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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-eighth Meeting
Montreal, 6-10 July 2009

PROJECT PROPOSAL: PARAGUAY

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

Phase-out

- Terminal phase-out management plan for Annex A Group I substances (second and third tranches)

UNDP/UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Paraguay

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNDP, UNEP

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)					Year: 2007
CFC: 12.3	CTC: 0.1	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)											Year: 2008		
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					27.3								27.3
CTC													0
Halons													0
Methyl Bromide													0
Others													0
TCA													0

(IV) PROJECT DATA			2007	2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	31.6	31.6	31.6	0.	
Maximum Allowable Consumption (ODP Tonnes)		CFC	31.6	31.6	31.6	0.	
Project Costs (US\$)	UNDP	Project Costs	160,000.	140,000.	50,000.	21,000.	371,000.
		Support Costs	12,000.	10,500.	3,750.	1,575.	27,825.
	UNEP	Project Costs	80,000.	60,000.	30,000.	24,000.	194,000.
		Support Costs	10,400.	7,800.	3,900.	3,120.	25,220.
Total Funds Approved in Principle (US\$)		Project Costs	240,000.	200,000.	80,000.	45,000.	565,000.
		Support Costs	22,400.	18,300.	7,650.	4,695.	53,045.
Total Funds Released by the ExCom (US\$)		Project Costs	240,000.	0.	0.	0.	240,000.
		Support Costs	22,400.	0.	0.	0.	22,400.
Total Funds Requested for Current Year (US\$)		Project Costs			280,000.		280,000.
		Support Costs			25,950.		25,950.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Paraguay UNEP, as the lead implementing agency, has submitted to the 58th Meeting of the Executive Committee a request for funding for the second and third tranches of the terminal phase-out management plan for Annex A Group I substances (TPMP) at a total cost of US \$90,000 plus agency support costs of US \$11,700 for UNEP, and US \$190,000 plus agency support costs of US \$14,250 for UNDP. The submission also includes a progress report on the implementation of the TPMP during 2007 and 2008 and the implementation programme for 2009.

Background

2. The TPMP for Paraguay was approved by the Executive Committee at its 51st Meeting, to completely phase out CFC consumption in the country by 2009. Total funding of US \$565,000 plus agency support costs of US \$53,045 was approved in principle by the Executive Committee. At the same meeting, the Executive Committee approved US \$80,000 plus agency support costs of US \$10,400 for UNEP, and US \$160,000 plus agency support costs of US \$12,000 for UNDP, for the implementation of the first tranche of the TPMP.

Progress report on the implementation of the first tranche of the TPMP

3. Following the approval of the TPMP by the Executive Committee, the ODS import licensing system was revised to introduce corrective measures, and 50 customs officers were trained. The train-the-trainers workshop for service technicians has also been completed; 200 servicing tools have been purchased and are expected to be delivered by the end of July 2009; and 12 pieces of refrigeration training equipment have been procured. Training programmes for 400 technicians will be conducted between July 2009 and March 2010. The final draft of the national code of good practices in refrigeration has been finalized. Meetings with customs officers are conducted on a quarterly basis. Several awareness activities have been conducted, and implementation, monitoring and control activities have been carried out. In regard to the refrigerant recovery/recycling scheme, all machines have been distributed to 93 service workshops located in the four largest cities in Paraguay.

4. As of June 2009, of the US \$240,000 approved for the first tranche, US \$208,090 had been disbursed or committed. The balance of US \$31,910 will be disbursed by August 2009.

Plan of action for the second and third tranches of the TPMP

5. The Government of Paraguay commits to implementing the following activities under the second and third work programmes of the TPMP: enforcement of the ODS import licensing system and prevention of ODS illegal trade will continue to be implemented; training will be given to an additional 400 refrigeration service technicians; 400 service tools for handling drop-in refrigerants, and 400 sets of tools and spare parts for good servicing practices including recovery/recycling will be procured; and monitoring and verification activities will take place.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. The 2007 CFC consumption reported by the Government of Paraguay under Article 7 of the Montreal Protocol of 12.3 ODP tonnes was already 19.3 ODP tonnes below that of 31.6 ODP tonnes allowed for that year. CFC consumption in 2008 has been estimated at 27.3 ODP tonnes, which is still below the consumption levels allowable under the Agreement. UNEP indicated that reductions in CFC consumption have been achieved through enforcement of the licensing system. Suppliers of CFCs informed the Ozone Officer that some quantities of CFCs that were expected to be received in late 2007

were only received in early 2008 due to shipment delays, and therefore were registered as imports (i.e., consumption) in that year. These therefore count towards Paraguay's 2008 CFC consumption, which in any event is within compliance levels.

7. UNEP is requesting the approval of the second and third tranches at this Meeting (which were respectively scheduled for January 2008 and 2009 according to the Agreement between the Government of Paraguay and the Executive Committee). Approval of the two tranches at this Meeting, would allow the Government to continue the momentum that has been gained in the implementation of the TPMP, and facilitate the implementation of activities. Administrative provisions are already in place, and relevant legislation is in force. The funding for the fourth (and last) tranche of the TPMP will be requested in 2010, in accordance with the agreement. UNEP and UNDP also confirmed that the Government of Paraguay will be able to achieve the complete phase-out of CFCs by the end of 2009 and sustain that level of consumption through the activities proposed in the second and third tranches of the TPMP.

8. Noting that funding for the preparation of the HPMP was approved by the Executive Committee at its 55th and 57th Meetings, the Secretariat also suggested that, during the implementation of these tranches of the TPMP, UNEP and UNDP consider advising the Government on undertaking some preliminary actions to facilitate the phase-out of HCFCs.

RECOMMENDATION

9. Noting the high level of disbursement of the funding level approved in the first tranche of the project, the limited time available prior to the CFC compliance date of 1 January 2010, and the activities associated with the second and third tranches, which include procurement of equipment and tools, the Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of the terminal phase-out management plan in Paraguay; and
- (b) Approves the 2009-2010 annual implementation programme.

10. The Secretariat further recommends blanket approval of the second and third tranches (2009-2010) of the TPMP for Paraguay, with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan for Annex A Group I substances (second and third tranches)	90,000	11,700	UNEP
(b)	Terminal phase-out management plan for Annex A Group I substances (second and third tranches)	190,000	14,250	UNDP
