



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/63/50
9 March 2011



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-third Meeting
Montreal, 4-8 April 2011

PROJECT PROPOSAL: SAO TOME AND PRINCIPE

This document consists of the comments and recommendation 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

Sao Tome and Principe

(I) PROJECT TITLE	AGENCY
HCFC phase-out management plan (stage I, first tranche)	UNEP (lead)

(II) LATEST ARTICLE 7 DATA	Year: 2009	4.1 (ODP tonnes)
-----------------------------------	------------	------------------

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP)									Year: 2009			
Chemical	Aerosol	Foam	Fire	Refrigeration		Solvent	Process	Lab	Total sector			
				Manufacturing	Servicing							
HCFC123												
HCFC124												
HCFC141b												
HCFC142b												
HCFC22					0.14						0.14	

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline (estimate):	2.20	Starting point for sustained aggregate reductions:	0.15
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.00	Remaining:	0.10

(V) BUSINESS PLAN		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.0		0.0			0.0		0.0		0.0	0.1
	Funding (US \$)	49,720		39,550			39,550		33,900		18,080	180,800

(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	2.2	2.2	2.0	2.0	2.0	2.0	2.0	1.4	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	
Project Costs requested in principle(US\$)	UNEP	Project costs		44,000		35,000			35,000		30,000		16,000	160,000
		Support costs		5,720		4,550			4,550		3,900		2,080	20,800
Total project costs requested in principle (US \$)			0	44,000	0	35,000	0	0	35,000	0	30,000	0	16,000	160,000
Total support costs requested in principle (US \$)			0	5,720	0	4,550	0	0	4,550	0	3,900	0	2,080	20,800
Total funds requested in principle (US \$)			0	49,720	0	39,550	0	0	39,550	0	33,900	0	18,080	180,800

(VII) Request for funding for the first tranche (2011)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNEP	44,000	5,720

Funding request:	Approval of funding for the first tranche (2011) as indicated above
Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

1. On behalf of the Government of Sao Tome and Principe, UNEP has submitted to the 63rd Meeting of the Executive Committee stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$160,000 plus agency support costs of US \$20,800 as originally submitted to implement activities that will enable the country to comply with all the Montreal Protocol control targets up to the 35 per cent reduction of HCFC consumption in 2020. The first tranche for stage I being requested at this meeting amounts to US \$44,000 plus agency support costs of US \$5,720 for UNEP.

Background

2. Sao Tome and Principe, with a total population of about 152,000 inhabitants, has ratified all the amendments to the Montreal Protocol.

ODS regulations

3. A Decree/Law to control ODS including HCFCs was approved by the Government in early 2007. The Decree/Law requires the Customs Directorate to periodically provide information and statistics on the entry of ODS and ODS-based equipment. It provides that only certified technicians can be legally allowed to repair or maintain refrigeration equipment; all stakeholders operating refrigeration systems containing over 2.0 kg of ODS are required to provide the Ministry of the Environment with the amounts consumed every year, and they must also proceed with (or arrange for) the recovery of ODS and subsequent storage in confinement facilities. HCFC quotas will be issued jointly by the Ministers of the Environment and of Trade.

4. The main stakeholders are the Ministry of Environment, the Ozone Unit, licensed importers, associations of refrigeration technicians and engineers, customs officers, retailers, and consumer associations. The associations play a key role in the implementation of ODS phase-out activities; they assist the Ozone Unit in the collection of ODS consumption data, raise awareness among their members on the effects of ODS on human health and the environment, strengthen the capacity of the refrigeration sector to reduce consumption and emission of ODS, and participate in the implementation of policies, strategies and projects related to the Montreal Protocol.

HCFC consumption and sector distribution

5. HCFC-22 is the only HCFC imported into the country. According to the data gathered during the preparation of the HPMP, HCFC consumption increased from 0.12 to 0.16 ODP tonnes between 2007 and 2010. The levels of consumption in the HPMP correspond to those reported under Article 7 of the Montreal Protocol, except for 2009 where the consumption was reported at 4.1 ODP tonnes as shown in Table 1. The 2011-2020 forecast HCFC consumption (based on the data gathered during the preparation of the HPMP) is shown in Table 2.

Table 1. HCFC consumption data in Sao Tome and Principe

Year	Data gathered for the survey		Article 7 data	
	mt	ODP tonnes	mt	ODP tonnes
2007	2.1	0.1	2.1	0.1
2008	2.3	0.1	2.3	0.1
2009	2.5	0.1	74.5	4.1
2010	2.9	0.2	2.9	0.2

Table 2. 2011-2020 forecasted HCFC consumption

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Metric tonnes										
Unconstrained	60.7	69.8	80.4	92.4	106.2	122.2	140.5	161.6	185.8	213.6
Constrained	52.7	52.7	49.3	49.3	44.4	44.4	44.4	44.4	44.4	32.0
ODP tonnes										
Unconstrained	3.3	3.8	4.4	5.1	5.8	6.7	7.7	8.9	10.2	11.8
Constrained	2.9	2.9	2.7	2.7	2.4	2.4	2.4	2.4	2.4	1.8

6. HCFC-22 is solely used for servicing refrigeration equipment, as shown in Table 3. The high leakage rate of the HCFC-based refrigeration equipment is related to the age of the equipment (20 years old on average); the use of open-type compressors in commercial refrigeration systems with higher leakage rate; the fact that much of the equipment in operation is second-hand and many pieces of newer equipment do not meet industry standards; and increased equipment corrosion due to its geographical location.

Table 3. Distribution of HCFC-22 in Sao Tome and Principe (2009)

Type of equipment	No. of units	HCFC-22 leakage	
		mt	ODP tonnes
Residential air conditioning units	1,468	2.28	0.13
Commercial (cold rooms, display cases)	20	0.60	0.03
Total	1,488	2.88	0.16

HCFC phase-out strategy

7. The objective of the HPMP for Sao Tome and Principe is to meet, on time, all of the Montreal Protocol's HCFC control targets, up to and including the control in 2020. The HCFC's overarching strategy developed by the Government provides for climate and ozone benefits through the integrated plan for energy efficiency, climate mitigation and ODS reduction in the refrigeration sector. The strategy is based on phasing out HCFC-22-based refrigeration equipment and promoting energy efficient refrigerators through market transformation (Table 4). The Government is also planning to work closely with the National Climate Change Unit and UNEP to develop a co-financing programme based on climate benefits, with the involvement of the Ministry of Energy.

Table 4. HCFC overarching strategy for Sao Tome and Principe

HPMP	Programme description	Duration
Overarching strategy	Provision of ozone and climate benefits through the integrated plan for ODS reductions for the refrigeration sector, promotion and adoption of energy efficient alternative technologies.	2011- 2030
First Stage	The establishment of safe hydrocarbon and natural refrigerant use practices to enable their safe general long-term use.	2011- 2020
Second Stage	Implementation of activities to phase out remaining HCFC consumption based on the use of natural refrigerants. An incentive programme to retrofit HCFC-based equipment to environmentally friendly alternatives.	2021-2030

8. In line with the overarching strategy, the Government is proposing to implement the following activities:

- (a) Training of 120 customs and other law enforcement officers on the identification of HCFCs and HCFC-based equipment, and dissemination of ODS policy and regulations;

- (b) Training of 90 refrigeration technicians in good refrigeration practices, focusing on the introduction of technologies with zero ODP, high energy efficiency and low global warming potential (GWP). Parallel public awareness campaigns will be conducted to encourage owners of HCFC-based refrigeration equipment to retrofit to alternative refrigerants;
- (c) Monitoring and evaluation by the National Ozone Committee and the Ozone Unit, ensuring timely implementation of proposed HCFC phase-out activities. Monitoring and reporting tools will be developed. Progress reports will be submitted to the Executive Committee.

Cost of the HPMP

9. The total cost for the implementation of stage 1 of the HPMP to meet all the Montreal Protocol compliance targets up to the 35 per cent reduction in 2020 has been estimated at US \$160,000 with the following breakdown:

- (a) US \$60,000 for the training of customs and other law enforcement officers;
- (b) US \$50,000 for training technicians on good refrigeration practices; and
- (c) US \$50,000 for project coordination, monitoring, evaluation and reporting.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

10. The Secretariat reviewed the HPMP for Sao Tome and Principe in the context of the guidelines for the preparation of HPMPs (decision 54/39), the criteria for funding HCFC phase-out in the consumption sector agreed at the 60th Meeting (decision 60/44), subsequent decisions on HPMPs made at the 62nd Meeting and the 2011-2014 business plan of the Multilateral Fund.

HCFC data discrepancies

11. Upon a request for clarification of the difference between the levels of consumption reported under the HPMP (0.14 ODP tonnes) and under Article 7 of the Protocol (4.1 ODP tonnes) for 2009, UNEP explained that the consumption data reported under Article 7 by the Government was not accurate as it was submitted before the survey conducted for the preparation of the HPMP was finalized. In January 2011, the Government of Sao Tome and Principe submitted a letter to the Ozone Secretariat requesting a downwards revision of the HCFC-22 consumption, from 75.00 mt (4.12 ODP tonnes) to 2.51 mt (0.14 ODP tonnes) for 2009, as well as other corrections to HCFC data for previous years.

12. In further consultations on this issue, the Ozone Secretariat informed the Fund Secretariat that since HCFC consumption for 2009 is used to calculate the baseline for compliance for Article 5 Parties, any revision to the reported data should follow the methodology for the revision of baseline data adopted by the Parties to the Montreal Protocol at their 15th Meeting (decision XV/19) (i.e., the request should be submitted for consideration by the Implementation Committee). The Ozone Secretariat has advised the Government of Sao Tome and Principe accordingly.

Starting point for aggregate reduction in HCFC consumption

13. The HCFC baseline consumption for compliance is currently 2.2 ODP tonnes, calculated as the average of the 2009 (4.1 ODP tonnes) and 2010 (0.2 ODP tonnes) levels of consumption reported under Article 7 of the Montreal Protocol. The business plan indicated a baseline of 4.3 ODP tonnes, which is based on the 2009 consumption reported under Article 7 of (4.1 ODP tonnes) and an estimated consumption of 4.4 ODP tonnes for 2010. Based on the results of the survey for the preparation of the HPMP, the Government of Sao Tome and Principe agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the average levels of consumption of 0.1 ODP tonnes reported under the HPMP for 2009 and 0.2 ODP tonnes reported under Article 7 for 2010, resulting in 0.15 ODP tonnes.

Technical and cost-related issues

14. Upon a request for clarification, UNEP indicated that a cost/benefit analysis of the introduction of high energy-efficiency refrigeration equipment under the local climatic conditions in Sao Tome and Principe has not been conducted. However, UNEP has planned a sub-regional workshop on conversion of air conditioning equipment and energy efficiency, to be held in March 2011. Based on the outcomes of the workshop, UNEP will be in a better position to advise major stakeholders on viable alternative technologies that could be introduced in the country.

15. With regard to the training programmes for customs officers and refrigeration technicians to be implemented during stage I of the HPMP, UNEP indicated that the experience gained during the implementation of the terminal phase-out management plan (TPMP) will be used during HPMP implementation. For example, rather than organizing a full training programme, 10 technicians and engineers who were previously trained will receive refresher training in good refrigeration practices and a complete course in retrofitting techniques. These technicians will then train all other technicians. The equipment provided under the refrigerant management plan (RMP)/TPMP will continue to be used for ongoing recovery and recycling of CFCs; other equipment, such as vacuum pumps and manifold gauges, will be used during the implementation of the HPMP.

16. UNEP also explained that training activities for refrigeration technicians will specifically address issues related to servicing HCFC-based commercial, industrial refrigeration, and air conditioning systems, while training for customs officers will focus on the identification and control of HCFCs and HCFC-based equipment.

17. Upon a suggestion to strengthen the training programme for refrigeration technicians, given that the total consumption of HCFCs in the country is for servicing refrigeration equipment, UNEP redistributed the funding available under the HPMP as follows:

- (a) US \$40,000 for the training of customs officers and other law enforcement officers;
- (b) US \$80,000 for training technicians in good refrigeration practices; and
- (c) US \$40,000 for project coordination, monitoring, evaluation and reporting.

Impact on the climate

18. The proposed technical assistance activities in the HPMP, which include the introduction of better servicing practices and enforcement of HCFC import controls, will reduce the amount of HCFC-22 used for refrigeration servicing. Each kilogram (kg) of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO₂-equivalent tonnes saved. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Sao Tome and

Principe, in particular its efforts to improve servicing practices and reduce associated refrigerant emissions indicate that it is likely that the country will achieve the reduction of 167.8 CO₂-equivalent tonnes in emissions to the atmosphere as estimated in the 2011-2014 business plan. However, at this time, the Secretariat is not in a position to quantitatively estimate the impact on the climate. The impact might be established through an assessment of implementation reports by, *inter alia*, comparing the levels of refrigerants used annually from the commencement of the implementation of the HPMP, the reported amounts of refrigerants being recovered and recycled, the number of technicians trained and the HCFC-22 based equipment being retrofitted.

Co-financing

19. In response to decision 54/39(h) on potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs pursuant to paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties, UNEP explained that the Ozone Officer of Sao Tome and Principe has initiated discussions with the National Climate Change Unit to develop joint initiatives, with the support of UNEP, to mobilize additional funding from HCFCs in relation to energy efficiency and climate benefits.

2011-2014 business plan of the Multilateral Fund

20. UNEP is requesting US \$160,000 plus support costs for implementation of stage I of the HPMP. The total value requested for the period 2011-2014 of US \$89,270 including support cost is below the total amount in the business plan. Furthermore, based on the HCFC baseline consumption in the servicing sector of 0.15 ODP tonnes (calculated on revised data submitted by the Government under Article 7 of the Protocol), Sao Tome and Principe'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 Sao Tome and Principe and the Executive Committee for HCFC phase-out is contained in Annex I of the present document.

RECOMMENDATION

22. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for Sao Tome and Principe for the period 2011 to 2020, at the amount of US \$180,800, comprising of US \$160,000 and agency support costs of US \$20,800 for UNEP;
- (b) Noting that the Government of Sao Tome and Principe agreed at the 63rd Meeting to establish as its starting point for sustained aggregate reduction in HCFC consumption the estimated baseline of 0.15 ODP tonnes calculated using actual consumption for 2009 and estimated consumption for 2010.
- (c) Approving the draft Agreement between the Government of Sao Tome and Principe and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (d) Requesting the Fund Secretariat, once the baseline data were known, to update Appendix 2-A to the draft Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting levels of maximum allowable

consumption, and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted; and

- (e) Approving the first tranche of stage I of the HPMP for Sao Tome and Principe, and the corresponding implementation plan, at the amount of US \$44,000 plus agency support costs of US \$5,720 for UNEP.

- - - -

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF SAO TOME & PRINCIPE AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

1. This Agreement represents the understanding of the Government of Sao Tome & Principe (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 0.1 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”; the Target) 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(remaining eligible consumption).
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 (“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 (“Funding Approval Schedule”).
4. The Country will accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) of this Agreement 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 (“Format of Tranche Implementation Reports and Plans”) 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 (“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 (“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 agencies 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	0.15

APPENDIX 2-A: THE TARGETS, AND FUNDING

		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	2.20	2.20	1.98	1.98	1.98	1.98	1.98	1.40	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	0.15	0.15	0.14	0.14	0.14	0.14	0.14	0.10	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	44,000		35,000		0	35,000	0	30,000	0	16,000	160,000
2.2	Support costs for Lead IA (US \$)	5,720	0	4,550	0	0	4,550	0	3,900	0	2,080	20,800
3.1	Total agreed funding (US \$)	44,000		35,000		0	35,000	0	30,000	0	16,000	160,000
3.2	Total support costs (US \$)	5,720	0	4,550	0	0	4,550	0	3,900	0	2,080	20,800
3.3	Total agreed costs (US \$)	49,720	0	39,550	0	0	39,550	0	33,900	0	18,080	180,800
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)											0.05
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)											0.00
4.1.3	Remaining eligible consumption for HCFC-22											0.10

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

16. 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 the Lead IA; 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;
- (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, 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 \$180 per ODP kg 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.
