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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-ninth Meeting
Bangkok, 3-7 July 2017

PROJECT PROPOSAL: ANGOLA

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

Phase-out

- HCFC phase-out management plan (stage II, first tranche)

UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Angola

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage II)	UNDP (lead)	n/a	n/a

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2016	11.55 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2016	
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					11.55				11.55

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	15.95	Starting point for sustained aggregate reductions:	15.95
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	1.59	Remaining:	14.36

(V) BUSINESS PLAN		2017	2018	2019	Total
UNDP	ODS phase-out (ODP tonnes)	0.18	0.18	0.4	0.76
	Funding (US \$)	184,896	184,896	41,088	410,880

(VI) PROJECT DATA			2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Montreal Protocol consumption limits			14.36	14.36	14.36	10.37	10.37	10.37	10.37	10.37	5.18	0
Maximum allowable consumption (ODP tonnes)			14.36	14.36	14.36	10.37	10.37	10.37	10.37	10.37	5.18	0
Project costs requested in principle (US \$)	UNDP	Project costs	450,000	0	0	0	363,600	0	0	0	90,400	904,000
		Support costs	31,500	0	0	0	25,452	0	0	0	6,328	63,280
Total project costs requested in principle (US\$)			450,000	0	0	0	363,600	0	0	0	90,400	904,000
Total support costs requested in principle (US\$)			31,500	0	0	0	25,452	0	0	0	6,328	63,280
Total funds requested in principle (US\$)			481,500	0	0	0	389,052	0	0	0	96,728	967,280

(VII) Request for funding for the first tranche (2016)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNDP	450,000	31,500
Total	450,000	31,500
Funding request:	Approval of funding for the first tranche (2017) as indicated above	
Secretariat's recommendation:	For individual consideration	

PROJECT DESCRIPTION

1. On behalf of the Government of Angola, UNDP¹, as the designated implementing agency, has submitted to the 79th meeting stage II of the HCFC phase-out management plan (HPMP) at the amount of US \$709,650, plus agency support costs of US \$49,676, as originally submitted. The implementation of stage II of the HPMP will phase out 5.74 ODP tonnes of HCFCs and assist Angola in meeting the Montreal Protocol compliance target of 46 per cent reduction from baseline consumption by 2022.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US \$322,190, plus agency support costs of US \$22,553, as originally submitted.

Status of implementation of stage I of the HPMP

3. Stage I of the HPMP for Angola was approved at the 65th meeting to meet the 10 per cent reduction from the HCFC baseline of 15.95 ODP tonnes by 2015.

ODS policy and regulatory framework

4. The HCFC licensing system has been operational since 2013. The regulations include a quota system to control the import quantities of HCFCs and HCFC-based equipment. The Ministry of Environment is responsible for approving applications for import. The Ministry of Commerce issues the import license after consultation with the Ministry of Environment. Moreover, the Government has established differentiated tariffs to create incentives for the introduction of refrigerants with low global-warming potential (GWP).

Progress in implementation of stage I activities

5. The fourth (and final) tranche of stage I of the HPMP for Angola was approved at the 77th meeting. An overview of the results of the implementation of stage I of the HPMP is presented below.

Refrigeration servicing sector

6. Stage I of the HPMP provided training to 177 customs officers, environmental inspectors and other officers involved in the enforcement of the licensing and quota system and the identification of HCFCs and illegal trade. The national customs manual was updated to integrate HCFC issues into the regular training of customs officers, and 16 refrigerant identifiers were provided. In total, 700 technicians were trained in good refrigeration practices, refrigerant recovery and recycling, and retrofit to HFCs. Tools and equipment have been purchased for technicians to enable good servicing practices in refrigerant recovery and reuse, and awareness-raising materials have been developed in Portuguese and distributed to technicians.

Project implementation and monitoring unit (PMU)

7. The NOU, within the Ministry of Environment, coordinated the implementation of the HPMP activities.

Status of disbursements

8. As of 26 April 2017, of the total funds of US \$176,000 approved for stage I, US \$137,354 had been disbursed by UNDP. The remaining US \$38,646 will be disbursed in 2017.

¹ As per the letter of 12 April 2017 from the Ministry of Environment of the Republic of Angola to UNDP.

HCFC consumption

9. The remaining consumption eligible for funding for stage II of the HPMP would be 14.36 ODP tonnes.

10. HCFC consumption has occurred almost entirely in the refrigeration servicing sector and has been almost exclusively HCFC-22.

11. The Government of Angola reported a consumption of 11.55 ODP tonnes of HCFC in 2016. The 2012-2016 HCFC consumption is shown in Table 2.

Table 2. HCFC-22 consumption in Angola (2012-2016 Article 7 data)

HCFC-22	2012	2013	2014	2015	2016	Baseline
Metric tonnes	120.00	280.52	240.00	250.66	210.00	290.00
ODP tonnes	6.60	15.43	13.20	13.78	11.55	15.95

12. The sharp decline in consumption in 2016 was the unfavourable economic situation in the country, which has led to a reduction in import of refrigerants and the trend to replace HCFC-22-based equipment with R-410A and R-290-based equipment. Nevertheless, a significant economic recovery is expected for 2017 and 2018, which could lead to an increase in demand for HCFC-22.

Stage II of the HPMP and proposed activities

13. The strategy for the development of stage II is based on four components containing the following activities and funding levels:

- (a) Strengthening of the legal and institutional sectors responsible for the regulations including, *inter alia*, update of legal framework to support HCFC compliance strategy and update of quota and licensing system to import and export HCFCs (US \$62,700);
- (b) Elimination of HCFC consumption in the refrigeration and air-conditioning sector (US \$467,650):
 - (i) Fifteen workshops for 300 technicians on recovery, recycling and reuse of refrigerants; purchase of equipment and supply for the recovery and recycling network (US \$129,800);
 - (ii) Five workshops for 200 technicians on good refrigeration practices and procedures in the use of hydrocarbon refrigerants; and purchase and distribution of 40 tool kits (US \$112,350);
 - (iii) Eight training workshops for 240 participants aimed at refrigeration and air-conditioning end-users, hotels and supermarkets; and development and distribution of brochures containing information about good practices in the refrigeration and air-conditioning (RAC) sector, including case studies (US \$66,000);
 - (iv) Two train-the-trainer workshops for 40 trainers on issues related to good practices and alternative refrigerants, with emphasis on natural refrigerants and other low-GWP refrigerants; 25 technical workshops for the training of 500 refrigeration and air-conditioning technicians; and distribution of posters, information brochures, and technical data sheets (US \$81,400);

- (v) Formal agreements with five education centres nationwide to include in the academic curriculum topics from the training programme; purchase of 55 tool kits and basic equipment for laboratories and technicians (US \$78,100);
- (c) Awareness-raising activities for end users of HCFC-based RAC units and decision makers in government institutions; development and distribution of posters and brochures (US \$60,500);
- (d) Project coordination and management (US \$118,800).

14. The total cost of stage II of the HPMP amounts to US \$709,600 to reduce HCFC consumption by 46 per cent of the baseline by 2022. The maximum funding eligibility for Angola is US \$736,000 up to 2022 in line with decision 74/50(c)(xii). Taking into account the US \$176,000 funded for stage I, the total cost of stage II of the HPMP for Angola would be US \$560,000 (excluding support costs).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

15. The Secretariat reviewed stage II of the HPMP for Angola in light of stage I, the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2017-2019 business plan of the Multilateral Fund.

Progress report on the implementation of stage I of the HPMP

16. Implementation of the HPMP is progressing, and the country is in compliance with the Montreal Protocol and its Agreement with the Executive Committee. The HCFC consumption in 2016 was over 27 per cent below the baseline; the country's import licensing and quota system is operational, and customs officers and refrigeration technicians have been trained and have received equipment and tools. In total, 177 customs officers and 700 technicians have been trained. Over 84 per cent of the total funding approved has been disbursed.

Strategy for stage II of the HPMP

17. Noting that the country's consumption is in the servicing sector only, and that stage II HCFC reduction targets are between the 2020 and 2025 control measures, the Secretariat suggested the country to consider stage II of the HPMP up to 2025 with a reduction target of 67.5 per cent; UNDP explained that implementation of a strategy up to 2020 would be too short due to required administrative procedures in the country; given the uncertainties on the economic situation in the country, as well as the HFC consumption trend, the strategy under stage II of the HPMP was proposed up to 2022. After further consultations, UNDP submitted a revised plan of action up to 2025.

Revised budget of stage II of the HPMP

18. Based on the revised plan of action and budget, the Government of Angola is requesting approval of the HPMP at a cost of US \$904,000. The purpose of each of the activities as originally submitted remains and only the scope had been adjusted as follows:

- (a) Strengthening of the legal and institutional sectors responsible for the regulations including: update of the legal framework to support the HCFC compliance strategy and update of the quota and licensing system to import and export HCFCs; six training workshops on import procedures for HCFCs and HCFC-based equipment for 240 officials; distribution of four refrigerant identifiers to customs officers trained; and development of standards/guidelines on the safe use of hydrocarbons (US \$82,000);

- (b) Elimination of HCFC consumption in the refrigeration and air-conditioning sector (US \$602,500):
 - (i) Fourteen workshops for 280 technicians on recovery, recycling and reuse of refrigerants; purchase of equipment including refrigerant reclaim machine and supplies, and the establishment of a refrigerant reclaim centre (US \$192,000);
 - (ii) Fifteen workshops for 300 technicians on good refrigeration practices and procedures in the use of hydrocarbon refrigerants; purchase and distribution of 60 tool kits to technicians and service workshops (US \$151,500);
 - (iii) Ten training workshops for 240 participants aimed at refrigeration and air-conditioning end-users, hotels and supermarkets; and development and distribution of brochures containing information about good practices in the RAC sector, including case studies (US \$79,000);
 - (iv) Four train-the-trainer workshops for 40 trainers on issues related to good practices and alternative refrigerants, with emphasis on natural refrigerants and other low-GWP refrigerants; 25 technical workshops for the training of 500 refrigeration and air-conditioning technicians on the recent developments in handling low-GWP refrigerants; and distribution of posters, information brochures, and technical data sheets (US \$100,000);
 - (v) Formal agreements with five education centres nationwide to include in the academic curriculum topics from the training programme; purchase of 55 tool kits and basic equipment for laboratories and technicians (US \$80,000);
- (c) Awareness-raising activities (US \$83,900);
- (d) Project coordination and management (US \$135,600).

Activities planned for the first tranche

19. The first funding tranche of stage II of the HPMP is requested at US \$450,000. The following activities will be implemented under the revised action plan:

- (a) Elimination of HCFC consumption in the refrigeration and air-conditioning sector, including training for 100 technicians on recovery, recycling and reuse of refrigerants, and purchase of equipment (US \$122,500); training for 60 technicians on good practices for the use of hydrocarbon refrigerants (US \$86,000); training for 20 trainers on good practices and alternative refrigerants; training of 160 technicians; and distribution of information (US \$40,000); formal agreements with five education centres, and basic equipment for laboratories and technicians (US \$75,000);
- (b) Training of customs officers on import procedures for HCFCs and HCFC-based equipment; distribution of four refrigerant identifiers; and development of standards/guidelines on the safe use of hydrocarbons (US \$35,000);
- (c) Awareness-raising activities (US \$31,500);
- (d) Project coordination and management (US \$60,000).

Impact on the climate

20. The proposed activities in stage II, which include the promotion of good refrigeration practices, and the enforcement of the licensing and quota system, will reduce the amount of HCFC-22 used for refrigeration servicing. Each kilogramme of HCFC-22 not emitted due to better refrigeration practices results in a savings of approximately 1.8 CO₂-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Angola, including efforts to improve servicing practices and enhance refrigerant recovery and reuse, indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, therefore resulting in climate benefits.

Co-financing

21. Stage II of the HPMP does not include co-financing.

2017-2019 business plan of the Multilateral Fund

22. UNDP is requesting US \$450,000 plus support costs for the implementation of stage II of the HPMP in Angola. The total funding requested for the period 2017-2019 of US \$481,500 including support costs is US \$70,620 above the total amount in the business plan for this period.

Draft Agreement

23. A draft Agreement between the Government of Angola and the Executive Committee for the phase-out of HCFCs in stage II of the HPMP is contained in Annex I to the present document.

RECOMMENDATION

24. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Angola for the period 2017 to 2025 to reduce HCFC consumption by 67.5 per cent of its baseline, in the amount of US \$904,000, plus agency support costs of US \$63,280 for UNDP;
- (b) Deducting 9.18 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (c) Approving the draft Agreement between the Government of Angola and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex I to the present document; and
- (d) Approving the first tranche of stage II of the HPMP for Angola, and the corresponding tranche implementation plans, in the amount of US \$450,000, plus agency support costs of US \$31,500 for UNDP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ANGOLA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Angola (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 5.18 ODP tonnes by 1 January 2025 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The United Nations Development Programme - UNDP has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	15.95

APPENDIX 2-A: THE TARGETS, AND FUNDING

	Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	14.36	14.36	14.36	10.37	10.37	10.37	10.37	10.37	5.18	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	14.36	14.36	14.36	10.37	10.37	10.37	10.37	10.37	5.18	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	450,000	0	0	0	363,600	0	0	0	90,400	904,000
2.2	Support costs for Lead IA (US \$)	31,500	0	0	0	25,452	0	0	0	6,328	63,280
3.1	Total agreed funding (US \$)	450,000	0	0	0	363,600	0	0	0	90,400	904,000
3.2	Total support costs (US \$)	31,500	0	0	0	25,452	0	0	0	6,328	63,280
3.3	Total agreed costs (US \$)	481,500	0	0	0	389,052	0	0	0	96,728	967,280
4.1.1.	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										9.18
4.1.2	Phase-out of HCFC-22 to be achieved in previously in the previous stage (ODP tonnes)										1.59
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										5.18

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
 - (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
 - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall supervision will be provided by the Ministry of Environment, through the National Ozone Office, with assistance from the Lead IA.
2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant government departments.
3. The National Ozone Office will compile and report the following data and information each year on, or before the deadlines:
 - (a) Annual reports on the consumption of the substances to be submitted to the Ozone Secretariat, and
 - (b) Annual reports on progress in implementing the HPMP to be submitted to the Executive Committee of the Multilateral Fund.

4. The National Ozone Office and the Lead IA will jointly hire a qualified independent entity to conduct a qualitative and quantitative performance assessment of the implementation of the HPMP.

5. The agency responsible for evaluation will have full access to relevant technical and financial information related to the implementation of the HPMP.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (h) Carrying out required supervision missions;
 - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;
 - (k) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (l) Providing assistance with policy, management and technical support when required; and
 - (m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

3. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors related to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.
