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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: CÔTE D'IVOIRE

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, second tranche) UNEP/UNIDO

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Côte d'Ivoire**

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	66th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2014	52.89 (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					52.89				52.89

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	63.80	Starting point for sustained aggregate reductions:	63.80
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	22.33	Remaining:	41.47

(V) BUSINESS PLAN		2015	2016	2017	2018	2019	2020	Total
UNIDO	ODS phase-out (ODP tonnes)	0.0	5.6	0.0	0.0	0.0	0.0	5.6
	Funding (US \$)	0	494,500	0	0	0	0	494,500
UNEP	ODS phase-out (ODP tonnes)	2.3	1.8		1.6		2.3	8.0
	Funding (US \$)	212,998	168,156		145,735		208,222	735,111

(VI) PROJECT DATA			2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	63.80	63.80	57.42	57.42	57.42	57.42	57.42	41.47	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	63.80	63.80	57.42	57.42	57.42	57.42	57.42	41.47	n/a	
Agreed funding (US\$)	UNEP	Project costs	250,000	0	190,000	0	150,000	0	130,000	0	185,740	905,740	
		Support costs	30,260	0	22,998	0	18,156	0	15,735	0	22,482	109,631	
	UNIDO	Project costs	460,000	0	0	0	460,000	0	0	0	0	0	920,000
		Support costs	34,500	0	0	0	32,200	0	0	0	0	0	66,700
Funds approved by ExCom (US\$)	Project costs	710,000	0	0	0	0	0	0	0	0	0	710,000	
	Support costs	64,760	0	0	0	0	0	0	0	0	0	64,760	
Total funds requested for approval at this meeting (US\$)	Project costs	0	0		190,000*	0	0	0	0	0	0	190,000	
	Support costs	0	0		22,998*	0	0	0	0	0	0	22,998	

* Second tranche planned for 2014 but only submitted to the 75th meeting.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Côte d'Ivoire, UNEP as the lead implementing agency, has submitted to the 75th meeting a request for funding for the second tranche¹ of stage I of the HCFC phase-out management plan (HPMP) at the amount of US \$190,000, plus agency support costs of US \$22,998 for UNEP only. The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption and the tranche implementation plan for 2016 to 2017.

Report on HCFC consumption

HCFC consumption

2. The Government of Côte d'Ivoire reported a consumption of 52.89 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Côte d'Ivoire (2010-2014 Article 7 data)

HCFC-22	2010	2011	2012	2013	2014	Baseline
Metric tonnes	1,198.4	1,078.5	1,030.0	985.4	961.6	1,159.7
ODP tonnes	65.90	59.32	56.65	54.20	52.89	63.80

3. The data reported by the country shows a decrease trend in HCFC-22 consumption from 2010 to 2014, confirming the strong commitment of the Government of Cote d'Ivoire to reduce HCFCs consumption as required by the Montreal Protocol. In 2013 and 2014, the HCFC consumption of 54.20 ODP tonnes and 52.89 ODP tonnes, respectively were below the baseline for compliance (63.80 ODP tonnes).

4. In 2014, the country reduced its imports by 17 per cent from its baseline for compliance, with the strong commitment of the Government. Awareness activities and training of refrigeration technicians in good practices, including the leakage control or avoiding venting during the servicing of refrigeration equipment, also led to a significant reduction of HCFC imports. Moreover, since the import of HCFC-based equipment is controlled, the dependency on HCFC has been reduced. Currently, the availability of alternatives to HCFC-22 is still an issue, while some hydrocarbon- and HFC-based equipment is being used in Côte d'Ivoire.

Verification report

5. The verification report confirmed that the licensing and quota system for HCFC imports and exports is operational and that the total consumption of HCFCs for 2013 and 2014 were 54.20 and 52.88 ODP tonnes, respectively, which are consistent with Article 7 data and the country programme implementation reports for those years.

Country programme (CP) implementation report

6. The Government of Côte d'Ivoire reported HCFC sector consumption data under 2014 CP implementation report which is consistent with the data reported under Article 7.

¹ The second tranche was originally planned for 2014 but was only submitted to the 75th meeting.

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

Legal framework

7. The Government of Côte d'Ivoire has adhered to the Economic Community of West African States' (UEMOA) sub-regional regulations that harmonize the management of controlled substances, including HCFCs. The country has a legislative, regulatory and legal framework in place for controlling HCFC imports and use. The current regulation was approved in 1998 and the quota system for HCFCs entered into force in 2013. The Directorate of Trade, after consultation with the National Ozone Unit (NOU), establishes the import quota.

Refrigeration servicing sector

8. The activities implemented under the first tranche are as follows:

- (a) Six training workshops for 169 customs officers, environment inspectors and officers from the Department of Commerce on the control and identification of HCFC and HCFC-based equipment, and the purchase and distribution of three refrigerant identifiers;
- (b) One training workshop for 20 refrigeration technicians as trainers, and five additional training workshops for 204 refrigeration technicians in good refrigeration practices, safe handling of hydrocarbon and servicing of HCFC air-conditioning equipment; and
- (c) A field visit to identify and select the Vocational Training Centre to be supported by the project.

Project implementation and monitoring unit (PMU)

9. The NOU, assisted by two consultants, monitored the HPMP activities and collected the relevant data.

Level of fund disbursement

10. As of September 2015, of the US \$710,000 approved so far, US \$147,097 (20.71 per cent) had been disbursed (US \$144,952 for UNEP and US \$2,145 for UNIDO). The balance of US \$562,903 will be disbursed by 2017.

Implementation plan for the second tranche of the HPMP

11. The second funding tranche of the HPMP will be implemented between 2016 and 2017 and the following activities will be undertaken:

- (a) Six training workshops for 120 customs officers on controlling and identifying HCFC and HCFC-based equipment, as well as illegal trade (UNEP) (US \$90,000);
- (b) Six training workshops for about 150 refrigeration technicians on good practices in refrigeration, HCFC alternatives, retrofitting and servicing of air-conditioning equipment (UNEP) (US \$60,000);
- (c) Organization of a field mission to assess the equipment needs of the selected training centre and procurement of the equipment planned under the first tranche (UNIDO); and

- (d) Overseeing the implementation of the HPMP with the assistance of two national consultants, including monitoring (UNEP) (US \$40,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

12. 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 and exports is in place and that the system is capable of ensuring compliance with the Montreal Protocol. The Government established the 2014 quota at 44.00 ODP tonnes, which is below the maximum allowable consumption of 63.80 ODP tonnes for that year.

13. The Secretariat noted that the 2014 consumption of 52.89 ODP tonnes exceeded the established quota of 44.00 ODP tonnes, which was lower than the maximum allowable consumption for that year. UNEP clarified that the excess resulted from an authorized importation of HCFCs, on an exceptional basis, by a large importer of refrigerants newly established in Côte d'Ivoire, and that this situation does not compromise the accuracy of the established quota and the licensing system. Moreover, the Government indicated that such incident will not happen again. The Secretariat, therefore, suggested that UNEP discussed with the Government on establishing an annual quota more accurately based on the consumption requirements of the country.

14. The Government of Côte d'Ivoire has already issued HCFC import quotas for 2015 at the level of 57.42 ODP tonnes in accordance with the 2015 Montreal Protocol control target.

Refrigeration servicing sector

15. The implementation of the HPMP in Côte d'Ivoire was affected by the political and security situation in the country. Moreover, the delay in signing the agreement between the Ministry of Environment and the Ministry of Vocational Training, establishing the selected training centre as a beneficiary of the project, did not allow UNIDO to undertake the procurement of the equipment as planned. Although the agreement has now been signed, the Secretariat expressed its concern about the release of the second tranche request given that basically no funds have been disbursed from the project component approved for UNIDO. UNEP advised that the delivery of the equipment to the country is now expected to take place during the second quarter of 2016 and funds will be disbursed after completion of the procurement process and that any conditional release of UNEP's second tranche request might not only raise compliance-related issues but could jeopardize the Government's efforts to strengthen national capacities.

16. The Secretariat followed up on specific activities being implemented to address the issue of a large number of individuals with no training who provide occasional servicing of refrigeration and air-conditioning equipment, resulting in large emissions of refrigerant. In this regard, UNEP explained that this situation represents a challenge given the funds available for training and the number of training centres and satellites involved. However, technicians' awareness could be raised through the dissemination of information by the media and the organization of workshops to reach out the maximum number of technicians throughout the country. UNEP informed the Secretariat that it will further discuss the issue with the Government of Côte d'Ivoire.

17. With regard to the long-term sustainability of the training programme for technicians, UNEP reported that the country will involve, as much as possible, the main training institutes and introduce an ozone module into their curricula. Currently, the refrigeration association is conducting additional training in good practices in refrigeration, safe handling of hydrocarbon and servicing of HCFC air-conditioning equipment.

18. Upon a request of information on whether retrofits to hydrocarbon are being promoted by the HPMP or taking place outside of the HPMP in Côte d'Ivoire, UNEP indicated that there is no promotion of any retrofitting to hydrocarbon in Côte d'Ivoire. However, the Secretariat noted that under the first tranche implementation period, 204 technicians had been trained on good refrigeration practices including safe handling of hydrocarbon. With regard to this practice, UNEP confirmed that the Government of Côte d'Ivoire was fully aware of decisions 72/17² and 73/34³ on retrofit of refrigeration systems with flammable refrigerants.

Revision of the HPMP Agreement

19. In line with decisions 66/17(c) and 67/15(b)(i), the agency fees for the third tranche of the HPMP for Côte d'Ivoire have been adjusted to reflect the new administrative cost regime to UNIDO. Accordingly, Appendix 2-A ("The Targets and Funding") has been updated, and a new paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 66th meeting, as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 75th meeting.

Conclusion

20. The submission of the second tranche request under stage I has been delayed for one year due to the political and security situation in Côte d'Ivoire. However, HPMP implementation is progressing and the country is in compliance with the Montreal Protocol and its Agreement with the Executive Committee. The import licensing and quota system is operational and will enable HCFC consumption reductions in line with the Montreal Protocol's phase-out schedule. Although the consumption of Côte d'Ivoire for 2014 (i.e. 52.89 ODP tonnes) exceeded the established quota of 44 ODP tonnes due to an exceptional import made by a large importer of refrigerants newly established in Côte d'Ivoire, its consumption was largely below the maximum allowable consumption for that year. In this respect, the Government also indicated that this situation does not compromise the quota and licencing system and such situation will not reoccur. Customs officers, environment inspectors, officers from the Department of Commerce, and refrigeration technicians have been trained, while three refrigerant identifiers were procured and distributed to the customs training school by UNEP. Since the training centre has been selected and that the discussion on the specification of the equipment is ongoing, UNIDO will be able to deliver the equipment to the country during the second quarter of 2016. Therefore, funds will be disbursed after completion of the procurement process. The activities implemented under the first tranche and those planned under the second tranche, procurement and distribution of equipment to the main retrofit centre, three satellite centres and leading refrigeration workshops, will further strengthen the servicing sector and ensure the long-term sustainability of the activities proposed in stage I of the HPMP.

² 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.

³ 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.

RECOMMENDATION

21. 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 Côte d'Ivoire; and
 - (b) Notes that the Fund Secretariat had updated Appendix 2-A of the Agreement between the Government of Côte d'Ivoire and the Executive Committee to reflect the change in agency support costs owing to the new administrative cost regime, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 66th meeting, as contained in Annex I to the present document;
22. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for Côte d'Ivoire, and the corresponding 2016-2017 tranche implementation plan, at the funding level shown in the table below, on the understanding that if Côte d'Ivoire were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, second tranche)	190,000	22,998	UNEP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF CÔTE D'IVOIRE 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. The updated Agreement supersedes the Agreement reached between the Government of Côte d'Ivoire and the Executive Committee at the 66th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	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	63.80	63.80	57.42	57.42	57.42	57.42	57.42	41.47	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	63.80	63.80	57.42	57.42	57.42	57.42	57.42	41.47	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	250,000	0	190,000	0	150,000	0	130,000	0	185,740	905,740
2.2	Support costs for Lead IA (US \$)	30,260	0	22,998	0	18,156	0	15,735	0	22,482	109,631
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	460,000	0	0	0	460,000	0	0	0	0	920,000
2.4	Support costs for Cooperating IA (US \$)	34,500	0	0	0	32,200	0	0	0	0	66,700
3.1	Total agreed funding (US \$)	710,000	0	190,000	0	610,000	0	130,000	0	185,740	1,825,740
3.2	Total support costs (US \$)	64,760	0	22,998	0	50,356	0	15,735	0	22,482	176,331
3.3	Total agreed costs (US \$)	774,760	0	212,998	0	660,356	0	145,735	0	208,222	2,002,071
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)										22.33
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 HCFCs										41.47