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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-third Meeting
Paris, 9-13 November 2014

PROJECT PROPOSAL: GABON

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, second tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Gabon

(I) PROJECT TITLE	AGENCY
HCFC phase out management plan	UNEP (lead), UNIDO

(II) LATEST ARTICLE 7 DATA	Year: 2013	28.60 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2013	
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					28.60				28.60

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	30.2	Starting point for sustained aggregate reductions:	30.2
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	10.57	Remaining:	19.63

(V) BUSINESS PLAN		2014	2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.89		0.96		0.96		1.04	3.85
	Funding (US \$)	51,980		56,613		56,500		61,020	226,113
UNIDO	ODS phase-out (ODP tonnes)	0		2.31		0		0	2.31
	Funding (US \$)	0		130,691		0		0	130,691

(VI) PROJECT DATA			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	n/a	n/a	30.2	30.2	27.18	27.18	27.18	27.18	27.18	19.63	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	30.2	30.2	27.18	27.18	27.18	27.18	27.18	19.63	n/a	
Agreed Funding (US\$)	UNEP	Project costs	90,000	0	0	46,000	0	0	50,100	0	50,000	0	54,000	290,100	
		Support costs	11,700	0	0	5,980	0	0	6,513	0	6,500	0	7,020	37,713	
	UNIDO	Project costs	130,000	0	0	0	0	0	119,900	0	0	0	0	0	249,900
		Support costs	11,700	0	0	0	0	0	10,791	0	0	0	0	0	22,491
Funds approved by ExCom (US\$)		Project Costs	220,000	0	0	0	0	0	0	0	0	0	0	220,000	
		Support Costs	23,400	0	0	0	0	0	0	0	0	0	0	0	23,400
Total funds requested for approval at this meeting (US\$)		Project Costs	0	0	0	0	46,000	0	0	0	0	0	0	46,000	
		Support Costs	0	0	0	0	5,980	0	0	0	0	0	0	0	5,980

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Gabon, UNEP as the lead implementing agency has submitted to the 73rd meeting of the Executive Committee a request for funding for the second tranche of the HCFC phase-out management plan (HPMP)¹, at the amount of US \$46,000, plus agency support costs of US \$5,980 for UNEP only. The submission includes a progress report on the implementation of the first tranche of the HPMP and the tranche implementation plan for 2015 and 2016.

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

2. The following activities had been implemented during the first tranche of the HPMP: 70 customs officers trained on the identification and control of HCFCs and HCFCs-based equipment, 20 customs officers trained on the quota and licensing system as well as on the identification of HCFC-based equipment; preparation of five training workshops on the national and sub-regional legislation for 200 custom officers; purchase of two identifiers for the national customs training schools; 116 technicians and 12 students trained on recovery and recycling of HCFCs and safe handling of hydrocarbon (HC); and procurement and distribution of 20 recovery units for HCFCs and HFCs and servicing tools (e.g., 10 refrigerant identifiers, 10 vacuum pumps, 20 sets recovery equipment, and 10 tool cases). Outreach activities include the participation of some private media to training workshops, and the distribution of material.

3. The National Ozone Unit (NOU) has been overseeing the implementation of the HPMP with the assistance of two consultants.

Level of fund disbursement

4. As of September 2014, of the US \$220,000 approved for the first tranche, US \$167,408 had been disbursed (US \$89,722 for UNEP and US \$77,686 for UNIDO). The balance of US \$52,592 will be disbursed before the end of 2014.

Annual plans for the second tranche of the HPMP

5. The main activities to be implemented during the second tranche of the HPMP include:
- (a) Organization of two workshops for 25 customs and other enforcement officers on the national and the sub-regional legislation and broadcasting of the fixed annual quota (UNEP) (US \$5,000);
 - (b) Organization of five workshops for 200 technicians in good practices in refrigeration, recovery and recycling techniques as well as safe handling of hydrocarbon and certification (UNEP) (US \$15,000);
 - (c) Organization of four training workshops on the identification and control of HCFCs and HCFC-based equipment for 80 customs officers (UNEP) (US \$10,000); and
 - (d) Continuation of the activities started under the first tranche including the handover of the equipment to the training centre and the development of retrofit incentive schemes (UNIDO) (balance from the first tranche); and
 - (e) Monitoring and evaluation of the HPMP (UNEP) (US \$16,000).

¹The HPMP for Gabon was approved by the Executive Committee at its 62nd meeting to reduce HCFC consumption by 35 per cent of the baseline by 1 January 2020. The second tranche was originally planned for 2013 but only submitted to the 73rd meeting.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

6. In line with decision 63/17, 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 phase-out schedule.

7. The Ozone Committee is responsible for establishing and distributing the annual HCFC import quota. Both the issuance of the authorization for HCFC import and its release by the Customs require a clearance from the NOU. The Government of Gabon imposed quotas on HCFC and HCFC-based equipment from 2013 and beyond. The HCFC import quota for 2014 is 27.50 ODP tonnes which is below the baseline.

HCFC consumption

8. The HCFC baseline for compliance has been established at 30.2 ODP tonnes, based on the actual consumption reported under Article 7 of the Montreal Protocol as shown in Table 1. The established baseline is 0.5 ODP tonne higher than the estimated baseline of 29.7 ODP tonnes in the HPMP submitted to the 62nd meeting. For the year 2013, Gabon reported a consumption of 28.6 ODP tonnes of HCFCs which is 1.6 ODP tonnes below the maximum allowable consumption for that year.

Table 1. HCFC consumption in Gabon (2009-2013 Article 7 data)

HCFC	2009	2010	2011	2012	2013	Baseline
Metric tonnes						
HCFC-22	540.9	557.0	835.5	550.0	520.0	549.0
ODP tonnes						
HCFC-22	29.7	30.6	45.95	30.25	28.6	30.2

Technical issues

9. In 2011, HCFC-22 imports increased by 50 per cent followed by 34 per cent decrease in 2012. UNEP advised that this sharp increase in consumption resulted from a double counting of some imports in 2011 and that the actual level for that year was 30.25 ODP tonnes. The country did not submit a request for change in 2011 HCFC consumption data to the Ozone Secretariat since it was not used for the establishment of the baseline for compliance. Nevertheless, the Secretariat has requested UNEP, during the review of this tranche request, to assist the country in revising the 2011 country programme data report and submitting it to the Ozone Secretariat.

10. With respect to HCFC-22 alternatives, UNEP indicated that no HCFC-22 alternatives are available in the market but some HFCs and HFC-based equipment are being imported in the country. UNEP also indicated that the country does not have a specific national policy to promote the use of more climate-friendly alternatives to HCFCs. Nevertheless, importers and refrigeration technicians are encouraged to use low global warming potential (GWP) alternatives when possible.

11. For the recovery, recycling and retrofitting activities under UNIDO component, UNEP reported that the equipment was purchased as agreed with the NOU. The agreement between the Ministry of Environment and the Ministry of Vocational Training on the transfer of the equipment to the beneficiary centre is under discussion. UNEP also advised that the use of HC as an alternative was considered by the country but for the time being the country will focus on recovery, recycling and good practices in refrigeration. The country has been informed on decision 72/17 related to the liability issue in case the

country engages in retrofitting HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing.

Revision to the HPMP Agreement

12. The HPMP for Gabon was approved at the 62nd meeting, prior to the establishment of its HCFC baseline for compliance. At the time of the approval of the HPMP, the Executive Committee requested the 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 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” (decision 62/50(d)).

13. The revised baseline for compliance of 30.2 ODP tonnes does not affect the funding eligibility for Gabon since the Government requested the country to continue being treated as a low-volume consuming (LVC) country, despite the high baseline consumption. Stage I of the HPMP for Gabon was approved for the period 2010-2020, at the amount of US \$540,000, which is below the maximum funding eligibility for an LVC. The relevant paragraph and Appendices of the Agreement have been updated to reflect the change in the baseline, and a new paragraph has been added to indicate that the updated Agreement supersedes that reached at the 62nd meeting, as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 73rd meeting.

Conclusion

14. The Secretariat noted that the country’s import licensing and quota system is operational and will enable HCFC consumption reductions in line with the Montreal Protocol’s phase-out schedule. Under the first tranche, the country has fully implemented the training programme for the customs and trade officers, and refrigeration technicians and students. The additional activities proposed in the second tranche, including the training of technicians, customs and trade officers, the handover of the equipment to the training centre, and the development of retrofit incentive schemes will further strengthen the servicing sector.

Verification report

15. Gabon is considered a non-LVC country by virtue of its HCFC baseline consumption, and as such the country should submit a verification report along with the second tranche request. However, the Government of Gabon having requested that the country continue being treated as an LVC country, and was provided funding as an LVC country despite the high baseline consumption, a verification report was not considered mandatory for the review of the second tranche request, unless specifically requested by the Executive Committee.

RECOMMENDATION

16. 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 (HPMP) for Gabon;
 - (b) Notes that the Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Gabon and the Executive Committee, based on the established HCFC baseline for compliance, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 62nd meeting, as contained in Annex I to the present document; and

- (c) Further notes that the revised starting point for sustained aggregate reduction in HCFC consumption was 30.2 ODP tonnes, calculated using actual consumption of 29.7 ODP tonnes and 30.6 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol.

17. The Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for Gabon, and the corresponding 2015-2016 tranche implementation plan, with associated support costs at the funding level shown in the table below, on the understanding that Gabon assumes all responsibilities and risks associated with retrofitting HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, second tranche)	46,000	5,980	UNEP

Annex I

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

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

1. This Agreement represents the understanding of the Government of Gabon (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 **19.63 ODP** tonne prior to 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Gabon and the Executive Committee at the 62nd meeting of the Executive Committee.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	30.2

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2010	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	n/a	30.20	30.20	27.18	27.18	27.18	27.18	27.18	19.63	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	30.20	30.20	27.18	27.18	27.18	27.18	27.18	19.63	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	90,000	0	0	46,000	0	0	50,100	0	50,000	0	54,000	290,100
2.2	Support costs for Lead IA (US \$)	11,700	0	0	5,980	0	0	6,513	0	6,500	0	7,020	37,713
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	130,000	0	0	0	0	0	119,900	0	0	0	0	249,900
2.4	Support costs for Cooperating IA (US \$)	11,700	0	0	0	0	0	10,791	0	0	0	0	22,491
3.1	Total agreed funding (US \$)	220,000	0	0	46,000	0	0	170,000	0	50,000	0	54,000	540,000
3.2	Total support costs (US \$)	23,400	0	0	5,980	0	0	17,304	0	6,500	0	7,020	60,204
3.3	Total agreed costs (US \$)	243,400	0	0	51,980	0	0	187,304	0	56,500	0	61,020	600,204
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)												10.57
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22												19.63