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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-sixth Meeting
Montreal, 9-13 May 2016

PROJECT PROPOSAL: SAO TOME AND PRINCIPE

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) UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Sao Tome and Principe

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP	63 rd	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2015	0.09 (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-123									
HCFC-124									
HCFC-141b									
HCFC-142b									
HCFC-22					0.09				0.09

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	2.2	Starting point for sustained aggregate reductions:	0.15
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.05	Remaining:	0.1

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.0		0.0		0.0	0.0
	Funding (US \$)	39,550		33,900		18,080	91,530

(VI) PROJECT DATA			2011	2012	2013	2014	2015*	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	2.2	2.2	2.0	2.0	2.0	2.0	2.0	1.4	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	0.15	0.15	0.14	0.14	0.14	0.14	0.14	0.10	n/a
Agreed Funding (US\$)	UNEP	Project costs	44,000	0	35,000	0	35,000		0	30,000	00	16,000	160,000
		Support costs	5,720	0	4,550	0	4,550	0	0	3,900	0	2,080	20,800
Funds approved by ExCom (US\$)		Project Costs	44,000	0	35,000	0	0	0	0	0	0	0	79,000
		Support Costs	5,720	0	4,550	0	0	0	0	0	0	0	10,270
Total funds requested for approval at this meeting (US\$)		Project Costs	0	0		0	0	35,000	0	0	0	0	35,000
		Support Costs	0	0		0	0	4,550	0	0	0	0	4,550

*Third tranche request planned for 2015 but submitted to the 76th meeting.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Sao Tome and Principe, UNEP as the designated implementing agency, has submitted to the 76th 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 \$35,000, plus agency support costs of US \$4,550. The submission includes a progress report on the implementation of the second tranche, and the tranche implementation plan for 2016 to 2018.

Report on HCFC consumption

HCFC consumption

2. The Government of Sao Tome and Principe reported a consumption of 0.09 ODP tonnes of HCFC in 2014 and 2015. The 2011-2015 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Sao Tome and Principe (2011-2015 Article 7 data)

HCFC-22	2011	2012	2013	2014	2015	Baseline
Metric tonnes	2.60	2.30	1.90	1.70	1.60	38.95
ODP tonnes	0.14	0.13	0.10	0.09	0.09	2.20

3. HCFC consumption shows a decreasing trend since 2011. The HCFC consumption for 2014 and 2015 are below the maximum allowable consumption of 0.15 ODP tonnes and 0.14 ODP tonnes, respectively, for these years. The country uses HCFC-22 for meeting the needs of the servicing and maintenance of refrigeration and air-conditioning sector.

Country programme (CP) implementation report

4. The Government of Sao Tome and Principe reported HCFC sector consumption data under the 2015 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

5. The decree to facilitate the control, commercialization and use of ODS including HCFCs was approved by the Government in 2007, and includes the mechanisms for granting an import authorization, and establishing import quotas.

Refrigeration servicing sector

6. The main activities implemented include:

- (a) One workshop for 15 customs officers and environment inspectors in control and identification of HCFC and HCFC-based equipment with the assistance of customs training school;
- (b) One workshop for 20 refrigeration technicians in good practices in refrigeration, safe handling of hydrocarbon and servicing of HCFC-based air-conditioning equipment; and

¹ The third tranche was originally planned for 2015 but was only submitted to the 76th meeting.

- (c) Awareness activities including the dissemination of information on HCFC consumers and importers, the availability of HCFC alternatives, laws such as the ban on import of HCFC-based equipment, and celebration of International Ozone Day.

Project implementation and monitoring unit (PMU)

7. The national ozone unit (NOU), assisted by two consultants (one refrigeration and one customs experts) monitored the effectiveness of the implementation of all the HPMP activities.

Level of fund disbursement

8. As of February 2016, of the US \$79,000 so far approved, US \$57,980 had been disbursed as shown in Table 2. The balance of US \$21,020 will be disbursed in 2016.

Table 2. Financial report of stage I of the HPMP for Sao Tome and Principe (US \$)

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	44,000	44,000	35,000	13,980	79,000	57,980
Disbursement rate (%)	100		40		73	

Implementation plan for the third tranche of the HPMP

9. The third funding tranche of the HPMP includes the following activities:
- (a) Three training workshops for at least 45 customs officers and environment inspectors to better control and identify HCFCs and HCFC-based equipment, and the purchase of two refrigerant identifiers (US \$15,000);
 - (b) Three workshops for at least 60 refrigeration technicians on good practices, recovery and recycling technics as well as safe handling of hydrocarbon refrigerants (US \$10,000); and
 - (c) Recruitment of two consultants to assist the NOU in monitoring the effective implementation of the HPMP (US \$10,000).

SECRETARIAT’S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HCFC consumption

10. At the 63rd meeting, the Government of Sao Tome and Principe informed that the 2009 consumption data reported under Article 7 was not accurate as it was submitted before the survey conducted for the preparation of the HPMP was finalized. Accordingly, the Government submitted an official request to the Ozone Secretariat in January 2011 for the revision of reported HCFC consumption from 75.00 mt (4.12 ODP tonnes) to 2.51 mt (0.14 ODP tonnes) for 2009, as well as other corrections to HCFC data for previous years. Upon discussion on this matter, UNEP informed the Secretariat that the Government of Sao Tome and Principe decided not pursue the revision of HCFC consumption for 2009

and previous years. Therefore, no changes will be required to the Agreement as the HCFC baseline was not changed².

Verification report

11. At the 71st meeting funding was approved for UNEP to undertake a verification of HCFC consumption in Sao Tome and Principe. At the time of issuance of this document, the verification report of HCFC consumption for 2013, 2014 and 2015 was still underway. Therefore, in line with decision 72/19, funds approved under the third tranche will not be transferred until the Secretariat has reviewed the verification report and confirmed that the Government of Sao Tome and Principe is in compliance with the Montreal Protocol and its Agreement with the Executive Committee.

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

Legal framework

12. The Government of Sao Tome and Principe has already issued HCFC import quotas for 2016 at 0.09 ODP tonnes.

Refrigeration servicing sector

13. In reviewing the progress report, the Secretariat noted that of the 50 customs officers and environment inspectors, and 60 refrigeration technicians that were to be trained under the second tranche, only 15 and 20 received training, respectively. The implementation of the activities planned under the second tranche has been delayed due to the absence of the National Ozone Officer (NOO) and to disbursement issues following the implementation of the new financial management system (Umoja). The NOO is now in place and UNEP also took a number of measures to facilitate the transfer of funds to the country.

14. With regard to the long-term sustainability of the training programmes, UNEP advised that Sao Tome and Principe had a module on good refrigeration practices included into the curriculum of the only refrigeration training institute in the country. Moreover, the main refrigeration association is involved in the implementation of the HPMP.

15. The Secretariat noted the training in safe handling of hydrocarbons and clarified with UNEP if there are any retrofitting activities in the country. UNEP indicated that there are no regulations or codes in place that allow the use of hydrocarbon-based refrigeration and air-conditioning systems. The Government of Sao Tome and Principe is fully aware of the decisions on retrofit³ adopted at the Executive Committee; furthermore the refrigeration and air-conditioning service technicians are also aware of their liability if they decide to engage in retrofitting HCFC-based equipment to flammable or toxic refrigerants. Although the country does not yet have a clear policy in promoting the use of more climate-friendly alternatives to HCFCs, a number of refrigerants are imported in the local market namely R407C, R410A, R600A, and R717.

Conclusion

16. The activities programmed under the second tranche were not implemented as planned due to the absence of the NOO and to disbursement issues; however, these issues have now been solved. The 2014

² The Fund Secretariat was requested, once the revised 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 change in the levels of maximum allowable consumption (decision 70/15, Annex VIII of document UNEP/OzL.Pro/ExCom/70/59).

³ Decisions 72/17 and 73/34.

and 2015 levels of consumption reported under Article 7 were 96 per cent below the baseline for compliance. The verification report is planned to be submitted by 31 May 2016. The level of fund disbursement is over 73 per cent. The activities implemented under the first and second tranches and those planned under the third tranche will further strengthen the refrigeration servicing sector and ensure the long-term sustainability of the activities proposed in stage I of the HPMP.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan of (HPMP) in Sao Tome and Principe; and further recommends blanket approval of the third tranche of stage I of the HPMP for Sao Tome and Principe, and the corresponding 2016-2018 tranche implementation plan, at the funding level shown in the table below, on the understanding that:

- (a) If Sao Tome and Principe 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; and
- (b) That the approved funds would not be transferred to UNEP until the Secretariat had reviewed the verification report and confirmed that the Government of Sao Tome and Principe was in compliance with the Montreal Protocol and the Agreement between the Government and the Executive Committee:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, third tranche)	35,000	4,550	UNEP