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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fourth Meeting
Montreal, 18-22 May 2015

PROJECT PROPOSAL: EQUATORIAL GUINEA

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

Phase-out

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

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Equatorial Guinea

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	65 th	35 per cent by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2013	5.0 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2013	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Services				
HCFC-123									
HCFC-124									
HCFC-141b									
HCFC-142b									
HCFC-22					5.12				5.12

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	6.31	Starting point for sustained aggregate reductions:	6.29
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	2.20	Remaining:	4.09

(V) BUSINESS PLAN		2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.2	0.2	0.0	0.2	0.0	0.2	0.8
	Funding (US \$)	33,900	39,550	0	33,900	0	33,900	141,250
UNIDO	ODS phase-out (ODP tonnes)	0.0	0.5	0.0	0.0	0.0	0.0	0.5
	Funding (US \$)	0	81,750	0	0	0	0	81,750

(VI) PROJECT DATA			2011	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	6.29	6.29	5.66	5.66	5.66	5.66	5.66	4.09	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	6.29	6.29	5.66	5.66	5.66	5.66	5.66	4.09	n/a	
Agreed funding (US\$)	UNEP	Project costs	40,000	30,000	0	0	35,000	0	30,000	0	30,000	165,000	
		Support costs	5,200	3,900	0	0	4,550	0	3,900	0	3,900	21,450	
	UNIDO	Project costs	75,000	0	0	0	75,000	0	0	0	0	0	150,000
		Support costs	6,750	0	0	0	6,750	0	0	0	0	0	13,500
Funds approved by ExCom (US\$)		Project costs	115,000		0	0	0	0	0	0	0	115,000	
		Support costs	11,950		0	0	0	0	0	0	0	0	11,950
Total funds requested for approval at this meeting (US\$)		Project costs	0	0	0	30,000	0	0	0	0	0	30,000	
		Support costs	0		0	3,900	0	0	0	0	0	0	3,900

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Equatorial Guinea, UNEP as the lead implementing agency, has submitted to the 74th meeting a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$30,000, plus agency support costs of US \$3,900 for UNEP only¹. The submission includes a progress report on the implementation of the first tranche and the tranche implementation plan for 2015 to 2016.

Report on HCFC consumption

HCFC consumption

2. The Government of Equatorial Guinea reported an estimated consumption of 5.0 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

Table 1. HCFC-22 consumption in Equatorial Guinea (2010-2014 Article 7 data)

HCFC-22	2010	2011	2012	2013	2014*	Baseline
Metric tonnes	115.71	103.00	98.00	93.00	90.9	114.36
ODP tonnes	6.36	5.67	5.39	5.11	5.00	6.31

Estimated consumption not yet reported under Article 7 of the Montreal Protocol or the country programme data report.

3. The data reported by the country shows a decrease trend in HCFC-22 consumption from 2010 to 2014. In 2013 and 2014, the HCFC consumption was below the baseline for compliance.

Country programme (CP) implementation report

4. The Government of Equatorial Guinea reported sector HCFC consumption data up to the year 2013 under the CP implementation report which is consistent with the data reported under Article 7. The 2014 CP data will be submitted in May 2015.

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

Legal framework

5. The Government of Equatorial Guinea has implemented the sub-regional regulations of the “Communauté Economique et Monétaire de l’Afrique Centrale (CEMAC)” that harmonizes the management of controlled substances, including HCFCs in the sub-region. The country has a legislative, regulatory and legal framework in place for controlling the importation and distribution of HCFCs. The current regulation was approved in 2005 and the quota system for HCFCs was entered into force in 2012. The Ministry of Environment distributes the quota among the authorised importers and issues the import permits, in collaboration with the Ministry of Trade and Industry, issues trade licences. The Customs department is responsible for monitoring imports.

Refrigeration servicing sector

6. The activities implemented under the first tranche are as follows:

- (a) Two training workshops for six customs officers and 70 environment inspectors on the identification and control of HCFCs and HCFC-based equipment, and the purchase and distribution of two refrigerant identifiers and 20 refrigeration toolkits;
- (b) One training workshop for 12 technicians on good practices in refrigeration including

¹ The funding request should have been submitted in 2013.

recovery and recycling and safe handling of hydrocarbon-based refrigerants with the assistance of the refrigeration association of Equatorial Guinea. The association will also assist in conducting further training workshops and implementing a certification programme for technicians; and

Project implementation and monitoring

7. The National Ozone Unit (NOU), assisted by an expert in refrigeration, monitored the HPMP activities and collected the relevant data.

Level of fund disbursement

8. As of March 2015, of the US \$115,000 so far approved (US \$40,000 for UNEP and US \$75,000 for UNIDO), US \$114,858 (99.9%) had been disbursed (US \$39,896 for UNEP and US \$74,962 for UNIDO). The balance of US \$142 will be disbursed in 2015.

Implementation plan for the second tranche of the HPMP

9. Under the second tranche of the HPMP to be implemented over a period of two years, the Government of Equatorial Guinea will implement the following activities:

- (a) Two workshops for at least 40 refrigeration technicians on good refrigeration practices, recovery and recycling technics as well as safe handling of hydrocarbon (UNEP) (US \$10,000);
- (b) Two workshops in the main ports for at least 20 customs officers and 30 environment inspectors and officers from the Department of Commerce in monitoring and controlling the imports and distribution of HCFCs (UNEP) (US \$10,000); and
- (c) Overseeing the implementation of the HPMP with the assistance of a national consultant, including monitoring and evaluation (UNEP):
 - (i) Consultant services (US \$7,000) and
 - (ii) Staff travel for project coordination (US \$3,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HCFC consumption

10. The HCFC baseline for compliance has been established at 6.31 ODP tonnes, calculated using the actual consumption of 6.22 ODP tonnes and 6.4 ODP tonnes reported for 2009 and 2010, respectively under Article 7 of the Montreal Protocol. There is no change in the agreed funding level. The Government of Equatorial Guinea reported HCFC consumption data for 2013 (5.12 ODP tonnes) and provided the estimated consumption in 2014 (5.0 ODP tonnes), which are below the maximum allowable consumption of 6.31 ODP tonnes.

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

Legal framework

11. 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 compliance with the Montreal Protocol. The Government of Equatorial Guinea established the 2015 quota at 5.0 ODP tonnes which is below the maximum allowable consumption of 5.66 ODP tonnes for that year to avoid any excess in HCFC imports and to use the balance of 0.66 ODP tonnes for emergency cases. For subsequent years, the annual quota will be based on the levels allowed under the Montreal Protocol.

Refrigeration servicing sector

12. At the 73rd meeting UNEP and UNIDO reported a delay in implementing the first tranche as a result of travel constraints due to the social disruptions in the country, and completing the customs clearance process for the procured equipment. These constraints have been overcome and the activities planned under the first tranche have been implemented. Of the 150 customs and enforcement officers and 200 technicians that were to be trained under stage I, 76 customs and enforcement officers and 42 technicians received training. An additional 50 customs and enforcement officers and 40 refrigeration technicians will be trained during the second tranche of stage I.

13. With regard to the long-term sustainability of the training programme for technicians, UNEP advised that the country is discussing with the existing training schools to include an ozone module into their curricula. The refrigeration association will be involved in the training programme and certification of refrigeration technicians. Furthermore, the country is considering subsidizing new equipment using HCFC-22 alternatives and increasing the taxes on HCFC-22-based equipment; however, the proposition will be submitted to CEMAC sub-regional board for further analysis.

14. Upon a request of information on whether retrofits to hydrocarbon are being promoted by the HPMP or taking place outside of the HPMP in Equatorial Guinea, UNEP indicated that there is no promotion of any retrofitting at this stage; the current approach of the servicing sector focuses on the promotion of good practices in refrigeration including recovery and recycling practices.

Project implementation and monitoring

15. The NOU coordinates and manages all the monitoring activities of the HPMP. During the implementation of the first tranche, the NOU faced challenges due to the country's social disturbances and to the fact that the National Ozone Officer (NOO) was assigned to non-HCFC related activities within the Ministry of Environment. UNEP has since advised that this issue has been resolved and that the NOO is now fully engaged with the NOU. UNEP will undertake a field mission to Equatorial Guinea in April 2015 to hold further discussions with high level authorities on project implementation.

Conclusion

16. The submission of the second tranche request under stage I has been delayed for four years due to the social disruptions and the changes at the NOU. However, the HPMP implementation is progressing and the country is in compliance with the Montreal Protocol and its Agreement with the Executive Committee. The country's import licensing and quota system is operational and will enable HCFC consumption reductions in line with the Montreal Protocol's phase-out schedule. Customs officers, environment inspectors and refrigeration technicians have been trained while equipment and tools have been distributed to refrigeration workshops and training centres. The level of fund disbursement is over 99 per cent. The activities implemented under the first tranche and those planned under the second

tranche, including additional training and procurement and distribution of equipment and tools to refrigeration workshops, will further strengthen the servicing sector and ensure the long-term sustainability of the activities proposed in stage I of the HPMP.

RECOMMENDATION

17. 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 Equatorial Guinea; and further recommends blanket approval of the second tranche of stage I of the HPMP for Equatorial Guinea, and the corresponding 2015-2016 tranche implementation plan, at the funding level shown in the table below, on the understanding that in the event that Equatorial Guinea were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, second tranche)	30,000	3,900	UNEP
