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

PROJECT PROPOSAL: THE DEMOCRATIC REPUBLIC OF THE CONGO

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 and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

The Democratic Republic of the Congo

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage I)	UNDP, UNEP (lead)	63 rd	10% by 2015

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2016	9.35 (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-22					9.35				9.35

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	66.21	Starting point for sustained aggregate reductions:	17.00
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	5.8	Remaining:	11.20

(V) BUSINESS PLAN		2017	Total
UNEP	ODS phase-out (ODP tonnes)	0.3	0.3
	Funding (US \$)	26,555	26,555
UNDP	ODS phase-out (ODP tonnes)	0.3	0.3
	Funding (US \$)	26,160	26,160

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017*	Total
Montreal Protocol consumption limits			n/a	n/a	66.21	66.21	59.59	59.59	59.59	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	36.00	17.00	16.00	16.00	16.00	n/a
Agreed funding (US\$)	UNDP	Project costs	100,000	0	116,000	0	24,000	0	0	240,000
		Support costs	9,000	0	10,440	0	2,160	0	0	21,600
	UNEP	Project costs	95,000	0	116,500	0	23,500	0	0	235,000
		Support costs	12,350	0	15,145	0	3,055	0	0	30,550
Funds approved by ExCom (US\$)	Project costs		195,000	0	232,500	0	0	0	0	427,500
	Support costs		21,350	0	25,585	0	0	0	0	46,935
Total funds requested for approval at this meeting (US\$)	Project costs								47,500	47,500
	Support costs								5,215	5,215

* The third and final tranche should have been submitted in 2015.

Secretariat's recommendation:	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of the Democratic Republic of the Congo, UNEP as the lead implementing agency, has submitted a request for funding for the third and final tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$52,715, consisting of US \$23,500, plus agency support costs of US \$3,055 for UNEP, and US \$24,000, plus agency support costs of US \$2,160 for UNDP.¹ The submission includes a progress report on the implementation of the second tranche, the 2013-2016 verification report on HCFC consumption and the tranche implementation plan for 2017 to 2018.

Background

2. The request for the third tranche for the HPMP was submitted to the 79th meeting and subsequently withdrawn, as the HCFC consumption verification reports for 2013, 2014, 2015, and 2016 had not been submitted. The Secretariat had raised issues in connection with adjustments to the starting point for sustained aggregate reduction in HCFC consumption based on the reported consumption. In that case, revision of the funding levels, the HPMP strategies and associated activities and the corresponding Agreement for stage I would be required.² At that meeting, the Executive Committee urged the Government of the Democratic Republic of the Congo to work with UNEP and UNDP 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)).

3. In response to decision 79/7(b), at the 80th meeting the Government of the Democratic Republic of the Congo, 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

4. The Government of the Democratic Republic of the Congo reported a consumption of 9.35 ODP tonnes of HCFC in 2016, which was 86 per cent of the HCFC baseline for compliance. All HCFC-22 is consumed in the servicing sector. 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. The 2012-2016 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in the Democratic Republic of the Congo (2012-2016 Article 7 data)

HCFC-22	2012	2013	2014	2015	2016	Baseline
Metric tonnes	870.00	653.52	300.00	280.00	170.00	1,203.82
ODP tonnes	47.85	35.94	16.5	15.4	9.35	66.21

5. The decrease in the verified HCFC consumption since 2013 was likely due to the use of stockpiles of HCFC imported before the licensing and quota system was introduced, implementation of the licensing and quota system despite the porous borders due to the unrest in the country, and the activities implemented under the first two tranches of the HPMP.

6. 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 1,203.82mt, the Government of the Democratic Republic of the Congo proposed a revised starting point of 309.09 mt (17.0 ODP tonnes), consistent with a

¹ As per the letter of 9 September 2017 from the Ministry of Environment and Sustainable Development of the Democratic Republic of the Congo to the Secretariat.

² Paragraph 6(d) of document UNEP/OzL.Pro/ExCom/79/19.

10 per cent reduction from the 2015 verified consumption. Based on the revised starting point, the Democratic Republic of the Congo would be categorized as a low-volume consuming (LVC) country.

7. The verification report also confirmed that the country is implementing a licensing and quota system for HCFC imports and exports, and was in compliance with both the Montreal Protocol reduction schedule and the maximum allowable consumption specified in its Agreement with the Executive Committee since 2013.

Country programme (CP) implementation report

8. The Government of the Democratic Republic of the Congo reported HCFC sector consumption data under the 2016 CP implementation report which is consistent with the data reported under Article 7.

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

9. A quota system has been in place since 1 January 2011 to ensure imports of HCFC. HCFC quotas are issued yearly by the Ministry of Trade and the national ozone unit (NOU) to ensure import does not exceed the schedule set by the Montreal Protocol.

10. The following activities have been implemented during the second tranche of stage I of the HPMP:

- (a) *Custom training:* Four training workshops for 115 customs officers and inspectors were completed covering the identification of ODS, combating illegal ODS trade and implementation of the national ODS legislation. Five refrigerant identifiers were distributed to key entry points in the country;
- (b) *Refrigeration training:* A total of 110 technicians were trained in good refrigeration practices and the safe use of hydrocarbon technologies during four training workshops;
- (c) *Investment component:* Equipment (e.g., refrigerant recovery machines and cylinders, vacuum pumps, handheld electronic leak detectors, service manifolds and other tools) to strengthen the Instituts Nationaux de Préparation Professionnelle (INPP) was procured and delivered, and is available for other phase-out activities. Promotional activities were implemented to make the training centres known to the refrigeration professionals and encourage them to use the equipment; and
- (d) *Monitoring and evaluation:* The NOU recruited two consultants (i.e., one refrigeration and one customs experts) to assist the NOU in monitoring the HPMP activities and data collection. They produced two reports on the status of the HPMP implementation and proposed recommendations.

Level of fund disbursement

11. As of 2 October 2017, of the US \$427,500 approved so far, US \$424,034 had been disbursed (US \$211,500 for UNEP and US \$212,534 for UNDP) as shown in Table 2. The balance of US \$3,466 will be disbursed in 2018.

Table 2. Financial report of stage I of the HPMP for the Democratic Republic of the Congo (US \$)

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	95,000	95,000	116,500	116,500	211,500	211,500
UNDP	100,000	100,000	116,000	112,534	216,000	212,534
Total	195,000	195,000	232,500	229,034	427,500	424,034
Disbursement rate (%)	100		99		99	

Annual plans for the third and final tranche of the HPMP

12. The following activities will be implemented between November 2017 and December 2018:
- (a) *Custom training:* A workshop for 30 customs officers will be organized on control and identification of HCFCs and HCFCs based-equipment and illegal trade (UNEP) (US \$7,000);
 - (b) *Refrigeration training:* Two training workshops for about 60 refrigeration technicians will be organized on good practices in refrigeration and HCFC alternatives and technical training materials will be updated (UNEP) (US \$12,000);
 - (c) *Investment component:* Monitoring and support to the functioning of the training centres and to the refrigeration association will be provided to facilitate the smooth transition to stage II of the HPMP (UNDP) (US \$24,000); and
 - (d) *Monitoring and evaluation:* Two consultants will continue to assist in the monitoring of the implementation of the remaining HPMP activities and data collection (UNEP) (US \$4,500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Revision of the starting point and funding levels, and modifications to the Agreement

13. The total funding approved in principle for stage I of the HPMP amounted to US \$475,000, to meet the 10 per cent reduction of the HCFC baseline. However, the maximum level of funding for countries with a starting point of 17.0 ODP tonnes under decision 60/44(f)(xii) would be US \$176,000 for the same period. Noting that the change in starting point would result in a reduction in funding for the HPMP of US \$299,000, the Government suggested that such adjustment be considered during the approval of stage II of the HPMP. The funding balance for the complete phase-out of HCFCs in the Democratic Republic of the Congo would be US \$1,125,000 (in line with decision 74/50(c)(xii)).

14. The Secretariat recognized the challenges faced by the country and noted the information provided in the verification report, and noted the request to consider that the funding adjustments necessitated by the change in starting point be considered during the approval of stage II of the HPMP. In light of the challenges faced by the country and the need to ensure continued implementation of activities until approval of stage II, the Secretariat considers this a meaningful approach and supports the suggestion.

15. Based on the revisions to the starting point, paragraph 1 of Appendices 1-A and 2-A of the Agreement between the Government of the Democratic Republic of the Congo 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 63rd 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.

16. In light of the revision to the starting point, the Secretariat suggested that the Government 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.

17. Recalling that US \$50,000, plus agency support costs of US \$6,500, for UNEP, and US \$20,000, plus agency support costs of US \$1,400, for UNDP were approved for the preparation of the stage II of the HPMP (decision 79/27(a)), it was agreed to adjust at the 80th meeting the funding for the preparation of the stage II of the HPMP based on the revised starting point by US \$7,143, plus agency support costs of US \$929 from UNEP, and US \$2,857, plus agency support costs of US \$200 from UNDP.

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

Legal framework

18. The Government of the Democratic Republic of the Congo has already issued HCFC import quotas for 2017 at 9.24 ODP tonnes.

Refrigeration servicing sector

19. Due to changes in the NOU, the proposal requiring proof of membership to the association of refrigeration technicians (ACOPROF) for the purchase of refrigerant as included in the implementation plan for the second tranche was not approved. Instead, it was decided to first encourage refrigeration technicians to be trained in good servicing practices before becoming members of ACOPROF. As part of the support to the training centres and to ACOPROF under the third tranche, a certificate of attendance to a training course and membership in ACOPROF will be requirement for the purchase of refrigerants. The Secretariat confirmed that the ban on non-reusable cylinders had been implemented; the effectiveness of the ban will be monitored during the third tranche.

Conclusion

20. The Secretariat notes that an enforceable system of licensing and quotas for HCFC imports is in place, and that the country has been in compliance with the maximum allowable consumption specified in the Agreement with the Executive Committee. The Secretariat supports the proposed revision to the starting point and modifications to the Agreement, as well as the suggestion that adjustments to the funding levels be considered during the approval of stage II of the HPMP so as to allow continued implementation of activities until approval of stage II. The HPMP activities are progressing satisfactorily, and training provided to technicians in good servicing practices and the safe use of flammable refrigerants will reduce consumption and ensure sustainability in the servicing sector and assist its transition to non-HCFC refrigerants.

RECOMMENDATION

21. 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) in the Democratic Republic of the Congo;
 - (ii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 17.00 ODP tonnes;
 - (iii) That the total funding approved in principle for stage I of the HPMP at the 63rd meeting to meet the 10 per cent reduction of the HCFC baseline, was US \$475,000 rather than US \$176,000 in line with decision 60/44(f)(xii); that the maximum funding balance for which the country was eligible for the total

phase-out of HCFCs was US \$1,125,000 in line with decision 74/50(c)(xii); and that the necessary funding adjustments would be made during the approval of the stage II HPMP for the country;

- (iv) That the Fund Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of the Democratic Republic of the Congo and the Executive Committee, based on the revised starting point for sustained aggregate reduction, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 63rd meeting, as contained in Annex I to the present document;
- (b) In accordance with the condition on approval for the preparation of stage II of the HPMP in decision 79/27(a), noting the return of US \$7,143, plus agency support costs of US \$929 from UNEP, and US \$2,857, plus agency support costs of US \$200 from UNDP to the 80th meeting;
- (c) Requesting the Government of the Democratic Republic of the Congo, UNEP and UNDP to submit the project completion report to the first meeting of the Executive Committee in 2019; and
- (d) Approving the third and final tranche of stage I of the HPMP for the Democratic Republic of the Congo, and the corresponding 2018 tranche implementation plan, at the amount of US \$52,715 consisting of US \$23,500, plus agency support costs of US \$3,055 for UNEP; and US \$24,000, plus agency support costs of US \$2,160 for UNDP.

Annex I

TEXT TO BE INCLUDED IN THE DRAFT UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE CONGO 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 Democratic Republic of the Congo (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 **16.00** ODP tonnes prior to 1 January **2017** in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of the Democratic Republic of the Congo and the Executive Committee at the 63rd meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	17.00

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2011	2012	2013*	2014	2015	2016	2017	Total**
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	66.21	66.21	59.59	59.59	59.59	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	36.00	17.00	16.00	16.00	16.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	95,000	0	116,500	0	0	0	23,500	235,000
2.2	Support costs for Lead IA (US \$)	12,350	0	15,145	0	0	0	3,055	30,550
2.3	Cooperating IA (UNDP) agreed funding (US \$)	100,000	0	116,000	0	0	0	24,000	240,000
2.4	Support costs for Cooperating IA (US \$)	9,000	0	10,440	0	0	0	2,160	21,600
3.1	Total agreed funding (US \$)	195,000	0	232,500	0	0	0	47,500	475,000
3.2	Total support costs (US \$)	21,350	0	25,585	0	0	0	5,215	52,150
3.3	Total agreed costs (US \$)	216,350	0	258,085	0	0	0	52,715	527,150
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)								5.8
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)								0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								11.2

* The starting point was revised from 58 ODP tonnes to 17 ODP tonnes at the 80th meeting. HCFC consumption reported under Article 7 of the Montreal Protocol for 2013 was used as the maximum allowable consumption for that year instead of the revised starting point, to show compliance with the Agreement with the Executive Committee.

** The funding level associated with stage I of the HPMP should be US \$176,000 in line with decision 60/44(f)(xii). The funding adjustment will be made when stage II of the HPMP would be approved.