



**United Nations
Environment
Programme**



Distr.
LIMITED

UNEP/OzL.Pro/ExCom/25/34
1 July 1998

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-fifth Meeting
Montreal, 29-31 July 1998

PROJECT PROPOSAL: EL SALVADOR

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

Refrigerant Management Plan

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| • Custom training | UNEP |
| • Train the trainers programme in the refrigeration sector | UNEP |
| • Implementation of a national programme for recovery and recycling of refrigerant | UNDP |
| • Monitoring the activities included in the RMP | UNDP |

SECTOR: REFRIGERATION	ODS use in sector (1996):	338.1 ODP tonnes
Sub-sector cost-effectiveness thresholds:	RMP	N/A

Project Title:

Refrigerant Management Plan:

Project Data	REFRIGERANT MANAGEMENT PLAN
ODS phase-out (ODP tonnes)	36.27
Proposed project duration (months)	24
Incremental capital cost (US \$)	504,425
- including contingency (%)	10
Incremental operational cost (US \$)	-
Total project cost (US \$)	504,425
Local ownership (%)	100
Export component (%)	-
Amount requested (US \$) {Original}	546,475
{Revised}	504,425
Cost effectiveness (US \$/kg)	11.13
National Coordinating Agency	Ministerio de Medio Ambiente y Recursos Naturales (MARN) Oficina de Protección del Ozono (OPO)
Implementing Agency	UNDP, UNEP
Technical review completed?	N/A

<i>Secretariat's Recommendations:</i>	
Amount recommended (US \$)	504,425
Project impact (ODP tonnes)	36.27
Cost effectiveness (US \$/kg)	11.13
Implementing Agency support cost (US \$)	65,575
Total cost to Multilateral Fund (US \$)	570,000

PROJECT DESCRIPTION

Refrigerant Management Plan:

1. In 1996, total ODS consumption in the refrigeration sector in the country was estimated at 312 ODP tonnes in the refrigeration, air-conditioning and MAC subsectors. There are over 1,400 service technicians in El Salvador working in 700 service shops which repair and maintain refrigeration equipment in the country.
2. The Government's Action Plan proposes to develop and implement specific control measures including, inter alia, implementation of regulations through legislative action, decrees and resolutions to establish import regulations, regulation on consumption, distribution of import quotas and licenses for trade of ODS; implementation of a scheme of fiscal incentives and taxes to encourage the reduction in the use of ODS; training of refrigeration and air-conditioning service technicians and customs officers as well as the implementation of a national programme for recovery and recycling of refrigerants.
3. The RMP identified two basic training programmes, namely, training for customs officers (inspectors, controllers and customs policemen), to identify and develop techniques for collecting and reporting consumption of ODS import and ODS-based refrigeration equipment; and a "train the trainers" programme for refrigeration technicians in good management practices. 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.
4. The RMP also includes a subproject for the establishment of a recovery and recycling network comprising 142 recovery units (including units to be used in the training programme on good servicing practices) and 6 recycling centres for servicing commercial and industrial refrigeration equipment, at a cost of US \$390,000. This activity also provides for a one-day workshop for service technicians on practical demonstration on recovery and recycling equipment. This project is part of an overall strategy by the Government of El Salvador for the refrigeration and air conditioning sector. The first priorities are to stop the discharge of CFCs into the atmosphere, due to leaks and servicing emissions, and to recover CFC from existing installations during maintenance and prior to retrofits or dismantlement.
5. Implementation of these projects will lead to a recovery and recycling of 36.27 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.
6. The Ozone Protection Unit will be responsible for the monitoring, co-ordination and implementation of proposed phase-out activities in the RMP. It will allocate and distribute the equipment and monitor the quantity of refrigerants being recovered and recycled; and maintain a database to monitor the information received from service and recycling centres. US \$10,500 has been requested for monitoring the activities included in the RMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

1. The RMP for El Salvador follows the RMP guidelines as revised by UNEP.
2. Bearing in mind the importance of the RMP as an activity that could assist the Government of El Salvador to meet its obligations under the Montreal Protocol, the Secretariat and UNDP discussed the timing of implementation of regulatory and legislative requirements and the fiscal steps to make recovery and recycling economically feasible.
3. Regarding the proposed training programmes, the Secretariat suggested UNEP enhance the importance of the programmes and reduce their implementation time (e.g., start the "train the trainers" programme in the third quarter of 1998, and the training of technicians in the fourth quarter of 1998). The Secretariat also requested clarification on the level of funding requested for the training activities which are higher compared to similar ones included in approved RMPs. The level of funding for these activities was adjusted accordingly.
4. The Secretariat and UNDP also discussed the size of the recovery and recycling programme in relation to CFC consumption level and its sectoral distribution, as well as coordination with the technical assistance programme in MAC and refrigerated transport in Central America (including El Salvador) which had been approved by the Committee at its 24th Meeting as bilateral cooperation by the Government of the United States.
5. The Secretariat and UNDP also discussed the modalities of coordination and implementation of the various activities in the RMP, including their cost, the monitoring and evaluation roles of the Ozone Protection Unit, the responsibilities of government agencies and industrial associations during implementation of the RMP, as well as the Government's commitment to its implementation.

RECOMMENDATIONS

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
Implementation of a refrigerant management plan:			
(a) Customs training	51,000	6,630	UNEP
(b) Train the trainers programme in the refrigeration sector	39,000	5,070	UNEP
(c) Implementation of a national programme for recovery and recycling of refrigerant	403,925	52,510	UNDP
(d) Monitoring the activities included in the RMP	10,500	1,365	UNDP

2. To request UNDP 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 El Salvador are put into place.