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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-eighth Meeting
Rome, 20-22 November 2002

PROJECT PROPOSAL: CHAD

This document consists of the comments and recommendation of the Fund Secretariat on the following project proposal:

Refrigeration:

- Incentive programme for commercial/industrial end-user sector

UNDP

**PROJECT EVALUATION SHEET
CHAD**

SECTOR: Refrigeration ODS use in sector (2001): 31.6 ODP tonnes

Sub-sector cost-effectiveness thresholds: n/a

Project Title:

(a) Incentive programme for commercial/industrial end-user sector

Project Data	Refrigerant management plan
Enterprise consumption (ODP tonnes)	32.36
Project impact (ODP tonnes)	6.00
Project duration (months)	48
Initial amount requested (US \$)	184,416
Final project cost (US \$):	
Incremental capital cost (a)	184,416
Contingency cost (b)	
Incremental operating cost (c)	
Total project cost (a+b+c)	184,416
Local ownership (%)	100%
Export component (%)	0%
Amount requested (US \$)	184,416
Cost effectiveness (US \$/kg.)	
Counterpart funding confirmed?	
National coordinating agency	Montreal Protocol Unit
Implementing agency	UNDP

Secretariat's Recommendations	
Amount recommended (US \$)	184,416
Project impact (ODP tonnes)	6.00
Cost effectiveness (US \$/kg)	
Implementing agency support cost (US \$)	23,974
Total cost to Multilateral Fund (US \$)	208,390

PROJECT DESCRIPTION

1. The Chad RMP project was approved by the Executive Committee at its 29th Meeting. It comprised training programmes for customs officers and refrigeration service technicians (under UNEP's implementation), a recovery and recycling scheme and assistance for the monitoring of the activities proposed under the RMP project (under UNDP's implementation).
2. In 2001, the consumption of CFC-12 in Chad was 31.6 ODP tonnes, which was 5.9 ODP tonnes lower than the consumption reported for 2000 (37.0 tonnes). The reduction in the consumption of CFC-12 can be attributed to the introduction of Ministerial Orders (20 March 2000 and 23 June 2000), governing the regulations for ODS and ODS-based equipment imports as well as the introduction of a licensing system for ODS, and the implementation of projects in the refrigeration sector, namely the training for service technicians programmes and the recovery and recycling project.
3. The Government of Chad submitted the RMP update project proposal with an official letter of transmittal stating its commitment and financial implications associated with Decision 31/48.
4. A recent survey conducted in Chad has identified more than 20 industrial refrigeration units and 5,000 units used in the commercial refrigeration sub-sector including cold chambers. An incentive programme is proposed, through which some of the enterprises would be eligible to receive an incentive payment, to be determined during project implementation, but limited to a combined maximum of US \$10,000. Other end-user enterprises would benefit from this project through technical assistance, and a workshop that will be held at the end of the project. The total cost of the project is US \$184,416 and the estimated amount of CFC-12 to be phased out is 6 ODP tonnes.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

5. The main results of the sub-projects implemented as part of the original RMP are as follows:
 - (a) the training of customs officers concluded in May 2002 with a total of 322 officers trained. Twenty ODS identification kits were distributed to the major customs entry points in the country;
 - (b) the train the trainers programme in good servicing practices in refrigeration was also conducted; Phase II (training of technicians) is under implementation;

- (c) the equipment for the establishment of the refrigerant recovery and recycling scheme was distributed (completed on April 2002). Four hands-on training workshops were held in different parts of the country, whereby 80 technicians were trained.

6. Since the Government of Chad has undertaken to meet the 2007 control measure without additional funding, the project can be recommended for approval. However, with regard to the activities proposed, the Secretariat discussed with UNDP the long-term sustainability and the cost-effectiveness of the financial incentives for end-users.

7. UNDP indicated that the awareness workshops will trigger interest, leading to additional non-ODS conversions by providing information to many other end-users about the availability of non-ODS alternatives. During the retrofitting of refrigeration equipment, all components that leak will be addressed either by changing such components or correcting the problems. The incentive programme will put the Ozone Unit at the center of interest of the refrigeration sector, and will also be able to play a major role when implementing the import-quota system.

RECOMMENDATION

8. The Fund Secretariat recommends blanket approval of the project with associated support costs at the funding level shown in the table below taking into consideration that the RMP update has been prepared according to Decisions 31/48 and 32/28.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Incentive programme for commercial/industrial end-user sector	184,416	23,974	UNDP
