



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/76/23  
14 April 2016

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-sixth Meeting  
Montreal, 9-13 May 2016

**PROJECT PROPOSAL: CHAD**

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, third tranche) UNEP/UNIDO

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

### Chad

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	62 <sup>nd</sup>	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2015	14.20 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2014	
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					14.62				14.62

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	16.10	Starting point for sustained aggregate reductions:	16.10
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	5.63	Remaining:	10.47

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.5	0	0.5	0	0.7	1.6
	Funding (US \$)	50,850	0	50,850	0	73,450	175,150
UNIDO	ODS phase-out (ODP tonnes)	1.0	0	0	0	0	1.0
	Funding (US \$)	107,500	0	0	0	0	107,500

(VI) PROJECT DATA			2010-2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	16.10	16.10	14.49	14.49	14.49	14.49	14.49	10.47	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	16.10	16.10	14.49	14.49	14.49	14.49	14.49	10.47	n/a	
Agreed funding (US\$)	UNEP	Project costs	100,000	70,000	0	0	45,000	0	45,000	0	65,000	325,000	
		Support costs	13,000	9,100	0	0	5,850	0	5,850	0	8,450	42,250	
	UNIDO	Project costs	135,000	0	0	0	100,000	0	0	0	0	0	235,000
		Support costs	10,125	0	0	0	7,500	0	0	0	0	0	17,625
Funds approved by ExCom (US\$)		Project costs	235,000	70,000	0	0	0	0	0	0	0	305,000	
		Support costs	23,125	9,100	0	0	0	0	0	0	0	0	32,225
Total funds requested for approval at this meeting (US\$)		Project costs	0	0	0	0	145,000	0	0	0	0	145,000	
		Support costs	0	0	0	0	13,350	0	0	0	0	0	13,350

Secretariat's recommendation:	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 76<sup>th</sup> meeting a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$158,350 consisting of US \$45,000, plus agency support costs of US \$5,850 for UNEP, and US \$100,000, plus agency support costs of US \$7,500 for UNIDO. The submission includes a progress report on the implementation of the second tranche of the HPMP and the tranche implementation plan for 2016 to 2018.

### Report on HCFC consumption

#### *HCFC consumption*

2. The Government of Chad reported a consumption of 14.20 ODP tonnes for 2015. The 2011-2015 HCFC consumption is shown in Table 1.

**Table 1. HCFC consumption in Chad (2011-2015 Article 7 data)**

<b>HCFC-22</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Baseline</b>
<b>Metric tonnes</b>	309.1	300.00	276.40	265.80	258.18	292.7
<b>ODP tonnes</b>	17.0	16.50	15.20	14.62	14.20	16.1

3. Chad uses HCFC-22 primarily for meeting the needs of the servicing and maintenance of refrigeration and air conditioning equipment. HCFC consumption data shows a decreasing trend from 2011 to 2015. The HCFC consumption in 2014 (14.62 ODP tonnes) and in 2015 (14.20 ODP tonnes) is below the Montreal Protocol control measure for those years.

#### *Country programme (CP) implementation report*

4. The Government of Chad reported HCFC sector consumption data under the 2014 CP implementation report which is consistent with the data reported under Article 7. The 2015 CP report will be submitted by 1 May 2016.

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

#### *Legal framework*

5. Chad is implementing the sub-regional regulation for the CEMAC (Commission de la Communauté Economique et Monétaire de l'Afrique Centrale) that regulates the management of controlled substances, including HCFCs. The import of ODS is controlled through a system of prior import authorization.

#### *Refrigeration servicing sector*

6. The main activities implemented include:

- (a) Ten training workshops for 150 customs officers, 50 environment inspectors and 20 trade agents from the Commerce department on control and identification of ODS and ODS-based equipment including HCFCs and HCFC-based equipment;
- (b) Twelve training workshops for 285 refrigeration technicians on good refrigeration practices, the safe handling of hydrocarbon and servicing of HCFC air-conditioning equipment; and

- (c) Completion of the purchase and delivery of the equipment and tools (e.g., recovery and recycling tools/units, refrigerant identifiers, leak detectors, charging stations, compressors, weighing scales, refrigerants, manifold, safety tools, and other devices and accessories) for the centres of excellence and training on their use.

*Project implementation and monitoring unit (PMU)*

7. The National Ozone Unit (NOU) recruited two consultants (one on refrigeration and one customs expert) to assist in monitoring the implementation of all the HPMP activities and to collect data.

Level of fund disbursement

8. As of March 2016, of the US \$305,000 so far approved, US \$299,848 had been disbursed (US \$139,981 for UNEP and US \$134,867 for UNIDO). The remaining balance of US \$5,152 will be disbursed in 2016 (Table 2).

**Table 2. Financial report of stage I of the HPMP for Chad (US \$)**

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP*	100,000	95,000	70,000	69,981	170,000	164,981
UNIDO	135,000	134,867	0	0	135,000	134,867
<b>Total</b>	235,000	229,867	70,000	69,981	305,000	299,848
<b>Disbursement rate (%)</b>	<b>97.8</b>		<b>99.9</b>		<b>98.3</b>	

\*UNEP first tranche was reported operationally and financially completed and returned US \$5,000 plus agency support cost of US \$650 to the 73<sup>rd</sup> meeting

Implementation plan for the third tranche of the HPMP

9. The following activities will be implemented:
- Six workshops for 125 Customs officers on control and identification of HCFCs and HCFC-based equipment as well as on illegal trade. The trainers will then train the remaining customs officers and other enforcement officers; (UNEP) (US \$20,000)
  - Six workshops for 150 refrigeration technicians to be trained and certified on good refrigeration practices including refrigerants recovery and recycling and safe handling of hydrocarbon refrigerants; and the upgrading of training manuals. The trainers will then train the remaining refrigerant technicians; (UNEP) (US \$20,000);
  - Strengthening the centres of excellence, refrigeration workshops, and the Chad Association of Refrigeration Technicians through the purchase and delivery of additional equipment and tools (e.g., recovery and recycling tools/units, refrigerant identifiers, leak detectors, charging stations, compressors, weighing scale, and other devices and accessories) and the dissemination of latest technology developments (UNIDO) (US \$100,000); and
  - Monitoring the effective implementation of all the HPMP activities; (UNEP) (US \$5,000).

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

#### Verification report

10. At the time of writing this document, UNEP indicated that the verification report was still underway. Therefore, in line with decision 72/19(b), funds approved under the third tranche will not be transferred until the Secretariat has reviewed the verification report and confirmed that the Government of Chad is in compliance with the Montreal Protocol and the Agreement between its Government and the Executive Committee.

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

##### *Legal framework*

11. The Government of Chad has already issued HCFC import quotas for 2016 at 14.06 ODP tonnes.

##### *Refrigeration servicing sector*

12. With regard to the long-term sustainability of the training programme for technicians, UNEP explained that the collaboration between the centres of excellence and the stakeholders for the implementation of the HPMP activities will ensure the sustainability of the activities. Overall, the national capacities have been reinforced and the Ministry of Environment, the Ministry of Trade and the Ministry of Finance are fully aware of and informed on ozone protection issues.

13. Upon a request for information on whether retrofits to hydrocarbon are being promoted by the HPMP, UNEP indicated that the NOU does not promote the retrofitting to hydrocarbons outside the HPMP; however, a limited number of equipment is being retrofitted to hydrocarbons by some refrigeration and air-conditioning technicians. The establishment of regulations/codes on the use of hydrocarbon-based refrigeration and air-conditioning systems was not reported. In addition to HCFC-22, the other refrigerants currently available in local markets are R-290 used for air-conditioners and R-600A for domestic refrigerators. UNEP reported that the technicians and the Government are well aware of the relevant decisions of the Executive Committee on retrofit<sup>1</sup> through the workshops and network meetings.

#### Conclusion

14. The Secretariat noted that 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. The HPMP is progressing and the 2014 and 2015 consumption levels were below the maximum allowable consumption in the Agreement with the Executive Committee. The activities so far implemented and those planned under the third tranche will further strengthen the servicing sector and ensure the long term sustainability of the activities.

### RECOMMENDATION

15. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan of (HPMP) for Chad; and further recommends blanket approval of the third tranche of stage I of the HPMP for Chad, and the corresponding 2016-2018 tranche implementation plan, at the funding levels shown in the table below, on the understanding that:

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<sup>1</sup> Decision 72/17 and 73/34

- (a) If Chad 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; and
- (b) That the approved funds would not be transferred to UNEP and UNIDO until the Secretariat had reviewed the verification report and confirmed that the Government of Chad was in compliance with the Montreal Protocol and the Agreement between the Government and the Executive Committee.

	<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, third tranche)	45,000	5,850	UNEP
(b)	HCFC phase-out management plan (stage I, third tranche)	100,000	7,500	UNIDO