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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-first Meeting
Montreal, 2-6 December 2013

PROJECT PROPOSAL: GUINEA-BISSAU

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

Guinea-Bissau

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2012	2.7 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2012	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturing	Servicing				
HCFC-123									
HCFC-124									
HCFC-141b									
HCFC-142b									
HCFC-22					2.7				2.7

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	2.83	Starting point for sustained aggregate reductions:	2.83
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.99	Remaining:	1.84

(V) BUSINESS PLAN		2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)		0.1			0.1				0.1	0.3
	Funding (US \$)		33,900			50,850				22,600	107,350
UNIDO	ODS phase-out (ODP tonnes)					0.1					0.1
	Funding (US \$)					43,600					43,600

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017 2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	2.83	2.83	2.55	2.55	2.55	2.55	1.84	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	2.83	2.83	2.55	2.55	2.55	2.55	1.84	n/a
Agreed Funding (US\$)	UNEP	Project costs	35,000		52,000			50,000			28,000	165,000
		Support costs	4,550		6,760			6,500			3,640	21,450
	UNIDO	Project costs	40,000		0	0	0	75,000	0	0	0	115,000
		Support costs	3,600		0	0	0	6,750	0	0	0	10,350
Funds approved by ExCom (US\$)		Project Costs	75,000	0	0	0	0	0	0	0	0	75,000
		Support Costs	8,150	0	0	0	0	0	0	0	0	8,150
Total funds requested for approval at this meeting (US\$)		Project Costs	0	0	52,000	0	0	0	0	0	0	52,000
		Support Costs	0	0	6,760	0	0	0	0	0	0	6,760

Secretariat's recommendation:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Guinea-Bissau UNEP, as the lead implementing agency, has submitted to the 71st meeting of the Executive Committee a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP)¹ at the amount of US \$30,000, plus agency support costs of US \$3,900 for UNEP only. The submission includes a progress report on the implementation of the first tranche of the HPMP, and a tranche implementation plan for 2014 to 2015.

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

2. The following activities have been implemented during the first tranche of stage I of the HPMP:
- (a) *Training in good practices of refrigeration:* A first training workshop for 26 trainers was completed, who in turn trained 130 additional technicians in three cities. Training was focused on minimizing leakages and venting HCFC-22 during operation and servicing, and on techniques for containing and reusing existing HCFC banks;
 - (b) *Training for customs officers:* A training workshop for 25 trainers and additional workshops for 125 customs officers were completed. Two identifiers were purchased and used during the workshops. Training was focused on identification and control of HCFCs and HCFC-based equipment;
 - (c) *Investment component:* Equipment and tools (e.g., recovery units, recycling kits, vacuum pumps, cylinders and toolkits) were procured and will be provided to a training centre and the four largest HCFC refrigeration servicing workshops, where many technicians conduct their operations. Training will be provided to 25 refrigerant service technicians who will use the equipment and tools purchased; and
 - (d) *Monitoring and evaluation:* The National Ozone Unit (NOU) completed four missions to monitor and assess the implementation of the HPMP activities, including good refrigeration practices in the field and quality of the refrigerants being used.

Status of funds disbursed

3. As of August 2013, of the US \$75,000 approved for the first tranche, US \$69,945 had been disbursed. The balance of US \$5,055 will be disbursed in 2013.

Annual plan for the second tranche of the HPMP

4. The main activities to be implemented during the second tranche of the HPMP include the organization of three additional workshops for refrigeration technicians; arrangement of four more workshops for customs and other enforcement officers; and recruitment of national consultants and quarterly missions in the field and production of reports to the NOU on progress achieved.

¹ The HPMP for Guinea-Bissau was approved by the Executive Committee at its 65th meeting to reduce HCFC consumption by 35 per cent of the baseline by 1 January 2020.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Operational license system

5. In line with decision 63/17, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports is in place and that the system is capable of ensuring compliance with the Montreal Protocol HCFC phase-out schedule.

6. The HCFC import licenses are issued by the Ministry of Trade in consultation with the NOU. The quotas are determined annually by the National Ozone Committee composed by the Customs Department, the Chamber of Commerce and the president of the association of technicians. Before authorizing any import of HCFCs or HCFC-based equipment, the Customs Department requests a visa to the NOU. The import quota for 2013 has been established at 2.7 ODP tonnes.

Revision of HCFC consumption

7. The HPMP for Guinea-Bissau was approved based on the estimated baseline of 1.43 ODP tonnes, calculated using the consumption reported for 2009 (zero ODP tonne) and 2010 (2.86 ODP tonnes). Based on the HPMP survey, the Government of Guinea-Bissau sent a letter to the Ozone Secretariat requesting a revision of the HCFC consumption for the years 2005 to 2010. The Parties at their 25th meeting approved the request from the Government to change the reported consumption from zero to 50.0 metric tonnes (2.75 ODP tonnes) for 2009, resulting on a revised HCFC baseline of 2.83 ODP tonnes as shown in Table 1.

Table.1 Consumption of HCFC-22 in Guinea-Bissau (2006-2012 Article 7)

HCFC-22	2006	2007	2008	2009	2010	2011	2012	2013*	Baseline
Metric tonnes	39.00	42.00	46.00	50.0	52.00	52.00	49.00	49.0	51.00
ODP tonnes	2.15	2.3	2.5	2.75	2.9	2.86	2.70	2.7	2.83

*Estimated

Revision to the eligible funding level and plan of action

8. Based on the revised HCFC consumption baseline, the eligible funding level should be adjusted from US \$210,000 to US \$280,000 in accordance with decision 60/44 (f)(xii). The additional funding will be used to strengthen and increase the scope of all the on-going activities in the refrigeration servicing sector, as shown in Table 2.

Table 2. Revised overall cost of stage I of the HPMP and tranche distribution for Guinea-Bissau

	Year	2011	2013	2016	2020	Total funding (US\$)
As approved	UNEP	35,000	30,000	45,000	20,000	130,000
	UNIDO	40,000	-	40,000	-	80,000
	Total	75,000	30,000	85,000	20,000	210,000
Revised	UNEP	35,000	52,000	50,000	28,000	165,000
	UNIDO	40,000	-	75,000	-	115,000
	Total	75,000	52,000	125,000	28,000	280,000

Technical issues discussed

9. Upon a query from the Secretariat on the need to ensure the long-term sustainability of the technicians' training, UNEP informed that the NOU signed an agreement with the main technical training centre in Bissau, to introduce into its curriculum a module on good practices of refrigeration and safe use of flammable refrigerants. Technicians graduated from that institute are trained on this module and will train other technicians working in their private workshops.

10. UNEP explained that before introducing a mandatory technicians' certification programme including restriction of access to HCFCs (and other refrigerants as required) the refrigeration sector would need first to be better organized into associations. It was also established that technicians can only have access to tool kits and equipment under the HPMP if they belong to an association. The association of technicians in Bissau is involved in the equipment distribution and organization of workshops, and during the next tranche, it will assist in organizing other technicians in other big cities.

11. With regard to the status of introduction of alternative refrigerants in the market, UNEP indicated that currently there are no low-global warming potential (GWP) alternatives available and affordable in the country. The Government of Guinea-Bissau, UNIDO and UNEP will continue monitoring the sub-regional market and will take appropriate measures as soon as the conditions for a correct retrofitting of HCFC-22 based equipment are met.

Revision to the Agreement of the HPMP

12. In approving the HPMP the Executive Committee requested the Secretariat, once the baseline data were known, 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 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 (decision 65/30(e)). Based on the revised HCFC baseline, the relevant paragraphs of the Agreement have been updated, and a new paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 65th meeting, as shown in Annex I to this document. The full revised Agreement will be appended to the final report of the 71st meeting.

Conclusion

13. The Secretariat noted that Guinea-Bissau's HCFC import licensing and quota system is operational and will enable consumption reductions in line with the Protocol's phase-out schedule. As reported by UNEP, activities in the refrigeration servicing sector are on-going satisfactorily and are contributing to better organize the technicians and prepare them for the safe use of flammable refrigerants. The additional funding resulting from the revision of the baseline will help strengthen and increase the scope of all the on-going activities in the refrigeration servicing sector.

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 Guinea-Bissau;
- (b) Notes that the Fund Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Guinea-Bissau 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 65th 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 2.83 ODP tonnes, calculated using the consumption of 2.75 ODP tonnes and 2.9 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 Guinea-Bissau was US \$280,000, 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 Guinea-Bissau, and the corresponding 2014 and 2015 tranche implementation plans, with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	HCFC phase-out management plan (stage I, second tranche)	52,000	6,760	UNEP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF GUINEA-BISSAU 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 Guinea-Bissau (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 **1.84** ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Guinea-Bissau and the Executive Committee at the 65th meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	2.83

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	2.83	2.83	2.55	2.55	2.55	2.55	2.55	1.84	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	2.83	2.83	2.55	2.55	2.55	2.55	2.55	1.84	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	35,000	0	52,000	0	0	50,000	0	0	0	28,000	165,000
2.2	Support costs for Lead IA (US \$)	4,550	0	6,760	0	0	6,500	0	0	0	3,640	21,450
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	40,000	0	0	0	0	75,000	0	0	0	0	115,000
2.4	Support costs for Cooperating IA (US \$)	3,600	0	0	0	0	6,750	0	0	0	0	10,350
3.1	Total agreed funding (US \$)	75,000	0	52,000	0	0	125,000	0	0	0	28,000	280,000
3.2	Total support costs (US \$)	8,150	0	6,760	0	0	13,250	0	0	0	3,640	31,800
3.3	Total agreed costs (US \$)	83,150	0	58,760	0	0	138,250	0	0	0	31,640	311,800
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)											0.99
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)											0
4.1.3	Remaining eligible consumption for HCFC-22											1.84