to avoid a project design based on funding expectations which might not be seen as eligible once the project is assessed.

### Storage

10. Based on the above definitions, “Storage” includes all requirements for proper storage such as e.g. suitable containers and storage sites, as well as the necessary supervision, storage permits, and environmental assessments where applicable.