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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Twenty-fifth Meeting
Montreal, 29-31 July 1998

REQUESTS FOR BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral cooperation:

- Development of a refrigerant management plan for Cuba (Canada)
- Refrigeration management plan implementation in Nicaragua (Finland)

REQUEST FROM THE GOVERNMENT OF CANADA

1. The Government of Canada has submitted a request for a bilateral cooperation project in Cuba to develop a refrigerant management plan. Canada has requested the cost of the project, (US \$22,600) should be offset against its 1998 contributions to the Multilateral Fund. The amount requested (US \$22,600), plus Canada's previous project approved this year, does not exceed 20 per cent of Canada's pledged contributions to the Fund for 1998.

Refrigerant management plan in Cuba (US \$22,600)

Project description

2. The Government of Cuba has requested Canada to prepare a refrigerant management plan for Cuba. The project will include:

- the development of national regulations and legislation,
- training of enforcement and customs officials in control measures relating to the import and export of ODS including the development of import-export licensing systems, labeling requirements and the development of a harmonized customs code; and,
- a train the trainer programme for the refrigeration service technicians including the development of a certification programme for equipment technicians.

3. The project will build upon the information collected by other implementing agencies in Cuba. Canada will use UNEP IE to implement the project for which the 13 per cent agency fee is included in project costs.

Comments

4. The Executive Committee has approved four projects in Cuba's refrigeration sector including the following projects implemented by UNDP: "Implementation of a national programme for recovery and recycling of refrigerant" and the "Development of an ODS phase out strategy in the refrigeration sector". As a result of these efforts, much of the basic data required for an RMP has been obtained which Canada plan to use in its project.

5. The Canadian bilateral project will address those elements of an RMP that have not been addressed in previously approved projects.

RECOMMENDATION

1. The Fund Secretariat recommends approval of the bilateral proposal from the Government of Canada in the amount of US \$22,600 for the development of a refrigerant management plan in Cuba and the Treasurer should credit this amount against Canada's 1998 contributions.

REQUEST FROM THE GOVERNMENT OF FINLAND

6. The Government of Finland has submitted a request for a bilateral cooperation project in Nicaragua to implement a refrigerant management plan. Finland has requested the cost of the project, (US \$225,430) should be offset against its 1998 contributions to the Multilateral Fund. The amount requested (US \$225,430) does not exceed 20 per cent of Finland's pledged contributions to the Fund for 1998.

Refrigeration management plan for Nicaragua (US \$225,430)

Project description

7. In 1995, total ODS consumption in the refrigeration sector in the country was estimated at 110 ODP tonnes. There are about 2,000 service technicians in Nicaragua working in 160 organized service shops which repair and maintain refrigeration equipment in the country.

8. The Government's Action Plan proposes to develop and implement a legislative framework to establish criteria for prohibition of imports, trade and consumption of ODSs and ODS-based equipment, taxes on imports on ODSs, criteria for establishing financial assistance and voluntary agreements on the ODS phase out process, and certification of service operations. The Government is also proposing training refrigeration and air-conditioning service technicians and customs officers as well as a programme for recovery and recycling of refrigerants.

9. The RMP identified two training programmes, namely, training for customs officers to implement import policies defined within the legal framework and the import licensing system and to identify ODS and ODS-based refrigeration equipment being imported; and a training programme for refrigeration technicians in good management practices and on demonstrations on recovery and recycling equipment. This programme aims at improving service and maintenance practices in order to prevent intentional and/or unintentional release of ODS into the atmosphere.

10. The RMP also includes a subproject for the establishment of a recovery and recycling network comprising 25 recovery units and 10 recycling centres for servicing commercial and industrial refrigeration equipment. This project is part of an overall strategy by the Government of Nicaragua for the refrigeration and air conditioning sector.

11. Implementation of these projects will lead to a recovery and recycling of 12.75 tonnes of CFC 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.

12. The Governments of Nicaragua and Finland have agreed to implement this project. The Government of Nicaragua has accepted this bilateral co-operation project in accordance with the provisions of the Montreal Protocol. The proposed training programmes would be implemented through UNEP.

Comments

13. The RMP for Nicaragua follows the RMP guidelines as revised by UNEP.
14. Bearing in mind the importance of the RMP as an activity that could assist the Government of Nicaragua to meet its obligations under the Montreal Protocol, the Government of Finland and the Secretariat discussed the timing of implementation of legislative framework and the necessary steps to make recovery and recycling economically feasible.
15. The Secretariat also suggested to the Government of Finland enhancement in the importance of the training programme and reduction in their implementation time. The Secretariat also questioned the level of funding requested for these activities which were higher compared to similar training programmes included in approved RMPs.
16. The Government of Finland and the Secretariat also discussed coordination with the technical assistance programme in MAC and refrigerated transport in Central America (including Nicaragua) approved by the Committee at its 24th Meeting as bilateral cooperation by the Government of the United States.
17. Bearing in mind that the RMP is not a mix of stand-alone activities but an ODS phase out strategy for the whole country, with the involvement of many key players, the Secretariat suggested that the Government of Finland act as the agency responsible to the Multilateral Fund for the implementation of the RMP for Nicaragua.

RECOMMENDATIONS

1. The Fund Secretariat recommends blanket approval of the bilateral proposal from the Government of Finland in the amount of US \$225,430 and the Treasurer should credit this amount against Finland's 1998 contributions.
2. To request the Government of Finland not to proceed with the disbursement of funds approved for the recovery and recycling programme until the regulatory and legislative requirements and fiscal steps proposed by the Government of Nicaragua are put into place.