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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fifth Meeting
Montreal, 16-20 November 2015

PROJECT PROPOSAL: ANGOLA

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

Phase-out

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

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Angola

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNDP (lead)	65th	10 per cent by 2015

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2014	13.21 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2014	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					13.21				13.21

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	15.95	Starting point for sustained aggregate reductions:	15.95
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	1.59	Remaining:	14.36

(V) BUSINESS PLAN		2015	2016	Total
UNDP	ODS phase-out (ODP tonnes)	0.3	0.2	0.5
	Funding (US \$)	33,911	21,316	55,227

(VI) PROJECT DATA			2011	2012	2013	2014	2015	Total
Montreal Protocol consumption limits			n/a	n/a	15.95	15.95	14.36	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	15.95	15.95	14.36	n/a
Agreed funding (US\$)	UNDP	Project costs	86,222	39,111	31,111	0	19,556	176,000
		Support costs	7,760	3,520	2,800	0	1,760	15,840
Funds approved by ExCom (US\$)		Project costs	86,222	0	0	39,111*		125,333
		Support costs	7,760	0	0	3,520*		11,280
Total funds requested for approval at this meeting (US\$)		Project costs	0	0	0	0	31,111**	31,111
		Support costs	0	0	0	0	2,800**	2,800

*Second tranche planned for 2012 but approved at the 72nd meeting.

**Third tranche planned for 2013 but submitted to the 75th meeting.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Angola, UNDP as the designated implementing agency, has submitted to the 75th meeting a request for funding for the third tranche¹ of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$31,111, plus agency support costs of US \$2,800. The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption and the tranche implementation plan for 2015 to 2016.

Report on HCFC consumption

HCFC-22 consumption

2. The Government of Angola reported a consumption of 13.21 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

Table 1. HCFC-22 consumption in Angola (2010-2014 Article 7 data)

HCFC-22	2010	2011	2012	2013	2014	Baseline
Metric tonnes	230.0	210.00	120.00	280.52	240.20	290.0
ODP tonnes	12.7	11.55	6.60	15.43	13.21	16.0

3. The demand for HCFC-22 in Angola has been increasing because of the booming of oil industry which led to the economic growth and influx of expatriates and subsequently created demand for refrigeration and air-conditioning equipment. The low imports of HCFC-22 in 2011 and 2012 were due to the entry into force of the national regulation on ODS (Presidential Decree No. 153/11 of 15 June 2011) which limited imports of HCFCs. In addition, the Ministry of Trade did not issue new licences during that period while working on a new customs tariff. The HCFC-22 import has peaked in 2013 and all the quotas issued to importers were used. In 2014, the Government reduced the national quota and import of HCFC was decreased to 240.20 mt (13.21 ODP tonnes) which is already 1.19 ODP tonnes below the maximum allowable consumption in 2015. The import quota issued for 2015 of 261.00 mt (14.36 ODP tonnes) is the same as the maximum allowable consumption set in the Agreement.

Verification report

4. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2013 and 2014 were 15.43 and 13.21 ODP tonnes respectively. The verification concluded that the consumption data reported by the Government of Angola is consistent with the data in the verification report.

Country programme (CP) implementation report

5. The Government of Angola reported HCFC sector consumption data under the 2014 CP implementation report which is consistent with the data reported under Article 7.

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

Legal framework

6. Angola has established a regulatory framework addressing the HCFC consumption based on the Presidential Decree No. 153/11 since 15 June 2011 which establishes the rules for the import and export

¹ The third tranche was originally planned for 2013 but only submitted to the 75th meeting.

of ODS and ODS-containing equipment. The Government has implemented a policy that imposes environmental tax on imports of HCFCs and HFCs.

Refrigeration servicing sector

7. The following activities have been implemented during the second tranche of the HPMP:
 - (a) The HCFC licensing and quota system to control the imports of HCFCs and HCFC-based equipment was continuously enforced in collaboration with other stakeholders;
 - (b) Three training workshops were conducted for 96 customs officers; and five multi-refrigerant identifiers were procured for identifying refrigerants and refrigerant-blends as the Government is monitoring the import of HFCs and imposing environmental tax on HCFC and HFC imports;
 - (c) One training workshop was conducted for 22 technicians on good practices, refrigerant recovery, reuse and recycling, safe handling of flammable and toxic refrigerants; and
 - (d) Fifty sets of equipment and tools were procured to strengthen the 14 training centers.

Project implementation and monitoring unit (PMU)

8. Project monitoring and coordination were conducted to ensure efficient and effective implementation.

Level of funding disbursement

9. As of 31 August 2015, of the US \$125,333 so far approved, US \$80,530 had been disbursed. The balance of US \$44,803 will be disbursed in 2016 (Table 2).

Table 2: Financial report of stage I of the HPMP for Angola (US \$)

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNDP	86,222	68,250	39,111	12,280	125,333	80,530
Disbursement rate (%)	79		31		64	

Implementation plan for the third tranche of the HPMP

10. The third funding tranche of the HPMP will be implemented between December 2015 and December 2016, and the following activities will be undertaken:
 - (a) Enforcement of licence and quota for HCFC import and trade; implementation of the on-line import/export licensing and quota system in 2016 (US \$5,000);
 - (b) Conducting two training workshops for 40 technicians on good practices, refrigerant recovery and reuse; and developing training manuals for end-users (US \$19,000);
 - (c) Developing educational materials and conducting awareness raising activities (US \$2,111); and
 - (d) Continued monitoring and coordination to ensure effective implementation of activities in the HPMP (US \$5,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

11. The Government of Angola has already issued HCFC import quotas for 2015 in accordance with the Montreal Protocol control target.

Refrigeration-servicing sector

12. The Secretariat inquired about the safety issues related to the use of hydrocarbons (HC). UNDP informed that, the training for technicians on the use of flammable refrigerants, including HC, HFC-32 and HFOs, is limited to new equipment originally designed for the substance. Drop-in or retrofit practices with flammable refrigerants are not being pursued at this stage.

13. The Secretariat further sought clarification on the on-line import/export licensing and quota system, UNDP clarified that the system is envisaged to achieve a real-time dissemination of information on licensing and quotas. When an import licence is requested, the information on the quota and license issued by the National Ozone Unit and the import request managed by the Ministry of Trade will be integrated through the on-line system, and the information will be circulated to Ministry of Environment, Customs Service and the Ministry of Trade, thus speeding up the process.

Revision of the Agreement

14. The HPMP for Angola was approved at the 65th meeting to achieve 10 per cent reduction by 2015. Implementation of the first tranche was delayed due to the the change of the national ozone officer and the presidential elections held in 2012, resulting in low level of disbursement. The second tranche, originally planned to the 68th meeting, was only submitted to the 72nd meeting, and the third tranche, originally planned for the 71st meeting is being submitted to the 75th meeting. The delay did not affect the compliance status of Angola as the licensing and quota system has been effectively enforced. The new ozone officer is presently on board and the implementation is progressing.

15. Since stage I of the HPMP was planned for the period from 2011 to 2015, the Secretariat suggested considering an extension of stage I beyond December 2015 in order to allow the implementation of the activities planned. After consultation with the Government of Angola, UNDP advised that the activities originally planned in the HPMP remain unchanged. The Government will speed up the implementation of activities planned in the HPMP. The fourth tranche will be submitted to the last meeting in 2016. It is expected that all activities in stage I will be completed by the end of 2017. Stage II will also be submitted to the last meeting in 2016.

16. Given the delays in the submission of the tranches, a revised Agreement has been prepared to extend stage I of the HPMP to 2016. The relevant text of the Agreement as revised is contained in Annex I to the present document. The full revised Agreement will be appended to the final report of the 75th meeting.

Conclusion

17. The HCFC consumption in Angola has been below the control targets set in the Agreement for 2013 and 2014 and the import quota issued for 2015 is the same as the maximum allowable consumption set in the Agreement for that year. The verification confirmed that the licensing and quota system is being effectively enforced. Angola has integrated the ODS issues into the customs training and the curriculum is reviewed regularly to integrate new requirements into the training manual. Angola is also controlling the imports of HFCs through imposing environmental tax to minimize the climate impact of HCFC phase-out. The training for refrigeration technicians will be sustained through the 14 training centers which will provide on-going support to technicians. In view of the significant progress achieved in implementation and the disbursement rate of 64 per cent of overall funding, the Secretariat recommends approval of the funding request for the third tranche of the HPMP.

RECOMMENDATION

18. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Angola; and
- (b) Notes that the Fund Secretariat had updated Appendix 2-A of the Agreement between the Government of Angola and the Executive Committee to reflect the extension of stage I of the HPMP from 2015 to 2016 and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 65th meeting, as contained in Annex I to the present document.

19. The Fund Secretariat further recommends blanket approval of the third tranche of stage I of the HPMP for Angola and the corresponding 2015-2016 tranche implementation plan, 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, third tranche)	31,111	2,800	UNDP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF ANGOLA 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)

16. This updated Agreement supersedes the Agreement reached between the Government of Angola and the Executive Committee at the 65th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2011	2012	2013	2014	2015	2016	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	15.95	15.95	14.36	14.36	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	15.95	15.95	14.36	14.36	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	86,222	39,111	0	0	31,111	19,556	176,000
2.2	Support costs for Lead IA (US \$)	7,760	3,520	0	0	2,800	1,760	15,840
3.1	Total agreed funding (US \$)	86,222	39,111	0	0	31,111	19,556	176,000
3.2	Total support cost (US \$)	7,760	3,520	0	0	2,800	1,760	15,840
3.3	Total agreed costs (US \$)	93,982	42,631	0	0	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
