



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/64/30
10 June 2011

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-fourth Meeting
Montreal, 25-29 July 2011

PROJECT PROPOSAL: COMOROS

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

Phase-out

- HCFC phase-out management plan (stage I, first tranche)

UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Comoros

| | |
|-------------------|-------------|
| (I) PROJECT TITLE | AGENCY |
| HPMP | UNEP (lead) |

| | | |
|----------------------------|------------|------------------|
| (II) LATEST ARTICLE 7 DATA | Year: 2010 | 0.1 (ODP tonnes) |
|----------------------------|------------|------------------|

| | | | | | | | | | | |
|--|---------|------|---------------|---------------|-----------|------------|---------------|---------|--------------------------|-----|
| (III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes) | | | | | | Year: 2010 | | | | |
| Chemical | Aerosol | Foam | Fire fighting | Refrigeration | | Solvent | Process agent | Lab Use | Total sector consumption | |
| | | | | Manufacturing | Servicing | | | | | |
| HCFC123 | | | | | | | | | | |
| HCFC124 | | | | | | | | | | |
| HCFC141b | | | | | | | | | | |
| HCFC142b | | | | | | | | | | |
| HCFC22 | | | | | 0.1 | | | | | 0.1 |

| | | | |
|---|-----|--|-----|
| (IV) CONSUMPTION DATA (ODP tonnes) | | | |
| 2009 - 2010 baseline: | 0.1 | Starting point for sustained aggregate reductions: | 0.1 |
| CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes) | | | |
| Already approved: | 0.0 | Remaining: | 0.1 |

| | | | | | | | | | | | | |
|-------------------|----------------------------|--------|------|--------|------|------|--------|------|--------|------|--------|---------|
| (V) BUSINESS PLAN | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
| UNEP | ODS phase-out (ODP tonnes) | 0.0 | | 0.0 | | | 0.0 | | 0.0 | | 0.0 | 0.0 |
| | Funding (US \$) | 45,996 | 0 | 45,996 | 0 | 0 | 37,997 | 0 | 36,897 | 0 | 18,998 | 185,885 |

| | | | | | | | | | | | | |
|--|------|---------------|--------|--------|--------|------|--------|------|--------|------|--------|---------|
| (VI) PROJECT DATA | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
| Montreal Protocol consumption limits (estimate) | | n/a | n/a | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| Maximum allowable consumption (ODP tonnes) | | n/a | n/a | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | |
| Project Costs requested in principle(US\$) | UNEP | Project costs | 44,000 | | 35,000 | | 35,000 | | 30,000 | | 16,000 | 160,000 |
| | | Support costs | 5,720 | | 4,550 | | 4,550 | | 3,900 | | 2,080 | 20,800 |
| Total project costs requested in principle (US \$) | | 44,000 | 0 | 35,000 | 0 | 0 | 35,000 | 0 | 30,000 | 0 | 16,000 | 160,000 |
| Total support costs requested in principle (US \$) | | 5,720 | 0 | 4,550 | 0 | 0 | 4,550 | 0 | 3,900 | 0 | 2,080 | 20,800 |
| Total funds requested in principle (US \$) | | 49,720 | 0 | 39,550 | 0 | 0 | 39,550 | 0 | 33,900 | 0 | 18,080 | 180,800 |

| | | |
|--|-------------------------|-----------------------|
| (VII) Request for funding for the first tranche (2011) | | |
| Agency | Funds requested (US \$) | Support costs (US \$) |
| UNEP | 44,000 | 5,720 |

| | |
|-------------------------------|---|
| Funding request: | Approval of funding for the first tranche (2011) as indicated above |
| Secretariat's recommendation: | Individual consideration |

PROJECT DESCRIPTION

1. On behalf of the Government of Comoros UNEP, as the designated implementing agency, has submitted to the 64th Meeting of the Executive Committee stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$160,000 plus agency support costs of US \$20,800, as originally submitted, to implement activities that will enable the country to comply with the Montreal Protocol control targets up to the 35 per cent reduction in HCFC consumption by 2020. The first tranche for stage I being requested at this meeting amounts to US \$44,000 plus agency support costs of US \$5,720 for UNEP.

Background

2. Comoros, with a total population of about 576,000 inhabitants, has ratified all the amendments to the Montreal Protocol.

ODS regulations

3. The ODS regulation (Order 01-50/MPE/MEG of 2001) between the Ministries of Environment, External Trade, and Finances regulates the imports of ODS and ODS-based equipment. Licenses are required by Customs for the imports of ODS including HCFCs. Import quotas for HCFCs will be in place no later than 1 January 2013. The Ozone Unit, established within the Ministry of Environment, is the lead agency responsible for coordinating the implementation of ODS phase-out activities in Comoros, including the implementation of the HPMP. The National Ozone Committee is an advisory body to the Ozone Unit and consists of representatives of public institutions, private-sector, civil society and stakeholders involved in phase-out activities.

HCFC consumption and sector distribution

4. HCFC-22 is the only HCFC imported into the country. According to the data gathered during the preparation of the HPMP, HCFC consumption increased from 0.12 to 0.16 ODP tonne between 2006 and 2010. The levels of consumption in the HPMP and those reported under Article 7 of the Montreal Protocol are shown in Table 1. The HCFC baseline for compliance has been estimated at 0.1 ODP tonnes.

Table 1. HCFC consumption in Comoros

| HCFC-22 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Data under HPMP | | | | | |
| mt | 1.7 | 1.8 | 2.3 | 2.5 | 2.5 |
| ODP tonnes | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Article 7 data | | | | | |
| mt | 1.0 | 2.6 | 3.2 | 2.5 | 2.5 |
| ODP tonnes | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 |

5. The 2011-2020 forecast of HCFC consumption is shown in Table 2.

Table 2. 2011-2020 forecast of HCFC consumption

| Years | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|------|------|------|------|------|------|------|------|------|------|
| Metric tonnes | | | | | | | | | | |
| Unconstrained | 2.9 | 3.1 | 3.4 | 3.7 | 4.0 | 4.3 | 4.6 | 5.0 | 5.4 | 5.8 |
| Constrained | 2.9 | 3.1 | 2.6 | 2.6 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 1.7 |
| ODP tonnes | | | | | | | | | | |
| Unconstrained | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Constrained | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |

6. The refrigeration sector in Comoros is made up mainly of domestic refrigeration and air-conditioning and commercial refrigeration. Centralized industrial HCFC-22-based air-conditioning operates only in three companies. Industrial refrigeration covers cold storage in hotels, the main hospital, the school of fishing, a company manufacturing beverages, a small number of fishing co-operatives and a few ice-making companies (Table 3). These systems are serviced by over 500 technicians in workshops located on the three islands, the majority of whom has been trained at the national school of vocational training. The current prices of HCFCs and alternative refrigerants per kilogram in the country are: US \$8.00 for HCFC-22, US \$20.00 for HFC-134a; US \$20.00 for R-404A; US \$16.00 for R-410A; US \$17.00 for R-407.

Table 3. Distribution of HCFC-22 in Comoros (2009)

| Type of equipment | No. of units | HCFC-22 leakage | |
|--|--------------|-----------------|------------|
| | | mt | ODP tonnes |
| Residential air conditioning units | 22,007 | 2.46 | 0.14 |
| Commercial (cold rooms, display cases) | 185 | 0.01 | 0.00 |
| Total | 22,192 | 2.47 | 0.14 |

HCFC phase-out strategy

7. The objective of stage I of the HPMP for Comoros is to meet the Montreal Protocol's HCFC control targets, up to and including the reduction in 2020. Stage I of the HCFC's overarching strategy developed by the Government focuses on the safe introduction of low-global-warming-potential (GWP) refrigerants (including hydrocarbons), while stage II will focus on phasing out the remaining HCFC consumption by replacing and retrofitting equipment to low-GWP refrigerants (Table 4).

Table 4. HCFC overarching strategy for Comoros

| HPMP | Description | Duration |
|----------------------|--|------------|
| Overarching strategy | Provision of ozone and climate benefits through reductions of HCFC consumption in the refrigeration servicing sector, and introduction of energy efficient alternative technologies. | 2011- 2030 |
| First Stage | Implementation of safe low-GWP refrigerant servicing practices to enable their long-term use. | 2011- 2020 |
| Second Stage | Phase-out of the remaining HCFC consumption based on the use of low-GWP refrigerants. | 2021-2030 |

8. In line with the overarching strategy, the Government proposes to implement the following activities:

- (a) Training of 100 customs and other law enforcement officers on the identification of HCFCs and HCFC-based equipment, and dissemination of ODS policy and regulations;

- (b) Training of 90 refrigeration technicians in good refrigeration servicing practices, focusing on the introduction of technologies with zero ODP, high energy efficiency and low GWP. Public awareness campaigns will be conducted to encourage owners of HCFC-based refrigeration equipment to replace/retrofit to alternative refrigerants;
- (c) Monitoring and evaluation of the HPMP, ensuring timely implementation of proposed HCFC phase-out activities. Progress reports will be submitted to the Executive Committee.

Cost of the HPMP

9. The total cost of implementing stage I of the HPMP to meet the Montreal Protocol's HCFC compliance targets up to and including the 35 per cent reduction by 2020 has been estimated at US \$160,000 with the following breakdown:

- (a) US \$40,000 for the training of customs and other law enforcement officers;
- (b) US \$80,000 for training technicians in good refrigeration practices; and
- (c) US \$40,000 for project coordination, monitoring, evaluation and reporting.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

10. The Secretariat reviewed the HPMP for Comoros in the context of the guidelines for the preparation of HPMPs (decision 54/39), the criteria for funding HCFC phase-out in the consumption sector agreed at the 60th meeting (decision 60/44), subsequent decisions on HPMPs made at the 62nd and 63rd meetings and the 2011-2014 business plan of the Multilateral Fund.

HCFC data discrepancies

11. Upon a request for clarification of the slight difference between the levels of consumption reported in the HPMP and under Article 7 of the Protocol for 2006 to 2008, UNEP explained that the consumption data reported under Article 7 by the Government before the HPMP preparation survey was based on broad estimates. The Government of Comoros has submitted an official request to the Ozone Secretariat to revise its Article 7 data according to the findings of the HPMP.

Starting point for aggregate reduction in HCFC consumption

12. The Government of Comoros agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the average of actual consumption of 0.1 ODP tonne reported under Article 7 for each year of 2009 and 2010, resulting in 0.1 ODP tonne.

Technical and cost-related issues

13. Regarding the sustainability of the use of hydrocarbon-based refrigerants, which are more expensive than HCFC-22, UNEP pointed out that, based on the experience gained during the implementation of the refrigerant management plan (RMP) and the terminal phase-out management plan (TPMP), a drop in the price of alternative refrigerants and an increase in the price of HCFC-22 can be expected by the end of 2012. Although hydrocarbon-based refrigerants are not yet available in Comoros,

the Ozone Unit is working with importers, whose participation in the refrigeration training programme makes it likely that they will start to import these refrigerants by the end of 2011. Besides the price of refrigerants, the new refrigerants are used in smaller quantities (as compared to HCFC-22-based equipment). Furthermore, during the implementation of the TPMP, equipment owners retrofitted their equipment based on energy savings. During the implementation of the HPMP a regional workshop on the conversion of air-conditioning equipment and energy efficiency will be conducted, involving several refrigeration experts.

14. With regard to the training programmes for customs officers and refrigeration technicians to be implemented during stage I of the HPMP, UNEP indicated that the experience gained during the implementation of the RMP and the TPMP will be used during HPMP implementation. Technicians who were previously trained will receive only refresher training in good refrigeration practices and a complete course in retrofitting techniques. Some of the equipment provided under the RMP/TPMP, such as vacuum pumps and manifold gauges, will be used during the implementation of the HPMP.

Impact on the climate

15. The proposed technical assistance activities in the HPMP, which include the introduction of better servicing practices and enforcement of HCFC import controls, will reduce the amount of HCFC-22 used for refrigeration servicing. Each kilogram (kg) of HCFC-22 not emitted due to better refrigeration practices results in approximately 1.8 CO₂-equivalent tonnes saved. Although the activities planned by Comoros, in particular its efforts to improve servicing practices and reduce associated refrigerant emissions indicate that it is likely that the country will achieve the reduction of 79 CO₂-equivalent tonnes in emissions to the atmosphere as estimated in the 2011-2014 business plan. However, at this time, the Secretariat is not in a position to quantitatively estimate the impact on the climate. The impact might be established through an assessment of implementation reports by, *inter alia*, comparing the levels of refrigerants used annually from the beginning of HPMP implementation, the reported amounts of refrigerants being recovered and recycled, the number of technicians trained and the HCFC-22-based equipment being retrofitted.

Co-financing

16. In response to decision 54/39(h) on potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs pursuant to paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties, UNEP explained that the Ministry of Environment is currently discussing with the Ministry of Energy to promote the replacement of HCFC-based equipment with high energy-efficient and low GWP refrigerant-based equipment. A report will be prepared on the benefits of phasing out the obsolete equipment, and project proposals will be developed and submitted to development partners interested in the energy sector. The Ozone Unit has requested UNEP to guide the country in this process.

2011-2014 business plan of the Multilateral Fund

17. UNEP is requesting US \$160,000 plus support costs for implementation of stage I of the HPMP. The total value requested for the period 2011-2014 of US \$89,270 including support costs is below the total amount in the business plan. Furthermore, based on the HCFC baseline consumption in the servicing sector of 0.1 ODP tonne, Comoros' allocation up to the 2020 phase-out should be US \$164,500 in line with decision 60/44.

Draft agreement

18. A draft agreement between the Government of Comoros and the Executive Committee for HCFC phase-out is contained in Annex I of the present document.

RECOMMENDATION

19. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for Comoros for the period 2011 to 2020, at the amount of US \$160,000 and agency support costs of US \$20,800 for UNEP;
- (b) Noting that the Government of Comoros had agreed to establish a baseline of 0.1 ODP tonne as its starting point for sustained aggregate reduction in HCFC consumption, calculated using actual consumption of 0.1 ODP tonne reported for each year of 2009 and 2010;
- (c) Approving the draft Agreement between the Government of Comoros and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (d) Requesting the Fund Secretariat, once the baseline data are known, to update Appendix 2-A to the draft Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption, and of any potential related impact on the eligible funding level, with any necessary adjustments being made when the next tranche was submitted; and
- (e) Approving the first tranche of stage I of the HPMP for Comoros, and the corresponding implementation plan, at the amount of US \$44,000 plus agency support costs of US \$5,720 for UNEP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF COMOROS AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

1. This Agreement represents the understanding of the Government of Comoros 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 0.1 ODP tonne by 1 January 2020 in compliance with Montreal Protocol schedules, with the understanding that this figure is to be revised one single time, once the baseline consumption for compliance has been established based on Article 7 data, with the funding to be adjusted accordingly, as per decision 60/44.
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 which exceeds the level defined in row 1.2 of Appendix 2-A (“Maximum allowable total consumption of Annex C, Group I Substances”) 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 which exceeds the level defined in row 4.1.3 (remaining eligible consumption).
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 (“The Targets, and Funding”) 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. 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 (“The Targets, and Funding”) of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
 - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of 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;

- (d) That the Country has submitted and received approval from the Executive Committee for an annual implementation plan in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) 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; and
- (e) That, for all submissions from the 68th Meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

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 annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the 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 in an annual implementation plan and approved by the Executive Committee as described in sub-paragraph 5(d) above. Major changes would relate to issues potentially concerning the rules and policies of the Multilateral Fund; changes which would modify any clause of this Agreement; changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, 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 the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

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 and unique implementing agency (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 any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the overall plan with the changes approved as part of the subsequent submissions, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in rows 2.1 and 2.2 of Appendix 2-A.

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 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 these decisions are taken, this specific case will not be an impediment 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 decision 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 to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to information necessary to verify compliance with this Agreement.

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion 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 continue until the time of the completion if not specified by the Executive Committee otherwise.

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.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (ODP tonnes) |
|-----------|-------|-------|---|
| HCFC-22 | C | I | 0.1 |

APPENDIX 2-A: THE TARGETS, AND FUNDING

| | | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Total |
|-------|--|--------|------|--------|------|------|--------|------|--------|------|--------|---------|
| 1.1 | Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes) | n/a | n/a | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | n/a |
| 1.2 | Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes) | n/a | n/a | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | n/a |
| 2.1 | Lead IA (UNEP) agreed funding (US \$) | 44,000 | | 35,000 | | 0 | 35,000 | 0 | 30,000 | 0 | 16,000 | 160,000 |
| 2.2 | Support costs for Lead IA (US \$) | 5,720 | 0 | 4,550 | 0 | 0 | 4,550 | 0 | 3,900 | 0 | 2,080 | 20,800 |
| 3.1 | Total agreed funding (US \$) | 44,000 | | 35,000 | | 0 | 35,000 | 0 | 30,000 | 0 | 16,000 | 160,000 |
| 3.2 | Total support costs (US \$) | 5,720 | 0 | 4,550 | 0 | 0 | 4,550 | 0 | 3,900 | 0 | 2,080 | 20,800 |
| 3.3 | Total agreed costs (US \$) | 49,720 | 0 | 39,550 | 0 | 0 | 39,550 | 0 | 33,900 | 0 | 18,080 | 180,800 |
| 4.1.1 | Total phase-out of HCFC-22 under this agreement (ODP tonnes) | | | | | | | | | | | 0.1 |
| 4.1.2 | Phase-out of HCFC-22 in previously approved projects (ODP tonnes) | | | | | | | | | | | 0.0 |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (ODP tonnes) | | | | | | | | | | | 0.1 |

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval not earlier than the second meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS

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

- (a) A narrative report regarding the progress since the approval of the previous tranche, reflecting on 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 further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the Country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, 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. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, 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 until the planned submission of the next tranche request, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the Country and the Lead IA; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit will submit annual progress reports of status of implementation of the HPMP to UNEP.
2. Monitoring of development of HPMP and verification of the achievement of the performance targets, specified in the Plan, will be assigned to independent local company or to independent local consultants by UNEP.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include 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 Implementation Plans and subsequent reports as per Appendix 4-A;
 - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the 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 annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (i) 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, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent organization 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 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.