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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-third Meeting
Montreal, 27– 31 May 2019

PROJECT PROPOSAL: TOGO

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, fourth tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Togo

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2018	14.19 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2018	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					14.19				14.19

(IV) CONSUMPTION DATA (ODP tonnes)				
2009 - 2010 baseline:		20.0	Starting point for sustained aggregate reductions:	20.0
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)				
Already approved:		7.0	Remaining:	13.0

(V) BUSINESS PLAN		2019	2020	Total
UN Environment	ODS phase-out (ODP tonnes)	0.44	0.70	1.14
	Funding (US \$)	45,200	71,190	116,390
UNIDO	ODS phase-out (ODP tonnes)	0	0	0
	Funding (US \$)	0	0	0

(VI) PROJECT DATA			2010	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2020	Total	
Montreal Protocol consumption limits			n/a	n/a	n/a	20.0	20.0	18.0	18.0	18.0	18.0	18.0	13.0	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	20.0	20.0	18.0	18.0	18.0	18.0	18.0	13.0	n/a	
Agreed funding (US \$)	UNEP	Project costs	70,000	0	0	45,000	0	0	62,000	0	40,000	0	63,000	280,000	
		Support costs	9,100	0	0	5,850	0	0	8,060	0	5,200	0	8,190	36,400	
	UNIDO	Project costs	200,000	0	0	0	0	0	150,000	0	0	0	0	0	350,000
		Support costs	15,000	0	0	0	0	0	11,250	0	0	0	0	0	26,250
Funds approved by ExCom (US \$)		Project costs	270,000	0	0	45,000	0	0	0	212,000	0	0	0	527,000	
		Support costs	24,100	0	0	5,850	0	0	0	19,310	0	0	0	49,260	
Total funds requested for approval at this meeting (US \$)		Project costs										40,000*		40,000	
		Support costs										5,200		5,200	

*The fourth tranche should have been submitted in 2018.

Secretariat's recommendation:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Togo, UNEP as the lead implementing agency, has submitted a request for funding for the fourth tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$40,000, plus agency support costs of US \$5,200 for UNEP.¹ The submission includes a progress report on the implementation of the third tranche, the verification report on HCFC consumption for 2013 to 2018 and the tranche implementation plan for 2019 to 2021.

Report on HCFC consumption

2. The Government of Togo reported a consumption of 14.19 ODP tonnes of HCFC in 2018, which is 29 per cent below the HCFC baseline for compliance. The 2014-2018 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Togo (2014-2018 Article 7 data)

HCFC	2014	2015	2016	2017	2018	Baseline
Metric tonnes	325.00	302.00	280.0	272.00	258.00	362.60
ODP tonnes	17.88	16.61	15.40	14.96	14.19	20.00

3. HCFC-22 was the only substance consumed in the country and was used solely in the refrigeration servicing sector. That consumption has been steadily decreasing given the implementation of HPMP activities resulting in improved servicing practices, and a reduction in the import of HCFC-22-based equipment. In contrast, the import of R-410A-based equipment has been increasing.

Country programme (CP) implementation report

4. The Government of Togo reported HCFC sector consumption data under the 2018 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2013 to 2018 were 18.98, 17.88, 16.61, 15.40, 14.96 and 14.19 ODP tonnes, respectively. The verification concluded that Togo complied with both the Montreal Protocol reduction schedule and the maximum allowable consumption in the Agreement of Annex C, Group I substances for 2013 to 2018.

6. The verification noted that in the event of infringement of the provisions of Togo's decrees on ODS or the terms of application by an approved importer, a temporary suspension and withdrawal of approval may be pronounced against the importer. To date, no importer has had approval of their quota temporarily suspended and withdrawn.

7. The verification report noted small discrepancies between the customs data and data recorded from importers. This was likely due to the free movement of goods that is permitted between the 15-member countries of the Economic Community of West African States, which resulted in small imports not being recorded by customs. In line with the recommendations of the verifier, the Government intends to ensure that all imports are recorded by the customs department under stage II of the HPMP.

¹ As per the letter of 22 March 2019 from the Ministère de L'Environnement du développement durable et de la protection de la nature of Togo to the Secretariat.

Progress report on the implementation of the third tranche of the HPMP*Legal framework*

8. The HCFC licensing and quota system is operating effectively with quotas being established since 2013. Together with other members of the West-African Economic and Monetary Union, the Government is planning to implement a ban on the import of HCFC-based refrigeration and air-conditioning (RAC) equipment; it is unclear how long that process will take.

Refrigeration servicing sector

9. The following activities were implemented during the third tranche of the HPMP: 107 customs officers and ten environment inspectors received training on the identification and control of HCFCs, including inspection techniques for HCFCs and HCFC-based equipment and monitoring of the licensing and quota system; 195 refrigeration technicians were trained on good refrigeration service practices, including leakage prevention and energy saving practises, and on safe practices for servicing and installing R-290 RAC equipment, including by using the three R-290-based air-conditioning (AC) units purchased under the third tranche; and the purchase of RAC tools and equipment, including six refrigerant identifiers, recovery units, halogenated gas detectors, flammable gas detectors, and brazing units, one test rig for pressure and temperature, and associated equipment.

10. The financial incentive programme, originally intended to convert HCFC-22-based commercial refrigeration equipment at three beneficiaries to low-global warming potential (GWP) alternatives, was changed given the high costs of the alternative equipment. Instead, that activity was subsumed into the programme to replace AC equipment with approximately 40 to 50 R-290 AC units that will result in the purchase of approximately 70 R-290 AC units to be installed at three beneficiaries (a hospital, an enterprise, and a convention centre). Those beneficiaries will bear the cost of inland transportation and installation. The procurement process is ongoing, with delivery and installation expected to be completed by 31 December 2019. Guidelines for the installation and use of R-290 will be developed with the support of national and international experts and will be informed by the experience gained through the incentive programme.

Project implementation and monitoring

11. The national ozone unit monitored the implementation of activities under the HPMP with the support of two consultants.

Level of fund disbursement

12. As of March 2019, of the US \$527,000 approved so far, US \$428,475 had been disbursed (US \$145,000 for UNEP and US \$283,475 for UNIDO) as shown in Table 2. The balance of US \$98,525 will be disbursed in 2019-2021.

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

Tranche		UNEP	UNIDO	Total	Disbursement rate (%)
First tranche	Approved	70,000	200,000	270,000	100
	Disbursed	70,000	200,000	270,000	
Second tranche	Approved	45,000	0	45,000	100
	Disbursed	45,000	0	45,000	
Third tranche	Approved	62,000	150,000	212,000	54
	Disbursed	30,000	83,475	113,475	
Total	Approved	177,000	350,000	527,000	81
	Disbursed	145,000	283,475	428,475	

Implementation plan for the fourth tranche of the HPMP

13. The following activities will be implemented between June 2019 and June 2021:
- (a) Further training of 60 customs and enforcement officers on the identification of HCFCs, HFCs, HCs or their mixtures and on the licensing and quota system to control illegal ODS trade (UNEP) (US \$15,000);
 - (b) Further training of 75 refrigeration technicians on good refrigeration service practices, including recovery and recycling and safe handling of HC refrigerants (UNEP) (US \$15,000); and
 - (c) Monitoring and evaluation of the implementation of the HPMP (UNEP) (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

14. The Government of Togo has already issued HCFC import quotas for 2019 at 13.48 ODP tonnes, which are 4.52 ODP tonnes (25 per cent) below the allowable level of consumption under the Montreal Protocol.

15. The country confirmed that there is a ban on the import of ODS that have already been phased out and equipment containing such substances, that training of customs officers and awareness activities for importers and public are undertaken to ensure the implementation of the ban, and that licenses and quotas are not provided for ODS that have already been phased out. The country was not aware of the use in the country of ODS that have already been phased out, nor of any stockpiles of such substances. However, customs found numerous instances of counterfeit refrigerants, where HCFC-22 or HFC-134a were mislabelled.

16. The delay in the submission of the fourth tranche, which has been expected to the 82nd meeting, was due a delay in completion of the verification report. All activities under the fourth tranche are expected to be completed by June 2021, and the fifth and final tranche is expected to be submitted to the last meeting of 2020, in line with the Agreement. At that time, it may be necessary to consider whether an extension of the stage I of the HPMP would be necessary.

Conclusion

17. The HPMP implementation is progressing and the country is in compliance with the Montreal Protocol and its Agreement with the Executive Committee. The country's licensing and quota system is operational, and the reported 2018 HCFC consumption of 14.19 ODP tonnes was already 29 per cent below the country's baseline. The level of fund disbursement of the third tranche is 54 per cent, and over 81 per cent of the total funds approved under the HPMP have been disbursed. The financial incentive scheme to enable the purchase, installation and servicing of R-290 ACs will facilitate the introduction of energy efficient, low-GWP alternatives to HCFCs and HFCs, in line with paragraph 16 of decision XXVIII/2. The country ensures the sustainability of previously phased out ODS through its licensing and quota system, a ban on the import of such substances and equipment containing such substances, and through training and

awareness-raising. The activities so far implemented and those planned under the fourth tranche will further strengthen the servicing sector and ensure its long-term sustainability, and continue to help enable the country to meet its compliance obligations under the Protocol.

RECOMMENDATION

18. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan of (HPMP) for Togo; and further recommends blanket approval of the fourth tranche of stage I of the HPMP for Togo, and the corresponding 2019-2021 tranche implementation plan, at the funding level shown in the table below, on the understanding that:

- (a) Togo had consumption in the servicing sector only;
- (b) The incentive programme to promote conversion of air-conditioning equipment to low-global warming potential alternatives include associated training and capacity building to ensure sustainable implementation; and
- (c) The three participating beneficiaries would provide co-financing to participate in the scheme:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fourth tranche)	40,000	5,200	UNEP