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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Ninety-first Meeting  
Montreal, 5-9 December 2022  
Item 9(c) of the provisional agenda<sup>1</sup>

**PROJECT PROPOSAL: SOUTH SUDAN**

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, second tranche) UNEP and UNDP

<sup>1</sup> UNEP/OzL.Pro/ExCom/91/1

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**South Sudan**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>	<b>MEETING APPROVED</b>	<b>CONTROL MEASURE</b>
HCFC phase-out plan (stage I)	UNEP (lead), UNDP	77 <sup>th</sup>	35% phase-out by 2020

<b>(II) LATEST ARTICLE-7 DATA (Annex C Group I)</b>	Year: 2021	1.04 ODP tonnes
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2021</b>	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.04				1.04

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009-2010 baseline:	4.10	Starting point for sustained aggregate reductions:	1.64
<b>CONSUMPTION ELIGIBLE FOR FUNDING</b>			
Already approved:	0.57	Remaining:	1.07

<b>(V) ENDORSED BUSINESS PLAN</b>		<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
UNEP	ODS phase-out (ODP tonnes)	0.27	0	0	0.27
	Funding (US \$)	113,000	0	0	113,000
UNDP	ODS phase-out (ODP tonnes)	0.24	0	0	0.24
	Funding (US \$)	98,100	0	0	98,100

<b>(VI) PROJECT DATA*</b>			<b>2016</b>	<b>2017-2019</b>	<b>2020-2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
Montreal Protocol consumption limits (ODP tonnes)			3.69	3.69	2.67	2.67	2.67	2.67	n/a
Maximum allowable consumption (ODP tonnes)			1.48	1.48	1.07	1.07	1.07	1.07	n/a
Funding agreed in principle (US \$)	UNEP	Project costs	20,000	0	0	70,500	0	29,500	120,000
		Support costs	2,600	0	0	9,165	0	3,835	15,600
	UNDP	Project costs	0	0	0	50,000	0	40,000	90,000
		Support costs	0	0	0	4,500	0	3,600	8,100
Funds approved by ExCom (US \$)		Project costs	20,000	0	0				20,000
		Support costs	2,600	0	0				2,600
Total funds recommended for approval at this meeting (US \$)		Project costs				120,500			120,500
		Support costs				13,665			13,665

\*Based on the updated Agreement to be considered

<b>Secretariat's recommendation:</b>	Blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of South Sudan, UNEP as the lead implementing agency has submitted a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$134,165, consisting of US \$70,500, plus agency support costs of US \$9,165 for UNEP, and US \$50,000, plus agency support costs of US \$4,500 for UNDP.<sup>2</sup> The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2016 to 2021, and the tranche implementation plan for 2022 to 2024.

### Report on HCFC consumption

2. The Government of South Sudan reported a consumption of 1.04 ODP tonnes of HCFC in 2021, which is 75 per cent below the HCFC baseline for compliance. The 2017-2021 HCFC consumption is shown in table 1.

**Table 1. HCFC consumption in South Sudan (2017-2021 Article 7 data)**

HCFC-22	2017	2018	2019	2020	2021	Baseline
Metric tonnes (mt)	26.00	25.45	25.00	18.73	18.91	74.55
ODP tonnes	1.43	1.40	1.38	1.03	1.04	4.10

3. In 2016, when the HPMP was approved, it was reported that HCFC-22 was the only HCFC imported and was used solely in servicing refrigeration and air conditioning (RAC) equipment. Economic development has been uneven in South Sudan since its independence due to the civil unrest that affected the country. The economy would be expected to grow rapidly, once stability is fully attained, with a forecast growth in HCFC consumption under the unconstrained scenario based on the need for servicing RAC equipment. HCFC-22 continues to be the only HCFC imported and used in refrigeration servicing. The above data for 2017 to 2020 reflects updates requested by the Government of South Sudan based on consumption being verified by an independent consultant. The totals year-to-year are actually lower than first reported by the country.

### *Country programme (CP) implementation report*

4. The Government of South Sudan 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 administratively a licensing and quota system for HCFC imports and trade. The verifier concluded on different data on the total consumption of HCFCs from that originally reported under Article 7 of the Montreal Protocol for 2017 to 2021, which was due to the way HCFCs and relevant equipment are accounted for by customs. The verifier therefore recommended that the country requested the Ozone Secretariat to update the reported data to reflect the actual and verified consumption of HCFCs. The updated data is shown in table 1 above. The verification concluded that South Sudan fully met all the targets specified in the Agreement between the country and the Executive Committee and was in compliance with the Montreal Protocol. Whereas South Sudan has administrative controls over ODS imports through a 2016 Ministerial Order, and the National Ozone Unit (NOU)/Ministry of Environment and Forestry works in collaboration with the Ministry of Trade and Industry, and the Customs Services to monitor imports, the country is yet to enact comprehensive legislation for the control of ODS and HFCs. The verifier recommended such enactment, as well as the development of harmonized systems (HS) codes in the schedules of South Sudan's proposed

<sup>2</sup> As per the letter of 26 September 2022 from the Ministry of Environment and Forestry of South Sudan to the Secretariat.

ODS, HCFC and HFC alternatives legislation, the automation of the licensing and import clearance systems in order to ensure better data capture, and that the NOU and the Customs Services work more closely to build and strengthen the national enforcement capacity. UNEP confirmed that all these recommendations will be addressed through the activities under the second and third tranches.

### Progress report on the implementation of the first tranche of the HPMP

#### *Legal framework*

6. The Ministry of Environment and Forestry is the focal point for implementation of the Montreal Protocol and hosts the NOU, which coordinates activities at the operational level. The Government approved the National Environmental Policy for the period from 2015 to 2025, which authorizes the Ministry of Environment and Forestry to implement the ODS licensing and quota system. Thus, through a Ministerial Order in 2016, the Government put in place a licensing system for the control of imports and trade of ODS including HCFCs.

7. The Government has further drafted detailed legislation of substances that deplete the Ozone Layer, which provide for a specific procedure for HCFCs import quota establishment. The enactment of the legislation has been delayed due to political instability in the country. Nevertheless, the implementation of the HCFC licensing and quota system continues administratively.

#### *Refrigeration servicing sector*

8. The following activities were completed during the first tranche:

- (a) Thirty-five customs and enforcement officers were trained at a workshop. Topics included training on identifying HCFCs and HCFCs containing equipment, information on ODS related regulations and legislation, roles and responsibilities of customs and enforcement officers. Two refrigerant identifiers that were procured during the first tranche were used in demonstrations;
- (b) Forty RAC technicians and members of the RAC association were trained at a two-day workshop at the Multi-purpose Training Centre (MTC). Training included safe handling of flammable refrigerants and emerging technologies like CO<sub>2</sub> and hydrocarbon technology, an introduction on substances that deplete the Ozone Layer, the phase-out schedule of HCFCs, and the need for introduction of alternatives. The workshop also included practical training of technicians to enhance their servicing skills, containment of refrigerants and the equipment performance and efficiency. Technicians got acquainted with good servicing practices in refrigeration as well as with recovery, recycling and reclaim of refrigerants; and
- (c) The NOU also supported the organization of one RAC association meeting. Two topics were discussed, i.e., how to strengthen the association and how to ensure that most technicians join the association. As a result, a special committee was set up to propose recommendations on the two issues. The meeting also discussed how to manage a national training centre.

#### *Project implementation and monitoring*

9. An amount of US \$3,000 was allocated for project implementation and monitoring during the first tranche. It was reported that all activities were completed. The NOU monitored implementation of the first tranche and worked on collecting accurate data.

Level of fund disbursement

10. As of September 2022, of the US \$20,000 approved so far for UNEP, 100 per cent had been disbursed.

Implementation plan for the second tranche of the HPMP

11. The following activities will be implemented between December 2022 and April 2024:

- (a) Strengthening policy and regulatory framework: This component includes organizing one meeting of stakeholders for 20-25 participants, meetings of national legislation experts for the development of acts and regulations, and meetings of national experts for the development of a database (UNEP) (US \$14,000);
- (b) Further training of customs and other law enforcement agents and follow up on the strengthening and enforcement of HCFC licensing and quota system, and procurement of two refrigeration identifiers: This component includes three workshops to train 50 customs officers on practical skills and knowledge to identify HCFCs and HCFCs containing equipment, to acquaint them with the ODS-related regulations and legislation, and to raise their awareness on their role in enforcing the Montreal Protocol at the national level. The development of HS codes for refrigerants is also foreseen under this component (UNEP) (US \$20,000);
- (c) Technical assistance and equipment – Programme for the establishment of recovery, recycling and centres of excellence: This component includes procurement of recovery and recycling tools for the three vocational centres, with an emphasis on the central one in Juba; and acquisition of tools for technicians' workshops participating in the training programmes<sup>3</sup> (UNDP) (US \$50,000);
- (d) Strengthening of the RAC association, technical institutions and additional training of refrigeration technicians: This component includes three additional workshops, for about 60 refrigeration technicians, on practical training to enhance servicing skills in containment of refrigerants and in equipment performance and efficiency, and in handling alternative flammable refrigerants safely in the RAC sector. The NOU will continue supporting the RAC association by organizing one meeting on hydrocarbon and CO<sub>2</sub> technologies and on installation, operation, maintenance and disposal of equipment using flammable substances. The creation of the National Steering Committee to advise the Government on the establishment and implementation of the licensing system is foreseen (UNEP) (US \$26,500); and
- (e) Project monitoring: This will include a consultant to assist in the monitoring and evaluation of implementation, in identifying challenges and suggesting remedial actions, and in performing field visits at workshops to gauge the amount of HCFC consumed. Inspection visits will be made to the customs entry points to monitor compliance in the cross-border trade of refrigerants (UNEP) (US \$10,000).

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<sup>3</sup> To be determined after the relevant assessment has been conducted.

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

#### Progress report on the implementation of the first tranche of the HPMP

##### *Implementation delay and request for extension of stage I*

12. The first tranche was approved in 2016 but could only be implemented in 2022 due to the political instability in the country. At the 90<sup>th</sup> meeting, the Executive Committee allowed, on an exceptional basis, UNEP to continue the implementation of the outstanding activities related to stage I of the HPMP for South Sudan (decision 90/23). According to the revised plan of action submitted with the second tranche to the present meeting, the third and final tranche will only be submitted in 2024. The Government of South Sudan therefore requested an extension of the completion date of stage I to 31 December 2025. UNEP confirmed the situation has improved in the country and activities can be implemented. The Secretariat considered the improvements in the country and the fact that the necessary conditions for implementation, such as the creation of a stable NOU, are now present to continue with the implementation of stage I.

##### *Legal framework*

13. The Secretariat noted that the Government of South Sudan is implementing the HCFC licensing and import quota system, through a Ministerial Decree, and pointed out that the licensing system should be legally established as this is one of the conditions for achieving the objectives of the HPMP, to guarantee compliance and for reasons of sustainability. UNEP indicated that the enactment of the comprehensive legislation for the control of ODS and HFCs, drafted with their support in 2020, will be backed by the activities of the second and third tranches. UNEP will make sure that the Government has an established HCFC licensing system. It is expected to have the licensing system approved and fully operational in 2023.

14. The Government of South Sudan has issued HCFC import quotas for 2022 in accordance with the targets in the Agreement with the Executive Committee.

##### *Refrigeration servicing sector*

15. The strategy of the Government of South Sudan to achieve total phase out of HCFCs, in line with the Montreal Protocol schedule, is through the promotion and adoption of energy-efficient alternative technologies that could bring ozone and climate benefits. The phase-out activities in the refrigeration servicing sector implemented up to August 2022 included training of customs and other law enforcement agents, establishment of the RAC Association, and training of RAC technicians in good refrigeration practices. The implementation plan for the second tranche foresees a continuation of these activities, including strengthening of the RAC Association and technical institutions, and additional training.

#### Revision of the Agreement

16. A draft updated agreement between the Government of South Sudan and the Executive Committee has been included as Annex I to the present document, to reflect in paragraph 1 and Appendix 2-A the extension of stage I to 2025; and paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 77<sup>th</sup> meeting.

Gender policy implementation<sup>4</sup>

17. One of the two members of NOU team is a female. Seven women technicians and 23 women customs officers were trained during the first tranche. The NOU will get acquainted with the Multilateral Fund gender mainstreaming policy, as per decisions 84/92(d)(ii) and 90/48(c). Starting with the second tranche, the NOU will keep track of the number of female refrigeration technicians and customs officers trained. The NOU will also include gender equality and women's empowerment topics in the agenda of meetings to be held with the RAC association, various stakeholders and partners.

Sustainability of the HCFC phase-out and assessment of risks

18. The Secretariat discussed with UNEP the risks to the successful HCFC phase-out and the sustainability of the HPMP achievements. The primary identified risks for the sustainability of the HCFC phase-out are situations out of the control of the Multilateral Fund institutions, such as the political instability of the country. The lead agency will carefully monitor the situation in the country to adjust the project implementation as necessary. UNEP is optimistic of the momentum currently existing in the country for the implementation of the remaining tranches of stage I, as necessary conditions, such as the creation of a stable NOU and the increasing cooperation between the NOU and customs authorities, are now present. It is also anticipated that the HPMP targets will continue to be met.

19. An issue that was considered is also the fact that the licensing system has not yet been enacted through legislation, even though it is currently functioning through a Ministerial Decree. UNEP has supported the country in developing the necessary draft legislation and will continue providing its support with the objective of the enactment. The activities on the second tranche, which include the establishment of a Steering Committee to advise the Government on the enactment of the licensing system; and the further training of customs officers on the strengthening of the implementation and enforcement of the system, including the collection of more accurate data, are aimed at addressing these issues.

20. The technical assistance and equipment being provided to the centres of excellence for their strengthening, aim at ensuring the sustainability of the technicians training, with the expectation that a certification scheme of RAC technicians would be established at a later stage.

Conclusion

21. The HCFC licensing and import quota system is operational in the country through a Ministerial Decree. The Government of South Sudan and UNEP are committed to have the relevant legislation enacted during the second tranche. The entire amount of the first tranche was fully disbursed. Consumption in 2021 was 61 per cent and 3 per cent below the Montreal Protocol control target and the maximum allowable consumption in the Agreement with the Executive Committee for the same year, respectively. Stage I is notwithstanding in arrears due to the political instability in the country in the earlier years of the HPMP. It is expected that with the trainings for customs officers and RAC technicians and meetings for various stakeholders, to take place during the second tranche, the HPMP will regain momentum for all those involved. The NOU will also encourage more women to participate in trainings and will keep track of the numbers of women participants. The beginning of UNDP's activities with the provision of tools and training at three vocational centres and at technicians' workshops will also better prepare the country for the future and move the HPMP forward. At the same time, the country will implement the recommendations in the verification report and UNEP is requested to report on this as part of the progress report of the second

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<sup>4</sup> In line with decision 84/92(d), decision 90/48(c) encouraged bilateral and implementing agencies to continue ensuring that the operational gender mainstreaming policy was applied to all projects, taking into consideration the specific activities presented in table 2 of document UNEP/OzL.Pro/ExCom/90/37.

tranche when the third and final tranche will be requested in 2024. The activities proposed to take place during the second tranche will contribute to sustainably implement the HPMP.

## RECOMMENDATION

22. The Fund Secretariat recommends that the Executive Committee:

- (a) Take note of the progress report on the implementation of the first tranche of stage I of the HCFC phase out management plan (HPMP) for South Sudan;
- (b) Approve, on an exceptional basis, given delays in implementing phase-out activities, and noting that no further extension of project implementation would be requested, the extension of the date of completion of stage I of the HPMP for South Sudan to 31 December 2025; and
- (c) Note that the Fund Secretariat has updated the Agreement between the Government of South Sudan and the Executive Committee, as contained in Annex I to the present document, specifically: paragraph 1 and Appendix 2-A, based on the extension of stage I to 2025; and paragraph 16, that has been added to indicate that the updated Agreement superseded that reached at the 77<sup>th</sup> meeting.

23. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for South Sudan, and the corresponding 2022-2024 tranche implementation plan, at the funding levels shown in the table below, on the understanding that UNEP would include, as part of the progress report on the implementation of the second tranche of the HPMP, an update on progress towards implementing the recommendations in the verification report submitted to the 91<sup>st</sup> meeting:

	<b>Project title</b>	<b>Project funding (US \$)</b>	<b>Support costs (US \$)</b>	<b>Implementing agency</b>
(a)	HCFC phase-out management plan (stage I, second tranche)	70,500	9,165	UNEP
(b)	HCFC phase-out management plan (stage I, second tranche)	50,000	4,500	UNDP



**Annex I**

**TEXT TO BE INCLUDED IN THE DRAFT UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF SOUTH SUDAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

(Relevant changes are in bold font for ease of reference)

1. This Agreement represents the understanding of the Government of South Sudan (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 1.07 ODP tonnes by 1 January **2024** in compliance with Montreal Protocol schedules.

**16. This updated Agreement supersedes the Agreement reached between the Government of South Sudan and the Executive Committee at the 77<sup>th</sup> meeting of the Executive Committee.**

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

Row	Particulars	2016	2017-2019	2020-2021	2022	2023	2024	Total	
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.69	<b>3.69</b>	<b>2.67</b>	<b>2.67</b>	<b>2.67</b>	<b>2.67</b>	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.48	<b>1.48</b>	<b>1.07</b>	<b>1.07</b>	<b>1.07</b>	<b>1.07</b>	n/a	
2.1	Lead IA (UNEP) agreed funding (US \$)	20,000	<b>0</b>	<b>0</b>	<b>70,500</b>	<b>0</b>	<b>29,500</b>	120,000	
2.2	Support costs for Lead IA (US \$)	2,600	<b>0</b>	<b>0</b>	<b>9,165</b>	<b>0</b>	<b>3,835</b>	15,600	
2.3	Cooperating IA (UNDP) agreed funding (US \$)	0	<b>0</b>	<b>0</b>	<b>50,000</b>	<b>0</b>	<b>40,000</b>	90,000	
2.4	Support costs for Cooperating IA (US \$)	0	<b>0</b>	<b>0</b>	<b>4,500</b>	<b>0</b>	<b>3,600</b>	8,100	
3.1	Total agreed funding (US \$)	20,000	<b>0</b>	<b>0</b>	<b>120,500</b>	<b>0</b>	<b>69,500</b>	210,000	
3.2	Total support costs (US \$)	2,600	<b>0</b>	<b>0</b>	<b>13,665</b>	<b>0</b>	<b>7,435</b>	23,700	
3.3	Total agreed costs (US \$)	22,600	<b>0</b>	<b>0</b>	<b>134,165</b>	<b>0</b>	<b>76,935</b>	233,700	
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								0.57
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)								0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								1.07