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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: SAO TOME AND PRINCIPE

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, fifth tranche) UNEP

* 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

Sao Tome and Principe

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP	63 rd	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2018	0.07 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2019	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.07				0.07

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:		2.2	Starting point for sustained aggregate reductions:
			0.15
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:		0.05	Remaining:
			0.1

(V) BUSINESS PLAN		2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.01	0.01
	Funding (US \$)	18,080	18,080

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	2.2	2.2	2.0	2.0	2.0	2.0	2.0	1.4	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	0.15	0.15	0.14	0.14	0.14	0.14	0.14	0.10	n/a
Agreed funding (US\$)	UNEP	Project costs	44,000	0	35,000	0	0	35,000	0	30,000	00	16,000	160,000
		Support costs	5,720	0	4,550	0	0	4,550	0	3,900	0	2,080	20,800
Funds approved by ExCom (US\$)		Project costs	44,000	0	35,000	0	0	35,000	0	30,000	0	0	144,000
		Support costs	5,720	0	4,550	0	0	4,550	0	3,900	0	0	18,720
Total funds requested for approval at this meeting (US\$)		Project costs	0	0	0	0	0	0	0	0	0	16,000	16,000
		Support costs	0	0	0	0	0	0	0	0	0	2,080	2,080

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Sao Tome and Principe, UNEP as the designated implementing agency, has submitted a request for funding for the fifth and final tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$16,000, plus agency support costs of US \$2,080.¹ The submission includes a progress report on the implementation of the fourth tranche, the verification report on HCFC consumption for 2015 to 2019 and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

2. The Government of Sao Tome and Principe reported a consumption of 0.07 ODP tonnes of HCFC in 2019 as per the verification report, which is 96.8 per cent below the baseline for compliance and 50 per cent below the HCFC consumption target in its Agreement with the Executive Committee. The 2015-2019 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Sao Tome and Principe (2015-2019 Article 7 data)

HCFC-22	2015	2016	2017	2018	2019*	Baseline
Metric tonnes	1.62	1.50	1.40	1.30	1.26	38.95
ODP tonnes	0.09	0.08	0.08	0.07	0.07	2.2

* Data from the verification report on HCFC consumption.

3. HCFC consumption shows a decreasing trend since 2013 due to implementation of HPMP activities *inter alia* HCFC import regulations and controls, training on good practices in the servicing sector, awareness programmes on HPMP implementation and HCFC-free alternatives, and the introduction of HCFC-free alternatives in air-conditioning and commercial refrigeration applications, mainly based on HFC refrigerants.

Country programme (CP) implementation report

4. The Government of Sao Tome and Principe reported HCFC sector consumption data under the 2019 CP implementation report, which is consistent with the data reported under the verification report and was sent to the Ozone Secretariat.

Verification report

5. The verification report confirmed that the Government is implementing a reliable licensing and quota system for HCFC imports and exports; that the consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2015 to 2019 was correct (as shown in Table 1 above); and that it has complied with both the Montreal Protocol reduction schedule and the maximum allowable consumption for HCFCs in its Agreement with the Executive Committee. The verification report recommends *inter alia* continuous strengthening of the capacity of customs officers through training on enforcement of regulations on ODS imports and on the use of refrigerant identifiers. UNEP has confirmed that training for customs officers will continue in stage II of the HPMP.

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

Legal framework

6. The decree to facilitate the control, commercialization and use of ODS including HCFCs, was approved by the Government in 2007; it includes the mechanisms for granting an import authorization, and

¹ As per the letter of 21 February 2020 from the Ministry of Infrastructure, Natural Resources, and the Environment of Sao Tome and Principe to the Secretariat.

establishing import quotas; requires that the Customs Directorate periodically provides data to the National Institute of Statistics, on amounts of ODS and number of ODS-based equipment being imported, and on amounts of ODS seized; and specifies the steps required for import of ODS under the licensing system.

Refrigeration servicing sector

7. The main activities implemented include:

- (a) Twenty-five enforcement officers were trained on better control and identification of HCFCs and HCFC-based equipment and recent revisions of the Harmonized Commodity Description and Coding Systems (HS) procedures; training of 25 enforcement officers is planned later in 2020 due to restrictions related to COVID-19; and
- (b) Thirty refrigeration technicians were trained on good servicing practices, recovery and recycling and safe handling of hydrocarbon refrigerants; all unskilled technicians were enrolled in the refrigeration association and approximately 100 of those technicians were trained on good servicing practices. Another training workshop for additional 30 refrigeration technicians is planned later in the year 2020 due to COVID-19 related restrictions.

Project implementation and monitoring unit (PMU)

8. The national ozone unit (NOU) monitored the effectiveness of the implementation of all the HPMP activities, collection of relevant data and preparation of reports on implementation of the HPMP with the support of two PMU consultants (one refrigeration and one customs expert). The PMU expenditures to date amount to US \$20,000 for staff and consultant expenses and US \$14,000 for travel; this is lower than the funding allocated for the PMU.

Level of fund disbursement

9. As of February 2020, of the US \$144,000 approved so far, US \$128,000 had been disbursed as shown in Table 2. The balance of US \$16,000 will be disbursed by December 2020.

Table 2. Financial report of stage I of the HPMP for Sao Tome and Principe (US \$)

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)
First	44,000	44,000	100
Second	35,000	35,000	100
Third	35,000	35,000	100
Fourth	30,000	14,000	46.7
Total	144,000	128,000	88.9

Implementation plan for the fifth and final tranche of the HPMP

10. The following activities will be implemented between July 2020 and December 2021:

- (a) Training workshops for at least 50 refrigeration technicians on good service practices, recovery and recycling technics, and safe handling of hydrocarbons refrigerants (US \$10,000); and
- (b) Recruitment of two consultants to assist the NOU in data collection and in monitoring the implementation of the HPMP (US \$6,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

11. The Government of Sao Tome and Principe has already issued HCFC import quotas for 2020 at 0.07 ODP tonnes, which is lower than the maximum allowable consumption target in the HPMP Agreement with the Executive Committee.

Refrigeration servicing sector

12. UNEP informed that the Government is taking all steps to maximize the number of technicians trained, including those unskilled technicians. Upon a request for clarification, UNEP confirmed that no retrofit of refrigeration and air-conditioning (RAC) equipment with flammable refrigerants is reported in the country, and that the Government is fully aware of decisions 72/17 and 73/34 on retrofits.

Gender policy implementation²

13. UNEP informed that both UNEP and the Government are fully committed to implementing the gender policy. The Government is promoting the participation of female practitioners in the training programmes through awareness and other communication channels. So far, there are four female practitioners in RAC servicing, who have been trained. The Government also is planning to provide servicing kits to all women who participate in vocational training for RAC servicing. In addition, 31 female enforcement officers including customs officers, environment inspectors and police officers, were trained under customs and enforcement training programmes.

Sustainability of the HCFC phase-out

14. The Government is taking steps to maximise the number of technicians trained on good servicing practices and safe use of alternative refrigerants, using the center of excellence that was built with support from the Brazilian Cooperation Agency. To further ensure the long-term sustainability of training, all unskilled technicians were enrolled in the refrigeration association and would be trained. In addition, continuous strengthening the capabilities of Customs and enforcement officers through training and capacity building activities, have helped the country in effectively controlling and monitoring HCFC imports. All these aforementioned efforts would ensure the sustainability of HCFC phase-out in the country.

Conclusion

15. The Government of Sao Tome and Principe has been enforcing its HCFC import and export licensing and quota system; the 2019 HCFC consumption of 0.07 ODP tonnes was 96.8 per cent and 50 per cent below the baseline for compliance and the HPMP Agreement targets, respectively. The activities planned under the fourth tranche were implemented and achieved the targets set for the training of technicians and enforcement officers despite some delays due to COVID-19. The level of disbursement is almost 90 per cent of the funds approved so far. The activities planned under the fifth tranche will further strengthen the refrigeration servicing sector and will ensure the long-term sustainability of stage I of the

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

HPMP. The country will complete stage I of the HPMP in accordance with its Agreement with the Executive Committee and plans to submit its stage II of the HPMP in 2021.

RECOMMENDATION

16. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the fourth tranche of stage I of the HCFC phase-out management plan of (HPMP) for Sao Tome and Principe; and further recommends blanket approval of the fifth and final tranche of stage I of the HPMP for Sao Tome and Principe, and the corresponding 2020-2021 tranche implementation plan, at the funding level shown in the table below:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fifth tranche)	16,000	2,080	UNEP