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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-fifth Meeting
Bali, Indonesia, 13-17 November 2011

PROJECT PROPOSAL: BOTSWANA

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) France

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Botswana

(I) PROJECT TITLE	AGENCY
HCFC phase out plan (Stage I)	France

(II) LATEST ARTICLE 7 DATA	Year: 2010	11.01 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2010	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Serviceing				
HCFC-141b									0.01
HCFC-22					11.0				11.00

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	11.01	Starting point for sustained aggregate reductions:	11.01
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	7.16

(V) BUSINESS PLAN		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Germany	ODS phase-out (ODP tonnes)	1.9		2.2		2.1				0.7		6.9
	Funding (US \$)	179,659	0	199,621	0	189,640	0	0	0	63,879	0	632,800

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits (estimate)			n/a	n/a	11.01	11.01	9.91	9.91	9.91	9.91	9.91	7.16	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	11.01	11.01	9.91	9.91	9.91	9.91	9.91	7.16	n/a
Project Costs requested in principle(US\$)	France	Project costs	81,000	0	0	94,500	0	0	131,500	0	0	43,000	350,000
		Support costs	10,530	0	0	12,285	0	0	17,095	0	0	5,590	45,500
Total project costs requested in principle (US \$)			81,000	0	0	94,500	0	0	131,500	0	0	43,000	350,000
Total support costs requested in principle (US \$)			10,530	0	0	12,285	0	0	17,095	0	0	5,590	45,500
Total funds requested in principle (US \$)			91,530	0	0	106,785	0	0	148,595	0	0	48,590	395,500

(VII) Request for funding for the first tranche (2011)		
Agency	Funds requested (US \$)	Support costs (US \$)
France	81,000	10,530

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 Botswana the Government of France, as the designated implementing agency, has submitted to the 65th meeting of the Executive Committee stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$350,000 plus agency support costs of US \$45,500, as originally submitted, to achieve the 35 per cent reduction step in HCFC consumption by 2020. The first tranche for stage I being requested at this meeting amounts to US \$100,000 plus agency support costs of US \$13,000 for the Government of France.

Background

2. Botswana, with a total population of about 1.9 million, has ratified all the amendments to the Montreal Protocol except for the Beijing and Montreal Amendments. The Government expects to ratify the two remaining amendments by the end of 2011.

ODS regulations

3. The Ministry of Environment, Wildlife and Tourism is the focal point for implementation of the Montreal Protocol. A national ozone office (NOO) was established under the Ministry to coordinate activities at the operational level. The Government of Botswana established the National Meteorological Service Act which, *inter alia*, controls the import, use and trade of ODS including HCFCs. The legislation allows both licensing of importers as well as imposition of quotas to enable Botswana to meet the phase-out obligations under the Montreal Protocol.

HCFC consumption and sector distribution

4. All HCFCs used in Botswana are imported (mainly from South Africa) as the country does not have any HCFC production capacity. HCFC-22 accounts for 99.95 per cent of the consumption and is predominantly used in servicing refrigeration and air-conditioning (RAC) equipment. Botswana also consumes a negligible amount of HCFC-141b for flushing RAC equipment. All HCFC-based refrigeration equipment is also imported (mainly from South Africa) since the only manufacturer “Fermoir Holding”, which was set up about four years ago to assemble HCFC-22 based split air-conditioners, appears to have closed down. HCFC-22 is the least expensive refrigerant used in Botswana, and the alternative refrigerants available include HFC-134a, HFCs blends, ammonia and hydrocarbon refrigerant R-600. The survey data is consistent with the reported Article 7 data. Table 1 shows the level of HCFC consumption in Botswana.

Table 1: HCFC level of consumption in Botswana (Article 7 data)

Year	HCFC-22		HCFC-141b		Total	
	mt	ODP t	mt	ODP t	mt	ODP t
2005	56.00	3.08	0.12	0.01	56.12	3.09
2006	125.00	6.88	0.10	0.01	125.10	6.89
2007	180.00	9.90	0.10	0.01	180.10	9.91
2008	230.00	12.65	0.10	0.01	230.10	12.66
2009	200.00	11.00	0.10	0.01	200.10	11.01

5. The total number of installed RAC equipment using HCFC-22 in Botswana was estimated at 226,240 units in 2010, as shown in Table 2.

Table 2: HCFC-22 consumption by sector based on the survey

Type of equipment (refrigerant charge)	No of units	Installed capacity		Servicing demand	
		mt	ODP t	mt	ODP t
Refrigerated transport (3-15kgs)	100	1.00	0.06	0.50	0.03
Cold and freezer rooms (3-30kgs)	1,640	25.00	1.38	9.00	0.50
Domestic and central ACs (0.6-35kgs)	224,000	900.00	49.50	190.00	10.45
Other refrigeration equipment (0.5-5kgs)	500	1.00	0.06	0.50	0.03
Total	226,240	927.00	51.00	200.00	11.00

Estimated baseline for HCFC consumption

6. The estimated HCFC baseline for compliance is 200.10 mt (11.01 ODP tonnes) using the average consumption of 200.10 mt (11.01 ODP tonnes) reported for 2009 under Article 7 of the Montreal Protocol and estimated consumption of 200.1 mt (11.01 ODP tonnes) for 2010.

HCFC consumption forecast

7. Botswana forecasts a five per cent growth in HCFC consumption in future years based on the economic development and needs for servicing RAC equipment. It is expected that the actual HCFC consumption will peak in 2012 then freeze to baseline in 2013, further reduce 10 per cent by 2015 and finally achieve 35 per cent reduction by 2020 after implementation of the HPMP. The table below provides a summary of HCFC consumption forecast in Botswana.

Table 3: 2011-2020 forecast of HCFC consumption

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Metric tonnes										
Unconstrained	220.50	231.50	243.10	255.30	268.00	281.40	295.50	310.30	325.80	342.10
Constrained	220.50	231.50	200.10	200.10	180.09	180.09	180.09	180.09	180.09	130.07
ODP tonnes										
Unconstrained	12.13	12.73	13.40	14.00	14.70	15.50	16.30	17.10	17.90	18.80
Constrained	12.13	12.73	11.01	11.01	9.90	9.90	9.90	9.90	9.90	7.15

HCFC phase-out strategy

8. The Government of Botswana is proposing to follow the Montreal Protocol's staged approach and completely phase-out HCFCs by 2030 with a service tail to 2040. The current submission contains stage I of the HPMP to achieve a 35 per cent reduction by 2020 and largely focuses on the refrigeration and air-conditioning servicing sector using HCFC-22.

9. The Government of Botswana will promote the adoption of low global warming potential (GWP) substitutes during HCFC phase-out and will also attempt to phase out consumption of HFCs together with HCFCs once alternative technologies are viable. The HPMP proposes to establish a waste disposal centre to recover the refrigerants from RAC equipment before these are finally disposed and storing them properly in order to reduce emission of refrigerants. It also proposes to control imports of bulk HCFCs through the application of the established licensing and quota system, and to ban the import of HCFC-based equipment and new installations using HCFCs from June 2012. A customs training programme will assist enforcement officers in better identifying HCFCs at border posts to prevent illegal trade. The demand for HCFCs for servicing existing equipment will be reduced through refrigerant recovery and reuse operations, and training of technicians.

Cost of the HPMP

10. The total cost of stage I of the HPMP for Botswana has been estimated at US \$350,000 to achieve 35 per cent reduction in HCFC consumption by 2020. This will result in a phase-out of 70.00 mt (3.85 ODP tonnes) of HCFCs. The detailed cost breakdown for activities is listed in Table 4.

Table 4: Specific activities, proposed period of implementation and cost of stage I the HPMP

Description of Activities	Implementation schedule	Funds (US \$)	Co-funding (US \$)
Training of customs officers, provision of identifiers	2012-2020	72,500	9,000
Training of technicians in good practice, refrigerant recovery and reuse, ODS waste disposal, provision of tools and equipment	2012-2019	211,000	16,500
Awareness raising programme and sensitisation workshops on HCFC phase-out	2012-2017	8,000	10,000
Project management, monitoring and coordination	2012-2020	58,500	2,000
Total		350,000	37,500

SECRETARIAT COMMENTS AND RECOMMENDATION**COMMENTS**

11. The Secretariat reviewed the HPMP for Botswana 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, and the 2011-2014 business plan of the Multilateral Fund.

HCFC import licensing system

12. The Secretariat sought clarification on whether Botswana has established an effective licensing system on HCFC imports in light of decision XXII/19 of the 22nd Meeting of the Parties through which Botswana (among other countries) was encouraged to ratify the Montreal Amendment and establish an import and export licensing system for ODS. The Government of France clarified that Botswana has established a licensing and quota system for HCFC imports. Importers have been made aware of such requirements. Further information on updated status of licensing system was received from the Ozone Secretariat which also confirmed the establishment of a licensing system in Botswana.

Starting point for aggregate reduction in HCFC consumption

13. The Government of Botswana agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the average of actual reported consumption under Article 7 of the Montreal Protocol in 2009 and estimated consumption in 2010, amounting to 11.01 ODP tonnes. The business plan indicated a baseline of 208.10 mt (11.40 ODP tonnes).

Technical and cost issues

14. The Secretariat advised Botswana that the eligible funding based on decision 60/44, would be US \$560,000 for a low-volume-consuming (LVC) country with baseline consumption between 200 and 320 mt in the refrigeration servicing sector. The Government indicated that US \$350,000 would be sufficient for the country to implement stage I of the HPMP.

Impact on the climate

15. 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 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 Botswana, in particular training for technicians on improved servicing practices, refrigerant recovery and reuse, promoting low GWP substitutes and phasing out HFCs together with HCFCs indicate that the country is likely to surpass the reduction of 22,561 CO₂-equivalent tonnes in emissions into 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 beginning of HPMP implementation, the reported amounts of refrigerants being recovered and recycled, the number of technicians trained and the HCFC-22-based equipment being retrofitted.

Co-financing

16. 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, the Government of Botswana has committed US \$37,500 of co-funding for the implementation of the HPMP as indicated in Table 4.

2011-2014 business plan of the Multilateral Fund

17. The Government of France is requesting US \$350,000 plus support costs for implementation of the stage I of the HPMP. The total value requested for the period of 2011-2014 of US \$198,315, including support cost, is below the total amount in the business plan.

18. Based on the estimated HCFC baseline consumption in the servicing sector of 200.10 mt, Botswana's allocation up to the 2020 for 35 per cent reduction phase-out should be US \$560,000 in line with decision 60/44.

Draft Agreement

19. A draft Agreement between the Government of Botswana and the Executive Committee for HCFC phase-out is contained in Annex I to the present document.

RECOMMENDATION

20. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for Botswana for the period 2011 to 2020 to meet the 35 per cent reduction in HCFC consumption, at the amount of US \$350,000 plus agency support costs of US \$45,500 for the Government of France;
- (b) Noting that the Government of Botswana had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption an estimated baseline of 11.01 ODP tonnes, calculated using actual consumption of 11.01 ODP tonnes reported for 2009 under Article 7 of the Montreal Protocol and estimated consumption of 11.01 ODP tonnes for 2010;

- (c) Deducting 3.85 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (d) Approving the draft Agreement between the Government of Botswana and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (e) Requesting the Fund Secretariat, once the baseline data were known, to update Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the 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
- (f) Approving the first tranche of stage I of the HPMP for Botswana, and the corresponding implementation plan, at the amount of US \$81,000 plus agency support costs of US \$10,530 for the Government of France.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BOTSWANA 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 Botswana (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 7.16 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules, with the understanding that this figure is to be revised one single time, once the baseline consumption for compliance has been 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 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 rows 4.1.3 and 4.2.3 (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 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 agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
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 eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. 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 are exempted;
 - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of 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;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A 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; and
- (e) That, for all submissions from the 68th meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

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 annual implementation plans 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 paragraph 4 above.

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 reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
 - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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. Government of France 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 ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, 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 amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg 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 above.

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 stage I 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 level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and 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 sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

15. All of the conditions 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	11.00
HCFC-141b	C	I	0.01
Total			11.01

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	11.01	11.01	9.91	9.91	9.91	7.16	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	11.01	11.01	9.91	9.91	9.91	7.16	n/a	
2.1	Lead IA (France) agreed funding (US \$)	81,000	0	0	94,500	0	131,500	0	43,000	350,000	
2.2	Support costs for Lead IA (US \$)	10,530	0	0	12,285	0	17,095	0	5,590	45,500	
3.1	Total agreed funding (US \$)	81,000	0	0	94,500	0	131,500	0	43,000	350,000	
3.2	Total support costs (US \$)	10,530	0	0	12,285	0	17,095	0	5,590	45,500	
3.3	Total agreed costs (US \$)	91,530	0	0	106,785	0	148,595	0	48,590	395,500	
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)										3.84
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)										n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										7.16
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this agreement (ODP tonnes)										0.01
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)										n/a
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)										0.00

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered at the second meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting 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 include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the

different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), 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 on 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 until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. 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), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; 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 national ozone unit (NOU) has decided that they would like to maintain the function of project management unit (PMU) as part of the NOU and not as an independent body. Therefore monitoring tasks will be undertaken by the NOU itself. Independent consultant might be employed if there are specific tasks which need to be conducted.

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 HPMP;

- (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the 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 annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A 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 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.
