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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninetieth Meeting
Montreal, 20-23 June 2022
Items 9(a) and (d) of the provisional agenda¹

PROJECT PROPOSAL: EQUATORIAL GUINEA

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 and UNIDO

¹ UNEP/OzL.Pro/ExCom/90/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Equatorial Guinea

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (stage I)	UNEP (lead), UNIDO	65 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2021	0.94 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2021	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.94				0.94

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	6.31	Starting point for sustained aggregate reductions:	2.50
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.87	Remaining:	1.63

(V) BUSINESS PLAN		2022	2023	2024	Total
UNEP	ODS phase-out (ODP tonnes)	0.1	0.0	0.0	0.1
	Funding (US \$)	34,000	0	0	34,000
UNIDO	ODS phase-out (ODP tonnes)	0.0	0.0	0.0	0.00
	Funding (US \$)	0	0	0	0

(VI) PROJECT DATA			2011	2013	2014	2015	2016-2017	2018*	2019	2020	2021	2022	Total	
Montreal Protocol consumption limits			n/a	6.29	6.29	5.66	5.66	5.66	5.66	4.09	4.09	4.09	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	6.29	6.29	5.66	5.66	2.25	2.25	1.63	1.63	1.63	n/a	
Agreed funding (US\$)	UNEP	Project costs	40,000	30,000	0	0	0	45,000	0	30,000	0	0	145,000	
		Support costs	5,200	3,900	0	0	0	5,850	0	3,900	0	0	18,850	
	UNIDO	Project costs	75,000	0	0	0	0	60,000	0	0	0	0	0	135,000
		Support costs	6,750	0	0	0	0	5,400	0	0	0	0	0	12,150
Funds approved by ExCom (US\$)	Project costs	115,000	0	0	30,000	0	105,000	0	0	0	0	0	250,000	
	Support costs	11,950	0	0	3,900		11,250	0	0	0	0	0	27,100	
Total funds requested for approval at this meeting (US\$)	Project costs											30,000**	30,000	
	Support costs											3,900**	3,900	

*The third and fourth tranches were combined at the 82nd meeting.

** The fifth tranche was due for submission at the 86th meeting in 2020.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Equatorial Guinea, UNEP as the lead 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 \$30,000, plus agency support costs of US \$3,900 for UNEP only.² The submission includes a progress report on the implementation of the combined third and fourth tranches, the verification report on HCFC consumption for 2018 to 2021, and the tranche implementation plan for 2022 to 2023.

Report on HCFC consumption

2. The Government of Equatorial Guinea reported a consumption of 0.94 ODP tonnes of HCFC in 2021, which is 85 per cent below the HCFC baseline for compliance and 62 per cent below the starting point for aggregate reductions in HCFC consumption of 2.5 ODP tonnes. The 2017-2021 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Equatorial Guinea 2017-2021 (Article 7 data)

HCFC-22	2017	2018	2019	2020	2021	Baseline
Metric tonnes (mt)	0.18	21.86	15.73	18.64	17.00	114.36
ODP tonnes	0.01	1.2	0.87	1.03	0.94	6.31

3. HCFC consumption has been decreasing overall with a slight fluctuation each year due to the change of stock level in the country. The gradual decrease of consumption has been attributed to the implementation of the HPMP and the market transition to HCFC alternatives. The very low consumption reported in 2017 was due to either a failure of one or more importers to declare the quantities imported or the use of stockpiles from previous years when the licensing and quota system was not operational. The Government has strengthened the licensing and quota system and controls HCFC consumption at a level below the maximum allowable consumption under the Montreal Protocol and its Agreement with the Executive Committee.

Country programme (CP) implementation report

4. The Government of Equatorial Guinea reported HCFC sector consumption data under the 2021 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 reported under Article 7 of the Montreal Protocol for 2018 to 2021 was correct (as shown in Table 1 above). The verification noted that most of the recommendations in the previous verification had been addressed except for the establishment of a computerized customs system. The verification recommended additional actions including, *inter alia*, monitoring local trades; providing more refrigerant identifiers; including the harmonized system (HS) codes for HFCs in customs training; and extending training to the staff in the Ministry of Trade. The verification concluded that the country has a reliable licensing and quota system for controlling ODS imports according to the quotas allocated and that Equatorial Guinea was in compliance with the Montreal Protocol and the maximum allowable consumption targets in the Agreement with the Executive Committee from 2018 to 2021.

² As per the letter of 28 March 2021 from the Directorate General of Environment of Equatorial Guinea to the Secretariat.

Progress report on the implementation of the combined third and fourth tranches of the HPMP*Legal framework*

6. The Government of Equatorial Guinea has implemented the sub-regional regulations of the “Communauté Économique et Monétaire de l’Afrique Centrale” (CEMAC) that harmonizes the management of controlled substances, including HCFCs in the sub-region. The regulatory and legal framework for controlling the importation and distribution of HCFCs was approved in 2003. The Government issued a ministerial decree (3/2017) and a memorandum (no. 307 of 20 July 2017) establishing ODS import quotas from 2018 to 2020. An administrative procedure for the licensing and quota system has been established and implemented which enables the country to monitor and control the import of ODS into the country. The ratification of the Kigali Amendment is expected by the end of 2022.

Refrigeration servicing sector

7. The following activities were implemented:

- (a) A total of three trainers and 64 customs officers (22 women) and 17 environmental officers (six women) received training on national and sub-regional legislation; control of the import and export of refrigerants; labelling of containers; identification of ODS and alternatives; the use of refrigerant identifiers; and the prevention of illegal trade of ODS;
- (b) A total of 113 refrigeration and air-conditioning (RAC) technicians (23 women) were trained in good servicing practices, refrigerant recovery and recycling, and safety in handling flammable refrigerants (hydrocarbons). The RAC association organized two refresher sessions on the same subjects for 48 members (6 women); and
- (c) RAC training equipment and tools (i.e., vacuum pumps, leak detectors, service manifolds, vacuum gauges, cylinders, recovery machines, one refrigerant identifier, and other standard tools) were purchased and provided to upgrade one training centre and to establish three new centres; four refrigeration process simulators were created for training purposes; and one online training event was conducted for 30 national experts on the theory of refrigeration, the zero-leak programme, refrigerant quality control (a local issue which can cause damage to components) and servicing with hydrocarbon refrigerants.

Project implementation and monitoring

8. The National Ozone Unit (NOU) recruited one consultant (refrigeration expert) to assist the NOU team in the monitoring and effective implementation of activities under the HPMP and the collection of accurate data. The total funding disbursed of US \$10,000 was for the consultant.

Level of fund disbursement

9. As of March 2022, of the US \$250,000 approved so far, US \$248,266 had been disbursed (US \$115,000 for UNEP and US \$133,266 for UNIDO), as shown in Table 2. The balance of US \$1,734 will be disbursed in 2022.

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

Agency	First tranche		Second tranche		Third and fourth tranches		Total	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	40,000	40,000	30,000	30,000	45,000	45,000	115,000	115,000
UNIDO	75,000	74,961	0	0	60,000	58,305	135,000	133,266
Total	115,000	114,961	30,000	30,000	105,000	103,305	250,000	248,266

Agency	First tranche		Second tranche		Third and fourth tranches		Total	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
Disbursement rate (%)	99.97		100		98.38		99.3	

Implementation plan for the fifth and final tranche of the HPMP

10. The following activities will be implemented between July 2022 and December 2023:
- (a) Organizing three training workshops to train 40 customs officers, 20 environmental inspectors and 10 trade officers in regulatory requirements for the control of HCFCs; identifying ODS and ODS-containing equipment; and the prevention of illegal ODS trade (UNEP) (US \$12,500);
 - (b) Conducting three training workshops to train 75 technicians in good servicing practices; refrigerant recovery and recycling; and the safe handling of hydrocarbon refrigerants (UNEP) (US \$12,500); and
 - (c) Project monitoring activities will continue with the employment of one consultant to assist the NOU in the monitoring and implementation of all HPMP activities and data collection (UNEP) (US \$5,000 for consultant salary).

SECRETARIAT’S COMMENTS AND RECOMMENDATION

COMMENTS

Progress report on the implementation of the combined third and fourth tranches of the HPMP

Legal framework

11. The Government of Equatorial Guinea has already issued HCFC import quotas for 2022 at 0.94 ODP tonnes, which is lower than the Montreal Protocol control targets.

12. The Secretariat noted that the licensing and quota system is operational and can control the import of HCFCs according to the quota allocated. Regarding the use of HS codes to identify controlled substances, UNEP clarified that the current HS codes could identify individual HCFCs; UNEP is supporting the Government to adopt the updated 2022 version of HS codes to include those for HFCs. The training of customs officers will also include the updated version of HS codes.

13. The Government is addressing the recommendations in the verification report. The establishment of a computerized customs system to allow data sharing with the NOU, and the provision of additional refrigerant identifiers will be addressed in stage II due to funding limitations. Other recommendations will be considered in the implementation of the fifth tranche.

Refrigeration servicing sector

14. The training of technicians has included the safe handling of flammable refrigerants. UNEP advised that the main barriers for the introduction of low-global-warming-potential (GWP) alternatives are the lack of standards and certified technicians to address safety, flammability and toxicity issues in equipment installation and servicing. The adoption of standards for handling flammable/toxic refrigerants and the certification of technicians will be implemented in stage II of the HPMP.

Completion of stage I

15. At the 88th meeting, the Executive Committee, noting the delays due to constraints imposed by the COVID-19 pandemic and that the mandatory verification on HCFC consumption targets had not been completed, urged the Government of Equatorial Guinea to work with UNEP to complete the verification so that the fifth (2020) tranche of stage I of the HPMP could be submitted to the 90th meeting with a revised plan of action to take into account the reallocation of the 2020 tranche (decision 88/33). Given the delay in the submission of the fifth tranche and based on the implementation plan of the fifth tranche, the Government of Equatorial Guinea is requesting an extension of the date of completion of stage I of the HPMP to 31 December 2023. The Government plans to submit stage II of the HPMP to the 91st meeting.

Gender policy implementation

16. The country has been informed of the Multilateral Fund's gender policy decision 84/92(d).³ The NOU is consulting the relevant stakeholders on strategies to empower women's participation, and a gender mainstreaming approach will be implemented in stage II. Under stage I women's participation has been encouraged and tracked for HPMP training activities; women's enrollment has been encouraged in vocational training centres. There is annual recognition of women who have obtained their Industrial Technical Diploma or Professional Aptitude Certificate in the RAC profession, and recognition of women refrigeration engineers and technicians. The last tranche of stage I will include tracking gender information related to the training of customs officers and technicians.

Sustainability of the HCFC phase-out

17. The ozone-related issues have been integrated into the routine customs training of new customs officers to ensure sustainability. Technicians were trained and provided with tools to enable them to engage in good servicing practices. Training institutes are supported with training equipment, and certification of technicians will be implemented in stage II of the HPMP to support the continuous capacity development of the servicing sector to meet the challenges of adopting low-GWP flammable and toxic alternatives.

Conclusion

18. The Government has strengthened the licensing and quota system to ensure its effective operation in controlling HCFC imports. The verified consumption of 2021 is 85 per cent below the HCFC baseline for compliance and 62 per cent below the starting point for aggregate reductions in HCFC consumption. Although the implementation of stage I of the HPMP has been delayed; all the activities planned for the combined third and fourth tranches have been completed and the disbursement rate of the funds approved has reached 99 per cent. The extension of stage I of the HPMP to the end of 2023 would allow the country to complete the remaining activities and sustain the results so far achieved.

RECOMMENDATION

19. The Fund Secretariat recommends that the Executive Committee:

- (a) Take note of the progress report on the implementation of the combined third and fourth tranches of stage I of the HCFC phase-out management plan (HPMP) for Equatorial Guinea; and
- (b) Approve, on an exceptional basis, given the delay in implementing phase-out activities, and noting that no further extension of project implementation would be requested, the

³ Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

extension of the date of completion of stage I of the HPMP for Equatoria Guinea to 31 December 2023.

20. The Fund Secretariat further recommends blanket approval of the fifth and final tranche of stage I of the HPMP for Equatorial Guinea, and the corresponding 2022-2023 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)	30,000	3,900	UNEP