



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/91/54\*  
10 November 2022

ORIGINAL: ENGLISH



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

**PROJECT PROPOSAL: TOGO**

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage II, first tranche) UNEP and UNIDO

\*Re-issued for technical reasons on 28 November 2022.

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

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****Togo**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2021	8.84 ODP tonnes
---	------------	-----------------

<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					8.53				8.53
HCFC-142b					0.31				0.31

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009-2010 baseline:	20.00	Starting point for sustained aggregate reductions:	20.00
<b>CONSUMPTION ELIGIBLE FOR FUNDING</b>			
Already approved:	7.00	Remaining:	13.00

<b>(V) ENDORSED BUSINESS PLAN</b>		<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
UNEP	ODS phase-out (ODP tonnes)	0.98	0	0	0.98
	Funding (US \$)	96,155	0	0	96,155
UNIDO	ODS phase-out (ODP tonnes)	1.00	0	3.00	4.00
	Funding (US \$)	93,380	0	280,140	373,520

<b>(VI) PROJECT DATA</b>			<b>2022</b>	<b>2023-2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Total</b>
Montreal Protocol consumption limits (ODP tonnes)			13.00	13.00	6.50	6.50	6.50	6.50	6.50	0	n/a
Maximum allowable consumption (ODP tonnes)			13.00	13.00	6.50	6.50	6.50	6.50	6.50	0	n/a
Project costs requested in principle (US \$)	UNEP	Project costs	125,000	0	0	210,000	0	180,000	0	185,000	700,000
		Support costs	15,536	0	0	26,100	0	22,371	0	22,993	87,000
	UNIDO	Project costs	200,000	0	0	0	0	270,000	0	0	470,000
		Support costs	14,000	0	0	0	0	18,900	0	0	32,900
Total project costs recommended in principle (US \$)			325,000	0	0	210,000	0	450,000	0	185,000	1,170,000
Total support costs recommended in principle (US \$)			29,536	0	0	26,100	0	41,271	0	22,993	119,900
Total funds recommended in principle (US \$)			354,536	0	0	236,100	0	491,271	0	207,993	1,289,900

<b>(VII) Request for approval of funding for the first tranche (2022)</b>		
<b>Implementing agency</b>	<b>Funds recommended (US \$)</b>	<b>Support costs (US \$)</b>
UNEP	125,000	15,536
UNIDO	200,000	14,000
Total	325,000	29,536

<b>Secretariat's recommendation:</b>	Individual consideration
--------------------------------------	--------------------------

## PROJECT DESCRIPTION

### Background

1. On behalf of the Government of Togo, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$1,289,900, consisting of US \$700,000, plus agency support costs of US \$87,000 for UNEP and US \$470,000, plus agency support costs of US \$32,900 for UNIDO, as originally submitted.<sup>2</sup> The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US \$354,536, consisting of US \$125,000, plus agency support costs of US \$15,536 for UNEP and US \$200,000, plus agency support costs of US \$14,000 for UNIDO, as originally submitted.

### Status of implementation of stage I of the HPMP

3. Stage I of the HPMP for Togo was approved at the 62<sup>nd</sup> meeting<sup>3</sup> to phase out 7.00 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector and to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US \$630,000, plus agency support costs. At the 87<sup>th</sup> meeting, in approving the fifth and final tranche, the Executive Committee approved, on an exceptional basis, the extension of the date of completion of stage I of the HPMP for Togo to 31 December 2023, given delay in implementing phase-out activities due to the COVID-19 pandemic, and on the understanding that no further extension of project implementation would be requested. Further it noted that UNIDO will submit a detailed report on the results of the financial incentive programme as part of the stage II submission in line with decision 84/84(d).<sup>4</sup>

### HCFC consumption

4. The Government of Togo reported a consumption of 8.84 ODP tonnes of HCFC in 2021, which is 56 per cent below the HCFC baseline for compliance. The 2017-2021 HCFC consumption is shown in table 1.

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

HCFC	2017	2018	2019	2020	2021	Baseline
<b>Metric tonnes (mt)</b>						
HCFC-22	272.00	258.00	248.26	193.61	155.11	362.60
HCFC-142b	0	0	6.19	3.60	4.83	-
<b>Total (mt)</b>	<b>272.00</b>	<b>258.00</b>	<b>254.45</b>	<b>197.21</b>	<b>159.94</b>	<b>362.60</b>
<b>ODP tonnes</b>						
HCFC-22	14.96	14.19	13.66	10.65	8.53	20.00
HCFC-142b	0	0	0.40	0.23	0.31	-
<b>Total (ODP tonnes)</b>	<b>14.96</b>	<b>14.19</b>	<b>14.06</b>	<b>10.88</b>	<b>8.84</b>	<b>20.00</b>

5. Until 2019, HCFC-22 was the only substance consumed in the country, used solely in the refrigeration servicing sector. That consumption has been steadily decreasing given the implementation of HPMP activities under the stage I, including controls of HCFC and HCFC-based equipment imports, training of technicians in good RAC servicing practices and the introduction of alternative technologies in RAC applications, mainly HFCs and natural refrigerants, resulting in improved servicing practices, and a reduction in the import of HCFC-22-based equipment. Since 2019, Togo has been reporting also

<sup>2</sup> As per the letter of 9 August 2022 from the Ministry of the Environment and Forest Resources of Togo to UNEP.

<sup>3</sup> Decision 62/51, document UNEP/OzL.Pro/ExCom/62/51

<sup>4</sup> Blanket approval decision 87/28(a)

consumption of R-406A, composition of which includes HCFC-22, HCFC-142b and R-600a, which is used as a drop-in for CFC-12 based equipment.

*Country programme (CP) implementation report*

6. The Government of Togo 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 after reflecting separately the HCFC components of the 11.78 mt of R-406A reported in the CP data.

Status of progress and disbursement

7. During stage I, the following was achieved:

- (a) Implementation of new legislation and regulations on HCFCs to align them with the Montreal Protocol, and relevant public awareness, were completed: legislative and regulatory measures were introduced to control the import, marketing and distribution of HCFCs, other refrigerants and equipment, and prevent illegal trade (Inter-ministerial Decree No.02/MERF/MCPSP/MEF and internal regulations that facilitated the effective implementation of the Decree, were adopted). Numerous awareness-raising activities were conducted to inform stakeholders about the HPMP and related challenges. Togo has in place an enforceable system of licensing and quotas for HCFC imports that ensures the country's compliance with the HCFC phase-out schedule;
- (b) A total of 22 customs trainers, 291 enforcement officers, 20 environment inspectors and five officers from the Ministry of Trade took part in training on the identification and control of HCFCs and HCFC-based equipment and on new inspection techniques for HCFCs and HCFC-based equipment and monitoring of the licensing and quota system; the National Ozone Unit (NOU) organized site visits to monitor the use of the ODS identifiers, the quality of imported refrigerants and to discuss issues related to illegal trade with the customs authorities;
- (c) A total of 30 trainers and 663 RAC technicians were trained on good practices in refrigeration, recovery and recycling (R&R) of HCFCs, servicing of domestic air conditioners, safe handling of hydrocarbon refrigerants, leakage prevention, energy saving practices and safe practices for servicing and installing R-290 RAC equipment. Demonstration tours on best servicing practices and leak reduction were organized. A database for importers, servicing workshops, and RAC equipment was developed. The main RAC training school was supported through including in its ozone module the safe use of flammable and/or toxic refrigerants;
- (d) The financial incentive programme and strengthening of vocational training centres were completed.

8. Monitoring of the implementation of the HPMP took place throughout stage I. The NOU recruited two consultants in addition to the existing NOU team to assist in the monitoring of the effective implementation of all the HPMP activities and to collect accurate data. A verification report confirmed the achievement of the results set for stage I.

9. Since the approval of the fifth tranche, as at August 2021, the following has been achieved: three workshops to train 65 customs and enforcement officers on the identification of HCFCs, HFCs, HCs and blends, and on the licensing and quota system to control illegal ODS trade; three workshops to train 134 refrigeration technicians on good refrigeration servicing practices, including R&R; maintaining the energy efficiency of RAC equipment through good servicing practices; and safe handling of HCs, including

the installation and servicing of R-290 AC units. UNEP will continue implementing the remaining activities of stage I.

*Level of fund disbursement*

10. As of August 2022, of the US \$630,000 approved for stage I, US \$615,631 had been disbursed (US \$267,000 for UNEP and US \$348,631 for UNIDO). The balance of US \$14,369 will be disbursed by January 2023.

Report on the results of the financial incentive programme

11. As part of stage I, UNIDO implemented a financial incentive programme at the amount of US \$150,000. As per decisions 84/84(d) and 87/28(a), the Executive Committee requested UNIDO to provide a report on the results. The report was included in the submission for stage II. The objective of the programme was to showcase safety and (energy) efficiency of low-global-warming potential (GWP) alternative refrigerant technologies as a replacement for HCFC-22 for beneficiaries who provide equivalent co-finance and encourage the local industry to adopt these technologies. The overall intention of the programme was to demonstrate energy and monetary savings in using new equipment with low-GWP alternative refrigerants.

12. The programme included three main activities: payment of incentives to three commercial facilities to convert refrigeration systems from R-22 to low-GWP alternatives (US \$90,000); establishment of guidelines for the use of R-290 and replacement with new R-290 air conditioners (US \$30,000); and purchase of additional RAC tools and equipment (US \$30,000).

13. It was reported that costs of alternative equipment were high and funding not enough for the refrigeration conversion, thus the activity was subsumed into the programme to replace HCFC-22-based air-conditioning (AC) equipment with 70 R-290 AC units installed at three beneficiaries' sites (a hospital, an enterprise and a convention centre). The sub-activities also included purchase of hydrocarbon RAC tools, training and technical assistance. This was completed in 2019, while the capacity building component linked to the second activity on establishing guidelines was fulfilled in 2020.

14. The required RAC tools and equipment (i.e., advanced refrigerant analyzers, reserve batteries (spare part), recovery machines, recovery cylinders B-20 N, recovery cylinders 35 lb, leak detectors, punching pliers, manometers 290 - 600 a, gas / refrigerant 290, eye protection, vacuum pumps, flammable gas stickers, electronic thermometer, electronic scales) were purchased and provided to the NOU to support the training on installation of AC equipment.

15. The Government of Togo indicated that during stage I, co-financing was provided by beneficiaries of the end-user incentive programme to replace HCFC-based AC units. The programme is not envisaged to continue into stage II.

**Stage II of the HPMP**

Remaining consumption eligible for funding

16. After deducting 7.00 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding in stage II amounts to 13.00 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

17. There are approximately 1,500 technicians and 800 workshops in the servicing sector, consuming HCFC-22 to service RAC equipment, as shown in table 2. HCFC-22 predominantly represents most of the refrigerants used in the servicing sector, followed by R-134a, R-404A, R-407C and R-410A.

**Table 2. Estimated use of HCFC-22 for servicing**

Sector/ Applications	Equipment inventory	Average charge (kg)	Equipment served (%)	Estimated bank refilled during servicing (%)	Annual needs for servicing (kg)	Total HCFC consumption (%)
Commercial refrigeration	2,847	6	68.34	50	5,836.91	3.35
Domestic air-conditioning	456,267	1.2	68.34	45	168,378.95	96.65
<b>Total</b>	<b>459,114</b>				<b>174,215.86<sup>5</sup></b>	<b>100</b>

Phase-out strategy in stage II of the HPMP

18. Stage II of the HPMP will focus on strengthening the HCFC licensing and quota system, promoting the transition to low-GWP technologies in the RAC sector, implementing legal instruments related to the safe use of new technologies, further strengthening the capacity of the servicing sector, and establishing a certification scheme for technicians.

Proposed activities in stage II of the HPMP

19. Stage II proposes the following activities:

- (a) Strengthening and enforcement of the legislation and regulatory measures on HCFCs by ensuring a functional and enforceable system of licensing and quotas for HCFC imports (UNEP) (US \$40,000);
- (b) Training of at least 800 customs and enforcement officers on control and identification of HCFCs and HCFCs-based equipment as well as pertinent laws and regulations on their import; organizing at least eight information and awareness-raising workshops for importing traders on the procedures for issuing import licenses and granting annual quotas and on the potential risks and dangers of certain refrigerant substances; and organizing four trans-border cooperation meetings in the Economic Community of West African States (ECOWAS) sub-region (UNEP) (US \$230,000);
- (c) Training of at least 1,000 RAC technicians on good practices in refrigeration (information and awareness-raising campaigns, techniques for the recovery, recycling and reuse of refrigerants, safety and handling of refrigerants and equipment). This component will also include updating the training materials to reflect the challenges imposed by new refrigerants; developing regulatory standards and protocols on the use of flammable and/or toxic substances in RAC equipment; establishing a certification scheme for refrigeration technicians and implementation of national certification in the RAC sector, with the prospect of at least 400 newly certified RAC technicians; and initiating a targeted

<sup>5</sup> The estimated annual need for refrigerant differs from the consumption reported due to the fluctuating level of imports caused by economic reasons, e.g., the COVID-19 pandemic had as one consequence a reduction of imports in 2021.

gender-based campaign for female students in hopes of increasing the number of females in the RAC field (UNEP) (US \$370,000); and

- (d) Strengthening technical capacity and improving the know-how through the centres of excellence. This includes purchasing, allocating and installing equipment, and conduct of related training for users of the equipment; assessing, modifying and inspecting selected centres; conduct an R&R study and provide 20 sets of R&R equipment to the private sector; training RAC technicians and trainers on low-GWP ODS alternatives and its safe handling; and providing customs and the Association of Refrigeration and Air-conditioning Specialists of Togo (AFRITO) with five new refrigerant identifiers (UNIDO) (US \$470,000).

#### *Project monitoring*

20. The system established under stage I of the HPMP will continue into stage II, where the NOU and UNEP monitor activities, report on progress, and work with stakeholders to phase out HCFCs. The cost of those activities for UNEP amounts to US \$60,000 and includes project staff and two consultants (US \$40,000 including domestic travel for two consultants) and two NOU staff members (US \$20,000).

#### *Gender policy implementation<sup>6</sup>*

21. The country reported that there are only six women among approximately 1,500 RAC technicians and during the data collection process for the consumption survey, less than 50 per cent (13 out of 31 recruited surveyors) were women. In this regard, during stage II, special emphasis will be put on stronger involvement of women in all activities, as well as other aspects of the gender mainstreaming policy of the Multilateral Fund and both implementing agencies.

22. Every component of stage II to be implemented by UNEP and UNIDO integrates activities addressing gender equality and women's empowerment. These activities include, *inter alia*, identifying national gender policies and their applicability vis-à-vis the Montreal Protocol; involving a gender focal point in the Ministry of Environment and representatives of the Ministry for the Promotion of Women at stakeholders' consultations; collecting and monitoring gender-disaggregated data, organizing targeted awareness-raising campaigns to attract more women to the RAC field; providing RAC kits to newly-graduated women in the field to encourage them to stay in the field; highlighting women engineers and RAC technicians with recognition; ensuring that all training and information material are gender-sensitive; sensitizing current stakeholders and RAC technicians on gender-friendly work environments; ensuring that the plans for the certification scheme pay adequate attention to the involvement of female RAC technicians; encouraging the participation of female traders in the trainings and in using the services of centres of excellence; and ensuring the adequate representation of women in training on low-GWP HCFC alternatives.

#### Total cost of stage II of the HPMP

23. The total cost of stage II of the HPMP for Togo has been estimated at US \$1,170,000 (plus agency support costs), as originally submitted, for achieving a 67.5 per cent reduction from its HCFC baseline consumption by 2025 and a 100 per cent reduction by 2030. The proposed activities and cost breakdown are summarized in paragraphs 19 and 20 above.

---

<sup>6</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.

Activities planned for the first tranche of stage II

24. The first funding tranche of stage II of the HPMP, in the total amount of US \$325,000, will be implemented between December 2022 and December 2026 and will include the following activities:

- (a) Ensuring a functional and enforceable system of licensing and quotas for HCFC imports through legislative and regulatory measures by organizing two meetings on the implementation of Decree No.02/MERF/MCPSP/MEF on regulating the imports of HCFC (UNEP) (US \$5,000);
- (b) Organizing eight training workshops for 160 customs and enforcement officers on control and identification of HCFCs and HCFCs-based equipment as well as pertinent laws and regulations on their import; organizing two information and awareness-raising workshops for importing traders on the procedures for issuing import licenses and granting annual quotas and on the potential risks and dangers of certain refrigerant substances; and organizing four trans-border cooperation meetings in the ECOWAS sub-region (UNEP) (US \$60,000);
- (c) Organizing eight training workshops to train 200 RAC technicians on good practices in refrigeration (information and awareness-raising campaigns, techniques for the recovery, recycling and reuse of refrigerants, safety handling of refrigerants and equipment); developing regulatory standards and protocols on the use of flammable and/or toxic substances in RAC equipment; and establishing a certification scheme for refrigeration technicians and implementation of national certification in the RAC sector (UNEP) (US \$45,000);
- (d) Strengthening technical capacity and improving the know-how through the centres of excellence. This includes purchasing, allocating, and installing equipment, and training of 60 technicians on the safe operation of the equipment; assessing, modifying and inspecting selected centres; training of the first group of 15 RAC technicians and trainers on low-GWP HCFC alternatives and its safe handling (workshops on best practices, training material on large-scale RAC and industrial equipment, development of training courses by national trainers) (UNIDO) (US \$200,000); and
- (e) Project monitoring, evaluation and reporting activities include project staff and two consultants (UNEP) (US \$10,000 including domestic travel for two consultants) and two NOU staff members (US \$5,000).

**SECRETARIAT'S COMMENTS AND RECOMMENDATION**

**COMMENTS**

25. The Secretariat reviewed stage II of the HPMP in light of stage I, the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2022-2024 business plan of the Multilateral Fund.

Overarching strategy

26. The Government of Togo proposes to meet the 100 per cent reduction of its HCFC baseline consumption by 2030, and to maintain a maximum annual consumption of HCFCs in the period of 2030 to 2040 at a level consistent with Article 5, paragraph 8 ter(e)(i) of the Montreal Protocol.<sup>7</sup> Stage II of the HPMP will follow the programme initiated during stage I to reduce the dependency on HCFCs, taking into consideration the previously established infrastructure and including new elements, based on the lessons learned from the implementation of stage I. This includes measures such as further elaboration of the legal and regulatory framework for reduction of HCFCs and shift towards alternative technologies. As part of its strategic approach, Togo will introduce measures to promote and adopt energy-efficient alternative technologies with both ozone and climate benefits that align with the Kigali Amendment. The proposed activities are integrated into the Government's Roadmap 2020-2025 in compliance with the commitments made by Togo under the United Nations Framework Convention on Climate Change, Sustainable Development Goals, and the Montreal Protocol including the Kigali Amendment. The Government has initiated a process whose main objective is to ensure the reduction of ODS and greenhouse gases in various sectors, in particular the RAC sector, by 2025.

27. Togo has the intention of using the service tail between 2030 and 2040. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Togo agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the 2030-2040 period, and the expected annual HCFC consumption in Togo for the 2030-2040 period. The expected applications for which HCFCs would be required beyond 2030 and the levels of HCFCs needed in the 10-year period will be the topic of analysis in the third tranche of stage II.

Regulations to support HCFC phase-out

28. As highlighted in the Secretariat's comments on the submission for the fifth and last tranche of stage I, the Government of Togo, together with other members of the ECOWAS, was planning to implement a ban on the import of HCFC-based RAC equipment. At the time, it was unclear how long that process would take. Togo has confirmed that it intends to prohibit the import of equipment based on HCFCs in stage II. The issue is under consideration at the level of the Ministry of the Environment. UNEP is advising the country in this respect, to ensure coordination, considering that some other ECOWAS member States are contemplating this ban in their stage II planning. At the national level, the actions carried out within the framework of the implementation of the HPMP have been yielding important results in reducing the consumption of HCFCs.

*Legal framework*

29. The Government of Togo has issued HCFC import quotas for 2022 at 185 mt, which is lower than the Montreal Protocol control targets.

Sustainability of the HCFC phase-out and assessment of risks

30. The Secretariat discussed with UNEP the risks to the successful HCFC total phase-out and the sustainability of the HPMP achievements. UNEP anticipates that the HPMP targets will continue to be met. The activities implemented so far have contributed to strengthening the RAC servicing sector in general by improving RAC technicians' servicing practices, encouraging low-GWP alternative technologies through regulations and training, and ensuring that the import and quota systems is effective and efficient in order

---

<sup>7</sup> HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

to meet the targets, and the activities planned under stage II will further ensure the long-term sustainability of the positive outcomes of stage I of the HPMP.

31. The continued capacity building of Customs and enforcement officers in collaboration with the Customs authority has resulted in an effective training curriculum that can be sustained beyond the HPMP, as the Government has included the compliance obligations under the Montreal Protocol, including those related to HCFCs and other ODS that have already been phased out, in the curricula of training of environment inspectors and Customs officers. The technical assistance and equipment being provided aim at ensuring the sustainability of technicians training, which will be fully complemented by the establishment of a certification scheme of RAC technicians during stage II.

32. To ensure the long-term sustainability of the achievements of the HPMP beyond its completion, during stage II the relevant institutes will make sure that training of RAC technicians will continue to be provided in a self-sustained manner; the RAC training centres will also continue including an ozone module in their curricula; the centres of excellence will continue assisting technicians in good and safe servicing practices for RAC equipment, providing advice on technology questions, and lending equipment for maintenance; a module on ozone protection and ODS will continue to be a subject of the training for customs officers.

33. All these activities will contribute to the sustainable phase-out of HCFCs. The NOU works with the public institutions of the country, which are committed to providing the means for the training to continue after the end of the HPMP. Affirmations have been received from the country that it will assume its responsibilities in this regard.

#### Technical and cost-related issues

34. Regarding the high leakage rate of equipment, UNEP explained that it was due to the low level of skills of RAC technicians; lack of appropriate tools; and insufficient use of good RAC servicing practices that will be addressed in stage II of the HPMP.

#### *Technician certification scheme*

35. On operationalization of the technician certification scheme, UNEP explained that through its Compliance Assistance Programme (CAP), it will provide technical support and facilitate discussions on certification models among countries in the sub-region and region.

36. An international expert will be hired in the first tranche of stage II to prepare a study to assess the situation and lessons learned and propose the details of the certification scheme to be established, including the institutional setup to ensure that the scheme is sustainable beyond the end of stage II. The establishment of certification institutions and development of certification procedures is planned for the second tranche, and the fully-fledged start of the scheme is envisaged to be completed by the end of the third tranche. The fourth (last) tranche of the HPMP will be used to ensure that the scheme functions well and that it can continue to be functional beyond 2030.

37. The study will facilitate the establishment of an operational certification scheme, testing the system with a pilot list of 25 RAC technicians and enabling three vocational training centres to be certifiers that would certify around 200 technicians every year until 2030. Four hundred technicians are expected to be certified at the end of stage II. The content of training of RAC technicians will be adjusted to include the elements that will form part of the certification examination, once it is established.

*R&R*

38. UNIDO will carry out a feasibility study on the R&R needs and business models, and equipment is to be provided to service maintenance workshops, selected based on a survey to be conducted. This will help increase the adoption and effective use of the R&R equipment based on business models that will be built based on the survey responses. The allocation of the purchased equipment will be determined once the RAC courses are established. Priority will be given to centres that are ready and show commitment by investing their own resources and time. Additionally, an expert will be contracted to conduct safety inspections and facility modifications of the centres of excellence to ensure the locations are up to international standards.

Total project cost

39. The total cost for stage II of the HPMP amounts to US \$1,170,000, based on decision 74/50(c)(xii) on the eligible funding level for a low-volume consuming country. The funding for the first tranche was agreed as submitted.

Impact on the climate

40. The activities proposed in the servicing sector, which include better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO<sub>2</sub>-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Togo, including its efforts to promote low-GWP alternatives, as well as refrigerant recovery and reuse indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

**Co-financing**

41. The contribution of the Government will be extended also to stage II. This support will be mainly in-kind, in the form of rent of offices, assignment of local temporary staff to assist in the meetings and workshops, transport organization for meeting and workshop participants, etc. It will amount to US \$100,000.

**2022-2024 draft business plan of the Multilateral Fund**

42. UNEP and UNIDO are requesting US \$1,170,000, plus agency support costs, for the implementation of stage II of the HPMP for Togo. The total requested value of US \$354,536, including agency support costs for the period of 2022–2024, is US \$115,139 below the amount in the business plan.

**Draft Agreement**

43. A draft Agreement between the Government of Togo and the Executive Committee for stage II of the HPMP is contained in Annex I to the present document.

**RECOMMENDATION**

44. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Togo for the period 2023-2030 for the complete phase-out of HCFC consumption, in the amount of US \$1,289,900, consisting of US \$700,000, plus agency support costs of US \$87,000 for UNEP and US \$470,000, plus agency support costs of US \$32,900 for

UNIDO, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;

- (b) Noting the commitment of the Government of Togo to completely phase out HCFCs by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) Deducting 13.00 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) Approving the draft Agreement between the Government of Togo and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex I to the present document;
- (e) That, to allow for consideration of the final tranche of its HPMP, the Government of Togo should submit:
  - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030-2040;
  - (ii) The expected annual HCFC consumption in Togo for the period 2030-2040; and
- (f) Approving the first tranche of stage II of the HPMP for Togo, and the corresponding tranche implementation plan, in the amount of US \$354,536, consisting of US \$125,000, plus agency support costs of US \$15,536 for UNEP, and US \$200,000, plus agency support costs of US \$14,000 for UNIDO.

## Annex I

### **DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF TOGO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

1. This Agreement represents the understanding of the Government of Togo (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 zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

- (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

### **Considerations for the refrigeration servicing sector**

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:
- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
  - (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

### **Bilateral and implementing agencies**

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

### **Non-compliance with the Agreement**

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

### **Date of completion**

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

### **Validity**

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## **APPENDICES**

### **APPENDIX 1-A: THE SUBSTANCES**

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	20.00

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

Row	Particulars	2022	2023-2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	13.00	13.00	6.50	6.50	6.50	6.50	6.50	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	13.00	13.00	6.50	6.50	6.50	6.50	6.50	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	125,000	0	0	210,000	0	180,000	0	185,000	700,000
2.2	Support costs for Lead IA (US \$)	15,536	0	0	26,100	0	22,371	0	22,993	87,000
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	200,000	0	0	0	0	270,000	0	0	470,000
2.4	Support costs for Cooperating IA (US \$)	14,000	0	0	0	0	18,900	0	0	32,900
3.1	Total agreed funding (US \$)	325,000	0	0	210,000	0	450,000	0	185,000	1,170,000
3.2	Total support costs (US \$)	29,536	0	0	26,100	0	41,271	0	22,993	119,900
3.3	Total agreed costs (US \$)	354,536	0	0	236,100	0	491,271	0	207,993	1,289,900
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									13.00
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									7.00
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									0

\*Date of completion of stage I as per stage I Agreement: 31 December 2023 as per decision 87/28(a)

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

#### **APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS**

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. Overall monitoring will be provided by the Government, through the National Ozone Unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA.
2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines:
  - (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
  - (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.
3. Monitoring of development of the Plan and verification of the achievement of the performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;

- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

## **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

## **APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

---