



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/72/20  
10 April 2014

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-second Meeting  
Montreal, 12-16 May 2014

**PROJECT PROPOSAL: ANGOLA**

This document consists of the comments and recommendations of the Fund Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage I, second tranche)

UNDP

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

## Angola

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HCFC phase-out management plan (stage I, second tranche)	UNDP

<b>(II) LATEST ARTICLE 7 DATA</b>	Year: 2012	6.60 (ODP tonnes)
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>						<b>Year: 2012</b>			
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					6.60				6.60

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009 - 2010 baseline:	16.0	Starting point for sustained aggregate reductions:	16.00
<b>CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)</b>			
Already approved:	1.60	Remaining:	14.40

<b>(V) BUSINESS PLAN</b>		<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
UNDP	ODS phase-out (ODP tonnes)	0.63	0.00	0.18	0.81
	Funding (US \$)	76,542	0	21,316	97,858

<b>(VI) PROJECT DATA</b>		<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>	
Montreal Protocol consumption limits		n/a	n/a	16.00	16.00	14.40	n/a	
Maximum allowable consumption (ODP tonnes)		n/a	n/a	16.00	16.00	14.40	n/a	
Agreed Funding (US\$)	UNDP	Project costs	86,222	39,111	31,111	0	19,556	176,000
		Support costs	7,760	3,520	2,800	0	1,760	15,840
Funds approved by ExCom (US\$)	UNDP	Project Costs	86,222	0	0	0	0	86,222
		Support Costs	7,760	0	0	0	0	7,760
Total funds requested for approval at this meeting (US\$)	UNDP	Project Costs	0	39,111	0	0	0	39,111
		Support Costs	0	3,520	0	0	0	3,520

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

1. On behalf of the Government of Angola, UNDP as the designated implementing agency, has submitted to the 72<sup>nd</sup> meeting of the Executive Committee a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP)<sup>1</sup> at the amount of US \$39,111, plus agency support costs of US \$3,520. The submission includes a progress report on the implementation of the first tranche of the HPMP and the tranche implementation plan for the period 2014 to 2015.

### Background

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

2. The following activities had been implemented during the first tranche of the HPMP:
- (a) The enforcement of the HCFC licensing and quota system, jointly implemented by the national ozone unit (NOU) and the Ministry of Commerce, started in January 2013, which also covers controls on HCFC-based equipment;
  - (b) A differentiated tariff policy (environmental tax) was implemented to create incentives for the introduction of low global-warming potential (GWP) refrigerants. Additional import tax of 12 per cent was introduced for HCFCs as well as an environmental tax for HCFCs and HFCs;
  - (c) A workshop was held to promote the awareness of the regulatory framework for HCFC phase-out focusing on restrictions of import and export of HCFCs. Three training workshops were organized and a total of 48 customs officers were trained on identification of HCFCs. One refrigerant identifier was provided through the Government co-funding;
  - (d) Training materials in Portuguese were developed for refrigeration technicians. A representative from the NOU attended a workshop in Brazil on the methodology for replacement of HCFC-based refrigeration and air-conditioning system; and
  - (e) Monitoring of HPMP activities has been conducted to ensure efficient implementation of the HPMP.

#### *Level of funding disbursement*

3. As of March 2014, of the US \$86,222 approved for the first tranche, US \$39,459 had been disbursed (45.8 per cent of the total funds approved). The balance of US \$46,763 will be disbursed in early 2014.

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

4. The following activities will be implemented during the second tranche of the HPMP:
- (a) Enforcement of licensing and quota on HCFC import and trade; continuous implementation of differentiated tariff (US \$2,000);
  - (b) Conducting five workshops to train 80 customs officers, environmental inspectors and other enforcement officers on ODS detection; updating national customs manual to

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<sup>1</sup>The HPMP for Angola was approved by the Executive Committee at its 65<sup>th</sup> meeting to reduce HCFC consumption by 10 per cent of the baseline by 1 January 2015

integrate HCFC issues into regular training of customs officers; and providing 16 refrigerant identifiers (US \$5,000) (This fund is only a supplement as the programme will be supported by the customs department);

- (c) Strengthening the 14 training centres established during CFC phase-out by providing tools and equipment (recovery and recycling machines, cylinders, leakage detectors, tools and accessories, and identifiers) (US \$19,111);
- (d) Updating the training manual and providing training to 50 technicians on good practices, use of alternatives, refrigerant recovery and recycling, and retrofit to HFCs; it is expected that all the 676 technicians in the country will be trained and certified through the training network; (US \$8,000); and
- (e) Continued monitoring and coordination to ensure effective implementation of activities in the HPMP (US \$5,000).

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

#### Operational licensing 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 and exports is in place and that the system is capable of ensuring the country's compliance with the Montreal Protocol. The HCFC import quota for 2014 has been established at 16.0 ODP tonnes (i.e., the baseline). For subsequent years, the annual quota will be based on the levels allowed under the Montreal Protocol.

#### HCFC consumption and the prospect of compliance

6. The HCFC-22 consumption from 2008 to 2012 is shown in Table 1 below. UNDP explained that the main reason for the sharp decrease of consumption in 2012 compared to historical years was the entry into force of the national regulation on ODS (Presidential Decree number 153/11 of 15 June 2011) which limited imports of HCFCs. In addition, the Ministry of Commerce did not issue new licences during this period while working on a new customs tariff. The established baseline corresponds to the value in the Agreement between the Government of Angola and the Executive Committee; therefore no adjustments to the Agreement are required.

**Table 1: HCFC-22 consumption in Angola**

Year	2008	2009	2010	2011	2012	2013*	Baseline
ODP tonnes	10.5	19.3	12.7	11.55	6.60	15.0	16.0
MT	190	350	230	210	120	272.73	290

\*Estimated

7. The Secretariat enquired about the country's HCFC consumption in 2013. UNDP advised that the 2013 consumption data is still being collated and verified. However due to the strict implementation of the differentiated tariff system, the imports of HCFCs have significantly decreased. The Government of Angola is confident that the 2013 consumption will be below the baseline (16.0 ODP tonnes).

Progress report

8. The Secretariat noted that the second tranche was due for submission to the 68<sup>th</sup> meeting in 2012. It further noted that UNDP had reported that the reasons for delays were: the change in the national ozone office, insufficient level of disbursement, language barriers and the presidential elections held in 2012. It stressed however that the delay did not affect the compliance status of Angola as it had effectively enforced the licensing and quota system on HCFC imports.

9. In response to the concern on the delay of training of technicians, UNDP advised that the country prioritized the enforcement of licensing and quota system in order to meet the freeze target. Angola has also established a training network, and good practice training is fully integrated into routine technicians' training through vocational/professional institutes. With the assistance of UNDP and the new Ozone Officer, the NOU is ensuring a faster implementation of activities. Training of trainers and technicians will start as soon as the second tranche is approved.

Review of the work plan for 2014-2015 period

10. Clarifications were sought on the retrofit component included in the technicians' training. UNDP advised that the training on retrofit was originally planned for retrofitting to HFCs as training on hydrocarbon refrigerants is limited only to servicing equipment (only refrigerators at this moment). However, the NOU has informed that some service companies are retrofitting HCFC equipment using hydrocarbon refrigerants. In order to ensure that safety considerations are taken into account during retrofitting, the NOU decided to develop training manuals also for hydrocarbon refrigerants. The Secretariat advised that promoting low GWP hydrocarbon refrigerants should focus on replacement of HCFC equipment with new units designed for use with hydrocarbon refrigerants rather than retrofitting old units to hydrocarbon-refrigerants. Training activities under the HPMP should focus on servicing hydrocarbon-based equipment and the safety related aspects in the use of hydrocarbon refrigerants.

**RECOMMENDATION**

11. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan of (HPMP) in Angola, and further recommends blanket approval of the second tranche of stage I of the HPMP for Angola, and the corresponding 2014-2015 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)	39,111	3,520	UNDP

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