



NIGERIA INCENTIVE PROGRAMME PROJECT FOR THE COMMERCIAL AND INDUSTRIAL REFRIGERATION and REFRIGERATED TRANSPORT END-USER SECTOR

The Federal Ministry of Environment had secured funding and technical supports from the Multilateral Fund for the implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer for the Implementation of the National CFC Phase Out-Plan for the Country. The implementation of the Plan started in 2004 with UNDP as the lead implementing Agency. Part of the funding is being applied to an incentive programme for the commercial and Industrial Refrigeration and Refrigerated Transport End User sector. The United Nations Development Programme (UNDP) through its project office, the Ozone Programme Implementation and Management Unit (OPIAMU) in collaboration with the Federal Ministry of Environment will implement the programme.

Objective of Programme

The objective of the Incentive Programme Project is to eliminate as much as possible, the consumption of CFCs (R12 and R502) in the commercial and industrial refrigeration end-user sectors through the payment of financial incentives to enterprises in these sectors that have existing refrigeration equipment that uses R12 or R502 refrigerants.

Eligibility

Air Conditioning (A/C); Chillers and Mobile Air Conditioning (MAC) end users ARE NOT eligible under this programme. Only enterprises changing from R12 and R 502 to ozone friendly systems are eligible.

Such enterprises will be eligible to apply for an Incentive Payment if:

- They replace the existing refrigeration equipment with new equipment that uses a refrigerant that is not an Ozone Depleting Substance (e.g. R134a or R404A, R507, R290, R600, R600a, Ammonia, etc.); or
- They permanently retrofit the existing refrigeration equipment to use a refrigerant that is not an Ozone Depleting Substance (e.g. R134a or R404A, R507, R290, R600, R600a, Ammonia, etc.); or
- The permanent retrofit of existing R12 and R502 refrigeration systems to use a commercial “drop-in” refrigerant blend containing HFCs (e.g. R401A, R409A, R402A, R403B, R408A, R416, etc.) as well as HC (R600a, R290 etc) is also eligible for an Incentive.

Enterprises can select their preferred replacement or retrofit refrigeration technology but only replacement equipment, or equipment retrofits, based on refrigerants that are not Ozone Depleting Substances such as R134a, R404A, R507, R290, R600, R600a, Ammonia, etc., will be eligible.

Enterprises will only be eligible for an incentive payment if they were in existence before 1 January 2004, which is the start of the implementation of the National CFC Phase-out Plan, and the existing equipment that will be replaced, or permanently retrofitted, must also have been installed before 1 January 2004. Proof of this must be attached to the application.

In the Incentive Payment Project, the commercial and industrial refrigeration end-user sectors are considered as including refrigeration systems used in food-storage (cold stores and silos), fisheries, meat-processing plants, breweries, hospitals, hotels, restaurants, supermarkets, refrigerated transport (trucks, rail, boats) etc.

The United Nations Development Programme (UNDP) through its project office, the Ozone Programme Implementation and Management Unit (OPIAMU) and the National Ozone Office (NOO) of the Federal Ministry of Environment, (FMEnv), will implement the Incentive Payment Project. An International Consultant working in collaboration with a National Consultant will evaluate the applications for incentive payments and make final recommendations on eligibility and the scale of the incentive payment in accordance with laid down guideline.

Application for an Incentive Payment

Applications must be made using the official Commercial and Industrial Refrigeration End-User Sector Incentive Programme Project Application Form that can be obtained from the Ozone Programme Implementation and Management Unit(OPIAMU) and the National Ozone Office.

Completed applications for an incentive payment, together with all the necessary supporting documentation must be submitted to OPIAMU.

The Incentive Programme Project for the Commercial and Industrial Refrigeration End-User Sector will operate from 2008 to 2011, or until the approved funds have been exhausted. Applications will be evaluated on a first-come first-served basis and an enterprise can only apply once during the period, even if it has several refrigeration systems, or systems in different locations. However, an enterprise can include the replacement, or retrofit, of more than one of its refrigeration systems in its request for an incentive payment.

Existing R12 and R502 Refrigerant Charges

The existing R12 or R502 refrigerant charges in existing equipment that is replaced, or retrofitted, under the Incentive Payment Project must be recovered under the Nigeria National Refrigerant Recovery & Recycling Programme Project being implemented by OPIAMU in collaboration with the National Ozone Office. To the extent possible, the refrigerant will be recycled.

Destruction of Replaced Equipment

The replaced equipment must be destroyed/dismantled/rendered unusable with CFCs according to MLF policy decisions and guidelines. This must be certified in a Certificate signed by the Ozone Office in Nigeria, the National Consultant, and the enterprise together with appropriate photographic evidence. The replaced equipment cannot be sold to another enterprise within Nigeria, or abroad. However, the enterprise is permitted to retain any scrap value of the destroyed equipment except the CFC based compressor.

Payment of the Eligible Incentive Payment

The submitted invoices will initially be reviewed by the National Consultant to ensure that all of the required information have been provided. The cost data, together with any comments from the National Consultant, will be reviewed by a local committee consisting of NOO, OPIAMU, UNDP CO, as well as the National Consultant and any other as deemed appropriate. The outcome of the local review will be sent to the International Consultant for review and to make a formal recommendation on the eligible level of the incentive payment to the local committee.

Up to 50% of the eligible incentive payment can be paid up front to the enterprise if the application and supporting documentation is found to be satisfactory and if the application itself is found to be acceptable and upon provision of a GUARANTOR.

The eligible balance will only be paid after the existing R12/R502 equipment has been replaced, or permanently retrofitted; the total cost data has been reviewed and the International Consultant has made a formal recommendation on the actual level of the incentive payment; and issuance of formal certification that the existing R12/R502 equipment was replaced; or has been destroyed/dismantled/rendered unusable with CFCs according to MLF policy decisions and guidelines.

Upon payment of the incentive, the enterprise will sign a statement, undertaking that it will no longer use R12 or R502, in the equipment covered by the project.

Post-project monitoring.

The National Ozone Office may sporadically conduct post-monitoring visits to enterprises that have received an incentive payment, to ensure that the enterprise does not return to the use of CFC's or R502.

UNDP through its project office, OPIAMU, is hereby notifying all stakeholder enterprises of the kick off of this programme and calling on them to avail themselves of the benefit of same.

For more information contact:

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