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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: SURINAME**

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 project for the MAC and refrigeration servicing sectors UNDP
- Implementation of the refrigerant management plan: monitoring the activities in the RMP UNDP

**PROJECT EVALUATION SHEET  
SURINAME**

**PROJECT TITLE** **BILATERAL/IMPLEMENTING AGENCY**

(a)	Implementation of the refrigerant management plan: technical assistance project for the MAC and refrigeration servicing sectors	UNDP
(b)	Implementation of the refrigerant management plan: monitoring the activities in the RMP	UNDP

<b>NATIONAL CO-ORDINATING AGENCY</b>	National Ozone Unit
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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	12.30		
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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 12.30			

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	n/a
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<b>CURRENT YEAR BUSINESS PLAN ALLOCATIONS</b>		Funding US \$ million	Phase-out ODP tonnes
	(a)		
	(b)		

<b>PROJECT TITLE:</b>	<b>(a)</b>	<b>(b)</b>
<b>ODS use at enterprise (ODP tonnes):</b>	12.34	
<b>ODS to be phased out (ODP tonnes):</b>	*	
<b>ODS to be phased in (ODP tonnes):</b>	n/a	
<b>Project duration (months):</b>	30	30
<b>Initial amount requested (US \$):</b>	300,430	25,750
<b>Final project cost:</b>		
Incremental Capital Cost (US \$)	300,430	25,750
Contingency (10%) (US \$)	n/a	0
Incremental Operating Cost (US \$)		
Total Project Cost (US \$)	300,430	25,750
<b>Local ownership (%):</b>	100	100
<b>Export component (%):</b>	0	0
<b>Requested grant (US \$):</b>	300,430	25,750
<b>Cost-effectiveness (US \$/kg):</b>	n/a	n/a
<b>Implementing agency support cost (US \$):</b>	22,532	2,318
<b>Total cost of project to Multilateral Fund (US \$):</b>	322,962	28,068
<b>Status of counterpart funding (Y/N):</b>	n/a	n/a
<b>Project monitoring milestones included (Y/N):</b>	Y	Y

<b>SECRETARIAT'S RECOMMENDATION</b>	Blanket approval at the costs indicated above
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\* To be in compliance with the 2005 and 2007 Montreal Protocol limits (CFC baseline is 41.3 ODP tonnes)

## **PROJECT DESCRIPTION**

### Background

1. The Government of Suriname submitted a refrigerant management plan (RMP) project proposal for consideration by the Executive Committee at its 41st Meeting (UNEP/OzL.Pro/ExCom/41/58).
2. The RMP project, as submitted to the 41st Meeting, included the following sub-projects:
  - (a) Development and strengthening of policy and regulatory framework (US \$20,000): to elaborate ODS-related regulations, including a licensing system;
  - (b) Training of customs officers (US \$42,000): to train customs officers, environmental inspectors and the staff of the Institute of Statistics and Directorate of Statistics in ODS and ODS-based equipment identification, and in data collection and reporting;
  - (c) Training programme for refrigeration technicians (US \$70,000): to enhance their servicing skills and to introduce good servicing practices related to new non-CFC refrigerants; and
  - (d) Establishment of a recovery and recycling programme and an incentive and awareness programme for end-users, to be further developed once the institutional capacity of the Government of Suriname to effectively implement the investment components of the RMP has been strengthened.
3. Taking into consideration the urgent need for Suriname to commence implementation of the technical assistance programme for strengthening the policy and regulatory framework, and the training programmes for refrigeration technicians and customs officers, the Executive Committee decided to approve these activities. The Committee also noted that the Government of Suriname would submit the investment components identified in the RMP to a future Meeting, in accordance with the provisos of Decision 31/48.

### Investment activities proposed in the RMP project

4. The Government of Suriname, with assistance from UNDP, has developed the investment components of the RMP project, which include:
  - (a) Technical assistance project for the MAC and refrigeration servicing sectors, consisting of five sub-components, namely: recovery and recycling equipment and retrofits; tools and equipment for technical curriculum; workshops on retrofits and recovery/recycling; and the establishment of a refrigeration association (US \$300,430). The main activities to be implemented include: developing the inventory of CFC-based refrigeration equipment and MAC systems; disseminating information among major stakeholders regarding the RMP project and the retrofit incentive programme; technical support and financial incentives to facilitate the replacement or retrofit of CFC-based MAC units to HFC134a

refrigerant; and providing eight MAC recovery/recycling machines and ancillary equipment for MAC servicing; and

- (b) Monitoring the activities within the RMP (US \$25,750), through which a local refrigeration expert will be contracted on a part-time basis to collect and record data and to advise, monitor and report on the activities proposed in the RMP project.

5. Implementation of the RMP is expected to reduce the number of CFC-12-based MAC units currently in Suriname (about 2,000 units over a two-year period), to directly phase out 8 ODP tonnes of CFC-12/year, and achieve an additional reduction in emissions to the atmosphere associated with the use of tools and equipment, better servicing practices learnt from the training workshops and the recovery and recycling of refrigerants. Suriname is thus expected to be able to meet the ODS consumption phase-out compliance targets for 2005 and 2007.

## **SECRETARIAT'S COMMENTS AND RECOMMENDATIONS**

### **COMMENTS**

#### Issues related to Suriname's baseline for compliance

6. The Secretariat recalled that, at their 15th Meeting, the Parties to the Montreal Protocol noted with appreciation the fact that:

- (a) As requested under decision XIV/14, Suriname (among other Parties) has reported data, thus bringing itself into compliance with the provisions of Article 7 and enabling its temporary classification as Article 5 Parties to be removed; and
- (b) As requested under decision XIV/16, Suriname (among other Parties) has reported baseline data, thus bringing itself into compliance with the provisions of Article 5, paragraphs 3 and 8 ter (d).

7. At the same Meeting, the Parties also noted that Suriname (among other Parties) had still not reported data for one or more of the base years (1986, 1989 or 1991) for one or more groups of controlled substances, as required by Article 7, paragraphs 1 and 2 of the Montreal Protocol (Decision XV/18). Subsequently, at its 32nd Meeting held in July 2004, the Implementation Committee noted with appreciation that Suriname (among other countries) had submitted all missing data to the Ozone Secretariat.

#### Status of ratification of amendments to the Montreal Protocol

8. Suriname has not yet ratified any of the amendments to the Montreal Protocol. In this regard, on 23 July 2004, the Secretariat sent a letter to the Government of Suriname requesting an update on the status of ratification of the London and subsequent Amendments to the Montreal Protocol. In its letter, the Secretariat advised the Government of Suriname on two decisions taken by the Executive Committee in relation to funding projects for countries that had not yet ratified the London Amendment to the Montreal Protocol, namely:

- (a) At its Twenty-ninth Meeting, the Executive Committee decided to approve funding for the projects and activities submitted by countries which had not ratified the London Amendment, on the understanding that a letter would be sent to those countries urging them to take the necessary action to ratify the London Amendment as rapidly as possible. (UNEP/OzL.Pro/ExCom/29/65, Decision 29/21); and
- (b) At its Fortieth Meeting, the Executive Committee decided to require from Parties an official commitment in writing to ratify the London Amendment to the Montreal Protocol before funding could be approved for their projects. (UNEP/OzL.Pro/ExCom/40/50, Decision 40/35).

9. In response to the Secretariat's letter, the Government of Suriname indicated that the proposal for ratification of the amendments to the Montreal Protocol had been approved on August 2004 by the State Council (the advisory body to the President of Suriname). Currently, the proposal is in the National Assembly (parliament) where the amendments will be ratified in the coming months.

#### CFC consumption

10. Between 1999 and 2002, CFC consumption in Suriname was between 43 and 46 ODP tonnes. However, in 2003, CFC consumption decreased to 12 ODP tonnes. In this regard, the Secretariat sought an explanation regarding the sharp reduction in CFC consumption. UNDP reported that, while CFC import controls had been put in place by the Government only recently, importers were aware (through an exchange of information with overseas suppliers) that a ban on CFCs was to be anticipated. As a result, a certain level of CFC stockpiling had occurred. Furthermore, the Bureau of Public Health had begun issuing permits for CFC imports; in 2003, several CFC import requests were refused by the Bureau, due largely to the awareness and outreach activities launched by the National Institute for Environment and Development. However, despite the drop in CFC imports in 2003, actual CFC use in the country remains much more in line with the historical consumption patterns reported.

11. The Secretariat also sought further explanation on how the Government of Suriname would be able to achieve the 2005 and 2007 CFC consumption limits on time, taking into consideration that current CFC consumption is about 46 ODP tonnes, and the amount of CFCs to be phased out from the investment component of the RMP has been estimated at 8 ODP tonnes. UNDP indicated that CFC phase-out would be achieved through a mix of regulatory and investment activities. In addition to direct phase-out resulting from implementation of the technical assistance component of the RMP, import quotas would be adopted. The Government has indicated that the 2005 consumption limit in Suriname will be capped at the 50 per cent baseline limit through a quota of 18.5 ODP tonnes. The Bureau of Public Health, which issues permits for imports, will not allow the quotas to be surpassed.

#### Status of ODS legislation

12. According to the RMP project approved by the Executive Committee at its 41st Meeting, several environmental by-laws were being developed, including: the introduction of strict controls on import/export/trade of all ODS through licensing, taxation and/or quotas, as

appropriate; obligatory certification of technicians; and development of a fiscal incentive system to encourage the use of non-ODS technologies. In this regard, and noting that the implementation of the technical assistance programme could not commence until ODS legislation was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants were similar (Decision 38/38), the Secretariat sought an explanation regarding the current status of ODS legislation, including the licensing system in Suriname.

13. UNDP pointed out that the by-laws had been tabled with the Ministry of Trade. The National Institute for Environment and Development of Suriname, the organization that houses the Ozone Unit, was working in close cooperation with the Ministry in order to maintain momentum regarding their adoption. It was expected that the by-laws would come into force by the end of 2004.

#### Investment activities of the RMP

14. The technical assistance programme is based on five sub-components, namely: recovery and recycling equipment and retrofits; tools and equipment for technical curriculum; workshops on retrofits and recovery/recycling; national and international technical experts; and a refrigeration association. The Secretariat noted, however, that the training workshops and the proposed upgrade of the technical institute could constitute double-counting, since the Executive Committee had already approved US \$70,000 for UNEP for a training programme in the refrigeration servicing sector, which included equipment for training.

15. Furthermore, on the basis of: the results achieved so far in the implementation of recovery and recycling programmes (e.g., much lower amounts of CFCs recovered than the amount originally estimated); the limited number of end-users that could benefit from the small incentive programme being proposed; the fact that the ODS regulations/licensing system has not yet been enacted; and the training programme for service technicians currently being implemented, the Secretariat suggested that UNDP examine the merits of combining all of the proposed activities under one overall budget (for a total of US \$300,000) earmarked to provide a mix of equipment/service tools (such as a limited number of recovery/recycling units, brazing equipment, vacuum pumps, leak detectors and other basic tools) and sustainable retrofits of CFC-based refrigeration equipment to be selected on the basis of the needs identified in the course of project implementation over the next 3 years.

16. Subsequently, UNDP indicated that the Secretariat's proposal to bundle all proposed activities under one overall budget was acceptable to the Government of Suriname. Implementation of the project is planned under UNDP's national execution modality, which involves continuous feedback with the Government and encourages development of annual strategic work plans and ongoing monitoring of activities in order to effectively assess and evaluate results and make adjustments, based on national circumstances and needs, accordingly.

## RECOMMENDATIONS

17. The Fund Secretariat recommends blanket approval of the projects with associated support costs at the funding level shown in the table below, on the understanding that:

- (a) The Government of Suriname would have flexibility in utilizing the resources available under the technical assistance programme for the MAC and refrigeration servicing sectors, to address specific needs that might arise during project implementation;
- (b) To the extent possible, the technical assistance programme would 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 were not achieved; and
- (c) UNDP would provide appropriate monitoring throughout project implementation.

	<b>Project Title</b>	<b>Project Funding (US\$)</b>	<b>Support Cost (US\$)</b>	<b>Implementing Agency</b>
(a)	Implementation of the refrigerant management plan: technical assistance project for the MAC and refrigeration servicing sectors	300,430	22,532	UNDP
(b)	Implementation of the refrigerant management plan: monitoring the activities in the RMP	25,750	2,318	UNDP

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