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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fourth Meeting
Prague, 29 November-3 December 2004

PROJECT PROPOSALS: CAPE VERDE

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposals:

Refrigeration

- Implementation of the refrigerant management plan: technical assistance UNDP
- Implementation of the refrigerant management plan: train the trainers and refrigeration technicians UNEP
- Implementation of the refrigerant management plan: training programme for customs officers UNEP
- Implementation of the refrigerant management plan: monitoring the activities UNEP

**PROJECT EVALUATION SHEET
CAPE VERDE**

PROJECT TITLES		BILATERAL/IMPLEMENTING AGENCY
(a)	Implementation of the refrigerant management plan: technical assistance	UNDP
(b)	Implementation of the refrigerant management plan: train the trainers and refrigeration technicians	UNEP
(c)	Implementation of the refrigerant management plan: training programme for customs officers	UNEP
(d)	Implementation of the refrigerant management plan: monitoring the activities	UNEP

NATIONAL CO-ORDINATING AGENCY	National Ozone Office
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LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT

A: ARTICLE-7 DATA (ODP tonnes, 2003, as of October 2004)

Annex A Group I CFCs	1.80		
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B: COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes, 2003 as of October 2004)

ODS Name	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity	Sub-sector/quantity
CFCs	Refrigeration servicing 1.9			

CFC consumption remaining eligible for funding (ODP tonnes)	n/a
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CURRENT YEAR BUSINESS PLAN ALLOCATIONS		Funding US \$	Phase-out ODP tonnes
	(a)	170,000	--
	(b) to (d)	80,000	5.3

PROJECT TITLE:	(a)	(b)	(c)	(d)
ODS use at enterprise (ODP tonnes):		1.80		
ODS to be phased out (ODP tonnes):		*		
ODS to be phased in (ODP tonnes):		n/a		
Project duration (months):	30	24	24	36
Initial amount requested (US \$):	86,400	80,000	60,000	30,000
Final project cost:				
Incremental Capital Cost (US \$)				
Contingency (10%) (US \$)				
Incremental Operating Cost (US \$)	0			
Total Project Cost (US \$)	75,400	40,000	40,000	20,000
Local ownership (%):	100			
Export component (%):	0			
Requested grant (US \$):	75,400	40,000	40,000	20,000
Cost-effectiveness (US \$/kg):	n/a	n/a	n/a	n/a
Implementing agency support cost (US \$):	6,786	5,200	5,200	2,600
Total cost of project to Multilateral Fund (US \$):	82,186	45,200	45,200	22,600
Status of counterpart funding (Y/N):	n/a	n/a	n/a	n/a
Project monitoring milestones included (Y/N):	Y	Y	Y	Y

SECRETARIAT'S RECOMMENDATION	Blanket approval as indicated above
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* To achieve compliance with the 2005 and 2007 Montreal Protocol limits (CFC baseline is 2.30 ODP tonnes)

PROJECT DESCRIPTION

Background

1. The Government of Cape Verde has submitted a refrigerant management plan (RMP) project proposal for the consideration of the Executive Committee at its 44th Meeting.

ODS consumption

2. Based on a survey of ODS consumption conducted in 2003, during preparation of the Cape Verde country programme/RMP, total CFC consumption was estimated at 1.8 ODP tonnes used for servicing refrigeration equipment (1.35 ODP for domestic appliances, 0.3 ODP tonnes for commercial and industrial refrigeration equipment and 0.15 ODP for MAC units). The CFC baseline for Cape Verde is 2.3 ODP tonnes.

3. There are 18 refrigeration service companies in Cape Verde. In addition, some commercial and industrial establishments (hotels, ice factories and the brewery) have their own refrigeration servicing department. There are two distinct categories of repair workshops: those run by engineers trained in Portugal, who have acquired a good level of knowledge, and those run by technicians trained locally who still require additional training in good practices. In the MAC sector, some technicians use CFCs to refill HFC-based equipment because it is cheaper.

4. The current prices of refrigerants are: US \$6.00/kg for CFC-12, US \$22.25/kg for HFC-134a and US \$7.70/kg for HCFC-22.

Policy framework

5. The Government of Cape Verde is proposing to establish legislation and a regulatory system to control imports of ODS and ODS-based equipment. It also intends to introduce fiscal measures.

Sub-projects in the RMP

6. The RMP consists of the following programmes:
- (a) Training programme for refrigeration service technicians (US \$80,000): to train 20 refrigeration technicians as trainers in good refrigeration practices and introduce non-CFC refrigerants. The trainers will train a total of 80 service technicians;
 - (b) Training of 100 customs officers (US \$60,000): to train customs officers on the import/export regulations and the identification of ODS and ODS-based equipment;
 - (c) Technical assistance programme for the refrigeration servicing sector (US \$86,400): to supply basic service tools and equipment to 18 workshops (including recovery and recycling machines); and to train service technicians in

the correct use of the equipment and in refrigerant recovery and recycling (the workshop will emphasize the good practices required to handle refrigerants); and

- (d) Management of the activities proposed in the RMP project (US \$30,000).

7. The Cape Verde RMP project was submitted with an official letter from the Government of Cape Verde stating the Government's commitment to achieve, without further requests for funding, at least 50 per cent reduction in CFC consumption by 2005 and 85 per cent reduction by 2007.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

8. The Government of Cape Verde submitted to the 44th Meeting of the Executive Committee the Cape Verde country programme/RMP project proposal in accordance with Decision 22/24. In its review of the Cape Verde country programme (UNEP/OzL.Pro/ExCom/44/63), the Secretariat raised issues related to Cape Verde's status of compliance and the status of development of ODS legislation.

9. The Secretariat pointed out to UNEP that while ODS regulations have been drafted, they have not yet been enacted and enforced. Subsequently, UNEP reported that the Government of Cape Verde believes that the ODS regulations will be enacted in time to allow the training programmes for customs officers and refrigeration technicians to begin early in 2005.

10. Through the implementation of the RMP project, the Government of Cape Verde is proposing to reduce CFC consumption from 1.8 ODP tonnes to 1.1 ODP tonnes (i.e., 50 per cent of baseline consumption) by 1 January 2005. In this regard, the Secretariat sought further clarification on how the Government would be able to phase out over 0.7 ODP tonnes of CFCs, taking into consideration that so far no phase-out activities have been approved for Cape Verde and the activities proposed in the RMP might commence only early in 2005, once relevant agreements with UNEP and UNDP are signed and the ODS legislation is in place. The Secretariat was advised that the combination of training and enforcement of regulations would make it possible to reduce the current demand for CFC by half. This drop will continue during 2005. Furthermore, the Government is planning to expedite the ODS phase-out process faster than required by the Montreal Protocol.

11. The Secretariat discussed the following consumption and cost items with UNEP and UNDP: the potential amount of CFCs to be recovered; the amount of CFCs used during servicing of refrigeration systems; the two training programmes for refrigeration technicians: one as a stand-alone activity and one within the technical assistance programme; and the cost of logistical arrangements, international consultants for the training programmes and DSA for experts which should be covered under the UNEP CAP budget. All of these issues were addressed and further documented by UNDP and UNEP, and the costs of the sub-projects adjusted as follows:

- (a) Training programme for refrigeration service technicians (US \$40,000);

- (b) Training programme for 100 customs officers (US \$40,000);
- (c) Technical assistance programme for the refrigeration servicing sector (US \$75,400); and
- (d) Management of the activities proposed in the RMP project (US \$20,000).

RECOMMENDATIONS

12. The Fund Secretariat recommends blanket approval of the projects at the funding level indicated below, on the understanding that:

- (a) The Government of Cape Verde would have flexibility in utilizing the resources available under the technical assistance programme to address specific needs that might arise during project implementation;
- (b) To the extent possible, the technical assistance programme should be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools if the proposed results are not achieved, and should not commence until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar;
- (c) UNDP and UNEP would provide appropriate monitoring throughout project implementation; and
- (d) Approval of the projects would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Refrigerant management plan: technical assistance	75,400	6,786	UNDP
(b)	Refrigerant management plan: train the trainers and refrigeration technicians	40,000	5,200	UNEP
(c)	Refrigerant management plan: monitoring of activities	20,000	2,600	UNEP
(d)	Refrigerant management plan: training for customs officers	40,000	5,200	UNEP
