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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-fifth Meeting
Montreal, 25-29 May 2020
Postponed to 19-22 July 2020*

PROJECT PROPOSAL: ERITREA

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 UNIDO

* Due to coronavirus disease (COVID-19)

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

Eritrea

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2018	0.81 (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	Serviceing				
HCFC-22					0.81				0.81

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	1.09	Starting point for sustained aggregate reductions:	1.08
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.38	Remaining:	0.7

(V) BUSINESS PLAN		2020
UNEP	ODS phase-out (ODP tonnes)	0.04
	Funding (US \$)	23,730

(VI) PROJECT DATA*			2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	1.09	1.09	0.98	0.98	0.98	0.98	0.98	0.71	n/a
Maximum allowable consumption (ODP tonnes)			n/a	1.09	1.09	0.98	0.98	0.98	0.98	0.98	0.71	n/a
Agreed funding (US \$)	UNEP	Project costs	40,000	0	0	0	29,000	0	0	0	21,000	90,000
		Support costs	5,200	0	0	0	3,770	0	0	0	2,730	11,700
	UNIDO	Project costs	40,000	0	0	0	80,000	0	0	0	0	120,000
		Support costs	3,600	0	0	0	7,200	0	0	0	0	10,800
Funds approved by ExCom (US \$)	Project costs		80,000	0	0	0	109,000	0	0	0	0	189,000
	Support costs		8,800	0	0	0	10,970	0	0	0	0	19,770
Total funds requested for approval at this meeting (US \$)	Project costs										21,000	21,000
	Support costs										2,730	2,730

Secretariat's recommendation:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Eritrea, 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 the amount of US \$21,000, plus agency support costs of US \$2,730 for UNEP only.¹ The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption for 2016 to 2019 and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

2. The Government of Eritrea reported a consumption of 0.76 ODP tonnes of HCFC in 2019, which is 30.3 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Eritrea (2015-2019 Article 7 data)

HCFC-22	2015	2016	2017	2018	2019*	Baseline
Metric tonnes	17.57	17.00	16.30	14.80	13.80	19.7
ODP tonnes	0.97	0.94	0.90	0.81	0.76	1.09

*Data from the verification report on HCFC consumption.

3. Eritrea has experienced a declining trend of HCFC-22 consumption since 2013 due to implementation of a licensing and quota system; discouraging import and use of HCFC-based equipment, and adopting HCFC-free alternatives (e.g., R-410A, R-404A, HFC-134a); and conducting training and capacity building activities in the refrigeration and air-conditioning (RAC) service sector and for customs and enforcement officers, under the HPMP.

Country programme (CP) implementation report

4. The Government of Eritrea reported HCFC sector consumption data under the 2018 CP implementation report which 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 an effective licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2016 to 2019 were 0.94 ODP tonnes, 0.91 ODP tonnes, 0.81 ODP tonnes and 0.76 ODP tonnes, respectively. There is a negligible difference between the Article 7 data report for the year 2017 of 0.01 ODP tonnes, which is due to a rounding-off error. The verification report recommends *inter alia* greater coordination and regular meetings between the national ozone unit (NOU), the customs department and other enforcement officials for strengthening the management of HCFC imports, data recording and crosschecking import permits issued by the NOU at the entry points; and continuous training of customs and enforcement officers on the use of ODS identifiers and monitoring ODS imports.

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

Legal framework

6. The NOU, under the Ministry of Land, Water and Environment, oversees the implementation of the Montreal Protocol. The regulations for the issuance of quotas for the import and export of ODS and ODS-based equipment were published in the national gazette in 2010. The regulations also include measures to control the consumption of HCFCs through a licensing and quota system; include registration

¹ As per the letter of 5 March 2020 from Ministry of Land, Water and Environment of Eritrea to the Secretariat.

of stakeholders dealing with ODS, including technicians; and promote the retrofitting of HCFC-based equipment.

Refrigeration servicing sector

7. The following activities were carried out:

- (a) Forty-five enforcement officers were trained at two separate training sessions on monitoring and enforcement of ODS regulations relating to HCFC and HCFC-based equipment;
- (b) Seventy-five RAC technicians were trained in good refrigeration practices including safe use of hydrocarbon-based refrigerants in three separate training sessions; the RAC association was strengthened by registering all the technicians which in turn facilitates the flow of technical and HPMP-related information to service companies and follow-up on implementation of training activities; and
- (c) One reclamation center was established, and the four regional centres of excellence established under the HPMP were provided with additional equipment and service tools including recovery unit, recycling unit, vacuum pump, hoses, gauges, refrigerant cylinders and other accessories. One expert was trained in reclamation of refrigerants who provides technical support on reclamation of refrigerants; and more than 120 technicians and 40 Government officials were trained in identifying potential counterfeit refrigerants through demonstrations.

Project implementation and monitoring unit (PMU)

8. The national ozone officer assisted by one additional staff monitors the implementation of the HPMP. The PMU expenditures to date amount to US \$16,000 (i.e., US \$9,000 for staff and consultant expenses, US \$2,000 for travel, US \$3,000 for meetings and US \$2,000 for rent and miscellaneous expenses).

Level of fund disbursement

9. As of March 2020, the US \$189,000 approved so far had been disbursed (US \$69,000 for UNEP and US \$120,000 for UNIDO) as shown in Table 2.

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

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	40,000	40,000	29,000	29,000	69,000	69,000
UNIDO	40,000	40,000	80,000	80,000	120,000	120,000
Total	80,000	80,000	109,000	109,000	189,000	189,000
Disbursement rate (%)	100		100		100	

Implementation plan for the third and final tranche of the HPMP

10. The following activities will be implemented until December 2021:

- (a) Dissemination of the amended ODS regulations to customs officers and other stakeholders handling import and trade of ODS, and implementation of two workshops for 60 customs officers on the amended ODS regulations, monitoring and enforcement (US \$8,000);
- (b) Implementation of two workshops for about 80 RAC technicians to cover both theoretical

and practical aspects on good service practice related to RAC servicing and safety in the handling of refrigerants during the installation, servicing and dismantlement of RAC equipment (US \$10,000);

- (c) Implementation of one workshop for the RAC association on technology innovations in 2021; and development of communication tools to disseminate relevant information to the targeted audience through the RAC association (US \$1,500); and
- (d) Monitoring the implementation of the HPMP by the NOU with support from one consultant (US \$1,500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Verification report

11. With regard to the recommendations of the verification report, UNEP informed that the Government is reviewing them and will present a plan of action with timelines to a steering committee for further guidance; based on the guidance, the plan of action will be further developed, and implemented during the third tranche of stage I and stage II of the HPMP.

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

Legal framework

12. The Government of Eritrea has already issued HCFC import quotas for 2020 at 0.69 ODP tonnes (12.6 metric tonnes), which is lower than the Montreal Protocol control targets for that year.

Refrigeration servicing sector

13. The Secretariat requested clarifications on use of flammable refrigerants for retrofitting equipment. UNEP explained that there is no regulation to prohibit retrofitting equipment with flammable refrigerants in the country, and training has been given on retrofitting using flammable refrigerants; retrofitting with HC is not practiced because technicians lack tools for handling retrofits with flammable refrigerants; the Government is fully aware of decisions 72/17 and 73/34 on retrofits and related safety needs.

14. The Secretariat requested information on performance and impact of the reclamation center. UNEP explained that since the establishment of the reclamation center in March 2019, training was provided on recovery of refrigerants and on the operation of the reclamation center; a total of 370 kg of HCFC-22 were recovered and reclaimed. The reclaiming unit was successfully operated in the first year but has stopped functioning due to non-availability of accessories in the local market. The Government is working with UNIDO to resolve this issue.

Gender policy implementation²

15. UNEP informed that both the Government of Eritrea and UNEP are fully committed to implementing the gender policy, and that the NOU will conduct a meeting with the RAC association to ensure that female technicians have the same opportunities as male colleagues. When the association is

² Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

registering the technicians, it will also start keeping track of the number of female technicians and encourage them to join the association. The NOU will also keep track of female technicians and customs officers trained.

Sustainability of the HCFC phase-out

16. The Government of Eritrea has been implementing training activities for customs officers and service technicians, on the amended ODS regulations, potential counterfeited refrigerants, good service practices, recovery and reuse and safe servicing practices while using flammable refrigerants in new equipment and has provided equipment support to the four training centers. The reclamation facility will be equipped with spare parts so it can continue operating. The servicing sector has been further strengthened through registering all technicians at the RAC association and technical colleges. The NOU, in addition to implementing controls and monitoring of HCFCs, continues to enhance the awareness of stakeholders on the HPMP to discourage HCFC imports and use and HCFC-based installations. Concrete actions on the gender policy will be implemented by the NOU together with the refrigeration association. With these measures, the Government would be able to achieve sustainable HCFC phase-out in the country.

Conclusion

17. The country’s import licensing and quota system is operational and will enable HCFC consumption reductions in line with the Montreal Protocol’s phase-out schedule; consumption in 2019 is 22.4 per cent below the Montreal Protocol targets. The verification report confirms that the country has achieved compliance with its HCFC consumption targets for the years 2016 to 2019 and has an enforceable licensing and quota system to achieve the Montreal Protocol targets. The HPMP is progressing satisfactorily. The funds approved under stage I of the HPMP were fully disbursed. The activities so far implemented and those planned under the third and final tranche will further strengthen the servicing sector and continue to help the country meet its compliance obligations under the Protocol. The country will complete stage I of the HPMP in accordance with the Agreement with the Executive Committee and plans to submit its stage II of the HPMP in 2021 that takes into consideration recommendations of the verification report.

RECOMMENDATION

18. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan of (HPMP) for Eritrea; and further recommends blanket approval of the third and final tranche of stage I of the HPMP for Eritrea, and the corresponding 2020 to 2021 tranche implementation plan, at the funding level shown in the table below, on the understanding that:

- (a) If Eritrea were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols; and
- (b) Relevant actions and activities recommended by the verification report will be included in the development and implementation of stage II of the HPMP for Eritrea.

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, third tranche)	21,000	2,730	UNEP