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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December 2010

PROJECT PROPOSAL: DOMINICA

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

Phase-out

- HCFC phase-out management plan (Stage I, first tranche)

UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Dominica

(I) PROJECT TITLE	AGENCY
HCFC Phase Out Management Plan	UNEP (lead)

(II) LATEST ARTICLE 7 DATA	Year: 2009	0.4 (ODP Tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP)								Year: 2009	
Chemical	Aerosol	Foam	Fire Fighting	Refrigeration		Solvent	Process Agent	Lab Use	Total Sector Consumption
				Manufacturing	Servicing				
HCFC-123									
HCFC-124									
HCFC-									
HCFC-									
HCFC-22					0.1				0.1

(IV) CONSUMPTION DATA (ODP Tonnes)			
2009 - 2010 baseline (Estimate):	0.23	Starting point for sustained aggregate reductions:	0.23
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0	Remaining:	0.15

(V) BUSINESS PLAN		2010	2011	2012	2013	2014	Total
UNEP	ODS phase-out (ODP tonnes)		0		0		0
	Funding (US\$)		29,210		29,210		58,420

(VI) PROJECT DATA		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol Consumption Limits (Estimate)		n/a	n/a	n/a	0.23		0.21					0.15	
Maximum Allowable Consumption (ODP Tonnes)		n/a	n/a	n/a	0.23		0.21						
Project Costs (US\$)	UNEP Project Costs	58,000					90,050					16,450	164,500
	Support Costs	7,540					11,707					2,138	21,385
Total project costs (US\$)		58,000					90,050					16,450	164,500
Total support costs (US\$)		7,540					11,707					2,138	21,385
Total Funds Requested (US\$)		65,540					101,757					18,588	185,885

(VII) Request for funding for the first tranche (2010)			
Agency	Funds requested (US \$)	Support cost (US \$)	ODS phase-out (ODP tones)
UNEP	58,000	7,540	

Funding Request	Approval of funding for the first tranche (2010) as indicated above.
Secretariat's Recommendation:	Individual consideration

PROJECT DESCRIPTION

1. On behalf of the Government of Dominica UNEP, as the designated implementing agency, has submitted to the 62nd Meeting of the Executive Committee an HCFC phase-out management plan (HPMP) at a total cost as originally submitted, of US \$178,500 plus agency support cost of \$23,205, for Stage I of its HCFC phase out and achieve a 35 per cent reduction in HCFC consumption by 2020. The first tranche for Stage I being requested at this meeting amounts to US \$56,000 plus agency support cost of US \$7,280 for UNEP.

Background

ODS regulations

2. The Ministry of Environment, Natural Resources, Physical Planning and Fisheries is the national body responsible for the implementation of the Montreal Protocol in Dominica. In 2006, Dominica passed the Montreal Protocol (Substances that Deplete the Ozone Layer) Act to regulate the use of ODS consistent with the country's compliance requirement. This act is supported by the Ozone Layer Depletion Substances (Control) Regulation which was signed by the Minister of Environment, Natural Resources, Physical Planning and Fisheries on 14 September 2010 as part of the efforts to put in place regulatory measures for HCFCs during the HPMP preparation. It includes measures to meet the accelerated HCFC phase-out schedule agreed in 2007, and will become effective from 1 January 2011. The related regulations are designed to reduce and eliminate ODS consumption including HCFCs and ensure that the country is in compliance with the Montreal Protocol measures. These include import/export licensing and quota system for all ODS including HCFCs, ban on imports of CFCs, requirements for labelling of ODS containers and retrofitting of ODS equipment. The regulations also establish procedures for ODS customs control, preventing illegal trade and promoting law enforcement.

HCFC consumption

3. All HCFCs used in Dominica are imported. HCFC-22 constitutes more than 99 per cent of the total consumption of HCFCs, and is used primarily for servicing existing refrigeration and air conditioning equipment and occasionally for charging new refrigeration and air conditioning systems. The import of HCFC-22 has been fluctuating due to stockpiling by importers. In 2005, a large quantity was imported by one importer resulting in big stocks, after which import quantities were reduced. The result of the HCFC consumption survey is largely consistent with data reported under Article 7, except for the 2009 consumption which is lower than the reported Article 7 data for that year. Dominica has requested the Ozone Secretariat to change its 2009 HCFC consumption data to be consistent with the survey results. Table 1 shows the level of consumption of HCFC-22 in Dominica.

Table 1: HCFC level of consumption in Dominica

Year	Article 7		Survey results	
	HCFC-22	HCFC-22	HCFC-22	HCFC-22
	(metric tonnes)	(in ODP tonnes)	(in metric tonnes)	(in ODP tonnes)
2005	9.32	0.5	9.32	0.51
2006	2.68	0.1	2.68	0.15
2007	0.49	0	0.49	0.03
2008	0.48	0	0.48	0.03
2009	7.45	0.4	1.361*	0.07

*Requested change to A7 data

4. The total installed capacity of refrigeration and air conditioning equipment in the country is about 3,032 units, out of which 2,902 units are using HCFC-22 as shown in Table 2. This figure accounts for 93 per cent of the total installed capacity to the country.

Table 2: Distribution of HCFC-22 in refrigeration system

Type	Total units	Total charge (tonnes)		Servicing (tonnes)	
		Metric	ODP	Metric	ODP
Residential air conditioning	2,107	1.81	0.10	4.09	0.23
Commercial/air conditioning	795	1.10	0.06		
Total	2,902	2.91	0.16		

5. Dominica’s HCFC consumption is estimated to increase along with the economic growth and a housing boom in the north west of the island. In 2009, Dominica imported 937 refrigeration and air conditioning units, which represents a 31 per cent increase in the total number of equipment. The estimated consumption of HCFC-22 in 2010 is 7.0 metric tonnes (mt) (0.39 ODP tonnes), based on the orders placed by three importers early this year. The estimated baseline using actual consumption in 2009 and estimated 2010 consumption is calculated as 4.18 mt (0.23 ODP tonnes). Dominica selected the estimated baseline as the starting point for sustained aggregate reduction in the HPMP.

Table 3: Forecast consumption of HCFC in Dominica

		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Unconstrained HCFC consumption	MT	1.36*	7	4.95	5.44	5.99	6.59	7.25	7.97	8.77	9.64	10.61	11.67
	ODP	0.07*	0.39	0.27	0.30	0.33	0.36	0.40	0.44	0.48	0.53	0.58	0.64
Constrained HCFC consumption	MT	1.36*	7	4.95	5.44	4.18	4.18	3.76	3.76	3.76	3.76	3.76	2.72
	ODP	0.07*	0.39	0.27	0.30	0.23	0.23	0.21	0.21	0.21	0.21	0.21	0.15

* actual service need for 2009

HCFC phase-out strategy

6. The Government of Dominica is proposing a staged approach to meet the Montreal Protocol schedule for the phase-out of HCFCs. For Stage I, Dominica is proposing to meet the 35 per cent reduction in HCFC consumption by 2020. During the period of 2011-2014, the HPMP will focus on achieving targets including a freeze in consumption in 2013 and 10 per cent reduction in 2015 through limiting supplies, curbing demand growth and retrofitting to non-HCFC technologies. Import quotas for HCFCs and HCFC using equipment will be issued consistent with the Montreal Protocol measures. For the period of 2015-2019, activities will focus on achieving 35 per cent reduction in 2020 through promotion of conversion to low global warming potential (GWP) refrigerants to the extent possible when the technologies become mature. A summary of activities and implementation schedule is shown in Table 4.

Table 4: Summary of activities and implementation schedule

Categories	Activity	Implementation
Legislation	Implementing import quotas, placing restriction and/or ban on imports of HCFC based R&AC equipment	2011-2014
	Including all refrigerants in regulations, place restrictions on HFCs when new non-ODS, low GWP technologies are available	2015-2019
Capacity building	Training of officers from Customs and Bureau of Standards on controlling of illegal trade	2011-2019
	Awareness programmes on reduction of HCFCs and later, introduction of non-ODS, low GWP technologies	2011-2019
	Training of trainers and technicians for R&AC servicing of R-407A and R-410A systems and retrofit	2011-2014
	Training of trainers and technicians to handle new non-ODS low GWP refrigerants and systems	2015-2019
Investment activities	Procurement of equipment, specialized tools and extended range refrigerant identifiers	2015-2019
	Introduction of retrofit incentive to non-ODS, low GWP technologies for commercial and industrial R&AC applications	2015-2019
Project management	Project coordination, implantation, monitoring and evaluation	2011-2019

Cost of the HPMP

7. The total overall cost of the HPMP for Dominica as submitted is US \$178,500 to phase out 1.46 mt (0.08 ODP tonnes) of HCFC-22 to achieve the 35 per cent reduction by 2020. The detailed cost breakdown for activities is listed in Table 5.

Table 5: Total cost of the HPMP for Dominica (US \$)

Description of activities	Total funding 2010 -2020 (US \$)
Legislation/ Regulation	5,000
Capacity building	
-Training of customs and law enforcement officers	16,000
-Train of technicians in good practice and retrofitting to alternative technologies	40,000
Technical assistance activities	
-Provision of refrigerant identifiers, equipment, tools and spares	30,500
-Retrofit programme	15,000
Public awareness	27,000
Project coordination & management	
-National consultant for project coordination, implementation & monitoring	36,000
-Independent verification of achievements	9,000
Total (US \$)	178,500

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The Secretariat reviewed the HPMP for Dominica in the context of the guidelines for the preparation of HPMPs (decision 54/39) and the criteria for funding HCFC phase-out in the consumption sector agreed at the 60th Meeting (decision 60/44).

Overarching strategy

9. Dominica proposes to achieve the 35 per cent reduction target in 2020 as Stage I of its HPMP due to the uncertainty of new technologies, and their cost and commercial availability. From 2020 to 2030, Dominica commits to following the Montreal Protocol schedule to completely phase out HCFCs. A phase-out plan for 2020 to 2030 will be submitted in the future when low GWP technologies are mature and commercially available in the market.

Issues related to HCFC consumption

10. UNEP provided an explanation on the high increase of consumption between the actual 2009 consumption and estimated 2010 consumption. It indicated that the 2009 imports were much lower than the actual servicing needs based on the existing equipment (see table 2). Importers were therefore placing bigger orders in 2010 to meet the demand. The Secretariat notes the Dominica's 2010 estimated consumption is based on actual imports as of September 2010.

11. The Secretariat also noted that the HCFC required for servicing of 4.09 mt seems high compared to the installed capacity. UNEP explained that this is due to the poor quality of equipment caused by corrosion in a coastal environment resulting in frequent top ups, especially for equipment mounted outdoors. Such equipment is expected to be retrofitted.

Starting point for aggregate reduction in HCFC consumption

12. Dominica selected the estimated baseline of 4.18 mt (0.23 ODP tonnes) as the starting point for aggregate reduction based on the country's actual 2009 consumption and estimated 2010 consumption (see table 3). This is considered to be fairly close to the real domestic demand for servicing refrigeration and air conditioning equipment based on existing equipment in Dominica.

13. In line with decision 60/44, if the country uses an estimated baseline as its starting point, this may be adjusted to the actual baseline figures once these are known in 2011. The Secretariat drew UNEP's attention to the fact that should the calculation of the actual baseline for Dominica be different to that currently used in the HPMP, the corresponding funds will be adjusted accordingly if this consumption place the country in a different funding category. These adjustments will be made for future tranches of the HPMP.

Technical and cost issues

14. Issues related to the establishment of a legal framework for managing HCFC consumption were discussed. The Secretariat reiterated that the presence of ozone regulations that included HCFCs is a prerequisite to funding the implementation of HPMP. In its original submission of the HPMP, UNEP noted that while Dominica already had a draft regulation, this had not been published in the official gazette and therefore was not yet in force. In order to comply with decision 54/39 (e), the Government of Dominica officially signed the regulation on 14 September, which will become effective in January 2011.

15. The Secretariat also reminded Dominica that in implementing the fourth tranche of its Terminal phase-out management plan (TPMP), the activities to be implemented should ensure its integration with the HPMP in the areas of training and equipment purchase.

16. Dominica plans to achieve the first target of 10 per cent reduction in 2015 and the subsequent 35 per cent reduction in 2020 through limiting supplies of HCFCs and HCFC using equipment, reducing demand and retrofitting mainly to R-407 between 2011 and 2014. The HPMP also includes the training, technical support and equipment/tools to promote good practice in the servicing sector and to facilitate implementation of recovery and retrofitting programmes. The combination of these activities is envisaged to allow the country to sustain its 2015 reduction in HCFC consumption and meet the 2020 control targets.

17. After discussion, the total agreed funding for the implementation of the HPMP is US \$164,500 plus agency support cost of US \$21,385 for UNEP as shown in Table 6 below based on decision 60/44 and Dominica's estimated baseline consumption.

Table 6: Revised level of funding of Stage I of the HPMP for Dominica

Description of activities	Total funding 2010 -2020 (US \$)
Legislation/ Regulation	No cost to MLF
Capacity building	
-Training of customs and law enforcement officers	16,000
-Train of technicians in good practice and retrofitting to alternative technologies	40,000
Technical assistance activities	
-Provision of refrigerant identifiers, equipment, tools and spares	36,400
-Retrofit programme	8,600
Public awareness	18,500
Project coordination & management	
-National consultant for project coordination, implementation & monitoring	36,000
-Independent verification of achievements	9,000
Total (US \$)	164,500

Impact on the climate

18. The technical assistance activities in the HPMP addressing the servicing sector, supported by the introduction of better service practices (through training of refrigeration technicians) will reduce the current amount of HCFC-22 used in the servicing sector (each kg of HCFC-22 not emitted due to better refrigeration practices, results in about 1.8 CO₂-equivalent tonnes saved). Additional CO₂-equivalent tonnes could be avoided through retrofitting HCFC-22 based equipment to HFC-407C refrigerant which represents the most technically viable option currently available (i.e., each kg of HCFC-22 retrofitted to HFC-407C results in about 0.11 CO₂-equivalent tonnes saved). If 10 per cent of the current service need of 4.09 mt of HCFC-22 (see table 2) is replaced with HFC-407C, the potential CO₂ equivalent saved could be 44.99 tonnes.

19. It is important to note that these reductions are associated with the activities being proposed in the HPMP (which are known). However, it does not take into consideration the new non-HCFC-based equipment that could be imported into the country (which is not known). In general, it can be assumed that the new refrigeration systems have been designed using more up-to-date technology (i.e., lower

refrigerant charge, more robust construction, and stricter brazing procedures) than those being replaced, substantially reducing leakage rates and servicing needs.

Adjusted 2010-2014 business plans

20. UNEP is requesting US \$164,500 plus support costs for the implementation of Stage I of the HPMP. The total value requested for the period 2010-2014 of US \$65,540 including support cost, is US \$7,120 above the total amount in the adjusted business plan. The difference in the figures is because the HCFC baseline for compliance estimated for the business plan was based on the 2008 (latest reported) consumption data (0 metric tonne) while that in the HPMP was based on the submitted estimated baseline using the average of actual 2009 reported consumption and estimated 2010 consumption and to account for the phase-out up to the 2020 control measures only. Based on the estimated baseline for Dominica of 4.18 mt, the country's allocation up to the 2020 phase-out should be US \$164,500 in line with decision 60/44.

Draft agreement

21. A draft agreement between the Government of Dominica and the Executive Committee for the phase-out of consumption of HCFCs is contained in Annex I to the present document.

RECOMMENDATION

22. The HPMP for Dominica is submitted for individual consideration. The Executive Committee may wish to consider:

- (a) Noting with appreciation the submission of Stage I of the HCFC phase-out management plan (HPMP) for Dominica to achieve the complete phase-out of HCFCs at an estimated total cost of US \$164,500;
- (b) Noting that the Government of Dominica agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the estimated baseline of 4.18 metric tonnes calculated using actual consumption reported in 2009 and estimated 2010 consumption.
- (c) Approving, in principle, the HPMP for Dominica for the period 2010-2019, at the amount of US \$164,500 plus agency support costs of US \$21,385 for UNEP;
- (d) Approving the Agreement between the Government of Dominica and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (e) Requesting the Secretariat, once the baseline data is known, to update Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, to notify the Executive Committee of the resulting levels of maximum allowable consumption, and of a potential related impact on the eligible funding level with any adjustments needed being made at the submission of the next tranche; and
- (f) Approving the first implementation plan for 2011-2015, and the first tranche of the Stage I of the HPMP for Dominica at the amount of US \$58,000 plus agency support costs of US \$7,540 for UNEP.

Annex I

DRAFT AGREEMENT BETWEEN COMMONWEALTH OF DOMINICA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUROCARBONS

1. This Agreement represents the understanding of the Government of The Commonwealth of Dominica (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0.15 ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules with the understanding that this figure is to be revised one single time in 2011, when the baseline consumption for compliance would be established based on Article 7 data, with the funding to be adjusted accordingly, as per decision 60/44.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A . The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (maximum allowable total consumption of Annex C, Group I substances) as the final reduction step under this agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in row 4.1.3.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
 - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted and received approval from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (the “Format of Tranche Implementation Reports and Plans”) covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on Implementation of the activities in the previous tranche implementation plan in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).
7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.
8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:
- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.
9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IA taking part in this Agreement.
10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.
11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each

specific case in which the country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to information necessary to verify compliance with this Agreement.

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.23

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)				0.23		0.21					0.15	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)				0.23		0.21					0.15	n/a
2.1	Lead IA (UNEP) agreed funding(US \$)	58,000					90,050					16,450	164,500
2.2	Support costs for Lead IA(US \$)	7,540					11,707					2,138	21,385
3.1	Total agreed funding (US \$)	58,000					90,050					16,450	164,500
3.2	Support costs (US \$)	7,540					11,707					2,138	21,385
3.3	Total agreed costs (US \$)	65,540					101,757					18,588	185,885
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.08
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												0.15

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval not earlier than the second meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
 - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
 - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and lead implementing agency; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The NOU will submit annual progress reports of status of implementation of the HPMP to UNEP.
2. Monitoring of development of HPMP and verification of the achievement of the performance targets, specified in the Plan, will be assigned to independent local company or to independent local consultants by UNEP.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
 - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken

- by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (i) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the co-ordinating implementing agencies, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
 - (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
 - (k) Providing assistance with policy, management and technical support when required.
2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$2,500 per metric tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.
