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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: GRENADA

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

Grenada

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

(II) LATEST ARTICLE 7 DATA	Year: 2009	0.8 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2009	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC123									
HCFC124									
HCFC141b									
HCFC142b									
HCFC22					0.8				0.8

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline (estimate):	0.9	Starting point for sustained aggregate reductions:	0.9
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	0.6

(V) BUSINESS PLAN		2010	2011	2012	2013	2014	Total
UNEP	ODS phase-out (ODP tonnes)		0.03		0.03		0.1
	Funding (US \$)		29,211		29,211		58,421

(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	0.87	0.87	0.78	0.78	0.78	0.78	0.78	0.57	
Maximum allowable consumption (ODP tonnes)		n/a	n/a	n/a	0.87	0.87	0.78	0.78	0.78	0.78	0.78	0.57	
Project Costs requested in principle(US\$)	UNEP	Project costs	29,000		29,000		131,000				21,000		210,000
			Support costs	3,770		3,770		17,030			2,730		27,300
Total project costs requested in principle (US \$)			29,000		29,000		131,000				21,000		210,000
Total support costs requested in principle (US \$)			3,770		3,770		17,030				2,730		27,300
Total funds requested in principle (US \$)			32,770		32,770		148,030				23,730		237,300

(VII) Request for funding for the first tranche (2010)			
Agency	Funds requested (US \$)	Support costs (US \$)	ODS phase-out (ODP tonnes)
UNEP	29,000	3,770	

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 Grenada, UNEP as the designated implementing agency, has submitted to the 62nd Meeting of the Executive Committee Stage I of the HCFC phase-out management plan (HPMP) at a total cost as originally submitted, of US \$256,000 plus agency support cost of US \$33,280. The HPMP covers activities to 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 \$112,800 plus agency support costs of US \$14,664 for UNEP, as originally submitted.

Background

ODS regulations

2. The Ministry of Finance and Energy is the national body responsible for the implementation of the Montreal Protocol. The Government of Grenada passed the Supply and Trades Act (ODS Act) to regulate the use of ODS consistent with the country's compliance requirement. 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. Regulations regarding an import/export licensing system for HCFCs are included. The quota system is for the importation of CFC only. The ODS Act is being amended to include a quota system for HCFCs and equipment containing.

HCFC consumption

3. All HCFCs used in Grenada are imported, with HCFC-22 being the only one imported. The result of the HCFC consumption survey is consistent with reported Article 7 data. Table 1 sets out the level of consumption of HCFC-22 in Grenada.

Table 1: HCFC level of consumption in Grenada

Year	Article 7	
	HCFC-22	HCFC-22
	(in metric tonnes)	(in ODP tonnes)
2005	1.82	0.1
2006	5.38	0.3
2007	3.69	0.2
2008	8.48	0.5
2009	15.09	0.8

4. All HCFC-22 is used in refrigeration and air-conditioning servicing sector. There were approximately 18,925 pieces of HCFC-22 using equipment installed in 2009 as shown in Table 2.

Table 2: Distribution of HCFC-22 in refrigeration systems

Type	Total units	Total charge (tonnes)		Servicing (tonnes)	
		Metric	ODP	Metric	ODP
Residential	1,800	1.80	0.10	0.27	0.015
Commercial/Industrial	17,125	23.65	1.30	4.23	0.232
Total	18,925	25.45	1.40	4.50	0.247

5. HCFC-22 consumption in Grenada is expected to grow until the freeze in consumption in 2012, with a 10 per cent growth in 2010. The forecast growth was based on the fact that several tourism

projects are planned for 2011, which could result in additional refrigeration and air-conditioning equipment being installed and serviced with HCFC-22. The estimated baseline for 2009 and 2010 is calculated as 15.84 metric tonnes (mt) (0.87 ODP tonnes) based on Grenada's reported consumption for 2009 of 15.09 mt (0.8 ODP tonnes) and estimated consumption in 2010 of 16.6 mt (0.91 ODP tonnes). The Government of Grenada agreed to freeze HCFC consumption at baseline level in 2012 by introducing a quota system. Table 3 provides a summary of the forecast consumption of HCFCs in Grenada.

Table 3: Forecast consumption of HCFC in Grenada

		2009*	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Unconstrained HCFC consumption	MT	15.09	16.60	18.26	20.08	22.09	24.30	26.73	29.41	32.35	35.58	39.14	43.05
	ODP	0.83	0.91	1.00	1.10	1.22	1.34	1.47	1.62	1.78	1.96	2.15	2.37
Constrained HCFC consumption	MT	15.09	16.60	18.26	15.84	15.84	15.00	14.20	13.20	12.20	11.40	10.60	9.20
	ODP	0.83	0.91	1.00	0.87	0.87	0.83	0.78	0.73	0.67	0.63	0.58	0.51

* actual service need for 2009

HCFC phase-out strategy

6. The Government of Grenada is proposing a staged approach to meet the Montreal Protocol schedule for the phase out of HCFCs. For Stage I, Grenada is proposing to reach the 35 per cent reduction in HCFC consumption by 2020.

Table 4: Specific activities of the HPMP and proposed period of implementation

Project	Duration
Policy instruments and legislative development	2011 to 2020
-Establish quota system for HCFC and its containing equipment	Jan. 2011 onwards
-Establish import restrictions on HCFC equipment	Jan. 2012 onwards
-Introduce tax incentive on non-HCFC consuming equipment	Jan 2011 - Jun. 2012
-Improve ODS Act to prevent illegal trade, develop new standard for refrigerants and equipment	Jan 2012 - Jun. 2013
Training and certification	2011 to 2020
-Training and certification of technicians on good practice and conversion of R&AC equipment	Jun. 2011 - Jun. 2020
-Demonstration conversion of HCFC equipment to non-HCFC	Jan 2013 - Dec. 2019
-Training for customs officers	Jun. 2011 - Dec. 2013
Awareness and information dissemination	2011 to 2020
-Promote low GWP refrigerants in a tertiary institute	Jan 2012 - Jan. 2016
-General education in TV, radio and nation secondary school quiz competition	Jan 2012 - Jan 2016
-Promote the use of HCFC phase out material in curriculum of tertiary institution	Jan 2012 - Jun. 2013
-Educational awareness campaign	Jan 2011 - Dec. 2020
Monitoring and evaluation	2011 to 2020
-Monitor technical areas that requires expert monitoring and evaluation	Jan 2012 - Dec. 2020
-Auditing and reporting	Dec. 2011 - Dec. 2020
-Verification of consumption and demand	Jan 2013 - Dec. 2020

Cost of the HPMP

7. The total overall cost of the HPMP for Grenada was estimated at US \$256,000 as originally submitted to phase out 5.55 mt (0.31 ODP tonnes) of HCFC-22 by 2020. The detailed activities and cost breakdown is shown in Table 5.

Table 5: Specific activities and cost of HPMP

Project	Total
Policy implementation, import quotas for HCFCs and equipment	23,000
Training for recovery and reuse, illegal trade control	143,000
Awareness promotion and information dissemination	40,000
Monitoring and evaluation	50,000
Total	256,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The Secretariat reviewed the HPMP for Grenada 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).

Issues related to HCFC consumption and baseline

9. The import of HCFC in Grenada has been increasing rapidly since 2007. The significant growth is partially due to the very low price of HCFC-22 on the international market. In addition, Grenada introduced value added tax in 2010 and, in anticipation of the increase in tax rate, larger quantities of HCFC-22 were imported in 2008 and 2009.

10. The Secretariat raised the issue of stockpiling and queried why a 10 per cent growth has been forecast for 2010 consumption while sufficient stocks are available. UNEP explained that 70 per cent of the current stocks are with one importer and as there is currently no quota system for HCFC imports, other importers are allowed to import HCFCs at least until the ban on imports is in place. UNEP indicated that Grenada considered that a 10 per cent growth reflected a realistic amount to be imported into the country in 2010, based on current economic trends and infrastructure development.

Starting point for aggregate reduction

11. Grenada selected the estimated baseline of 15.84 mt (0.87 ODP tonnes) as the starting point for a sustained aggregate reduction, the calculation being based on its actual consumption in 2009 of 15.09 mt (0.8 ODP tonnes) and estimated consumption in 2010 of 16.60 mt (0.91 ODP tonnes). UNEP indicated that the Government chose this figure as it is confident that this reflects a more realistic amount required by the country to maintain its serving sector than using an estimated average consumption for both 2009 and 2010. 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 Grenada 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 in future tranches for the HPMP.

Technical and cost issues

12. The Secretariat raised an issue regarding the activities and budget proposed for policy instruments and legislation development as funding had already been provided for these during HPMP preparation. UNEP clarified that while the country has a licensing system, the existing legislation would need to be amended to include an import quota for HCFCs and HCFC equipment. During Stage I of the HPMP implementation, the import quota for HCFCs will be in place starting January 2012 and will establish restrictions on importation of very small (less than 3 kg) equipment using HCFCs. Policy measures such as introduction of tax incentives on non-HCFC equipment and refrigerants, certification of technicians and importers will also be implemented to create an enabling environment for HCFC phase-out.

13. Except for HCFC-22, other refrigerants such as HFC blends, hydrocarbon and CO₂ were also found to be in use in Grenada. Among these, R-410A technology has been rapidly infiltrating the market due to its energy efficiency. Currently R-410A accounts for 21.7 per cent of the total market share. Grenada recognized that an increase in the use of equipment using non-HCFC alternatives will benefit the phase-out of HCFCs, however it also acknowledged that the high cost of such equipment may be prohibitive for some users. It therefore proposed to include a demonstration component in the refrigeration technician training to show how these technologies can be adopted. The extent of the use of alternative technologies will depend on technical maturity, cost and commercial availability in the future.

14. The Secretariat raised concerns on the total cost of US \$256,000 as originally submitted, which had exceeded the eligible funding of US \$210,000 for a low-volume-consuming country with a baseline of 15.84 mt (0.87 ODP tonnes) of HCFC consumption in the servicing sector only set in decision 60/44. The Secretariat discussed the cost issues with UNEP and reiterated that the Executive Committee, at its 61st Meeting, reminded that funding for LVCs should not exceed the amounts indicated in decision 60/44. Based on the discussion, UNEP made adjustment to be in line with decision 60/44. The total funding for Stage I of the HPMP for Grenada was agreed at US \$210,000 to phase out 5.55 mt (0.31 ODP tonnes) of HCFCs by 2020 as shown in Table 6.

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

Project	Total
Policy implementation, import quotas for HCFCs and equipment	23,000
Training for recovery and reuse, illegal trade control	105,000
Awareness promotion and information dissemination	40,000
Monitoring and evaluation	42,000
Total	210,000

15. The Secretariat also reminded Grenada to ensure that the remaining training activities under the TPMP should be integrated into the HPMP. UNEP assured the Secretariat that this was being done.

Impact on the climate

16. 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 ten per cent of the current service need of 4.5 mt of HCFC-22 (see table 2) is replaced with HFC-407C, the potential CO₂ equivalent saved could be 49.45 tonnes.

17. 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

18. UNEP is requesting US \$210,000 plus support costs for the implementation of Stage I of the HPMP. The total value requested for the period 2010-2014 of US \$58,000 plus support cost, is US \$7,118 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 (8.48 metric tonnes) 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 Grenada of 15.84 mt, the country's allocation up to the 2020 phase-out should be US \$210,000 in line with decision 60/44.

Draft agreement

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

RECOMMENDATION

20. The HPMP for Grenada 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 Grenada to achieve the 35 per cent reduction in HCFC consumption by 2020 at an estimated total cost of US \$210,000 (excluding agency support costs) to be implemented by UNEP;
- (b) Noting that the Government of Grenada choose the forecast baseline of 15.84 metric tonnes, which is calculated using actual consumption reported for 2009 and estimated 2010 consumption, as its starting point for sustained aggregate reduction in HCFC consumption;
- (c) Approving, in principle, the HPMP for Grenada for the period of 2010-2020, at the amount of US \$210,000 plus agency support costs of US \$27,300 for UNEP;
- (d) Approving the Agreement between the Government of Grenada 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 2011-2013, and the first tranche of Stage I of the HPMP for Grenada at the amount of US \$29,000 plus agency support costs of US \$3,770 for UNEP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF GRENADA 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 Grenada (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 0.57 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	0.87

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)	n/a	n/a	n/a	0.87	0.87	0.78	0.78	0.78	0.78	0.78	0.57	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	0.87	0.87	0.78	0.78	0.78	0.78	0.78	0.57	n/a
2.1	Lead IA (UNEP) agreed funding(US \$)	29,000			29,000		131,000				21,000		210,000
2.2	Support costs for Lead IA(US \$)	3,770			3,770		17,030				2,730		27,300
3.1	Total agreed funding (US \$)	29,000			29,000		131,000				21,000		210,000
3.2	Total support costs (US \$)	3,770			3,770		17,030				2,730		27,300
3.3	Total agreed costs (US \$)	32,770			32,770		148,030				23,730		237,300
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.30
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0.00
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												0.57

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 company or to independent 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.
