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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-second Meeting
Montreal, 23-27 July 2007

**PROGRESS REPORT ON A STUDY ON THE TREATMENT OF UNWANTED ODS TO
BE SUBMITTED TO THE NINETEENTH MEETING OF THE PARTIES
(FOLLOW UP TO DECISION 50/42)**

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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Introduction

1. In July 2006, the 26th Open-ended Working Group discussed the draft terms of reference prepared by TEAP for conducting case studies on the technology and costs associated with the replacement of chlorofluorocarbon-containing refrigeration and air-conditioning equipment, including the environmentally sound recovery, transport and final disposal of such equipment and the associated chlorofluorocarbons. At its 49th Meeting the Executive Committee noted document UNEP/OzL.Pro/ExCom/49/42, which included the proposed terms of reference for a study regarding the collection, recovery, recycling, reclamation, transportation and destruction of unwanted ozone-depleting substances.

2. The 18th Meeting of the Parties, in its decision XVIII/9 regarding “Review of draft terms of reference for case studies called for under decision XVII/17 on environmentally sound destruction of ozone-depleting substances”, decided:

(a) “To request the Executive Committee to develop consolidated terms of reference taking into account the elements referred to in both the draft terms of reference submitted to the Eighteenth Meeting of the Parties pursuant to decision XVII/17 and the terms of reference developed by the Multilateral Fund Secretariat on the collection, recovery, recycling, reclamation, transportation, and destruction of unwanted ozone-depleting substances; and

(b) To request the Executive Committee to conduct, as soon as possible, a study based on the resulting terms of reference and to provide a progress report to the Nineteenth Meeting of Parties, with a final report for consideration at the Twenty-Eighth Meeting of the Open-ended Working Group.”

3. This document provides the progress report requested in decision XVIII/9.

Progress achieved

4. The 50th Meeting of the Executive Committee further developed the existing draft terms of reference and requested, in its decision 50/42, the Multilateral Fund Secretariat to develop specific terms of reference for a study on the treatment of unwanted ozone-depleting substances, to identify a contractor and to commission the study by the end of March 2007, if possible. The study would be completed by 1 February 2008. The terms of reference developed by the Executive Committee are provided in Annex I to this paper. The Executive Committee decided also to establish a budget to enable this study to be carried out.

5. The Multilateral Fund Secretariat established the necessary administrative procedures to undertake a major consultancy contract. Given the expected size of the contract, the tendering process to be followed requires the involvement of the United Nations Office of Nairobi (UNON). The Multilateral Fund Secretariat established specific terms of reference on the basis of the terms of reference agreed by the Executive Committee as part of decision 50/42. These specific terms of reference amended the terms of reference established by the Executive Committee by specifying the required personnel to be provided by the contractor, the reporting requirements, meeting and delivery schedules, intellectual property rights, and requests for options, in particular on visits to additional countries. UNON initiated the tender process based

on the specific terms of reference by approaching six potential contractors with appropriate experience.

6. As a result of the tender process, the contract was awarded to ICF International. The final contract specifies that the following countries will be visited:

- (a) Non-Article 5 countries: Australia, Canada, the Czech Republic, Germany, the United Kingdom of Great Britain and Northern Ireland, and the United States of America (U.S.); and
- (b) Article 5 countries: India and Brazil.

It should be noted that the terms of reference agreed by the Executive Committee specify as a minimum visits to five non-Article 5 countries and none to Article 5 countries. However, within the funds available it was possible to include visits to two Article 5 countries.

7. In its proposal, ICF International has offered the service of specific personnel as team leader, principal researcher and experts. The team leader has led a number of studies in relation to the Montreal Protocol, while the principal researcher is an expert in destruction technologies. The following relevant experience is available at ICF International:

- (a) Collection of equipment and recovery, recycling/reclamation of ODS analysis:
 - (i) Providing support in the development and implementation of a voluntary programme for U.S. municipalities, retailers, manufacturers and utilities, to promote the responsible disposal of refrigerated appliances, including refrigerators/freezers, window air-conditioning units, and dehumidifiers;
 - (ii) Reviewing international refrigerant management programmes to assess the feasibility of a proposed fee/rebate programme for the U.S.; and
 - (iii) Conducting research into all possible leak points and their associated leak rates for the recovery, collection, recycling, and reclamation of ODS.
- (b) ODS destruction analysis:
 - (i) Analyzing the technologies approved for destruction of ODS by the Parties to the Montreal Protocol, conducting site visits and reviewing test data from several U.S. destruction facilities and the relevant regulations for ODS destruction in the U.S. and internationally; and
 - (ii) Projecting the amounts and types of ODS to be available for destruction in the U.S. in the future and compared this to the capacity of ODS destruction facilities.
- (c) ODS phase-out analysis and support in:
 - (i) Assessing ODS use across all major ODS end-use sectors in various Article 5 countries, including the development of phase-out recommendations;

- (ii) Designing and implemented capacity-building activities to support the phase-out of ODS in Article 5 countries, including the development of numerous training courses, both at the level of small and medium enterprises, and for National Ozone Units and other policy stakeholders; and
- (iii) Providing extensive technical and analytical support for many U.S. and international clients, to support the analysis of ODS phase-out scenarios, potential ODS substitutes, and the identification of key phase-out barriers in various sectors.

8. During the initial meeting between ICF International and the Multilateral Fund Secretariat, it was agreed that exchanges with the following Article 5 countries would take place on the basis of a questionnaire or another similar approach to be developed by ICF International: Brazil, China, Costa Rica, Croatia, Guinea, India, Kenya, and Mexico.

9. In the same meeting, the key personnel were introduced, and a detailed work plan and a draft “table of content” for the study report were discussed. ICF International agreed to be present at the 19th Meeting of the Parties in Montreal for bilateral discussions. It is planned to carry out the country visits between early September and the end of October 2007. Questionnaires to the above list of countries are expected to be sent before the end of September, with replies expected within four weeks. A final draft of the study will be presented to the first meeting of the Executive Committee in 2008, with the team leader of ICF International being present. He will also be present at the 28th Open-ended Working Group.

Secretariat’s recommendations

10. Following its consideration of this document, the Executive Committee may wish to take note of the draft progress report on the study on the treatment of unwanted ODS, and consider the following:

- (a) To note the draft progress report as submitted;
- (b) To request the Fund Secretariat to update the report with any new information that becomes available between issuance of the draft and the 52nd Meeting; and
- (c) To request the Fund Secretariat to forward the revised progress report, after its approval by the Chair of the Executive Committee, for consideration at the Nineteenth Meeting of the Parties.

Annex I

Decision 50/42 of the Executive Committee at its 50th Meeting regarding a study on the treatment of unwanted ozone-depleting substances

The Executive Committee decided:

- (a) To request the Multilateral Fund Secretariat to develop specific terms of reference for a study on the treatment of unwanted ozone-depleting substances, identifying a contractor and commissioning the study described below by the end of March 2007, if possible. The study would be completed by 1 February 2008.
- (b) To define the two distinct objectives of the study as follows:
 - (i) To compile information on management approaches in five non-Article 5(1) countries for the collection, transportation and disposal of CFC-containing refrigeration and air-conditioning equipment, to provide guidance and to describe the applicability of these management approaches to Article 5(1) countries; and
 - (ii) To compile information on management approaches and markets in five non-Article 5(1) countries for the recovery, collection, recycling and reclamation of ozone-depleting substances that result in those ODS being locally unusable, and the possible options for the disposition (e.g., reuse in other markets, transformation, destruction) of this locally unusable ODS and describe the applicability of these options for Article 5(1) countries.
- (c) To request that the detailed activities under the objective in paragraph (b)(i) consist of:
 - (i) Selecting five non-Article 5(1) countries that represent a wide spectrum of existing management approaches for the collection, transport and disposal of CFC-containing refrigeration and air-conditioning equipment;
 - (ii) Compiling information from the five non-Article 5(1) countries and describing:
 - a. The institutions, technologies and processes involved in all steps of collection, transport and disposal of the equipment;
 - b. The costs of the various steps in collecting, transporting and processing the equipment;

- c. The legal and regulatory requirements and the voluntary administrative procedures for dealing with the CFCs in the equipment; and
 - d. The volume of equipment collected historically and currently;
 - (iii) Using the information compiled from the five non-Article 5(1) countries to describe the economic and financial arrangements among the various individuals and entities in the system for disposing of CFC-containing refrigeration and air-conditioning equipment; and
 - (iv) Collecting information on experiences regarding management approaches for the collection, transportation and disposal of CFC-containing refrigeration and air-conditioning equipment in eight Article 5(1) countries, to be collected by contacting national and local government officials who will recommend additional contacts in industry and institutions in order to describe challenges that may be posed in translating the non-Article 5(1) countries' experiences to the situation in Article 5(1) countries given domestic, social and economic factors. The selection of the countries should represent a wide spectrum of countries that have already identified challenges and should have regional representation;
- (d) To request that the detailed activities under the objective in paragraph (b)(ii) consist of:
 - (i) Using the data from the Meeting of Experts to Assess the Extent of Current and Future Requirements for the collection and disposition of non-reusable and unwanted ODS in Article 5 countries held in March 2006, data already published in reports from the Technology and Economic Assessment Panel and its subsidiary bodies, and other relevant existing data to describe possible economic incentives and their cost-effectiveness, whether inherent or external to the institutions under the Montreal Protocol, that would encourage disposition (e.g., reuse in other markets, transformation, destruction) of ODS that is locally unusable;
 - (ii) Describing the capacity and location of all global existing facilities with destruction technologies approved by the Parties to the Montreal Protocol, comparing this capacity to the estimated volume of ODS predicted to be recovered and locally unusable in the March 2006 Experts' Meeting report, the viability and potential costs of using these existing destruction technologies, and the regulatory requirements for transporting the locally unusable ODS; and
 - (iii) Describing opportunities other than existing destruction technologies for the disposition of locally unusable ODS, and the viability and potential costs of using these other approaches;

- (e) To request the Secretariat to report to the 51st Meeting of the Executive Committee on the status of the process for contracting a consultant for carrying out the study;
- (f) To consider at the 52nd Meeting of the Executive Committee the content of a progress report to be submitted to the Nineteenth Meeting of the Parties; and
- (g) To approve a budget for carrying out the study.
