



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/77/62
4 November 2016

ORIGINAL: ENGLISH



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

PROJECT PROPOSAL: SOMALIA

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

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Somalia

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (Stage I)	UNIDO (lead)	67 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2015	15.92 (ODP tonnes)

(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	Serviceing				
HCFC-22					15.92				15.92

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	45.1	Starting point for sustained aggregate reductions:	18.1
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	5.75	Remaining:	12.35

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNIDO	ODS phase-out (ODP tonnes)	0.83	0	0	0	0.23	1.06
	Funding (US \$)	151,405	0	0	0	42,800	194,205

(VI) PROJECT DATA			2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	45.08	45.08	40.57	40.57	40.57	40.57	40.57	29.30	n/a
Maximum allowable consumption (ODP tonnes)			n/a	16.42	16.42	14.78	14.78	14.78	14.78	14.78	10.67	n/a
Agreed funding (US \$)	UNIDO	Project costs	133,500	0	0	0	141,500	0	0	0	40,000	315,000
		Support costs	9,345	0	0	0	9,905	0	0	0	2,800	22,050
Funds approved by ExCom (US \$)		Project costs	133,500	0	0	0	0	0	0	0	0	133,500
		Support costs	9,345	0	0	0	0	0	0	0	0	9,345
Total funds requested for approval at this meeting (US \$)		Project costs	0	0	0	0	141,500	0	0	0	0	141,500
		Support costs	0	0	0	0	9,905	0	0	0	0	9,905

Secretariat's recommendation:	For individual consideration

PROJECT DESCRIPTION

1. On behalf of the Government of Somalia, UNIDO as the designated 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 the amount of US \$141,500, plus agency support costs of US \$9,905.¹ UNIDO has also requested additional funding of US \$45,000, plus agency support costs of US \$3,150 for the security-related costs. The submission includes a progress report on the implementation of the first tranche and the tranche implementation plan for 2017 to 2019.

Report on HCFC consumption

2. The Government of Somalia reported a consumption of 15.92 ODP tonnes of HCFC in 2015. The 2011-2015 HCFC consumption is shown in Table 1.

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

HCFC	2011	2012	2013	2014	2015	Baseline
Metric tonnes						
HCFC-22	400.80	320.50	198.30	298.55	289.45	398.25
HCFC-141b	210.50	0.00*	50.52	0.00	0.00	210.65
Total (mt)	611.30	320.50	248.82	298.55	289.45	608.90
ODP tonnes						
HCFC-22	22.04	17.63	10.91	16.42	15.92	21.90
HCFC-141b	23.16	0.00*	5.56	0.00	0.00	23.17
Total (ODP tonnes)	45.20	17.63	16.46	16.42	15.92	45.07

*Somalia reported the import of 154.80 mt (17.03 ODP tonnes) of HCFC-141b pre-blended polyols under the country programme.

3. HCFC consumption has been decreasing since 2011, possibly due to the security situation in the country, which has affected economic activity.

Country programme (CP) implementation report

4. The Government of Somalia reported HCFC sector consumption data under the 2015 CP implementation report that 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

5. During the implementation of the first tranche, the responsibility for coordination and implementation of the Montreal Protocol was transferred to the Office of Environmental Affairs at the Prime Minister's office, under which the National Ozone Unit (NOU) is operating. The Government amended its ozone regulations in 2011 to incorporate control measures for HCFCs. A licensing and quota system for import/export has been put in place to enable the country in phasing out HCFCs in accordance with the Montreal Protocol schedule.

Refrigeration servicing sector

6. The following activities were implemented:

¹ As per the letter of 20 October 2016 to the Secretariat from the Office of Environmental Affairs at the Office of the Prime Minister of Somalia.

- (a) Two Government officials were trained on knowledge about the Montreal Protocol, HCFC consumption targets, the country's obligations, and the strategies for HCFC phase-out. Four refrigerant identifiers were provided to the Customs office;
- (b) Upon assessment of technical knowledge and skills, a training course was developed and 17 refrigeration technicians were trained on good servicing practices, including refrigerant identification, recovery and recycling, in Seychelles;
- (c) Provision of servicing tools and equipment for refrigerant recovery and recycling, consumables for technicians training course; and
- (d) Project monitoring and coordination.

Project implementation and monitoring unit (PMU)

7. The NOU has carried out the monitoring and coordination of HPMP implementation, and reporting on its progress.

Level of fund disbursement

8. As of September 2016, all the project funds approved for the first tranche (US \$133,500) had been disbursed. Of the approved security cost of US \$40,374, US \$30,000 had been disbursed. The balance of US \$10,374 will be disbursed in 2017.

Implementation plan for the second tranche of the HPMP

9. The following activities will be implemented:
- (a) Training of 10 trainers outside Somalia, and conducting three training workshops within Somalia for 50 customs officers, law enforcement officers and key stakeholders in ODS regulations, control measures and monitoring procedures (US \$71,500);
 - (b) Training of 10 trainers on good servicing practices, refrigerant recovery and reuse outside of Somalia, the trainers will in turn train approximately 250 technicians within Somalia in future tranches (US \$40,000); and
 - (c) Project monitoring and coordination, and distribution of equipment (US \$30,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

HCFC consumption, adjustment of starting point

10. HCFC consumption has been decreasing since 2012. Although Somalia has been in compliance with the Montreal Protocol control targets set in row 1.1 of Appendix 2-A of its Agreement with the Executive Committee, the consumption in 2013, 2014 and 2015 has exceeded the maximum allowable consumption set in row 1.2 of Appendix 2-A of the Agreement for these years.

11. When the HPMP was approved at the 67th meeting, the starting point for aggregate reduction on HCFC-22 consumption was estimated at 5.29 ODP tonnes (as compared to the baseline of 21.90 ODP tonnes of HCFC-22 reported under Article 7 of the Montreal Protocol) based on the information from the survey conducted during the preparation of the HPMP, taking into account the refrigeration and air-conditioning equipment installed in the country and maintenance requirements. That

was the best estimate at that time due to the limited information available. According to the consumption reported from 2012 to 2015, and the field experience gained during implementation of the first tranche of the HPMP, the starting point established at the 67th meeting was underestimated. After further discussions with UNIDO, it was agreed that a more realistic level of the starting point for HCFC-22 would be 16.42 ODP tonnes (298.55 mt).

12. With regard to HCFC-141b contained in imported pre-blended polyols, the Secretariat noted that this consumption had been decreasing from 210 mt (23.1 ODP tonnes) in 2009 to 2011, to zero in 2014 and 2015. Upon enquiry about the operational status of the eight foam enterprises² that were in operation at the time the survey of the HPMP was undertaken, UNIDO informed the Secretariat that while it has not been possible to obtain additional information on these enterprises due to the travel restriction being imposed, it appeared that they were no longer in operation. Therefore it was suggested maintaining the starting point for HCFC-141b of 1.68 ODP tonnes (15.27 mt). Accordingly, the resulting starting point for sustained aggregate reduction in HCFC consumption is established at 18.10 ODP tonnes.

13. Since the survey has revealed that the HCFC-141b consumption reported in 2009 and 2010 was contained in imported pre-blended polyols rather than in bulk, the Government has been advised to inform the Ozone Secretariat to adjust the baseline to exclude HCFC-141b contained in imported pre-blended polyols from its baseline consumption.

Cost of the HPMP

14. The revision of the starting point has no financial implication on the planned and approved activities in stage I of the HPMP. UNIDO explained that, given the security situation in Somalia, it would be technically difficult to implement additional activities beyond those already planned in stage I of the HPMP, and therefore there was no need for additional funding. However, it was too early to exclude the possibility of requesting additional funding in future stages of the HPMP if the security situation were to improve.

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

Legal framework

15. Somalia has suffered prolonged civil strife and insecurity since 1991, resulting in regulatory and enforcement institutions without sufficient capacity. Despite this situation, Somalia's ozone regulations were adopted in October 2009 and further amended in 2011 to incorporate control measures for HCFCs, and the Government has established a licensing and quota system for HCFC imports/exports. Although enforcement has been a challenge, the Government is committed to fulfilling its obligations under the Montreal Protocol.

16. The Secretariat noted that, with the assistance of the institutional strengthening programme, a national steering committee had been established to assist in the formulation of the phase-out strategy, the overall co-ordination of HPMP implementation, and the monitoring of imports and exports of controlled substances. Activities were implemented by the Office of Environmental Affairs through the NOU, jointly with other governmental departments including, *inter alia*, the Ministry of Commerce, Industry and Trade, and the Customs Departments. The NOU will continue to develop national capacities in monitoring and control of HCFC imports by providing training to customs officers during the second tranche.

² Eight enterprises have been identified in the foam sector with production capacity established before the cut-off date. Due to the lack of detailed information, UNIDO proposed to provide technical assistance to raise awareness, technical knowledge, information on alternatives, small-scale trials for systems houses to assist with phase-out in the sector as per paragraphs 26 and 27 of document UNEP/OzL.Pro/ExCom/67/28.

Technical and cost issues

Implementation modality

17. Despite the restrictions on travel to the country, the activities planned for the first tranche have been successfully implemented. Considering the fact that the telephone and internet system has been the most viable means of communication within Somalia, UNIDO proposed that the training of Customs officers within Somalia be conducted through a web-based system. This would be the most cost-effective way to build their capacity for monitoring ODS imports/exports and preventing illegal trade.

18. In order to further strengthen the capacity of the servicing sector, trainers must be further trained outside of Somalia on aspects that have not been covered in the first tranche, including, *inter alia*, safe handling of alternative refrigerants, refrigerant recovery and recycling and maintenance in commercial refrigeration, so that they can conduct training for other technicians within the country. Training of technicians by trainers within the country will follow the same approach as for Customs officers.

19. Given that the security situation has not improved and the training of technicians and Customs officers needs to be conducted overseas, the security costs of US \$45,000, approved in principle, are needed to complement the funding for the second tranche, in line with decision 67/28(h).

Modifications to the Agreement

20. Based on the revised starting point and the change in the monitoring institutions, the relevant paragraph and Appendices have been updated, and a new paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 67th meeting as shown in Annex I to this document. The full updated Agreement will be appended to the final report of the 77th meeting.

Conclusion

21. Somalia has been in compliance with the Montreal Protocol control targets. HCFC consumption has been decreasing since 2011. Despite the security situation in the country, the activities planned for the first tranche have been implemented. The key Governmental officials have received training and information about the Montreal Protocol and the strategy for HCFC phase-out. Technicians have been trained on good servicing practices, and tools and equipment have been provided to build the capacity of the servicing sector. In view of the progress achieved during the first tranche, the preparation of the second tranche, the requirement to achieve the 35 per cent reduction by 2020 and the need for funding assistance, the Secretariat recommends approval of the second tranche.

RECOMMENDATION

22. 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 Somalia;
- (ii) That the Fund Secretariat has updated paragraph 1, and Appendices 1-A, 2-A and 5-A of the Agreement between the Government of Somalia and the Executive Committee, based on the revised starting point and the change in monitoring institutions, and that a new paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 67th meeting, as contained in Annex I to the present document; and

- (iii) That the revised starting point for sustained aggregate reduction in HCFC consumption is 18.10 ODP tonnes, consisting of 16.42 ODP tonnes of HCFC-22 and 1.68 ODP tonnes of HCFC-141b contained in imported pre-blended polyols;
- (b) Approving the second tranche of stage I of the HPMP for Somalia, and the corresponding 2017-2019 tranche implementation plan, at the amount of US \$141,500, plus agency support costs of US \$9,905 UNIDO; and
- (c) Approving, on an exceptional basis, the additional funding of US \$45,000 plus agency support cost of US \$3,150 for UNIDO for the security-related costs to enable the implementation of the programme, in line with decision 67/28(h).

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF SOMALIA 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 Somalia (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 **10.67** ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Somalia and the Executive Committee at the 67th 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	16.42
HCFC-141b in imported pre-blended polyols			1.68
Total			18.10

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	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	45.08	45.08	40.57	40.57	40.57	40.57	40.57	29.30	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	16.42	16.42	14.78	14.78	14.78	14.78	14.78	10.67	n/a	
2.1	Lead IA UNIDO agreed funding (US \$)	133,500	0	0	0	141,500	0	0	0	40,000	315,000	
2.2	Support costs for Lead IA (US \$)	9,345	0	0	0	9,905	0	0	0	2,800	22,050	
3.1	Total agreed funding (US \$)	133,500	0	0	0	141,500	0	0	0	40,000	315,000	
3.2	Total support costs (US \$)	9,345	0	0	0	9,905	0	0	0	2,800	22,050	
3.3	Total agreed costs (US \$)	142,845	0	0	0	151,405	0	0	0	42,800	337,050	
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)											5.75
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)											0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)											10.67

4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)	0
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)	0
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)	1.68

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The **Office of the State Minister for Environmental Affairs** through the National Ozone Unit will be responsible for project monitoring and reporting with the assistance of the Lead IA.
2. The consumption will be monitored and determined based on official import and export data for the HCFCs recorded by relevant government departments.
3. The **Office of the State Minister for Environmental Affairs** shall compile and report the following data and information on an annual basis on or before the relevant due dates:
 - (a) Annual reports on consumption of HCFCs by substance to be submitted to the Ozone Secretariat; and
 - (b) Annual report on progress of implementation of the HPMP to be submitted to the Executive Committee of the Multilateral Fund.
4. The Lead IA, in consultation with the **Office of the State Minister for Environmental Affairs**, will contract an independent and qualified entity to carry out a qualitative and quantitative performance evaluation of the HPMP implementation. The evaluating entity shall submit a consolidated report, with endorsement by the **Office of the State Minister for Environmental Affairs**, to the Lead IA at the end of each annual implementation plan period. The report shall include the status of the Country's compliance with the provisions of this Agreement and will be submitted to the relevant meeting of the Executive Committee along with the annual implementation plan and reports.