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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventieth Meeting  
Bangkok, 1-5 July 2013

**PROJECT PROPOSAL: CHAD**

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, second tranche)

UNEP/UNIDO

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS****Chad**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2011	17.0 (ODP tonnes)
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2011</b>	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					17.0				17.0

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009 - 2010 baseline:	16.1	Starting point for sustained aggregate reductions:	16.1
<b>CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)</b>			
Already approved:	5.63	Remaining:	10.47

<b>(V) BUSINESS PLAN</b>		2013	2014	2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	1.1			1.1		1.0		1.0	4.1
	Funding (US \$)	79,100			79,100		73,450		73,450	305,100
UNIDO	ODS phase-out (ODP tonnes)				1.88					1.88
	Funding (US \$)				134,375					134,375

<b>(VI) PROJECT DATA</b>			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	n/a	16.1	16.1	14.49	14.49	14.49	14.49	14.49	10.47	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	16.1	16.1	14.49	14.49	14.49	14.49	14.49	10.47	n/a
Agreed Funding (US\$)	UNEP	Project costs	100,000	0	0	70,000	0	0	45,000	0	45,000	0	65,000	325,000
		Support costs	13,000	0	0	9,100	0	0	5,850	0	5,850	0	8,450	42,250
	UNIDO	Project costs	135,000	0	0	0	0	0	100,000	0	0	0	0	235,000
		Support costs	10,125	0	0	0	0	0	7,500	0	0	0	0	17,625
Funds approved by ExCom (US\$)	Project Costs		235,000	0	0	0	0	0	0	0	0	0	0	235,000
	Support Costs		23,125	0	0	0	0	0	0	0	0	0	0	23,125
Total funds requested for approval at this meeting (US\$)	Project Costs		0	0	0	70,000	0	0	0	0	0	0	0	70,000
	Support Costs		0	0	0	9,100	0	0	0	0	0	0	0	9,100

<b>Secretariat's recommendation:</b>	Blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of Chad UNEP, as the lead implementing agency, has submitted to the 70<sup>th</sup> meeting of the Executive Committee a request for funding of the second tranche of stage I of the HCFC phase-out management plan (HPMP) at a cost of US \$70,000 plus agency support costs of US \$9,100 for UNEP only. The submission also included a progress report on the implementation of the first tranche of the HPMP and annual implementation plans for the period of 2013 to 2016.

### Background

2. Stage I of the HPMP for Chad was approved by the Executive Committee at its 62<sup>nd</sup> meeting to meet a 35 per cent reduction of the HCFC consumption baseline by 1 January 2020 at a funding level approved in principle of US \$630,000 plus agency support costs of US \$67,600 for the joint implementation of UNEP and UNIDO. At the same meeting, the Executive Committee approved the first tranche of the HPMP, at the amount of US \$258,125, comprising US \$100,000 plus agency support costs of US \$13,000 for UNEP and US \$135,000 plus agency support costs of US \$10,125 for UNIDO.

### Progress report on the implementation of the first tranche of the HPMP

3. The Government of Chad has established a licensing and quota system that supports the country's HCFC phase-out activities. It has also implemented the sub-regional regulation for harmonizing the management of ozone depleting substances (ODS) including HCFCs for the Economic and Monetary Community of Central Africa (CEMAC). The licensing and quota system is implemented by the Directorate of Trade in consultation with the national ozone unit (NOU). The Government of Chad has ratified the Beijing Amendment to the Montreal Protocol in 2013.

4. Training of the trainers and five training workshops for customs officers were conducted to strengthen the national capacity for HCFC import control. A total of 80 customs and other law enforcement officers were trained on the implementation of the licensing and quota system, monitoring imports and enforcing quotas.

5. Five training workshops were conducted for trainers and technicians on good servicing practices, training a total of 25 trainers and 400 technicians. The training covered good servicing practices, refrigerant recovery and reuse, retrofitting, and the use of hydrocarbon technologies. The Refrigeration Association of Chad is assisting in certification of technicians. A list of equipment and tools and their specifications were determined with the assistance of UNIDO based on the country's needs. The equipment was delivered to Chad and will be distributed among technicians after training.

6. As of April 2013, of the US \$235,000 approved for the first tranche, US \$178,630 had been disbursed. The balance of US \$56,370 will be disbursed in 2013.

### Annual plans for the second tranche of the HPMP

7. The activities to be implemented between 2013 and 2016 are listed below:

- (a) Upgrading the training manuals, training of 150 refrigeration servicing technicians on good servicing practices, refrigerants recovery and recycling, safe handling and working with hydrocarbon refrigerants;
- (b) Strengthening the national capacity for HCFC import control through training of 125 customs officers on implementing the HCFC licensing and quota system, and on

identification of HCFC refrigerants and blends;

- (c) Integration of awareness raising activities into the various components of HPMP implementation, and conducting awareness raising for the general public under the institutional strengthening project;
- (d) Strengthening the centres of excellence through providing information on latest technology development, distribution of equipment, tools and spare parts; and
- (e) Monitoring and evaluation, including conducting an annual performance audit, assisting in an independent verification if required; and producing an annual progress report and an implementation plan.

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

#### Operational HCFC licensing system

8. In line with decision 63/17, confirmation has been received from the Government of Chad indicating that an enforceable national system of licensing and quotas for HCFC imports and exports is in place and that the Government is confident of meeting the Montreal Protocol control targets for HCFC phase-out for the duration of the Agreement.

#### HCFC consumption

9. The Secretariat recalled that, when the HPMP was approved, the baseline for compliance was estimated at 27.05 ODP tonnes. The Government of Chad acknowledged at that time that the import in 2009 included volume for stockpile and requested to continue to be categorized as a low-volume consuming (LVC) country since it better reflected the real situation in the country. The official baseline has now been established at 16.1 ODP tonnes, which is 11 ODP tonnes lower than the estimated baseline when the HPMP was approved, as shown in Table 1 below.

Table 1: HCFC-22 consumption baseline and funding

	Year	2007	2008	2009	2010	2011	Baseline
Survey data and the estimated baseline	mt	235.0	350.0	473.0	510.8*	-	491.9
	ODP t	12.9	19.3	26.0	28.1	-	27.1
Article 7 data and the established baseline	mt	1.0	350.0	473.0	112.4	309.1	292.7
	ODP t	0.1	19.3	26.0	6.2	17.0	16.1

\*estimated based on 2009 consumption

10. The Secretariat queried the significantly lower consumption reported for 2010 as compared to that reported for 2009. UNEP explained that the Government of Chad imposed strict border restrictions in 2010 due to political reasons which resulted in a significant reduction in HCFC import. In addition, the amount of HCFC-22 imported for stockpiling in 2009 may have also contributed to the reduced import.

The Secretariat noticed that the 2011 consumption was reported as 17 ODP tonnes, which is largely consistent with the established baseline.

11. Based on the revised baseline, the total funding of stage I of the HPMP for Chad will be reduced from the US \$630,000 approved to US \$560,000 in accordance with decision 60/44(f)(xii). The Secretariat informed UNEP of the funding reduction, and the country agreed to adjust the total funding level and the tranche distribution to be in line with the established baseline, as shown in Table 2.

Table 2: Adjustment to total funding and tranche distribution

	Year	2010	2013	2016	2018	2020	Total funding (US\$)
As approved	UNEP	100,000	70,000	70,000	65,000	65,000	370,000
	UNIDO	135,000	-	125,000	-	-	260,000
	Total	235,000	70,000	195,000	65,000	65,000	630,000
Revised	UNEP	100,000	70,000	45,000	45,000	65,000	325,000
	UNIDO	135,000	-	100,000	-	-	235,000
	Total	235,000	70,000	145,000	45,000	65,000	560,000

12. The Secretariat reviewed the progress report submitted by UNEP and noted that the activities planned for the first tranche have been implemented smoothly. A professional training institute has been identified and the training on HCFC related issues is being integrated into its curriculum. The certification of technicians through the Refrigeration Association of Chad is in process. These activities will contribute to the long-term sustainability of the HCFC phase-out. The licensing and quota system is operational and will enable the Government to meet the Montreal Protocol control measures for the phase-out of HCFCs from 2013 onwards.

#### Revision to the Agreement of the HPMP

13. In approving stage I of the HPMP, the Executive Committee requested the Secretariat to, *inter alia*, update Appendix 2-A (“The targets, and funding”) to the Agreement with the figures for the maximum allowable consumption, and to notify the Committee of the resulting levels accordingly (decision 62/49(d)). Based on the data reported by the Government of Chad under article 7, and its revised phase-out schedule and funding level, the relevant paragraphs of the Agreement have been updated, and a new paragraph has been added to indicate that the updated Agreement supersedes the original one reached at the 62<sup>nd</sup> meeting, as shown in Annex I to this document. The full revised Agreement will be appended to the final report of the 70<sup>th</sup> meeting.

#### **RECOMMENDATION**

14. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Chad;
- (b) Notes that the Fund Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Chad and the Executive Committee, based on the established HCFC baseline for compliance and the revised funding level, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 62<sup>nd</sup> meeting, as contained in Annex I to the present document; and

- (c) Further notes that the revised starting point for sustained aggregate reduction in HCFC consumption was 16.1 ODP tonnes, calculated using the consumption of 26.0 ODP tonnes and 6.2 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, and that the revised funding level for stage I of the HPMP for Chad was US \$560,000, in accordance with decision 60/44(f)(xii).

15. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for Chad, and the corresponding 2013 to 2016 tranche implementation plan, with associated support costs at the funding level shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	HCFC phase-out management plan (stage I, second tranche)	70,000	9,100	UNEP

**Annex I**

**TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF CHAD AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

(Relevant changes are in bold font for ease of reference)

1. This Agreement represents the understanding of the Government of Chad (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 **10.47** ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules.

**16. This updated Agreement supersedes the Agreement reached between the Government of Chad and the Executive Committee at the 62<sup>nd</sup> meeting of the Executive Committee.**

**APPENDIX 1-A: THE SUBSTANCES**

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	<b>16.10</b>

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	<b>16.10</b>	<b>16.10</b>	<b>14.49</b>	<b>14.49</b>	<b>14.49</b>	<b>14.49</b>	<b>14.49</b>	<b>10.47</b>	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	<b>16.10</b>	<b>16.10</b>	<b>14.49</b>	<b>14.49</b>	<b>14.49</b>	<b>14.49</b>	<b>14.49</b>	<b>10.47</b>	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	100,000	0	0	70,000	0	0	<b>45,000</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>65,000</b>	<b>325,000</b>
2.2	Support costs for Lead IA (US \$)	13,000	0	0	9,100	0	0	<b>5,850</b>	<b>0</b>	<b>5,850</b>	<b>0</b>	<b>8,450</b>	<b>42,250</b>
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	135,000	0	0	0	0	0	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>235,000</b>
2.4	Support costs for Cooperating IA (US \$)	10,125	0	0	0	0	0	<b>7,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,625</b>
3.1	Total agreed funding (US \$)	<b>235,000</b>	<b>0</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>0</b>	<b>145,000</b>	<b>0</b>	<b>45,000</b>	<b>0</b>	<b>65,000</b>	<b>560,000</b>
3.2	Total support costs (US \$)	<b>23,125</b>	<b>0</b>	<b>0</b>	<b>9,100</b>	<b>0</b>	<b>0</b>	<b>13,350</b>	<b>0</b>	<b>5,850</b>	<b>0</b>	<b>8,450</b>	<b>59,875</b>
3.3	Total agreed costs (US \$)	<b>258,125</b>	<b>0</b>	<b>0</b>	<b>79,100</b>	<b>0</b>	<b>0</b>	<b>158,350</b>	<b>0</b>	<b>50,850</b>	<b>0</b>	<b>73,450</b>	<b>619,875</b>
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)												<b>5.63</b>
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)												0.0
4.1.3	Remaining eligible consumption for HCFC-22												<b>10.47</b>

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