



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/80/35
12 October 2017

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eightieth Meeting
Montreal, 13 – 17 November 2017

PROJECT PROPOSAL: BURKINA FASO

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

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Burkina Faso

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

| (II) LATEST ARTICLE 7 DATA (ANNEX C GROUP I) | Year: 2016 | 14.41 (ODP tonnes) |
|--|------------|--------------------|
|--|------------|--------------------|

| (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 | Serviceing | | | | |
| HCFC-22 | | | | | 14.41 | | | | 14.41 |

| (IV) CONSUMPTION DATA (ODP TONNES) | | | |
|------------------------------------|-------|--|-------|
| 2009 - 2010 Baseline: | 28.90 | Starting point for sustained aggregate reductions: | 18.00 |

| CONSUMPTION ELIGIBLE FOR FUNDING (ODP TONNES) | | | |
|---|------|------------|-------|
| Already approved: | 6.30 | Remaining: | 11.70 |

| (V) BUSINESS PLAN | | 2017 | 2018 | 2019 | 2020 | TOTAL |
|-------------------|----------------------------|---------|---------|------|--------|---------|
| UNEP | ODS phase-out (ODP tonnes) | 1.6 | 1.3 | 0.0 | 1.0 | 3.9 |
| | Funding (US \$) | 142,493 | 113,000 | 0 | 90,477 | 345,970 |
| UNIDO | ODS phase-out (ODP tonnes) | 1.3 | 0.0 | 0.0 | 0.0 | 1.3 |
| | Funding (US \$) | 108,891 | 0 | 0 | 0 | 108,891 |

| (VI) PROJECT DATA | | | 2010 | 2011 - 2012 | 2013 | 2014 | 2015 - 2016 | 2017* | 2018 - 2019 | 2020 | Total |
|--|---------------|---------------|---------|-------------|---------|-------|-------------|----------------|-------------|--------|----------------|
| Montreal Protocol consumption limits | | | n/a | n/a | 28.9 | 28.9 | 26.01 | 26.01 | 26.01 | 18.79 | n/a |
| Maximum allowable consumption (ODP tonnes) | | | n/a | n/a | 18.00 | 18.00 | 16.20 | 16.20 | 16.20 | 11.70 | n/a |
| Agreed Funding (US \$) | UNEP | Project costs | 120,000 | 0 | 120,000 | 0 | 0 | 87,000 | 0 | 63,000 | 390,000 |
| | | Support costs | 15,600 | 0 | 15,600 | 0 | 0 | 11,310 | 0 | 8,190 | 50,700 |
| | UNIDO | Project costs | 150,000 | 0 | 0 | 0 | 0 | 90,000 | 0 | 0 | 240,000 |
| | | Support costs | 13,500 | 0 | 0 | 0 | 0 | 8,100 | 0 | 0 | 21,600 |
| Funds approved by ExCom (US \$) | Project costs | 270,000 | 0 | 120,000 | 0 | 0 | 0 | 0 | 0 | 0 | 390,000 |
| | Support costs | 29,100 | 0 | 15,600 | 0 | 0 | 0 | 0 | 0 | 0 | 44,700 |
| Total funds requested for approval at this meeting (US \$) | Project costs | 0 | 0 | 0 | 0 | 0 | 0 | 177,000 | 0 | 0 | 177,000 |
| | Support costs | 0 | 0 | 0 | 0 | 0 | 0 | 19,410 | 0 | 0 | 19,410 |

*The third tranche should have been submitted in 2016.

| | |
|--------------------------------------|--------------------------|
| Secretariat's recommendation: | Individual consideration |
|--------------------------------------|--------------------------|

PROJECT DESCRIPTION

1. On behalf of the Government of Burkina Faso, UNEP, as the lead implementing agency, has submitted to the 80th 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 \$196,410, consisting of US \$87,000 plus agency support costs of US \$11,310 for UNEP, and US \$90,000 plus agency support costs of US \$8,100 for UNIDO.¹ The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption for 2013 to 2016 and the tranche implementation plan for 2017 to 2019.

Background

2. The request for the third tranche for the HPMP was submitted to the 76th meeting and subsequently withdrawn, as the HCFC consumption verification reports for 2013, 2014 and 2015 had not been submitted. At that meeting, the Secretariat raised issues in connection with substantial fluctuations in the levels of HCFC consumption and requested UNEP and UNIDO to discuss adjustments to the starting point for sustained aggregate reduction in HCFC consumption (starting point) based on the verified consumption. Revision of the funding levels, the HPMP strategy and associated activities, and the corresponding agreement for stage I would be required.²

3. The request for the third tranche was again submitted to the 77th meeting and subsequently withdrawn since the verification reports had not been submitted.³ At the 79th meeting, the request for the third tranche was again submitted and subsequently withdrawn since the HCFC consumption verification report for 2016 had not been submitted, and outstanding issues remained in connection with adjustments to the starting point, which would result in the revision of the funding levels, the HPMP strategies and associated activities, and the corresponding Agreement for stage I.⁴ At that meeting, the Executive Committee urged the Government of Burkina Faso to work with UNEP and UNIDO to address all the relevant issues and to submit the mandatory verification report on HCFC consumption targets so that the third tranche could be re-submitted to the 80th meeting (decision 79/7(b)).

4. In response to decision 79/7(b), at the 80th meeting the Government of Burkina Faso, through UNEP, has submitted the outstanding verification reports for the 2013 to 2016 period, together with the third tranche of stage I of the HPMP.

Report on HCFC consumption

HCFC consumption and verification report

5. The Government of Burkina Faso reported a consumption of 14.41 ODP tonnes of HCFC in 2016, which was 50 per cent below the HCFC baseline for compliance. The verification report confirmed that the 2013-2016 consumption reported under Article 7 of the Montreal Protocol was consistent with the consumption data verified in the field, with minor differences due to the incorrect use of the Harmonized Systems (HS) codes. Actions to address this issue had been included in the implementation of the requested tranche of the HPMP. The 2011-2016 HCFC consumption is shown in Table 1.

¹ As per the letter of 30 August 2017 from the Ministry of Environment, Green Economy and Climate Change to the Secretariat.

² Paragraph 6(b) of document UNEP/OzL.Pro/ExCom/76/12.

³ Paragraph 5(d) of document UNEP/OzL.Pro/ExCom/77/26.

⁴ Paragraph 6(c) of document UNEP/OzL.Pro/ExCom/79/19.

Table 1. HCFC consumption in Burkina Faso for the 2011-2016 period

| HCFC-22 consumption | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | Baseline |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|
| Article 7 data | | | | | | | |
| Metric tonnes (mt) | 503.63 | 483.50 | 270.50 | 225.00 | 218.00 | 262.00 | 525.15 |
| ODP tonnes | 27.70 | 26.59 | 14.88 | 12.38 | 11.99 | 14.41 | 28.88 |
| Verification report | | | | | | | |
| Metric tonnes (mt) | | | 270.13 | 224.77 | 218.71 | 262.43 | |
| ODP tonnes | | | 14.86 | 12.36 | 12.03 | 14.43 | |
| Difference | | | | | | | |
| Metric tonnes (mt) | | | 0.37 | 0.23 | (0.71) | (0.43) | |
| ODP tonnes | | | 0.02 | 0.02 | (0.04) | (0.02) | |

6. The decrease in the verified HCFC consumption between 2013 and 2015 was due to the use of stockpiles of HCFC imported before the licensing and quota system was introduced; implementation of the quota system and the activities implemented under the first two tranches of the HPMP; and the economic downturn experienced in the country. However, in 2016 the consumption increased by 20 per cent as compared to 2015, due to greater demand from importers as the economy of the country started to recover.

7. Noting that the verified HCFC consumption levels between 2013 and 2016 were much lower than the HCFC baseline for compliance and the starting point of 525.15 mt, the Government of Burkina Faso proposed a revised starting point of 327.27 mt (18.00 ODP tonnes) calculated at the average 2011-2016 consumption reported under Article 7 of the Protocol. The Government noted that including the consumption for 2011 and 2012 (which were not verified), would allow for some growth in consumption, noting the increase in imports for 2016, and the upturn in the country's economy. Based on the revised starting point, Burkina Faso would be categorized as a low-volume consuming (LVC) country.

8. The verification report also confirmed that the country is implementing a licensing and quota system for HCFC imports and exports.

Country programme (CP) implementation report

9. The Government of Burkina Faso reported HCFC sector consumption data under the 2016 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

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

Legal framework

10. The country continues to implement the sub-regional ODS regulation harmonizing ODS policies applicable to the eight members of the Union Économique et Monétaire Ouest Africaine (UEMOA).

11. The National Ozone Unit (NOU) issues the required authorization (visa) for the import of ODS and ODS-based equipment. A total of 150 customs officers, 21 environment inspectors and 12 trade agents from the Commerce Department have been trained in the control and identification of ODS and ODS-based equipment.

Refrigeration servicing sector

12. Two train-the-trainer workshops were held to train 15 refrigeration technicians as trainers on good practices in servicing air-conditioning equipment and safe handling of flammable refrigerants. Those 15 trainers have in turn trained 220 refrigeration technicians through five training workshops.

13. In view of decisions 72/17 and 73/34 on retrofits of HCFC-based refrigeration and air-conditioning equipment to flammable refrigerants, during implementation of the second tranche of the HPMP the Government of Burkina Faso decided to shift the focus of the retrofit centre, rather than retrofitting HCFC-based equipment to alternative refrigerants, as initially planned in the HPMP. This change in the project enabled the provision of basic equipment and tools to the centre, to vocational training institutes and to some servicing workshops (e.g., 10 sets of portable recovery units and recycling kits; 40 sets of cylinders, nitrogen regulators and filters). The bidding for additional recovery and recycling equipment for more service workshops was completed for delivery of equipment by the end of 2017.

Level of fund disbursement

14. As of September 2017, of the US \$390,000 approved so far, US \$365,000 had been disbursed (US \$240,000 for UNEP and US \$150,000 for UNIDO), as shown in Table 2. The balance of US \$25,000 will be disbursed by the end of 2017.

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

| Agency | First tranche | | Second tranche | | Total approved | |
|------------------------------|----------------|----------------|----------------|---------------|----------------|----------------|
| | Approved | Disbursed | Approved | Disbursed | Approved | Disbursed |
| UNEP | 120,000 | 120,000 | 120,000 | 95,000 | 240,000 | 215,000 |
| UNIDO | 150,000 | 150,000 | 0 | 0 | 150,000 | 150,000 |
| Total | 270,000 | 270,000 | 120,000 | 95,000 | 390,000 | 365,000 |
| Disbursement rate (%) | 100 | | 79 | | 94 | |

Implementation plan for the third tranche of the HPMP

15. As approved at the 62nd meeting, stage I of the HPMP for Burkina Faso proposed to achieve the 35 per cent reduction in HCFC consumption by 2020. The total funding that was approved in principle for the period 2010-2020 amounted to US \$796,068. Based on the revised starting point, the funding level would be US \$630,000 (i.e., a reduction of US \$166,068), in line with decision 60/44(f)(xii). Accordingly, the Government had proposed an adjustment to the tranche distribution, with one tranche in 2017 in the amount of US \$177,000, and the last tranche in 2020 in the amount of US \$63,000 (equivalent to 10 per cent of the total funding for stage I).

16. The adjusted activities that will be implemented during the third tranche are the following:

- (a) Training of 80 customs and enforcement officers in control of illegal ODS trade and identification of HCFCs and HCFC-based equipment, development of supporting materials; and close monitoring of the licensing and quota system (UNEP) (US \$30,000);
- (b) Training of 100 technicians in good refrigeration practices, recovery and recycling techniques, safe handling of flammable refrigerants, emission reduction and leak rate verification, and development of technical training materials (UNEP) (US \$35,000);
- (c) Delivery of the recovery and recycling equipment purchased during the previous tranche, and provision of additional equipment, tools and supplies (e.g., 20 electronic leak detectors; refillable refrigerant recovery cylinders; ten 2-stage vacuum pumps; refrigerant identifiers; and small tools) for vocational training institutes, the recovery and recycling centre, and a few large service workshops (UNIDO) (US \$90,000); and
- (d) Project management and monitoring (UNEP) (US \$22,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Revision of the starting point and funding levels, and modification to the Agreement

17. The revised starting point for sustained aggregate reduction in HCFC consumption of 18.0 ODP tonnes resulted in adjustments to the funding tranches of stage I of the HPMP that had not already been approved, as shown in Table 3.

Table 3. Revised budget for stage I of the HPMP for Burkina Faso (US \$)

| Project component | Agency | 2010 | 2013 | 2017 | 2020 | Total |
|--|--------|----------------|----------------|----------------|---------------|----------------|
| Strengthening national capacities (customs officers, environment inspectors, officers from the department of commerce) for monitoring and controlling the import and distribution of HCFCs | UNEP | 40,000 | 40,000 | 30,000 | 20,000 | 130,000 |
| Strengthening technical capacity of refrigeration technicians in good practices in refrigeration | UNEP | 40,000 | 40,000 | 35,000 | 30,000 | 145,000 |
| Technical assistance in the servicing sector through strengthening the recovery and recycling centres, vocational training institutions and a few large repair workshops | UNIDO | 150,000 | 0 | 90,000 | 0 | 240,000 |
| Monitoring and evaluation of HPMP and its components | UNEP | 40,000 | 40,000 | 22,000 | 13,000 | 115,000 |
| Total | | 270,000 | 120,000 | 177,000 | 63,000 | 630,000 |

18. Similarly, paragraph 1 of Appendices 1-A and 2-A of the Agreement between the Government of Burkina Faso and the Executive Committee has been modified, and paragraph 16 has been updated to indicate that the revised updated Agreement supersedes the Agreement approved at the 70th meeting, as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 80th meeting.

19. The Government will consider submitting a request to the Ozone Secretariat to also revise the country's baseline. UNEP noted that the Government would discuss the issue with the Ozone Secretariat during the Twenty-Ninth Meeting of the Parties in order to make a decision.

Legal framework

20. The Government of Burkina Faso has issued import quotas for 2017 in accordance with the Montreal Protocol targets. The 2018 import quota will be adjusted to 294.50 mt (16.20 ODP tonnes) to account for the revised starting point, which is lower than the Montreal Protocol targets.

Conclusion

21. The Secretariat noted and acknowledged the revision of the starting point from 28.88 to 18.0 ODP tonnes based on the verification report on HCFC consumption for the period 2013 to 2016; the revised phase-out strategy replacing the activities for retrofitting HCFC-22-based refrigeration and air-conditioning with recovery and recycling of refrigerants, and the adjustment to the funding levels. Despite some delays, the HPMP implementation is progressing; the import/export licensing and quota system is operational; the

country is compliant with the Montreal Protocol targets and its Agreement with the Executive Committee; and the level of fund disbursement is over 90 per cent. The activities planned under the third tranche will further strengthen the servicing sector, ensure the long-term sustainability of the activities, and will focus on strengthening the monitoring of the country's licensing system and ensure accurate data reporting, to enable the country to meet its compliance obligations under the Protocol.

RECOMMENDATION

22. The Executive Committee may wish to consider:

- (a) Noting:
 - (i) The progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Burkina Faso;
 - (ii) That the Fund Secretariat has updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Burkina Faso and the Executive Committee, based on the revised starting point and funding level, and that paragraph 16 had been updated to indicate that the revised updated Agreement supersedes that reached at the 70th meeting, as contained in Annex I to the present document;
 - (iii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 18.00 ODP tonnes, based on the verification report submitted to the 80th meeting calculated using the average 2011-2016 HCFC consumption, and that the revised funding level for stage I of the HPMP for Burkina Faso was US \$630,000, plus agency support costs, in accordance with decision 60/44(f)(xii); and
- (b) Approving the third tranche of stage I of the HPMP for Burkina Faso, and the corresponding 2017-2019 tranche implementation plan, in the amount of US \$196,410 consisting of US \$87,000, plus agency support costs of US \$11,310 for UNEP, and US \$90,000, plus agency support costs of US \$8,100 for UNIDO, on the understanding that the Government will implement the recommendations contained in the verification report for HCFC consumption and strengthening the institutional mechanisms to ensure accurate customs, licensing, quota, and data reporting through an upgraded customs training programme.

Annex I

TEXT TO BE INCLUDED IN THE REVISED UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BURKINA FASO 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 Burkina Faso (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 **11.70** ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Burkina Faso and the Executive Committee at the **70th** 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 | 18.00 |

APPENDIX 2-A: THE TARGETS, AND FUNDING

| Row | Particulars | 2010 | 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 | n/a | 28.9 | 28.9 | 26.01 | 26.01 | 26.01 | 26.01 | 26.01 | 18.79 | n/a |
| 1.2 | Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes) | n/a | n/a | n/a | 18.00 | 18.00 | 16.20 | 16.20 | 16.20 | 16.20 | 16.20 | 11.70 | n/a |
| 2.1 | Lead IA (UNEP) agreed funding (US \$) | 120,000 | 0 | 0 | 120,000 | 0 | 0 | 0 | 87,000 | 0 | 0 | 63,000 | 390,000 |
| 2.2 | Support costs for Lead IA (US \$) | 15,600 | 0 | 0 | 15,600 | 0 | 0 | 0 | 11,310 | 0 | 0 | 8,190 | 50,700 |
| 2.3 | Cooperating IA (UNIDO) agreed funding (US \$) | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 90,000 | 0 | 0 | 0 | 240,000 |
| 2.4 | Support costs for Cooperating IA (US \$) | 13,500 | 0 | 0 | 0 | 0 | 0 | 0 | 8,100 | 0 | 0 | 0 | 21,600 |
| 3.1 | Total agreed funding (US \$) | 270,000 | 0 | 0 | 120,000 | 0 | 0 | 0 | 177,000 | 0 | 0 | 63,000 | 630,000 |
| 3.2 | Total support costs (US \$) | 29,100 | 0 | 0 | 15,600 | 0 | 0 | 0 | 19,410 | 0 | 0 | 8,190 | 72,300 |
| 3.3 | Total agreed costs (US \$) | 299,100 | 0 | 0 | 135,600 | 0 | 0 | 0 | 196,410 | 0 | 0 | 71,190 | 702,300 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes) | | | | | | | | | | | | 6.30 |
| 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) | | | | | | | | | | | | 11.70 |