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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: SIERRA LEONE

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/UNIDO

* Re-issued for technical reasons.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Sierra Leone

(I) PROJECT TITLE	AGENCY
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO

(II) LATEST ARTICLE 7 DATA	Year: 2010	1.67 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2010	
Chemical	Aerosol	Foam	Fire	Refrigeration		Solvent	Process	Lab	Total sector
				Manufacturing	Servicing				
HCFC-22					1.67				1.67

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	1.67	Starting point for sustained aggregate reductions:	1.67
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	1.09

(V) BUSINESS PLAN		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.1		0.1			0.1		0.1		0.0	0.3
	Funding (US \$)	59,325	0	59,325	0	0	47,460	0	47,460	0	23,730	237,300

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits (estimate)			n/a	n/a	1.67	1.67	1.50	1.50	1.50	1.50	1.50	1.09	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	1.67	1.67	1.50	1.50	1.50	1.50	1.50	1.09	n/a
Project Costs requested in principle(US\$)	UNEP	Project costs	25,000	0	23,000	0	0	20,000	0	21,000	0	21,000	110,000
		Support costs	3,250	0	2,990	0	0	2,600	0	2,730	0	2,730	14,300
	UNIDO	Project costs	50,000	0	0	0	0	50,000	0	0	0	0	100,000
		Support costs	4,500	0	0	0	0	4,500	0	0	0	0	9,000
Total project costs requested in principle (US\$)			75,000	0	23,000	0	0	70,000	0	21,000	0	21,000	210,000
Total support costs requested in principle(US\$)			7,750	0	2,990	0	0	7,100	0	2,730	0	2,730	23,300
Total funds requested in principle (US\$)			82,750	0	25,990	0	0	77,100	0	23,730	0	23,730	233,300

(VII) Request for funding for the first tranche (2011)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNEP	25,000	3,250
UNIDO	50,000	4,500

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 Sierra Leone UNEP, as the lead 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 \$210,000 plus agency support costs of US \$14,300 for UNEP and US \$9,000 for UNIDO as originally submitted, to implement activities that will enable the country to comply with the Montreal Protocol's 35 per cent reduction step in HCFC consumption by 2020. The first tranche for stage I being requested at this meeting amounts to US \$25,000 plus agency support costs of US \$3,250 for UNEP and US \$50,000 plus agency support costs of US \$4,500 for UNIDO.

Background

2. Sierra Leone, with a total population of about 6.4 million inhabitants has ratified all the amendments to the Montreal Protocol.

ODS regulations

3. Sierra Leone's ODS regulations were originally issued in 2008. A subsequent revision, incorporating further control measures on the phase-out of ODSs including HCFCs, came into force on 1 April 2011. The regulations control imports and exports of ODS and ODS-based equipment and provide for quota and licensing systems, and the registration and certification of all stakeholders including refrigeration service technicians and ODS importers. The regulations are implemented by *inter alia*, the Environment Protection Agency, the National Revenue Authority, the Standards Bureau, the Ministry of Agriculture, Forestry and Food Security, the Ministry of Trade and Industry, the Police Force, and the Refrigeration Engineers Technicians Association.

HCFC consumption and sector distribution

4. 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 27.27 to 32.73 metric tonnes (mt) (1.50 to 1.80 ODP tonnes) between 2007 and 2010. The levels of consumption according to the HPMP proposal and those reported under Article 7 of the Montreal Protocol are shown in Table 1. The HCFC baseline for compliance has been calculated at 1.67 ODP tonnes.

Table 1. HCFC consumption in Sierra Leone

HCFC-22	2007	2008	2009	2010	Baseline
Metric tonnes					
Article 7 data	28.00	26.00	28.00	32.73	30.37
HPMP data	27.27	25.45	28.00	32.73	30.37
Difference	0.73	0.55	-		
ODP tonnes					
Article 7 data	1.54	1.43	1.54	1.80	1.67
HPMP data	1.50	1.40	1.54	1.80	1.67
Difference	0.04	0.03	-		

5. The 2011-2020 forecast of HCFC consumption is shown in Table 2.

Table 2. 2011-2020 forecast of HCFC consumption

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Metric tonnes										
Unconstrained	38.18	41.82	56.36	65.45	72.73	81.82	107.27	110.00	112.73	160.00
Constrained	38.18	41.82	30.37	30.37	27.33	27.33	27.33	27.33	27.33	19.74
ODP tonnes										
Unconstrained	2.10	2.30	3.10	3.60	4.00	4.50	5.90	6.05	6.20	8.80
Constrained	2.10	2.30	1.67	1.67	1.50	1.50	1.50	1.50	1.50	1.09

6. HCFC-22 is used solely for servicing refrigeration equipment, consisting of 55,000 split/window air-conditioners; 16,000 cold rooms used in the food processing enterprises, ice making plants and central air conditioning systems used in a few Government and private institutions; and 1,000 refrigerated transport units as shown in Table 3. This equipment is being serviced by 600 technicians, 400 of whom have received training. The current prices of HCFCs and alternative refrigerants per kilogram in the country are: US \$12.00 for HCFC-22, US \$14.00 for HFC-134a; US \$18.50 for R-404a; and US \$13.00 for R-600a.

Table 3. Distribution of HCFC-22 in Sierra Leone (2009)

Type of equipment	No. of units	HCFC-22 leakage		% of total HCFC
		mt	ODP tonnes	
Split/window air-conditioners	55,000	9.82	0.54	30.0
Industrial/commercial	16,000	22.26	1.22	68.0
Refrigerated transport units	1,000	0.65	0.04	2.0
Total	72,000	32.73	1.80	100.0

HCFC phase-out strategy

7. The objective of stage I of the HPMP for Sierra Leone is to meet the Montreal Protocol’s HCFC control targets, up to and including the reduction in 2020, while stage II will focus on phasing out the remaining HCFC consumption by replacing and retrofitting equipment to natural refrigerants (Table 4).

Table 4. HCFC overarching strategy for Sierra Leone

HPMP	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 efficiency alternative technologies.	2011 - 2030
Stage I	Reduce HCFC consumption by at least 35 per cent of the baseline (1.67 ODP tonnes) through the establishment of good servicing practice that would enable the safe use of natural refrigerants, implementation of activities reducing consumption of HCFC-based blends and an incentive programme to retrofit HCFC-based equipment to alternative refrigerants.	2011 - 2020
Stage II	Implementation of activities to completely phase out remaining consumption of HCFCs based on the use of natural refrigerants.	2021 - 2030

8. In line with the overarching strategy, the Government of Sierra Leone proposes to implement the following specific activities during stage I:

- (a) Further training of 150 customs and other law enforcement officers and strengthening of customs training schools;

- (b) Technical assistance and equipment programme for the three regional retrofitting centres that were established under the terminal phase-out management plan (TPMP), and implementation of an incentive programme to encourage the use of viable alternatives to HCFC refrigerants by the end-users (based on the experience of a similar programme implemented under the TPMP);
- (c) Further training of 400 servicing technicians in good refrigeration practices; strengthening the capacity of technical colleges and the association of refrigeration technicians; and raise awareness on the adoption of alternative technologies with zero ODP, high energy efficiency and low global warming potential (GWP);
- (d) Monitoring and evaluation of the HPMP, ensuring timely implementation of proposed HCFC phase-out activities.

Cost of the HPMP

9. The total cost of implementing stage I of the HPMP to meet the Montreal Protocol's HCFC compliance targets up to and including the 35 per cent reduction by 2020 has been estimated at US \$210,000 with the following breakdown:

- (a) US \$40,000 for the training of customs and other law enforcement officers;
- (b) US \$100,000 for strengthening the three regional retrofitting centres and the incentive programme;
- (c) US \$45,000 for training technicians in good refrigeration practices; and
- (d) US \$25,000 for project coordination, monitoring, evaluation and reporting.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

10. The Secretariat reviewed the HPMP for Sierra Leone 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. The Secretariat discussed technical and cost related issues with UNEP which were satisfactorily addressed as summarized below.

Status of implementation of the TPMP

11. Upon a request for clarification of the status of implementation of the TPMP, UNEP indicated that no CFCs were imported in 2010. Nearly 300 customs and law enforcement officers have been trained and the training curriculum for customs officers has been updated to include issues related to the Montreal Protocol. Also, 300 refrigeration service technicians have been trained and certified and the related training curriculum has been reviewed to incorporate new Protocol obligations. Furthermore equipment and retrofit kits have been provided to the three regional centres including refrigerant recovery and recycling machines, vacuum pumps, hand held leak detectors, and vacuum gauges. The Ozone Unit also implemented several awareness campaigns on the phase-out of ODSs in the country. The Fund Secretariat notes that the Government of Sierra Leone has reported zero consumption of all ODS excluding HCFCs under Article 7 of the Protocol.

Starting point for aggregate reduction in HCFC consumption

12. The Government of Sierra Leone had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption an estimated baseline of 1.67 ODP tonnes, calculated using actual consumption of 1.54 ODP tonnes and 1.80 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol. The business plan indicated a baseline of 1.60 ODP tonnes.

Technical and cost-related issues

13. Following a query from the Secretariat, UNEP indicated that the revised ODS regulations incorporated control measures for the import of HCFC-22 based equipment. Accordingly, when submitting applications for import permits, importers will be advised of the availability of equipment with non-HCFC refrigerants on the international market.

14. In discussions on the sustainability of the technical assistance component, which includes the retrofit of HCFC-22 based equipment, given the lower price of HCFC-22 as compared to other alternative refrigerants, UNEP and UNIDO indicated that the incentive programme foresees that equipment would be assessed and approved as suitable by a technical expert prior to the actual retrofit to natural refrigerants. Only equipment that is well-functioning will be converted, given due consideration to energy efficiency aspects associated with alternative refrigerants. In addition, the incentive scheme aims to subsidize the retrofit of HCFC-based equipment to non-ODS refrigerants up until 2020. As the availability of HCFC-22 is reduced, its price relative to alternative refrigerants is expected to increase and this should ensure the sustainability of the programme when the incentive scheme is over. This programme will be complemented with the training programme for technicians aimed at improving servicing practices and thus reducing leakages of refrigerant.

15. With regard to the training programmes for refrigeration technicians to be implemented during stage I of the HPMP, UNEP indicated that by strengthening the Refrigeration Engineers and Technicians Association more technicians would register with the association resulting in an increased demand for training. Given that the country is currently experiencing an increase in the development of its infrastructure, including the expansion of the refrigeration sector, the demand for servicing HCFC-22 based equipment will also increase.

Impact on the climate

16. The proposed technical assistance activities in the HPMP, which include the introduction of better servicing practices and potential retrofit of HCFC-22 based equipment to hydrocarbon and HFC-134a (with a lower GWP than HCFC-22) refrigerants, would result in the reduction of CO₂ equivalent tonnes in emissions into the atmosphere. The Government of Sierra Leone is also proposing the introduction of high energy efficiency equipment, which will contribute further reductions in emissions of CO₂ into the atmosphere. The 2011-2014 business plan estimated a reduction of 921 CO₂ equivalent tonnes in emissions into the atmosphere. However, given the limited information available at this time, the Secretariat is not in a position to quantitatively estimate the impact of the HPMP 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

17. 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, during implementation of stage I of the HPMP the Government of Sierra Leone, with the assistance of UNEP and UNIDO, will develop a comprehensive plan identifying potential sources of funding that will benefit both ozone protection and mitigate the impact on the climate. The process will involve engaging a task force consisting of all stakeholders, together with UNEP's and UNIDO's experts. The Government is already in the process of establishing a national steering committee that will be tasked with the responsibilities of resource mobilization at both national and international levels.

2011-2014 business plan of the Multilateral Fund

18. UNEP and UNIDO are requesting US \$210,000 (US \$233,300 including agency support costs) for implementation of stage I of the HPMP. The total value requested for the period 2011-2014 of US \$108,740 including support costs is below the total amount in the business plan of US \$118,651 requested by UNEP (no funding was requested by UNIDO in the business plan). Furthermore, based on the HCFC baseline consumption in the servicing sector of 15 to 40 mt, Sierra Leone'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 Sierra Leone and the Executive Committee for HCFC phase-out is contained in Annex I of 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 Sierra Leone for the period 2011 to 2020 to meet the 35 per cent reduction in HCFC consumption, at the amount of US \$233,300, consisting of US \$110,000 plus agency support costs of US \$14,300 for UNEP, and US \$100,000 plus agency support costs of US \$9,000 for UNIDO;
- (b) Noting that the Government of Sierra Leone had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption an estimated baseline of 1.67 ODP tonnes, calculated using actual consumption of 1.54 ODP tonnes and 1.80 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol;
- (c) Deducting 0.58 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (d) Approving the draft Agreement between the Government of Sierra Leone 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 Sierra Leone, and the corresponding implementation plan, at the amount of US \$82,750, consisting of US \$25,000 plus agency support costs of US \$3,250 for UNEP, and US \$50,000 plus agency support costs of US \$4,500 for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF SIERRA LEONE 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 Sierra Leone (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 1.09 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 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 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. 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 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 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 and received approval from the Executive Committee for 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 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;
- (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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of 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). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 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 and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating 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 sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A continue until the time of the completion if not specified by the Executive Committee otherwise.

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	1.67

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	1.67	1.67	1.50	1.50	1.50	1.50	1.50	1.09	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.67	1.67	1.50	1.50	1.50	1.50	1.50	1.09	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	25,000		23,000			20,000		21,000		21,000	110,000
2.2	Support costs for Lead IA (US \$)	3,250		2,990			2,600		2,730		2,730	14,300
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	50,000		0			50,000		0		0	100,000
2.4	Support costs for Cooperating IA (US \$)	4,500		0			4,500		0		0	9,000
3.1	Total agreed funding (US \$)	75,000		23,000			70,000		21,000		21,000	210,000
3.2	Total support costs (US \$)	7,750		2,990			7,100		2,730		2,730	23,300
3.3	Total agreed costs (US \$)	82,750		25,990			77,100		23,730		23,730	233,300
4.1.1	Total phase-out of HCFC-22 and under this agreement (ODP tonnes)											0.58
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 (ODP tonnes)											1.09

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 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 regarding the progress since the approval of 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 until the planned submission of the next tranche request, 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. All the monitoring activities will be coordinated and managed through the National Ozone Unit, which is included within this HPMP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the HPMP. The Lead IA, along with the cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports and advising the appropriate national agencies through the National Ozone Office.

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 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. 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 Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) 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 Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCY

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan further, but include at least the following:

- (a) Providing policy development assistance when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per 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.
