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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: BOTSWANA**

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, first tranche)

UNEP/UNIDO

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

## Botswana

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HPMP	UNEP (lead)/UNIDO

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2014	10.51 (ODP tonnes)
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2014</b>	
Chemical	Aero sol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption
				Manufacturin	Servicing				
HCFC-22					10.45				10.45
HCFC-141b					0.055				0.055

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009 - 2010 baseline:	11.00	Starting point for sustained aggregate reductions:	11.00
<b>CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)</b>			
Already approved:	0.0	Remaining:	11.00

<b>(V) BUSINESS PLAN</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
UNEP	ODS phase-out (ODP tonnes)	0	0	0	0	0	0	0
	Funding (US \$)	0	0	0	0	0	0	0
UNIDO	ODS phase-out (ODP tonnes)	0	0	0	0	0	0	0
	Funding (US \$)	0	0	0	0	0	0	0

<b>(VI) PROJECT DATA</b>			<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Montreal Protocol consumption limits			9.90	9.90	9.90	9.90	9.90	7.15	n/a
Maximum allowable consumption (ODP tonnes)			9.90	9.90	9.90	9.90	9.90	7.15	n/a
Project costs requested in principle(US\$)	UNEP	Project costs	135,000	0	0	90,000	0	55,000	280,000
		Support costs	17,550	0		11,700		7,150	36,400
	UNIDO	Project costs	140,000	0	0	140,000	0	0	280,000
		Support costs	9,800	0	0	9,800	0	0	19,600
Total project costs requested in principle (US\$)			275,000	0	0	230,000	0	55,000	560,000
Total support costs requested in principle (US\$)			27,350	0	0	21,500	0	7,150	56,000
Total funds requested in principle (US \$)			302,350	0	0	251,500	0	62,150	616,000

<b>(VII) Request for funding for the first tranche (2015)</b>		
<b>Agency</b>	<b>Funds requested (US \$)</b>	<b>Support costs (US \$)</b>
UNEP	135,000	17,550
UNIDO	140,000	9,800

<b>Funding request:</b>	Approval of funding for the first tranche (2015) as indicated above
<b>Secretariat's recommendation:</b>	Individual consideration

## PROJECT DESCRIPTION

1. On behalf of the Government of Botswana, UNEP as the lead implementing agency, has submitted to the 75<sup>th</sup> meeting stage I of the HCFC phase-out management plan (HPMP) at a total cost of US \$616,000, consisting of US \$280,000, plus agency support costs of US \$36,400 for UNEP, and US \$280,000, plus agency support costs of US \$19,600 for UNIDO, as originally submitted, to achieve 35 per cent reduction in HCFC consumption by 2020.

2. The first tranche for stage I of the HPMP being requested at this meeting amounts to US \$302,350, consisting of US \$135,000, plus agency support costs of US \$17,550 for UNEP, and US \$140,000, plus agency support costs of US \$9,800 for UNIDO, as originally submitted.

### Background

3. Botswana, with a total population of about two million inhabitants, has ratified all the amendments to the Montreal Protocol. The HPMP for Botswana was originally submitted to the 65<sup>th</sup> meeting but subsequently withdrawn due to the lack of an enforceable HCFC licensing system. Subsequently at their Twenty-fifth meeting, the Parties requested Botswana to establish an import and export licensing system for ODS consistent with Article 4B of the Protocol (decision XXV/15). At its 54<sup>th</sup> meeting of the Implementation Committee under the non-compliance procedure of the Montreal Protocol, the Government of Botswana informed that its licensing system had become operational in December 2014 that was noted by the Committee in its recommendation 54/7.

4. The implementing agency for the HPMP for Botswana submitted to the 65<sup>th</sup> meeting was the Government of Germany; however, upon agreement with the Government, it has now been changed to UNEP and UNIDO. The HPMP was resubmitted to the 75<sup>th</sup> meeting for the consideration by the Executive Committee.

### ODS regulations

5. The Ministry of Environment, Wildlife and Tourism is the focal point for implementation of Montreal Protocol and host the national ozone office (NOO) which coordinates activities at operational level. The Government of Botswana reviewed in 2014 the National Meteorological Services Act to include provisions for the control of import/export, trade and use of ODS including HCFCs. The legislation allows licensing of importers and imposition of quotas on HCFCs and HCFC-based equipment.

### HCFC consumption and sector distribution

6. HCFC-22 is the only HCFC imported and is solely used in servicing refrigeration and air-conditioning (RAC) equipment. Until 2011, Botswana also imported a negligible amount of HCFC-141b used for flushing refrigeration circuits. HFC alternative refrigerants currently used in Botswana are HFC-410, HFC-404A, HFC-507, HFC-407C and HFC-134a. There is also an increased use of ammonia and hydrocarbon (HC) refrigerants due to the low global-warming-potential (GWP). The survey data is consistent with the reported Article 7 data and country programme reporting. Table 1 shows the level of HCFC consumption reported under Article 7 of the Montreal Protocol. The HCFC consumption baseline for compliance has been calculated at 11.00 ODP tonnes.

**Table 1. HCFC consumption in Botswana (2009-2014 Article 7 data)**

HCFC	2009	2010	2011	2012	2013	2014*	Baseline
<b>Metric tonnes</b>							
HCFC-22	200.0	200.0	198.00	197.00	197.00	190.00	200.00
HCFC-141b	0.1	0.1	0.00	0.0	0.00	0.50	0.10

HCFC	2009	2010	2011	2012	2013	2014*	Baseline
<b>Total (metric tonnes)</b>	<b>200.1</b>	<b>200.1</b>	<b>198.00</b>	<b>197.00</b>	<b>197.00</b>	<b>190.00</b>	<b>200.10</b>
<b>ODP tonnes</b>							
HCFC-22	11.0	11.0	10.89	10.84	10.84	10.45	11.00
HCFC-141b	0.0	0.01	-	-	-	0.055	0.00
<b>Total (ODP tonnes)</b>	<b>11.0</b>	<b>11.01</b>	<b>10.89</b>	<b>10.84</b>	<b>10.84</b>	<b>10.51</b>	<b>11.00</b>

\*Country Programme report submitted on 9 October 2015.

7. The HCFC-consumption has been maintained at a stable level since 2009 due to the greater availability of equipment using alternatives as well as the continuous awareness raising activities implemented by the NOO. Knowing that HCFC-22 is only a transitional refrigerant, the industry and end-users are influenced to opt for non-HCFC equipment.

8. In 2010, the total number of HCFC-22-based RAC equipment in the country was estimated at 420,000 units as shown in Table 2.

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

Sub-sector	Number of units	Average charge	Total installed refrigerant	Leakage rate	Estimated servicing needs	
		(kg/unit)	(mt)	%	(mt)	(ODP tonnes)
Central ACs and other AC units	250,000	9	2,250	7	157.50	8.66
Cold and freezer rooms	100,000	2.5	250	10	25.00	1.38
Refrigerated transport	20,000	2	40	30	12.00	0.66
Other refrigeration equipment	50,000	1.5	75	12	9.00	0.50
<b>Total</b>	<b>420,000</b>		<b>2,615</b>		<b>203.50</b>	<b>11.19</b>

#### Forecast of future HCFC consumption

9. Botswana forecast 5 per cent growth in HCFC consumption under the unconstrained scenario based on the economic development and the need for servicing RAC equipment.

#### HCFC phase-out strategy

10. The Government of Botswana will follow the Montreal Protocol reduction schedule and adopt a staged approach to phase-out HCFCs. Botswana has met the freeze target of HCFC consumption in 2013 and 2014. The stage I of the HPMP is expected to achieve compliance with the control targets up to 2020, and focus on activities in the refrigeration and RAC servicing sector.

11. The Government of Botswana is aware of the climate impact and will promote low-GWP technologies to phase out HCFCs; it will also try to reduce the consumption of HFCs through awareness raising activities. In stage I, the Government will reinforce the ODS regulations to control the imports of HCFCs and apply the licensing and quota system. Customs training programme will assist enforcement officers to better identify HCFCs to prevent illegal trades. The demand for HCFCs will be reduced through training of technicians in better servicing practices and refrigerant recovery and reuse operations.

12. The newly established Refrigeration Association (BRACA) will assist the NOU to carry out awareness campaigns, training and certification of technicians, and management of informal servicing sector; it also has an important role in amending regulations.

Overall cost of stage I of the HPMP

13. The total cost of stage I of the HPMP to achieve 35 per cent reduction in HCFC consumption by 2020 has been estimated at US \$560,000, as shown in Table 3. This will result in a phase-out of 70.04 mt (3.85 ODP tonnes) of HCFCs.

**Table 3: Overall cost of stage I of the HPMP for Botswana**

Description of Activities	1st tranche (2015)		2nd tranche (2018)		3rd tranche (2020)	Total (US \$)
	UNEP (US \$)	UNIDO (US \$)	UNEP (US \$)	UNIDO (US \$)	UNEP (US \$)	
Training of customs officers and strengthening the customs training schools	50,000		40,000		20,000	110,000
Training of RAC technicians on good practices, refrigerant recovery and reuse, safety use and handling of flammable refrigerants; strengthening refrigeration associations and technical institutions	70,000		40,000		30,000	140,000
Strengthening of the three regional retrofitting centres through technical assistance and provision of equipment and tools		140,000		140,000		280,000
Project management, monitoring and coordination	15,000		10,000		5,000	30,000
<b>Total</b>	<b>135,000</b>	<b>140,000</b>	<b>90,000</b>	<b>140,000</b>	<b>55,000</b>	<b>560,000</b>

**SECRETARIAT'S COMMENTS AND RECOMMENDATION****COMMENTS**

14. The Secretariat reviewed the HPMP for Botswana in the context of the guidelines for the preparation of HPMPs (decision 54/39), the criteria for funding stage I HCFC phase-out in consumption sector agreed at the 60<sup>th</sup> meeting (decision 60/44); subsequent decisions on HPMPs; and the 2015-2017 business plan of the Multilateral Fund.

Operational licensing system

15. In line with decision 63/17, the Government of Botswana has provided a commitment letter stating that an enforceable licensing and quota system for controlling HCFC import and export is operational and is capable of ensuring the country's compliance with the Montreal Protocol control target. The licensing and quota system also controls the imports of HCFC-based equipment.

16. An HCFC Licensing Committee has been established to implement the licensing and quota system. The NOO is the focal point and is responsible for issuing HCFC import license; the Unified Revenue Services as customs department enforces quota at the port of entry; and the Ministry of Trade and Industry is responsible for issuing trade licenses for importers and distributors. The consumption data

is collected from all importers and from the customs department, and is reconciled for reporting as national consumption data. The quota for 2015 was issued at 180 mt (9.90 ODP tonnes).

#### Starting point for aggregate reduction in HCFC consumption

17. The Government of Botswana agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the established baseline of 11.00 ODP tonnes, calculated using the average of actual reported consumption under Article 7 of the Montreal Protocol in 2009 and 2010.

#### Technical and cost issues

18. The Secretariat sought clarification on retrofitting and safety issues related to the use of flammable refrigerants in particular decisions 72/17<sup>1</sup> and 73/34<sup>2</sup>. It was clarified that Botswana was aware of the decisions and will promote the use of natural refrigerants through equipment replacement rather than retrofitting. Training will be provided to technicians on safe use and handling of flammable and toxic refrigerants to enable them servicing newly introduced equipment based on HC.

#### Monitoring and coordination

19. The NOO, with the assistance from UNEP, will be responsible for coordinating, monitoring and reporting the progress of HPMP implementation.

#### Impact on the climate

20. The proposed technical assistance activities in the HPMP, which include the introduction of better servicing practices, enforcement of HCFC import controls, more frequent preventive servicing of equipment and timely replacement of old equipment, will reduce the amount of HCFC-22 used for refrigeration servicing. The Government of Botswana is also proposing to introduce low-GWP alternatives and phase down HFCs which will contribute to further reductions in CO<sub>2</sub> emissions. Each kilogramme of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO<sub>2</sub>-equivalent tonnes. It is difficult to provide reliable data on climate impact since HCFC alternatives that will be used are not clearly identified at this stage. At this time, the Secretariat is not in a position to quantitatively estimate the impact of the HPMP 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-based equipment being retrofitted.

#### Co-financing

21. In response to decision 54/39(h)<sup>3</sup>, UNEP informed that the Government of Botswana is exploring the opportunity for co-funding. This might be realized in stage II of the HPMP.

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<sup>1</sup> To include in the approval of HPMPs, tranches, projects or activities that proposed the retrofit of HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants that the Executive Committee notes that, if the country engages in retrofitting HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing, it does so on the understanding that they assume all associated responsibilities and risks.

<sup>2</sup> If a country were to decide, after taking into account decision 72/17, to proceed with retrofits that used flammable substances in equipment originally designed for non-flammable substances, it should be done only in accordance with the relevant standards and protocols.

<sup>3</sup> Potential financial incentives and opportunities for additional resources to maximize the environmental benefits from HPMPs pursuant to paragraph 11(b) of decision XIX/6.

2015-2017 business plan of the Multilateral Fund

22. UNEP and UNIDO are requesting US \$560,000 plus agency support costs for implementation of stage I of the HPMP. The funding for stage I of the HPMP for Botswana was included in the 2012-2014 business plan for the Government of Germany. Due to the delay in submission and the change of implementing agencies, the allocation could not be included in the 2015-2017 business plans for UNEP and UNIDO. The funding for stage I of the HPMP for Botswana is crucial for the country to achieve compliance. Noting that UNEP has included funding allocation for Botswana in its 2016-2018 business plan, the Secretariat advised UNIDO to do the same.

23. The total value requested for the period of 2015-2017 including agency support cost is US \$302,350. Based on the HCFC baseline consumption in the servicing sector of 200.1 mt (11.00 ODP tonnes), Botswana's allocation up to the 2020 for 35 per cent reduction phase-out should be US \$560,000 in line with decision 60/44.

Draft Agreement

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

**RECOMMENDATION**

25. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for Botswana for the period 2015 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, at the amount of US \$616,000, consisting of US \$280,000, plus agency support costs of US \$36,400 for UNEP, and US \$280,000, plus agency support costs of US \$19,600 for UNIDO;
- (b) Noting that the Government of Botswana had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the baseline of 11.0 ODP tonnes, calculated using the actual consumption of 11.00 ODP tonnes reported for both 2009 and 2010 under Article 7 of the Montreal Protocol;
- (c) Deducting 3.85 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption.
- (d) Approving the draft Agreement between the Government of Botswana and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document; and
- (e) Approving the first tranche of stage I of the HPMP for Botswana, and the corresponding implementation plan, at the amount of US \$302,350, consisting of US \$135,000, plus agency support costs of US \$17,550 for UNEP, and US \$140,000, plus agency support costs of US \$9,800 for UNIDO.

## Annex I

### **DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BOTSWANA 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 Botswana (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 7.15 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
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; and



- (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.

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; and
- (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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has/have

agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of 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). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in row 2.2 and 2.4 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 and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating 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	11.00

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	9.90	9.90	9.90	9.90	9.90	7.15	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	9.90	9.90	9.90	9.90	9.90	7.15	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)*	135,000	0	0	90,000	0	55,000	280,000
2.2	Support costs for Lead IA (US \$)	17,550	0		11,700	0	7,150	36,400
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	140,000	0	0	140,000	0	0	280,000
2.4	Support costs for Cooperating IA (US \$)	9,800	0	0	9,800	0	0	19,600
3.1	Total agreed funding (US \$)	275,000	0	0	230,000	0	55,000	560,000
3.2	Total support costs (US \$)	27,350	0	0	21,500	0	7,150	56,000
3.3	Total agreed costs (US \$)	302,350	0	0	251,500	0	62,150	616,000
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							3.85
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)							0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							7.15

### 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. The National Ozone Unit (NOU) will be monitoring the implementation of the project activities and will prepare a quarterly progress report for the project. The monitoring programme will therefore ensure effectiveness of all the proposed projects within the HPMP through constant monitoring and periodic review of the performance of individual projects. Independent verification will be conducted by consultant arranged by the Lead IA.

2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the HPMP. The Lead IA, along with the cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports and advise the appropriate national agencies through the NOU.

## **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. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (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) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (j) 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 and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
  - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
  - (l) 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per 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.

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