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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: UGANDA

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

Uganda

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	68 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2018	0.08 (ODP tonne)
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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					0.08				0.08

(IV) CONSUMPTION DATA (ODP tonnes)				
2009 - 2010 baseline:		0.2	Starting point for sustained aggregate reductions:	0.2
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)				
Already approved:		0.07	Remaining:	0.13

(V) BUSINESS PLAN		2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.0	0.0
	Funding (US \$)	23,165	23,165
UNIDO	ODS phase-out (ODP tonnes)	0.0	0.0
	Funding (US \$)	0	0

(VI) PROJECT DATA			2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	0.2	0.2	0.18	0.18	0.18	0.18	0.18	0.13	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	0.2	0.2	0.18	0.18	0.18	0.18	0.18	0.13	n/a	
Agreed funding (US\$)	UNEP	Project costs	40,500	0	0	0	23,500	0	0	0	20,500	84,500	
		Support costs	5,265	0	0	0	3,055	0	0	0	2,665	10,985	
	UNIDO	Project costs	40,000	0	0	0	40,000	0	0	0	0	0	80,000
		Support costs	3,600	0	0	0	3,600	0	0	0	0	0	7,200
Funds approved by ExCom (US\$)	Project costs		80,500	0	0	0	63,500	0	0	0	0	144,000	
	Support costs		8,865	0	0	0	6,655	0	0	0	0	15,520	
Total funds requested for approval at this meeting (US\$)	Project costs		0	0	0	0	0	0	0	0	20,500	20,500	
	Support costs		0	0	0	0	0	0	0	0	2,665	2,665	

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Uganda, 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 \$20,500, plus agency support costs of US \$2,665 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 Uganda reported under the verification report a consumption of 0.07 ODP tonnes of HCFC in 2019, which is 65 per cent below the HCFC baseline for compliance.

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

HCFC-22	2015	2016	2017	2018	2019*	Baseline
Metric tonnes (mt)	0.00	0.00	0.00	1.39	1.27	3.64
ODP tonnes	0.00	0.00	0.00	0.08	0.07	0.2

*Data from the verification report.

3. HCFC consumption was nil during the period 2013 to 2017 as there was a considerable stock of HCFCs accumulated from previous imports, and HCFC-22 that was recovered was available for servicing. As the stocks depleted, in 2018 HCFC-22 was imported at an amount much lower than the level allowed under the Montreal Protocol (i.e., 3.28 mt) to service refrigeration and air-conditioning (RAC) equipment. This consumption is expected to continue decreasing through HPMP activities including the continued enforcement of the licensing and quota systems, capacity building and training of customs officers and refrigeration technicians, and the continued recovery and reuse operation of refrigerants. Furthermore, consumers are switching to RAC equipment based on low-global-warming potential (GWP) refrigerants (e.g., CO₂ and R-600a) for certain applications, and to HFC-refrigerants (e.g., HFC-134a, R-404A, R-410A) for other applications.

Country programme (CP) implementation report

4. The Government of Uganda 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 operational licensing and quota system for HCFC imports and exports; that the consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2016 to 2019 was correct (as shown in Table 1 above); and that the country has met the targets specified in its Agreement with the Executive Committee. The report recommends *inter alia* strengthening outreach to importers on HCFC monitoring and control requirements including data reporting and recording; strengthening information sharing among national ozone unit (NOU), customs and NEMA on transactions, issuance of licenses; and establishing periodic communication with importers on licensing process and controls on ODS.

¹ As per the letter of 2 March 2020 from the National Environment Management Authority (NEMA) of Uganda to the Secretariat.

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

Legal framework

6. The National Environment Regulations cover the imports and exports of ODS and ODS-based equipment and provide for a licensing system for all ODS. The development of standards and guidelines for use of flammable refrigerants is still ongoing and is expected to be completed by December 2020 subject to COVID-19-related restrictions which could delay the process.

Refrigeration servicing sector

7. The main activities implemented include:

- (a) Three consultative meetings with stakeholders (Government departments, refrigeration association and standards authorities) for the review of ODS regulations; these regulations have been revised with changes introduced to provide more specific details on HCFC imports and will be effective as of April 2020. Consultations on development of standards and guidelines for use of flammable refrigerants are still ongoing;
- (b) Two training workshops for 60 customs and other enforcement officers on compliance with and enforcement of ODS regulations, as well as techniques in preventing illegal trade;
- (c) Training for 25 technicians by Lira technical institute and 65 technicians by three vocational training institutes (VTIs) on good RAC servicing and safe practices while using flammable refrigerants. Lira technical institute has included RAC courses in their curriculum. Directorate of industrial training (DIT) was consulted on implementation of certification of RAC technicians and incorporation of Montreal Protocol in the curriculum for the RAC courses at different levels of certification. All trained RAC technicians had been registered by the NOU facilitating follow-up of the technicians on training and other support provided under the HPMP; only registered certified RAC technicians undertake servicing of the RAC equipment. A code of practice for RAC has been drafted and would be used by the technicians in the near future; and
- (d) Four workshops for 16 trainers on good servicing practices including recovery and reuse of refrigerants and safe use of flammable refrigerants; equipment and tools (e.g., recovery machines, two stage vacuum pump, leak detectors and servicing tools), were provided. One trainer attended the training of trainers in reclaiming, safe use of flammable refrigerants and identification of illegal/off-specification refrigerants in the United Republic of Tanzania.

Project implementation and monitoring unit (PMU)

8. The NOU under the NEMA coordinates, supervises, monitors and evaluates implementation of all activities in the HPMP. A consultant was recruited to assist the NOU in monitoring implementation of the HPMP activities. The PMU expenditures amount to US \$9,000 (i.e., US \$4,000 for staff and consultants, US \$1,500 for travel and US \$3,500 for workshop and meetings) which is less than the funding allocated for the PMU of US \$15,000.

Level of fund disbursement

9. As of March 2020, all funds approved under the first two tranches had been disbursed (US \$64,000 for UNEP and US \$80,000 for UNIDO) as shown in Table 2.

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

Agency	First tranche		Second tranche		Total	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	40,500	40,500	23,500	23,500	64,000	64,000
UNIDO	40,000	40,000	40,000	40,000	80,000	80,000
Total	80,500	80,500	63,500	63,500	144,000	144,000
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) Training of 20 customs and law enforcement officers on implementation of regulations and monitoring ODS trade; strengthening the customs training schools through updating training materials including information on new ODS regulations; and dissemination of the amended ODS regulations (US \$8,000);
 - (b) Continue to support regional centres of excellence through provision of technical assistance on good service practices, support on use of equipment and access of tool kits, spare parts, alternative refrigerants, and maintain activities geared towards reduction of HCFC emissions from RAC applications (no cost);
 - (c) Training of 40 RAC technicians in two workshops on good servicing practices and safe use of flammable refrigerants; strengthening of the Uganda National Association of Refrigeration and Air-conditioning (UNARA), collaborated with VTIs offering RAC training courses through strengthening the existing curricula with updated training materials on different refrigerants and their use (US \$10,000); and
 - (d) Coordination, monitoring and reporting of HPMP activities (US \$2,500) that includes costs for staff and consultants (US \$1,000), travel (US \$1,000) and consultative workshops (US \$500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Progress report on the implementation of the second tranche of the HPMP*Legal framework*

11. The Government of Uganda initiated the process for issuing HCFC import quotas for 2020 at 0.08 ODP tonnes; however, due to the COVID-19 situation, the process is expected to be completed by the end of April 2020.

12. With regard to the recommendations made in the verification report, UNEP will assist the Government in preparing a plan of action to address them during the implementation of the third tranche of stage I and during stage II of the HPMP.

Refrigeration servicing sector

13. The Secretariat requested clarification on the status of implementation of the incentive programme for commercial and industrial refrigeration end-users. UNEP explained that at the time of planning the

second tranche, it was perceived the necessity to implement such a programme. However, during implementation of the tranche, establishing and strengthening four regional training centers for training technicians was considered a priority. In light of this, the funds were utilised to procure equipment and tools (e.g., recovery and recycling units, vacuum pumps, leak detectors, service manifolds) for equipping the training centers and the Kyambogo University and some service technicians. UNEP also confirmed that the reclamation project and incentive programme would be implemented during implementation of stage II of the HPMP.

14. The Secretariat requested clarifications on the use of flammable refrigerants for retrofitting equipment. UNEP explained that although retrofitting equipment with flammable refrigerants is not practiced in the country, training has been given on safe handling of flammable refrigerants to ensure safe practices when hydrocarbon-based RAC equipment is serviced or in the event that HCFC-22-based equipment would be retrofitted. UNEP also indicated that the refrigeration association provides technical support to the service agencies on safe use of flammable refrigerants; DIT continues to certify technicians on use of flammable, toxic and high-pressure refrigerants; and that the Government is fully aware of decisions 72/17 and 73/34 on retrofits and related safety needs.

Gender policy implementation²

15. UNEP informed that the Government is fully committed to implementing the gender policy. Currently, 11 female customs officers and nine female RAC technicians have been trained; in addition, there is one female customs officers trainer. The NOU will conduct meetings with the VTIs to which assistance was provided under the HPMP, to discuss gender and women's empowerment issues and ways to encourage female technicians to participate in RAC training programmes. The NOU will also keep track of the number of female technicians and customs officers trained.

Sustainability of the HCFC phase-out

16. The Government of Uganda has implemented training activities for servicing technicians on good practices, recovery and reuse of refrigerants and safe servicing practices while using flammable refrigerants; four training centers have been equipped to support the NOU in implementing training activities under the HPMP. In addition, the Government, in cooperation with DIT, is taking steps on developing and implementing RAC technician certification, and UNARA is involved in the RAC servicing sector. The NOU, in addition to implementing controls and monitoring of HCFCs, would continue to train enforcement officers from different Government departments on monitoring HCFC trade and prevent illegal trade of ODS; the curriculum of the customs training academy includes ODS-related modules. 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 further reductions on HCFC consumption in advance of the Montreal Protocol's phase-out schedule; consumption in 2019 is 46.3 per cent below the Montreal Protocol targets. The verification report confirms that the country has achieved compliance with its HCFC consumption targets and UNEP has confirmed that the verification recommendations will be implemented during the third tranche of stage I and stage II of the HPMP. Phase-out activities are progressing; all funds approved so far were disbursed. The activities so far implemented and those planned under the third tranche will further strengthen the servicing sector and help the country meet its compliance obligations under the Protocol. The country will complete 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 in accordance with its Agreement with the Executive Committee and plans to submit its stage II of the HPMP in 2021.

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 Uganda; and further recommends blanket approval of the third and final tranche of stage I of the HPMP for Uganda, and the corresponding 2020 to 2021 tranche implementation plan, at the funding level shown in the table below, on the understanding that:

- (a) If Uganda 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 implemented during the third tranche of stage I and stage II of the HPMP for Uganda.

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, third tranche)	20,500	2,665	UNEP