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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-seventh Meeting
Montreal, 28 November - 2 December 2016

PROJECT PROPOSAL: SENEGAL

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) UNIDO and UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Senegal

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2015	20.63 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2015	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					20.6				20.6

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	36.15	Starting point for sustained aggregate reductions:	20.96
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	7.34	Remaining:	13.62

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0	2.2	0	0	1.2	3.4
	Funding (US \$)	0	203,196	0	0	112,887	316,083
UNIDO	ODS phase-out (ODP tonnes)	0	2.0	0	0	0.9	2.8
	Funding (US \$)	0	172,000	0	0	75,482	247,482

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	36.15	36.15	32.54	32.54	32.54	32.54	32.54	23.50	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	20.96	20.96	20.96	18.86	17.70	16.80	15.90	13.62	n/a
Agreed funding (US \$)	UNEP	Project costs	100,000	0	0	0	0	80,000	0	80,000	0	40,000	300,000
		Support costs	12,887	0	0	0	0	10,400	0	10,400	0	5,200	38,887
	UNIDO	Project costs	200,000	0	0	0	0	80,000	0	20,000	0	30,000	330,000
		Support costs	15,000	0	0	0	0	6,000	0	1,500	0	2,250	24,750
Funds approved by ExCom (US \$)	Project costs		300,000										300,000
	Support costs		27,887										
Total funds requested for approval at this meeting (US \$)	Project costs							160,000					160,000
	Support costs							16,400					16,400

Secretariat's recommendation:	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Senegal, UNIDO as the lead implementing agency, has submitted to the 77th meeting a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$176,400, consisting of US \$80,000, plus agency support costs of US \$6,000 for UNIDO, and US \$80,000, plus agency support costs of US \$10,400 for UNEP¹. The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2013, 2014 and 2015 and the tranche implementation plan for 2017 to 2018.

Report on HCFC consumption

2. The Government of Senegal reported a consumption of 20.63 ODP tonnes of HCFC in 2015. The 2011-2015 HCFC consumption is shown in Table 1.

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

HCFC-22	2011	2012	2013	2014	2015	Baseline
Metric tonnes (mt)	657.00	657.00	140.00	376.00	375.00	657.27
ODP tonnes	36.14	36.14	7.70	20.68	20.63	36.15

Country programme (CP) implementation report

3. The Government of Senegal reported HCFC sector consumption data under the 2015 CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol.

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

Legal framework

4. While the general provisions for HCFC quota allocation were incorporated in national legislation in 2008, the approval of the national procedures for HCFC quota allocation encountered difficulties. An interim procedure was developed for issuance of HCFC quotas for the second half of 2013 (which resulted in limited record of HCFC import for 2013).

5. An inter-ministerial order updating Senegal's HCFC regulation came into force in 2014, making the quota and licensing system fully functional; introducing a registration system for refrigeration technicians, service workshops, refrigerants and refrigeration equipment distributors and special requirements for labelling HCFC-based containers; and regulating import of HCFC-based equipment. An HCFC database was developed at the national ozone unit (NOU), which also includes data relates to the recovery and recycling network, and the NOU is now working with the customs authorities to connect it with the customs database, thereby allowing the NOU to upload ODS and HFC authorizations. It is expected that the system will be completed in 2017. A total of 125 customs and enforcement officers were trained on ODS policy and regulations.

Verification report

6. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports since 2014, and that 2013 reported HCFC consumption was not accurate as only limited import was recorded before the quota allocation became functional (in 2014). The verification report revealed data discrepancies between various sources and identified the actual

¹ As per the letter of 7 October 2016 from the Ministry of Environment and Sustainable Development of Senegal to UNIDO.

consumption (based on the data reconciliation with the customs and importers) in 2013, 2014 and 2015 as 381 metric tonnes (mt), 377 mt and 356 mt, respectively.

7. Based on the findings of the verification report, the Government of Senegal, through UNIDO, endorsed a revision of the starting point and funding level of stage I of the HPMP for Senegal as follows:

- (a) A new starting point at the level of 20.96 ODP tonnes, instead of the 36.15 ODP tonnes calculated at the time of the submission of stage I of the HPMP, based on the results of the verification report. The 2015 and 2020 consumption targets were also revised to 20.96 ODP tonnes and 13.62 ODP tonnes, respectively;
- (b) Changes to the phase-out and remaining eligible consumption based on the above;
- (c) Revision of the funding in accordance with decision 60/44(f)(xii) as per Table 2.

Table 2. Revised budget for stage I of the HPMP for Senegal (US \$)

Project component	Agency	2011	2016	2018	2020	Total
Policy development	UNIDO	20,000	20,000	0	20,000	60,000
Upgrade of the vocational schools curricula and performance	UNEP	50,000	40,000	50,000	20,000	160,000
Strengthening the existing recovery and recycling network	UNIDO	150,000	50,000	10,000	0	210,000
Customs training and public awareness	UNEP	50,000	40,000	30,000	20,000	140,000
Coordination and management	UNIDO	30,000	10,000	10,000	10,000	60,000
Total		300,000	160,000	100,000	70,000	630,000

Refrigeration servicing sector

8. The following activities were implemented in the first tranche: 156 service technicians were trained; the bidding for the recovery and recycling equipment for service workshops has been initiated with the delivery expected in the beginning of 2017; an inventory for refrigeration technicians, associations and workshops was developed; four identifiers were purchased and delivered to two vocational schools and training curricula was upgraded including information on good practices, and adding information on alternatives technology, energy savings and the need to address HFCs; and awareness activities were implemented.

Level of fund disbursement

9. As of October 2016, of the US \$300,000 so far approved (US \$200,000 for UNIDO and US \$100,000 for UNEP), US \$224,509 (74.8 per cent) had been disbursed (US \$129,509 for UNIDO and US \$95,000 for UNEP). The balance of US \$75,491 will be disbursed in 2017.

Implementation plan for the second tranche of the HPMP

10. The strategic priorities of the HPMP for the period 2016 – 2020 were revised to provide greater focus on enforcement of the newly adopted legislation and ensuring the accuracy of customs and licensing system implementation record by implementing a mechanism to cross check data between different institutions in Senegal including, *inter alia*, the trade register, customs authorities and the Ministry of Environment.

11. The Government will therefore undertake the following activities in implementing the second funding tranche:

- (a) Continuation of the work on linking NOU and customs database and other policy issues (UNIDO) (US \$20,000);
- (b) Training of 20 customs officers as trainers and additional 150 customs and enforcement officers on monitoring and enforcement of ODS policy and regulations and identification of ODS and ODS-based equipment, and awareness activities (UNEP) (US \$40,000);
- (c) Training of 100 technicians on good refrigeration practices, including emission reduction and leak rate verification, at the vocational schools (UNEP) (US \$40,000);
- (d) Delivery of the recovery and recycling equipment purchased in the first tranche, continued registration and certification of technicians, and development of a handbook on good practices for emissions preventions (UNIDO) (US \$50,000); and
- (e) Coordination and management (UNIDO) (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Revision of the starting point and funding levels and modifications to the Agreement

12. The second tranche of Senegal's HPMP had been submitted to the 76th meeting and was subsequently withdrawn by UNIDO. The Executive Committee urged the Government of Senegal to work with UNEP and UNIDO to submit the 2013, 2014 and 2015 verification reports of HCFC consumption targets and to address all relevant issues with HCFC consumption data, so that the second tranche could be re-submitted to the 77th meeting, with a revised plan of action to take into account the reallocation of the 2015 and subsequent tranches².

13. In response to decision 76/4(b), the Government of Senegal had revised the starting point for aggregate reduction on HCFC consumption, the strategy of the stage I of the HPMP to ensure a greater focus on strengthening the institutional mechanisms to ensure accurate customs, licensing, quota, and data reporting, and the funding level based on the recommendations of the verification report. Accordingly, paragraph 1, Appendices 1-A and 2-A are updated and a new paragraph is included to indicate that the updated Agreement supersedes the Agreement approved at the 65th meeting, as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 77th meeting.

Verification report

14. Noting the recommended HCFC consumption figures in the verification report, that are different from Article 7 data and CP report, the Secretariat requested clarification on whether the NOU has requested for a change in the reported 2014 and 2015 consumption. UNIDO clarified that the Government considered it most appropriate to make those changes after a final revised Agreement is approved by the Executive Committee.

² Decision 76/4(b).

15. The Secretariat recalled that a survey on ODS alternatives was approved at the 75th meeting and enquired if the process of undertaking the survey was helpful in identifying how data collection could be improved, and clarifying the reasons for data discrepancies identified in the verification report. UNIDO indicated that the survey on ODS alternatives had helped clarify the consumption levels of HCFCs, allowing crosschecking of data, and reinforced the importance of linking the NOU and customs databases.

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

Legal framework

16. 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 Senegal has already issued HCFC import quotas for 2016 at 18.86 ODP tonnes.

Conclusion

17. Acknowledging the issues with data reporting identified in the verification report, the Secretariat considers meaningful the revision of the starting point, funding levels, and strategy endorsed by the Government of Senegal. 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. The level of fund disbursement is over 74 per cent. The activities to be implemented under the second tranche will further strengthen the servicing sector while still being appropriately focused on strengthening institutional mechanisms to ensure accurate customs, licensing, quota, and data reporting.

RECOMMENDATION

18. The Executive Committee may wish to consider:

- (a) Noting:
 - (i) The progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) in Senegal;
 - (ii) That the Fund Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Senegal and the Executive Committee, based on the revised starting point and 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;
 - (iii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 20.96 ODP tonnes, based on the verification report submitted to the 77th meeting, and that the revised funding level for stage I of the HPMP for Senegal was US \$630,000 plus agency support costs, in accordance with decision 60/44(f)(xii);
- (b) Approving the second tranche of stage I of the HPMP for Senegal, and the corresponding 2017-2018 tranche implementation plan, at the amount of US \$176,400 consisting of US \$80,000, plus agency support costs of US \$6,000 for UNIDO; and US \$80,000, plus agency support costs of US \$10,400 for UNEP.

Annex I

**TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT
OF THE REPUBLIC OF SENEGAL 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 the Republic of Senegal (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 **13.62** ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of the Republic of Senegal and the Executive Committee at the 65th 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	20.96

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	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	36.15	36.15	32.54	32.54	32.54	32.54	32.54	23.50	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	20.96	20.96	20.96	18.86	17.70	16.80	15.90	13.62	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	200,000	0	0	0	0	80,000	0	20,000	0	30,000	330,000
2.2	Support costs for Lead IA (US \$)	15,000	0	0	0	0	6,000	0	1,500	0	2,250	24,750
2.3	Cooperating IA (UNEP) agreed funding (US \$)	100,000	0	0	0	0	80,000	0	80,000	0	40,000	300,000
2.4	Support costs for Cooperating IA (US \$)	12,887	0	0	0	0	10,400	0	10,400	0	5,200	38,887
3.1	Total agreed funding (US \$)	300,000	0	0	0	0	160,000	0	100,000	0	70,000	630,000
3.2	Total support costs (US \$)	27,887	0	0	0	0	16,400	0	11,900	0	7,450	63,637
3.3	Total agreed costs (US \$)	327,887	0	0	0	0	176,400	0	111,900	0	77,450	693,637
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)											7.34
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)											n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)											13.62