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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventieth Meeting
Bangkok, Thailand 1-5 July 2013

PROJECT PROPOSAL: THE DEMOCRATIC REPUBLIC OF THE CONGO

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

Phase-out

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

UNEP/UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Democratic Republic of the Congo

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2011	56.93 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2011		
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					56.9				56.9

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	81.2	Starting point for sustained aggregate reductions:	58.0
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	5.8	Remaining:	52.2

(V) BUSINESS PLAN		2012	2013	2014	2015	Total
UNDP	ODS phase-out (ODP tonnes)		1.4	0.0	0.3	1.7
	Funding (US \$)		126,440	0	26,160	152,600
UNEP	ODS phase-out (ODP tonnes)		1.4		0.3	1.7
	Funding (US \$)		131,645		26,555	158,200

(VI) PROJECT DATA			2011	2012	2013	2014	2015	Total
Montreal Protocol consumption limits			n/a	n/a	58.0*	58.0*	52.2	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	58.0*	58.0*	52.2	n/a
Agreed Funding (US\$)	UNDP	Project costs	100,000		116,000		24,000	240,000
		Support costs	9,000		10,440		2,160	21,600
	UNEP	Project costs	95,000		116,500		23,500	235,000
		Support costs	12,350		15,145		3,055	30,550
Funds approved by ExCom (US\$)			Project Costs	195,000	0	0	0	195,000
			Support Costs	21,350	0	0	0	21,350
Total funds requested for approval at this meeting (US\$)			Project Costs			232,500		232,500
			Support Costs			25,585		25,585

*Estimated baseline.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Democratic Republic of the Congo UNEP, as the lead implementing agency, has submitted to the 70th meeting of the Executive Committee a request for funding of the second tranche of stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$258,085, consisting of US \$116,500, plus agency support costs of US \$15,145 for UNEP, and US \$116,000, plus agency support costs of US \$10,440 for UNDP. The submission includes a progress report on the implementation of the first tranche of the HPMP together with the tranche implementation plan for 2013 to 2014.

Background

2. Stage I of the HPMP for the Democratic Republic of the Congo was approved in principle by the Executive Committee at its 63rd meeting, to reduce HCFC consumption by 10 per cent of the baseline by the end of 2014 at a total funding level of US \$475,000, plus agency support cost of US \$52,150. At the same meeting, the Executive Committee also approved the first tranche of stage I of the HPMP at the amount of US \$216,350, consisting of US \$95,000, plus agency support costs of US \$12,350 for UNEP, and US \$100,000 plus agency support costs of US \$9,000 for UNDP.

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

3. The following activities have been implemented during the first tranche of stage I of the HPMP:
- (a) *Refrigeration training:* A training workshop for twenty five trainers was completed. These trainers have so far provided training to 94 additional technicians from 500 technicians in the country;
 - (b) *Custom training:* A training workshop for twenty trainers and five workshops for 120 customs officers and inspectors were completed. Five refrigerant identifiers were purchased and used during the customs training workshops;
 - (c) *Investment component:* Equipment to strengthen the refrigeration association and four training centres in Kinshasa was procured and distributed to the beneficiaries. The equipment set includes recovery and recycling units, vacuum pumps, identifiers, manifolds, welding sets and other basic servicing tools. Additional equipment for three regional centres will be distributed when the refrigeration training is delivered in these provinces. The association of refrigeration technicians (ACOPROF) completed a national technicians' census registering so far 6,000 technicians (4,000 in Kinshasa and 2,000 in the rest of the country); and
 - (d) *Monitoring and evaluation:* The NOU coordinates, supervises, monitors and evaluates the implementation of all activities in the HPMP. Two consultants were recruited to assist the NOU in the implementation of the HPMP activities and data collection. The consultants produce quarterly reports on the status of implementation of the HPMP and the expected results. In implementing the activities, the NOU has direct interaction with the National Ozone Committee, ACOPROF, the Customs Department (OCC) in the Ministry of Finance, the Ministry of Trade (in charge of import/export licensing policies), the National Professional Training Institute (INPP) and other stakeholders.

Status of fund disbursement

4. As of May 2013, of the US \$195,000 approved for the first tranche, US \$157,831 (80 per cent) had been disbursed. The balance of US \$37,169 (20 per cent) will be disbursed in 2013.

Annual plans for the second tranche of the HPMP

5. The main activities to be implemented for the remaining 2013 and 2014 are five additional training workshops for 125 refrigeration technicians; five additional training workshops for about 100 customs officers and inspectors in Kinshasa and other cities; strengthening of three additional INPP with equipment and refrigerant in the provinces of Bas Congo, Nord Kivu and the Province Orientale; approval of a proposal requiring proof of membership to ACOPROF for the purchase of refrigerant; a retrofit incentive programme for domestic equipment owners with the assistance of ACOPROF (the programme will subsidize 50 per cent of the cost of retrofit to a low-global-warming-potential alternative); and an inter-ministerial agreement authorizing imports of bulk refrigerants and banning non-reusable cylinders.

6. The retrofit incentives programme for commercial equipment owners and the local filling into reusable cylinders of refrigerants imported in bulk will be postponed to a future tranche or stage II when conditions are more favourable to initiate them. Instead, four additional INPP training centres will be strengthened with equipment and refrigerant in the provinces of Sud Kivu, Kasai Oriental, Katanga and Kassai Occidental.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Operational licensing system

7. In line with decision 63/17 and as required under the Agreement between the Government of the Democratic Republic of the Congo and the Executive Committee, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports is in place and that the system is capable of ensuring compliance with the Montreal Protocol HCFC phase-out schedule for the duration of the Agreement. The national quota for imports of HCFC-22 in 2013 was established as 980 mt (53.9 ODP tonnes).

HCFC consumption

8. The HPMP for the Democratic Republic of the Congo was approved based on the estimated baseline at the time of submission (58 ODP tonnes of HCFC-22). The established baseline for the country is 81.2 ODP tonnes. The Democratic Republic of the Congo requested a revision of the reported consumption of HCFC-22 in 2009 from 890 mt (48.95 ODP tonnes) to 1,014.98 mt (55.82 ODP tonnes) and the elimination of the reported consumption of HCFC-141b and HCFC-142b in 2009 and 2010. The request for the revision of the baseline submitted by the Democratic Republic of the Congo was reviewed during several meetings of the Implementation Committee (46 to 49) as the information in accordance to decision XV/19 to support the request was considered insufficient to allow its approval. Recommendation 49/6(c) from the Implementation Committee urged the Democratic Republic of the Congo to submit to the Ozone Secretariat the requested information¹ no later than 31 March 2013, for

¹ Recommendation 49/6 (a) and (b) requested the Party to specify whether the charged amounts of HCFCs provided, represent the total capacity of the equipment or the amounts used to service or refill the equipment; and to provide further clarification on how the regional inventory information on HCFC-based equipment was consolidated to derive its new proposed national consumption.

consideration at its fiftieth meeting. The Democratic Republic of the Congo confirmed that the additional clarification had already been submitted. Table 1 summarizes the three sets of data described.

Table 1: Estimated, established and proposed baseline for HCFC consumption in the Democratic Republic of the Congo

Substance (mt)	Estimated Baseline at HPMP approval (*)			Established baseline Ozone Secretariat			Proposed baseline by the Democratic Republic of the Congo (**)		
	2009	2010	Baseline	2009	2010	Baseline	2009	2010	Baseline
HCFC-22	1,014.9	1,096.1	1,055.5	890.00	845.0	867.5	1,014.90	845.00	929.95
HCFC-141b				245.00	200.0	222.5	-	-	-
HCFC-142b				150.00	125.0	137.5	-	-	-
Total	1,014.9	1,906.1	1,055.5	1,285.00	1,170.0	1,227.5	1,014.90	845.00	929.95
Substance (ODP)	2009	2010	Baseline	2009	2010	Baseline	2009	2010	Baseline
HCFC-22	55.8	60.3	58.0	48.95	46.5	47.7	55.82	46.48	51.15
HCFC-141b	-	-	-	26.95	22.0	24.5	-	-	-
HCFC-142b	-	-	-	9.75	8.1	8.9	-	-	-
Total	55.8	60.3	58.0	85.65	76.6	81.2	55.82	46.48	51.15

(*) Consumption figures currently used in the Agreement between the Government of the Democratic Republic of the Congo and the Executive Committee.

(**) Consumption figures to be assessed by the Implementation Committee at its 50th meeting. If the change is recommended by the Implementation Committee and approved by the 25th Meeting of the Parties in October 2013, the consumption figures and established baseline in the Agreement will be updated.

9. As per the HPMP approval, decision 63/54 (d) requested the Fund Secretariat to update the Appendix 2-A of the Agreement between the Government and the Executive Committee based on the established baseline. However, if the requested change to the established baseline is recommended by the 50th Implementation Committee meeting and approved by the 25th Meeting of the Parties in October 2013, the Agreement will need to be updated again. In order to avoid two potential changes to the Agreement, the Secretariat agreed with UNEP and the Government of the Democratic Republic of the Congo not to modify the Agreement until final resolution of this issue, on the understanding that the country commits to ensuring compliance with the freeze in consumption and the 10 per cent reduction taking into account the established baseline of 47.7 ODP tonnes of HCFC-22².

10. Accordingly, the national quota for imports of HCFC-22 was modified from 980 mt (53.9 ODP tonnes) to a maximum of 867 mt (47.7 ODP tonnes). The Government of the Democratic Republic of the Congo included in its official letter to the Multilateral Fund Secretariat confirmation of the modification to the quota established for 2013.

Other issues discussed

11. In providing more details about the plan to restrict sales of refrigerant to only members of the ACOPROF, UNEP clarified that the restriction would cover all refrigerants and that in order to become a member of ACOPROF the technician must have received certification. This effectively means that from the third quarter of 2013, when the measure is cleared by the Ministry of Justice, only certified technicians will have access to refrigerants. The Secretariat considers that this measure, in combination with the on-going training on recovery and recycling and leakage monitoring could help reduce the large leakage rate reported in the HPMP of 57.5 per cent.

12. With regard to the domestic end-user incentives programme planned for the second tranche, information was requested on the type of equipment included; the selected alternatives, and their prices;

² As HCFC-22 is the only substance consumed in the country. The Democratic Republic of the Congo requested removal of consumption of HCFC-141b and HCFC-142b substances.

available data on the performance and energy use of equipment already converted; safety protocols planned for conversion; and servicing and disposal of equipment retrofitted if the technology was flammable. UNEP informed that the details of the programme are still to be finalized by the national consultant, the NOU and ACOPROF, and that these considerations will be taken into account. The Secretariat suggested that appropriate training, codes of practices and standards on storage, transport, installation, maintenance and disposal of equipment using flammable refrigerants should be in place to ensure proper introduction of these technologies.

13. The Secretariat also proposed that retrofits could be considered under the HPMP once the above preparatory work is completed and other conditions for sustainable equipment retrofit are in place namely: import control on HCFCs and HCFC-based equipment is in place and restricts the deployment of new HCFC components, and the comparative consumer price of HCFCs, relative to substitute refrigerants, has been high and is predicted to continue to increase. UNEP indicated that the current training programme already includes training on safe handling of flammable refrigerants and on maintenance given to equipment operating with these refrigerants. The Government of the Democratic Republic of the Congo will start considering during stage I the required regulations to support the safe use of flammable refrigerants. Retrofitting would be introduced once the required conditions are in place.

RECOMMENDATION

14. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan of (HPMP) in the Democratic Republic of the Congo; and
- (b) Requests the Fund Secretariat, once the Meeting of the Parties makes a decision on the request for change of the baseline submitted by the Democratic Republic of the Congo, 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 levels of maximum allowable consumption and of any potential impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted.

15. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for, the Democratic Republic of the Congo and the corresponding 2013-2014 tranche implementation plans, with associated support costs at the funding level shown in the table below:

	Project Title	Project Funding (US \$)	Support Cost (US \$)	Implementing Agency
(a)	HCFC phase-out management plan (stage I, second tranche)	116,500	15,145	UNEP
(b)	HCFC phase-out management plan (stage I, second tranche)	116,000	10,440	UNDP