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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-fifth Meeting
Bali, Indonesia, 13-17 November 2011

PROJECT PROPOSAL: ANGOLA

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

Phase-out

- HCFC phase-out management plan (first tranche)

UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Angola

(I) PROJECT TITLE	AGENCY
HCFC phase out plan (Stage I)	UNDP (lead)

(II) LATEST ARTICLE 7 DATA	Year: 2010	12.65 (ODP tonnes)
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(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				
HCFC-123									
HCFC-124									
HCFC-141b									
HCFC-142b									
HCFC-22					12.65				12.65

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline estimate:	15.95	Starting point for sustained aggregate reductions:	15.95
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	14.36

(V) BUSINESS PLAN		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
UNDP	ODS phase-out (ODP tonnes)	2.1	0.0	2.1	0.0	0.0	2.1	0.0	0.0	0.7	0.0	7.0
	Funding (US \$)	203,175	0	203,175	0	0	203,175	0	0	67,725	0	677,250

(VI) PROJECT DATA					2012	2013	2014	2015	Total	
Montreal Protocol consumption limits (estimate)					n/a	15.95	15.95	14.36	n/a	
Maximum allowable consumption (ODP tonnes)					n/a	15.95	15.95	14.36	n/a	
Project Costs requested in principle(US\$)				UNDP	Project costs	86,222	39,111	31,111	19,556	176,000
					Support costs	7,760	3,520	2,800	1,760	15,840
Total project costs requested in principle (US \$)					86,222	39,111	31,111	19,556	176,000	
Total support costs requested in principle (US \$)					7,760	3,520	2,800	1,760	15,840	
Total funds requested in principle (US \$)					93,982	42,631	33,911	21,316	191,840	

(VII) Request for funding for the first tranche (2011)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNDP	86,222	7,760

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 Angola UNDP, as the designated implementing agency, has submitted to the 65th Meeting of the Executive Committee an HCFC phase-out management plan (HPMP) at a total cost, as originally submitted, of US \$198,000 plus agency support costs of US \$17,820 for UNDP, for the implementation of the HPMP. The HPMP proposes strategies and activities to achieve 10 per cent phase-out of HCFC consumption by 2015.
2. The first tranche being requested for the HPMP at this meeting amounts to US \$109,000 plus agency support of US \$9,810 for UNDP as originally submitted.

Background

ODS regulations

3. The Ministry of Environment is the national body responsible for the implementation of the Montreal Protocol in Angola. The National Ozone Office (NOO) was established under the Ministry of Environment to coordinate all the activities during implementation. The Government of Angola ratified the London, Copenhagen, Beijing and Montreal Amendments to the Montreal Protocol on 23 June 2011. The Government of Angola established regulations through Presidential Decree No. 153/11 to regulate the import, export and production of ozone depleting substances (ODS) including HCFCs and HCFC-based/containing equipment. The regulations also include a quota system to control the import quantities of HCFCs and HCFC-based/containing equipment.

HCFC consumption

4. All HCFCs used in Angola are imported as the country does not have any HCFC production capacity. The HCFC consumption data were not reported in 2006 and 2007 under Article 7 due to lack of capability to collect data during this period of time. Consumption data for these two years were collected during the HCFC survey. For other years, the HCFC consumption data obtained from the survey are consistent with the Article 7 data.
5. The survey showed that the consumption of HCFCs in Angola mainly consists of HCFC-22 and a negligible amount of R-408A and R-409A. These are exclusively used in servicing refrigeration and air conditioning (RAC) equipment. The commonly used alternative refrigerants include HFC-134A and HFC-407. Table 1 shows the level of HCFC consumption in Angola.

Table 1: HCFC-22 level of consumption in Angola

Year	Article 7 data		Survey data	
	mt	ODP t	mt	ODP t
2005	130	7.15	130	7.15
2006	0	0	143	7.87
2007	0	0	165	9.08
2008	190	10.45	190	10.45
2009	350	19.25	350	19.25
2010	*	*	350	19.25

*Data was not available when the HPMP was submitted

6. The survey undertaken covered all stakeholders and representative service workshops. The survey data included the number and types of equipment installed and the amount of HCFC-22 required

for servicing the equipment. In 2010, the total number of RAC equipment using HCFC-22 installed in the country was estimated at 639,550 units. The average charge for different types of equipment was estimated and used to calculate the total installed capacity. A summary of HCFC consumption by sector is shown in Table 2.

Table 2: HCFC-22 consumption by sector based on the survey

Sector	No. of units	Installed capacity (tonnes)		Service demand (tonnes)	
		metric	ODP	metric	ODP
Domestic refrigerators, freezers, window/split ACs	634,990	1,270	70	254	14
Commercial display fridges/freezers, cold storage, chillers	1,600	240	13	60	3
Refrigeration equipment for industrial production process	2,960	80	4	36	2
Total	639,550	1,590	87	350	19

Estimated baseline for HCFC consumption

7. The estimated baseline is calculated as 350 mt (19.25 ODP tonnes) using the average of actual reported 2009 consumption of 350 mt (19.25 ODP tonnes) under Article 7 data and the estimated 2010 consumption of 350 mt (19.25 ODP tonnes). In line with decision 60/44 (e), the estimated baseline will be adjusted accordingly when the actual consumption for 2010 is reported to the Ozone Secretariat.

Forecast of future HCFC consumption

8. Angola forecasts 13 per cent growth in HCFC consumption in future years based on its current economic development. It is expected that HCFC consumption will peak in 2012 then freeze to baseline level in 2013 and reduce by 10 per cent from 2015 after implementation of the HPMP. The table below provides a summary of HCFC consumption forecast in Angola.

Table 3: Forecast consumption of HCFCs

		2009*	2010	2011	2012	2013	2014	2015
Constrained HCFC consumption	mt	350	350	400	449	350	350	315
	ODP t	19.25	19.25	22.00	24.70	19.25	19.25	17.33
Unconstrained HCFC consumption	mt	350	350	400	449	507	573	648
	ODP t	19.25	19.25	22.00	24.70	27.91	31.53	35.63

*actual reported Article 7 data

HCFC phase-out strategy

9. The Government of Angola is proposing to follow the Montreal Protocol schedule and adopt a staged approach to achieve complete phase-out of HCFCs by 2030 with a service tail to 2040. The current submission only contains stage I of the HPMP to achieve a 10 per cent reduction by 2015 and focuses largely on activities for the servicing sector using HCFC-22.

10. In stage I of the HPMP, the country will control the imports of bulk HCFCs through applying the established licensing and quota system following the reduction schedule in the Montreal Protocol. Training for customs officers will assist Angola to better identify HCFCs at border posts to prevent illegal trade. The country will also reduce the demand for HCFCs for servicing existing equipment through refrigerant recovery and reuse, and training of technicians in better servicing practices. The summary of activities and proposed implementation period is shown in Table 4.

Table 4: Specific activities of the HPMP and proposed period of implementation

Description of Activities	Implementation schedule
Developing standards, labelling HCFC products, training customs officers, provision of ODS identifiers	2012-2015
Training of technicians in good practice, updating training manual, refrigerant recovery and reuse, provision of tools and equipment	2012-2015
Awareness raising programme and sensitisation workshops on HCFC phase-out	2011-2015
Project management, monitoring and coordination	2011-2015

Cost of the HPMP

11. The total cost of the HPMP for Angola has been estimated at US \$198,000 to achieve a 10 per cent reduction in HCFC consumption by 2015. This will result in a phase-out of 35 mt (1.93 ODP tonnes) of HCFCs. The detailed cost breakdown for activities is listed in Table 5.

Table 5: Total cost of the HPMP for Angola

Description of Activities	UNDP
Developing standards, labelling ODS products, training customs officers, provision of identifiers	50,000
Training of technicians in good practice, updating training manual, refrigerant recovery and reuse, provision of tools and equipment	90,000
Awareness raising programme and sensitisation workshops on HCFC phase-out	15,000
Project management, monitoring and coordination	43,000
Total	198,000

SECRETARIAT COMMENTS AND RECOMMENDATION

COMMENTS

12. The Secretariat reviewed the HPMP for Angola 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 and the 2011-2014 business plan of the Multilateral Fund.

HCFC import licensing system

13. The Secretariat sought clarification on whether Angola has established an effective licensing system for controlling HCFC imports in light of decision XXII/19 of the 22nd Meeting of the Parties through which Angola (among other countries) was encouraged to ratify the Montreal Amendment and establish an import and export licensing system for ODS. UNDP clarified that Angola has established a licensing and quota system for all ODS including HCFCs effective from 23 June 2011. The Ozone Secretariat also confirmed that Angola has submitted information on the establishment and operation of a licensing system under Article 4B of the Protocol. The Implementation Committee has taken note of this information.

HCFC consumption

14. The Secretariat queried the HCFC consumption data in Angola, which showed 130 mt in 2005 but zero consumption in 2006 and 2007. UNDP explained that, during the period of 2005 to 2007, the country had neither a monitoring framework nor a licensing system for all ODS in place due to the war. The 2005 data was only therefore an estimate. In addition, while the project preparation funding for the terminal phase-out management plan (TPMP) was approved at the 51st meeting, funds for implementation of the TPMP were never released by the Executive Committee due to lack of official commitment in writing to ratify the London Amendment. Because there were no funds for TPMP implementation, Angola could not put in place a strong monitoring system for ODS imports and exports. The licensing system was only established in 2011. This explained why no data could be collected for 2006 and 2007.

15. The Secretariat also questioned the sharp increase in HCFC consumption in 2009, which represented 84 per cent growth. It was explained in the HPMP that the growth was most likely due to combined factors including previously unreported/monitored consumption and ongoing replacement of CFCs in service applications. The Secretariat further queried whether the consumption included stockpiling. UNDP explained that the sharp increase was basically caused by unreported consumption from provinces that were inaccessible due to the war. Although it was not possible to obtain data during this period for these regions, the stability in recent years has enabled the country to better monitor HCFC consumption. The HCFC survey provided a certain level of accuracy in data collection.

Country programme data reporting

16. The Secretariat also noted that, when the HPMP was reviewed and discussed with UNDP, Angola had neither submitted their 2010 country programme (CP) data, which was due on 1 May 2011, nor the Article 7 data for 2010. The Secretariat reminded the country that based on decision 52/5(f) “country programme (CP) implementation data had to be submitted in advance of the last meeting of the year and subsequent meetings as a precondition for the approval and release of funding for projects”. At a very late stage of the project review, both Article 7 data and CP data were made available to the Secretariat. It was noted that the reported consumption for 2010 under Article 7 and the CP is much lower than the estimated amount submitted in the HPMP. The change of 2010 consumption has put the country into another funding category. The Secretariat discussed the issue with UNDP and Angola, and it was agreed that the latest reported consumption for 2010 is to be used for the calculation of the baseline and the corresponding funding for Angola.

Starting point for aggregate reduction in HCFC consumption

17. The Government of Angola agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the estimated baseline calculated based on the average of actual reported consumption of 19.25 ODP tonnes in 2009 and of 12.65 ODP tonnes in 2010, amounting to 15.95 ODP tonnes. The business plan indicated a baseline of 20.02 ODP tonnes.

Technical and cost issues

18. Angola did not implement the TPMP as stated in paragraph 14, yet it has remained in compliance with the Montreal Protocol phase-out schedule. The Secretariat reviewed the HPMP and queried the detailed activities and their costs break down. The country provided a further detailed cost breakdown for each activity and a list of equipment/tools to be purchased for supporting training of customs officers and servicing technicians. The Secretariat further raised concerns about the cost of US \$43,000 for monitoring and reporting, which accounts for more than 20 per cent of the total funding. Based on the Secretariat’s comments, UNDP adjusted this cost to US \$39,500 and increased funding for technicians training by US \$3,500.

19. In line with decision 60/44, the total funding for Angola's HPMP was agreed at US \$176,000 as shown in Table 6. This will assist the country to achieve a 10 per cent reduction in consumption by 2015 and phase out 29 mt (1.59 ODP tonnes) of HCFCs by 2015.

Table 6: Agreed level of funding of the HPMP for Angola

Description of Activities	UNDP
Developing standards, labelling of HCFC products, training of customs officers, provision of ODS identifiers	44,000
Training of technicians in good practice, updating training manual, demonstrating refrigerant recovery and reuse, , provision of tools and equipment	14,000
Awareness raising programme and sensitisation workshops on HCFC phase-out	82,000
Project management, monitoring and coordination	36,000
Total	176,000

Impact on the climate

20. 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 kilogramme of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO₂-equivalent tonnes. A preliminary estimation of the impact on the climate indicates that 52,200 CO₂-equivalent tonnes would not be emitted into the atmosphere. This was calculated by Angola, in its HPMP, using the phase-out tonnage of HCFC-22 multiplied by its global warming potential (GWP) value, and is based on the assumption that all the reduction will be converted to substitutes with zero GWP value. This figure is higher than the potential climate impact of the HPMP of 23,053 CO₂-equivalent tonnes indicated in the 2011-2014 business plan. This is because the figure in the business plan was estimated based on the assumptions that 50 per cent of the reduction would be converted to HFCs and only 10 per cent of the reduction was related to zero GWP technologies. 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 commencement of the implementation of the HPMP, the reported amounts of refrigerants being recovered and recycled, the number of technicians trained and the HCFC-22 based equipment being retrofitted.

21. A more precise forecast of the impact on the climate of the activities in the servicing sector is presently not available. The impact might be established through an assessment of implementation reports by, *inter alia*, comparing the levels of refrigerants used annually from the commencement of the implementation of the HPMP, the reported amounts of refrigerants being recovered and recycled, the number of technicians trained and the HCFC-22 based equipment being retrofitted.

Co-financing

22. 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, UNDP informed that Angola's support for the implementation of the HPMP is through providing in-kind contributions including office premises, operational costs for NOO and shared transport costs for regular field visits.

2011-2014 business plan of the Multilateral Fund

23. UNDP is requesting US \$176,000 plus support costs for implementation of the HPMP. The total value requested for the period of 2011-2014 of US \$170,524 including support cost is below the total amount in the business plan.

24. Based on the estimated HCFC baseline consumption in the servicing sector of 290 mt, Angola's allocation up to the 2015 for 10 per cent reduction phase-out should be US \$176,000 in line with decision 60/44.

Draft Agreement

25. A draft Agreement between the Government of Angola and the Executive Committee for HCFC phase-out is contained in Annex I to the present document.

RECOMMENDATION

26. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for Angola for the period 2011 to 2015 to meet the 10 per cent reduction in HCFC consumption, at the amount of US \$176,000 plus agency support costs of US \$15,840 for UNDP;
- (b) Noting that the Government of Angola had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption an estimated baseline of 15.95 ODP tonnes, calculated using actual consumption of 19.25 ODP tonnes and 12.65 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol;
- (c) Deducting 1.59 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (d) Approving the draft Agreement between the Government of Angola and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (e) Requesting the Fund Secretariat, once the baseline data were known, to update Appendix 2-A to the 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 adjustments needed being made when the next tranche was submitted; and
- (f) Approving the first tranche of stage I of the HPMP for Angola, and the corresponding implementation plan, at the amount of US \$86,222 plus agency support costs of US \$7,760 for UNDP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ANGOLA 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 Angola (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 14.36 ODP tonnes by 1 January 2015 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 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 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 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 HCFC phase-out sector plans submitted. 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.
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 eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country had 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 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 are exempted;
 - (b) That the meeting of these Targets has been independently verified, unless 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 an annual 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; 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 either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual 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; and
 - (iv) 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 last approved 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 subsequent annual implementation report;
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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. UNDP has agreed to be the lead 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 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 Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 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 (“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 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, and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

14. The completion of stage I 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 level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and 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 will continue until the time of the completion unless otherwise specified by the Executive Committee.

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	15.95

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2012	2013	2014	2015	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	15.95	15.95	14.36	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	15.95	15.95	14.36	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	86,222	39,111	31,111	19,556	176,000
2.2	Support costs for Lead IA (US \$)	7,760	3,520	2,800	1,760	15,840
3.1	Total agreed funding (US \$)	86,222	39,111	31,111	19,556	176,000
3.2	Total support cost (US \$)	7,760	3,520	2,800	1,760	15,840
3.3	Total agreed costs (US \$)	93,982	42,631	33,911	21,316	191,840
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)					1.59
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)					n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)					14.36

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the last 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, with data provided by calendar year, regarding the progress since the year prior to 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 ODS phase-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

Annual 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. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on 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 and including the year of the planned submission of the next tranche request, highlighting 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 cover the years specified in sub-paragraph 5(d) of the Agreement. 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 annual implementation reports and annual implementation plans, submitted through an online database. 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), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall supervision will be provided by the Ministry of Environment, through the National Ozone Office, with assistance from UNDP.
2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant government departments.
3. The National Ozone Office will compile and report the following data and information each year on, or before the deadlines:
 - (a) Annual reports on the consumption of the substances to be submitted to the Ozone Secretariat, and
 - (b) Annual reports on progress in implementing the HPMP to be submitted to the Executive Committee of the Multilateral Fund.

4. The National Ozone Office and UNDP will jointly hire a qualified independent entity to conduct a qualitative and quantitative performance assessment of the implementation of the HPMP.
5. The agency responsible for evaluation will have full access to relevant technical and financial information related to the implementation of the HPMP.

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 Implementation Plans and subsequent reports as per Appendix 4-A;
 - (c) Providing independent 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 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 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.
