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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-seventh Meeting
Montreal, 28 November - 2 December 2016

UNIDO'S WORK PROGRAMME AMENDMENTS FOR 2016

COMMENTS AND RECOMMENDATION OF THE FUND SECRETARIAT

1. UNIDO is requesting approval from the Executive Committee of US \$327,082 plus agency support costs of US \$23,496 for its 2016 work programme amendments listed in Table 1. The submission is attached to the present document.

Table 1: UNIDO's work programme amendments for 2016

Country	Activity/Project	Amount Requested (US \$)	Amount Recommended (US \$)
SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL			
A1: Renewal of institutional strengthening projects			
Libya	Renewal of institutional strengthening project (phase IV-year 2)	87,082	87,082
Subtotal for A1		87,082	87,082
Agency support costs (7 per cent for institutional strengthening) for A1:		6,096	6,096
Total for A1		93,178	93,178
A2: Project preparation			
Argentina	Preparation of an HCFC phase out management plan (HPMP) (stage II) (refrigeration servicing sector)	90,000	90,000
Tunisia	Preparation of an HPMP (stage II) (refrigeration servicing sector)	60,000	60,000
Tunisia	Preparation for HCFC phase-out investment activities (stage II) (rigid PU foam sector)	60,000	60,000
Subtotal for A2		210,000	210,000
Agency support costs (7 per cent for project preparation):		14,700	14,700
Total for A2		224,700	224,700
A3: Technical assistance for preparation for verification reports			
Ecuador	Verification report for stage I of HPMP	30,000	30,000
Subtotal for A3		30,000	30,000
Agency support costs (9 per cent for technical assistance):		2,700	2,700
Total for A3		32,700	32,700
Grand total (A1, A2, A3):		350,578	350,578

* For individual consideration

SECTION A: ACTIVITIES RECOMMENDED FOR BLANKET APPROVAL

A1: Institutional strengthening

- (a) Libya (phase IV, year 2): US \$87,082

Background

2. UNIDO submitted the request for the renewal of the institutional strengthening (IS) project for Libya listed in Table 1. The description for the project is presented in Annex I to the present document.

3. At the 74th meeting the Executive Committee, recognizing the special situation of the Government of Libya, approved phase IV of the IS project for Libya for one year only, in the amount of US \$68,033, without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance, and encouraged the Government to work with UNIDO in order to return to compliance

and to submit its request for the second year of funding for phase IV to the first meeting of the Executive Committee in 2016¹ (decision 74/32).

4. In June 2015, the Government of Libya issued Decree Law No. 228 to introduce the licensing and quota system for HCFCs, which met the pre-condition for submission of the HCFC phase-out management plan (HPMP). The HPMP was subsequently approved at the 75th meeting on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance² (decision 75/50).

5. Libya has reported Article 7 data of 119.81 ODP tonnes of HCFC consumption in 2015, which is below the level of consumption of 122.3 ODP tonnes allowed under for that year.

Secretariat's comments

6. The Secretariat reviewed the request for the renewal of the IS project for Libya against the guidelines and relevant decisions regarding eligibility and funding levels. The request was cross-checked against the original IS work plan for the previous phase, country programme and Article 7 data, the latest report on implementation of the HPMP, the agency's progress report, and decision XXVII. It was noted that Libya is in compliance with the HCFC phase-out targets in the plan of action under decision XXVII and that the request submitted included performance indicators for the planned activities for the next phase of the IS project in accordance with decision 74/51(e)³.

Secretariat's recommendations

7. The Executive Committee recommends blanket approval of the request for funding for phase IV (year 2) of the institutional strengthening project for Libya at the level of funding indicated in Table 1, without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance. The Executive Committee may wish to express to the Government of Libya the comments which appear in Annex II to this document.

A2: Project preparation

Argentina: Preparation for an HPMP (stage II) (overarching strategy): US \$90,000

Project description

8. UNIDO on behalf of the Government of Argentina, has submitted a request for the preparation of the overarching strategy for stage II of the HPMP at the funding level as shown in Table 1.

9. The submission included an update on the implementation of stage I of the HPMP, justification for the requested funding, the activities to be implemented and the corresponding budgets.

¹ The second year of the IS project for Libya was submitted to the 76th meeting but was subsequently withdrawn since there was sufficient funding to cover the period March to November 2016.

² In decision XXVII/11, the 27th Meeting of the Parties noted the plan of action for Libya to ensure its return to compliance with the Protocol's HCFC control measures under which, without prejudice to the operation of the financial mechanism of the Protocol, Libya committed itself to returning to compliance with the Montreal Protocol in 2022 and subsequent years. Libya specifically commits itself to: (a) to reducing its consumption of HCFCs from 122.4 ODP tonnes in 2014 to no greater than: (i) 122.3 ODP tonnes in 2015; (ii) 118.4 ODP tonnes in 2016 and 2017; (iii) 106.5 ODP tonnes in 2018 and 2019; (iv) 76.95 ODP tonnes in 2020 and 2021; (v) levels allowed under the Montreal Protocol in 2022 and subsequent years.

³ The Executive Committee decided to continue to use the existing format for IS renewals as approved at the 61st meeting (decision 61/43(c)) with a modification in section 10, to indicate that performance indicators should be included, as contained in Annex XIX to document UNEP/OzL.Pro/ExCom/74/56 (decision 74/51(e)).

Secretariat's comments

10. The Secretariat reviewed this request in line with the guidelines for funding preparation of stage II of the HPMPs for Article 5 countries contained in decision 71/42, and considered it in line with decision 76/21, where funds for project preparation for the HCFC phase-out investment activities for Argentina (stage II) (foam sector) in the amount of US \$137,500, plus agency support costs for the World Bank.

11. The Secretariat noted that the request for project preparation for the overarching strategy for stage II of the HPMP of US \$90,000 is in line with decision 71/42 and its remaining eligible HCFC consumption of 293.98 ODP tonnes.

Secretariat's recommendation

12. The Secretariat recommends blanket approval of the request of UNIDO for project preparation of stage II of the HCFC phase-out management plan (overarching strategy) for Argentina at the level of funding indicated in Table 1.

Tunisia: Preparation for HCFC phase-out (stage II) (overarching strategy): US \$60,000

Tunisia: Preparation for HCFC phase-out investment activities (stage II) (foam sector): US \$60,000

Project description

13. UNIDO, on behalf of the Government of Tunisia, has submitted requests for project preparation of stage II of the HPMP (US \$60,000) and preparation of HCFC phase-out investment activities for the foam sector (US \$60,000) at the funding level as shown in Table 1.

Secretariat's comments

14. The Secretariat reviewed this request in line with decision 71/42 and noted that the submission included an update on the implementation of stage I of the HPMP, justification for the requested funding, the activities to be implemented and the corresponding budgets.

15. The request is within the limits set by decision 71/42(d), (f) and (g) based on Tunisia's remaining eligible HCFC consumption of 35.08 ODP tonnes, which entitles the Government of Tunisia to receive a maximum of US \$60,000, plus agency support costs, for the preparation of the overarching strategy of stage II of the HPMP. The request for project preparation for HCFC phase-out investment activities for the foam sector (US \$60,000) is likewise consistent with the agreement during the discussion of stage I of the HPMP that this sector will be postponed for stage II.

Secretariat's recommendation

16. The Secretariat recommends blanket approval of the requests for project preparation of stage II of the HCFC phase-out management plan and the preparation for HCFC phase-out investment activities for the foam sector in Tunisia at the level of funding indicated in Table 1.

A2: Technical assistance to prepare verification reports on HCFC consumption

Ecuador: Technical assistance for verification report of national consumption targets: US \$30,000

Project description

17. The Executive Committee in decision 76/17, requested relevant bilateral and implementing agencies to include in their respective work programme amendments for submission to the 77th meeting,

funding for verification reports for stage I of the HPMPs for *inter alia*, Ecuador, where UNIDO is the lead implementing agency.

Secretariat's comments

18. The Secretariat noted that the funding requested was consistent with the funds approved for similar verifications in previous meetings. It further noted that the verification report has to be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.

Secretariat's recommendation

19. The Secretariat recommends blanket approval for the verification report for stage I of HPMP for Ecuador at the level of funding indicated in Table 1 on the understanding that the verification reports should be submitted at least 60 days prior to the applicable Executive Committee meeting where the next funding tranche for its HPMP is being sought.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSALS

Libya: Renewal of institutional strengthening

Summary of the project and country profile		
Implementing agency:		UNIDO
Amounts previously approved for institutional strengthening (US \$):		
	Phase I: Dec-00	157,000
	Phase II: Nov-09	136,065
	Phase III: Dec-13	136,065
	Phase IV (year 1) May-15	68,033
	Total:	497,163
Amount requested for renewal (phase IV)(year 2) (US \$):		87,082
Amount recommended for approval for phase IV (year) (US \$):		87,082
Agency support costs (US \$):		6,096
Total cost of institutional strengthening phase IV (year2)to the Multilateral Fund (US \$):		93,178
Date of approval of country programme:		1999
Date of approval of HCFC phase-out management plan:		2015
Baseline consumption of controlled substances (ODP tonnes):		
(a)	Annex B, Group III (methyl chloroform) (average 1998-2000)	0.0
(b)	Annex C, Group I (HCFCs) (average 2009-2010)	118.38
(c)	Annex E (methyl bromide) (average 1995-1998)	94.1
Latest reported ODS consumption (2015) (ODP tonnes) as per Article 7:		
(a)	Annex B, Group III (methyl chloroform) (average 1998-2000)	0.0
(b)	Annex C, Group I (HCFCs) (average 2009-2010)	119.81*
(c)	Annex E (methyl bromide) (average 1995-1998)	0.0
	Total:	119.81
Year of reported country programme implementation data:		2015
Amount approved for projects (as at May 2016) (US \$):		8,976,563
Amount disbursed (as at December 2014) (US \$):		5,995,675
ODS to be phased out (as at May 2016) (ODP tonnes):		1,591.5
ODS phased out (as at December 2014) (ODP tonnes):		866.8

*The plan of action for Libya approved under decision XXVII/11 allows HCFC consumption in 2015 of no greater than 122.3 ODP-tonnes.

1. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	7,500,900
(b) Institutional strengthening:	497,163
(c) Project preparation, technical assistance, training and other non-investment projects:	978,500
Total:	8,976,563

Progress report

2. During phase IV (year 1), the NOU was fully staffed and substantive progress was achieved in legislation enforcement. In June 2015 Libya issued 2015 decree Law No. 228 which provides the legal framework to support the implementation of regulatory measures including licensing and quota systems for imports of HCFCs and HCFC-based equipment. Quotas for 2016 were established and are being

monitored on regular basis. Stage I of the HPMP for Libya was submitted to and approved at the 75th meeting and Article 7 data indicate that the country achieved compliance with its commitments in decision XXVII/11 to reduce HCFC consumption to no more than 122.3 ODP tonnes. The NOU continued to maintain cooperation with other public institutions through regular bilateral meetings, inter-ministerial meetings and steering committees. The Libyan National Committee for Climate Change and Ozone Depletion was maintained and includes members from Ministry of Industry, Ministry of Meteorology, National Oil Company, Environmental General Authority and Ministry of Agriculture. The NOU also submitted the country programme data report for 2015, published awareness materials for the private sector, and organized awareness activities for Ozone Day. Libya participated in Montreal Protocol meetings in 2015 and 2016.

Plan of action

3. During phase IV (year 2) the NOU will continue to monitor HCFCs consumption to maintain compliance with quota system and with licensing system. Quotas will be issued for the years 2017 and 2018 to maintain HCFC consumption in line with the Agreement with the Executive Committee and with Libya's commitments under decision XXVII/11. Monitoring of HCFC distribution by sub-sectors will be given special attention as it will be critical for the successful implementation of the HCFCs phase-out policies.

Annex II

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 77th MEETING

Libya

1. The Executive Committee reviewed the report presented with the request for the institutional strengthening (IS) project for Libya (phase IV, second year) and noted with appreciation that Libya reported data to the Ozone Secretariat for the year 2015 indicating that it was in compliance with its commitments under decision XXVII/11 of the Parties to the Montreal Protocol. The Executive Committee further noted that within the framework of the IS project, Libya had achieved substantive progress towards control of HCFCs. The Executive Committee acknowledged that the national ozone unit has kept working in an un-interrupted mode despite the difficulties faced since 2011, and further acknowledges with appreciation that the country has established a licensing and quota system by Decree Law No. 228 in June 2015, elaborated a plan of action to return to compliance by 2018 for submission to the Implementation Committee, and submitted the stage I of the HCFC phase-out management plan (HPMP) to effectively implement the plan of action mainly through reduction of HCFC consumption in the foam manufacturing sector. The Executive Committee is therefore hopeful that Libya will continue implementing its HPMP and IS project with success and that sustained priority will be given toward compliance with the targets set out in decision XXVII/11 so that Libya can return to compliance with the Montreal Protocol.



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

77th Executive Committee of the
Multilateral Fund for the Implementation of the Montreal Protocol

UNIDO Work Programme

77th Executive Committee

Introduction

The UNIDO Work Programme for the consideration of the 77th Meeting of the Executive Committee (ExCom) of the Multilateral Fund (MLF) has been prepared following the Government requests as well as based on ongoing and planned activities. The Work Programme will support the implementation of UNIDO's three year Rolling Business Plan 2016-2018.

The 77th UNIDO WPA is addressing institutional strengthening request for Libya in line with the Decision 74/51 of the ExCom that increased eligible funding amount with 28% against the historical approved levels.

Preparatory assistance is submitted for the 77th Executive Committee Meeting consideration for Argentina and Tunisia, to enable the countries to address the HPMP Stage II.

Verification Report related funding is required in line with the Decision 76/17 for Ecuador, classified as an LVC country.

The UNIDO 77th Work Programme Amendment included UNIDO Core Unit funding that has been individually submitted to the Multilateral Fund Secretariat for its consideration.

The UNIDO Work Programme Amendment for the consideration of the 77th ExCom Meeting comprises the following sections:

Section 1

Gives in a tabulated form by project types and country the consolidated list of activities foreseen for the above requests

Funding is requested as follows:

- IS extension request for Libya amounting to US\$ 93,178 (including US\$ 6,096 representing 7.0 % A.S.C)
- Preparatory assistance funding for HPMP Stage II amounting to US\$ 224,700 (including US\$ 14,700 representing 7.0 % A.S.C)
- Verification Report funding amounting to US\$ 32,100 (including US\$ 2,100 representing 7.0 % A.S.C)
- Administrative support funding amounting US\$ 2,055,000

Total: US\$ 2,382,082 (including US\$ 22,896 agency support cost)

Project concepts indicating details and funding requirements are provided in Section 2.

Section 1

Consolidated table of project preparation and non-investment projects
in all countries and sectors

Country	Type	Substance	Title of Project	Requested amount USD	A.S.C. USD	Total (incl ASC) USD	A.S.C. %	P.D.	Remarks
Institutional Strengthening									
Libya	INS	All	Extension of Institutional Strengthening Phase IV (year 2)	87,082	6,096	93,17	7	24	
Subtotal				87,082	6,096	93,178			
Preparatory assistance									
Argentina	PRP	HCFC	Preparation of HPMP Stage II -Refrigeration Servicing	90,000	6,300	96,300	7	12	
Tunisia	PRP	HCFC	Preparation of HPMP Stage II - Refrigeration servicing sector	60,000	4,200	64,200	7	12	
Tunisia	PRP	HCFC	Preparation of HPMP Stage II -Rigid PU foam component (Investment component for pre-blended polyols)	60,000	4,200	64,200	7	12	
Subtotal				210,000	14,700	224,700			
Verification Reports									
Ecuador	Verification report	All	Verification report	30,000	2,100	32,100	7	12	
Subtotal				30,000	2,100	32,100			
Administrative support cost									
UNIDO	ASC	ALI	Core Unit funding	2,055,000	0	2,055,000	0	12	individually submitted
Subtotal				2,055,000	0	2,055,000			
Grand Total				2,382,082	22,896	2,404,978			

Section 2 Project Concept

Country:	Libya
Title:	Extension of Institutional Strengthening for the implementation of Montreal Protocol in Libya – Phase IV second year funding
Project Duration:	12 months (December 2016 – November 2017)
Project Budget:	US\$ 87,082 (excluding US\$ 6,096 representing 7% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	National Ozone Unit / Environmental General Authority

Project Summary

The project is addressing further institutional strengthening and capacity building for the National Ozone Unit / Environmental General Authority and will ensure that the Government will meet its obligations under the Montreal Protocol on the substances that deplete the Ozone Layer.

During phase IV (year 2) the NOU will continue to monitor HCFCs consumption to maintain compliance with quota system and with licensing system. Quotas will be issued for the years 2017 and 2018 to maintain HCFC consumption in line with the Agreement between the Executive Committee and the Executive Committee and with its commitments in decision XXVII/11. Monitoring of HCFC distribution monitoring by sub-sectors will be given special attention as it will be critical for the successful implementation of the HCFCs phase-out policies.

Libya has passed through challenges due to administrative restructuring and delays in adoption HCFCs specific regulatory measures to ensure full control of the country consumption. Being in non-compliance, the country was relying on the institutional strengthening funding in the year 2015, and the financial support approved for one year duration by the 74th ExCom enabled the country to complete its HPMP and the expedite the national legislation in the approval process.

The HPMP Stage I was approved and is under implementation. NOU was maintained active, staff continuity was ensured and there are no major administrative changes to further affect functionality of NOU. This underlines the country commitment to comply with the Montreal Protocol obligations.

The National Ozone Unit is responsible for and oversees the implementation of the HPMP project and ensures the further phase-out of the annual HCFCs consumption, beyond the 10 % reduction target achieved in 2015. It has a major role in the process of monitoring of the project activities.

The NOU actively cooperate with ministries and inter-ministerial bodies as well as with advisory groups such as customs authorities, refrigeration sector representatives, NGOs and others.

Project Concept

Country:	Argentina
Title:	Project preparation for stage II of HPMP
Project Duration:	12 months
Project Budget:	US\$ 90,000 (excl. 7% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	OPROZ - National Ozone Unit

Project Summary

The Implementing Agency has received an official request from the Government of Argentina for project preparation in the stage II of HPMP. In response to the decision 71/42(b) UNIDO is submitting a request for funds for the preparation of stage II of HPMP.

Argentina's base line consumption of HCFCs amounted to 400.7 ODP tonnes. After the approval of the HPMP Stage I, Argentina committed to reduce 53.46 by 2015, once completed, the remaining consumption in the HPMP will be 273.33 ODP.

Argentina is a major consumer of HCFC-141b and HCFC-22, and a producer of HCFC-22. Thus, the phase out of the national consumption of Annex C, group I substances (HCFCs) by 356.86 ODP Tonnes from the starting point established at the HPMP Stage I.

The reduction and compliance targets are as follows:

Year	Consumption (ODP Tonnes)	Reduction (ODP Tonnes)	Consumption allowed (ODP Tonnes)
2009	326.15	N/A	N/A
2010	475.16	N/A	N/A
Base line	400.66	N/A	N/A
2015	295.42		
Year	Control measure		
2013	Freeze	125.72	401
2015	10% reduction	40.07	361
2020	35% reduction	100.16	260
2025	67.50% reduction	130.21	130
2030	97.50% reduction	120.20	10
2040	100% reduction	10.02	-

The strategy followed by Argentina is based on the following criteria and priorities:

- I. Accelerated elimination of the production and consumption of the HCFC, in agreement with decision XIX/6 of the Parties.
- II. Application of well-known, affordable, available and widely used HCFC replacement alternatives and related technologies, while supporting efforts for identification and selection of such alternatives.
- III. To start elimination of HCFC in those HCFC consuming manufacturing sectors, this would guarantee timely compliance with the freeze and 10% reduction targets by 2015, and focus in the servicing sector to reach 35% reduction by 2020.

IV. Through adoption of appropriate alternative technologies, limit climate and adverse environmental impact of converted enterprises and comply with safety, economic and sustainability requirements.

Policy measures:

To achieve compliance with the control measures Argentina is preparing several policy interventions.

- a. The quota system was redesigned to address production of HCFC-22 and imports of several HCFCs,
- b. The quota system is being updated in harmony with the reduction targets.
- c. The installation of new HCFC production capacities is banned.
- d. The import of HCFC-based domestic Air conditioning equipment has been banned.
- e. Production of HCFC-22 is being monitored at FIASA
- f. All stakeholders are being updated on the progress and requirements of the legislation.
- g. Regular public awareness activities are being designed and implemented.

Regarding the HPMP implementation the general strategy has been executed successfully. The following activities summarize the progress in the project:

Implementation progress

The HPMP Stage I addressed to the extent possible conversion at large enterprises:

- a. Conversion of HCFC-22 in room and unitary air-conditioning equipment manufacturing sector approved at 61st Executive Committee Meeting (Component 1, UNIDO)
- b. Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Mabe Argentina (Component 2, World Bank)
- c. Technical assistance to reduce the use of HCFC-141b in flushing during servicing (Component 3, UNIDO)
- d. Training of technicians on good practices, servicing using alternatives (Component 3, UNIDO)
- e. Support to the project coordination and monitoring. (Component 3, UNIDO)
- d. Monitoring Production (Component 4, World Bank)

The remaining eligible consumption of HCFCs in manufacturing and servicing sector to reach 2020 is 100.16 ODP Tons. It is projected that this amount will be phased out from the servicing sector using HCFC-22. The World Bank will continue be in charge of th foam, for which at the 76th Meeting, PRP amounting 137,000 was approved.

The training and support of technicians already started during the HPMP stage I. It is expected to continue and enlarge the scope during the Stage II of the HPMP as stipulated in overarching HPMP strategy document approved by 61st Executive Committee.

Funding Requirement

In accordance with the guideline 71/55 the preparatory funds are requested for UNIDO, as follows:

Activities	Total
Survey to update consumption all over the country	15,000
Survey to update the numbers of technicians related to the refrigeration sector for all Provinces	15,000
Consultancy (international consultant)	40,000
Stake holders meetings	10,000
Consultation meeting	10,000
	90,000

Activities to be undertaken to develop Stage-II document

The following activities shall be undertaken for the preparation of stage-II HPMP to be prepared from the proposed funding:

- Data Collection and Surveys
- Collection, verification and validation of HCFC consumption in various sectors/ sub-sectors through survey of Government departments, traders, distributors, importers and manufacturers to access the sectoral distribution of HCFC consumption (update previous data collection)
- Collect information to determine the number of technicians, their needs, in all 28 Provinces of Argentina.
- Develop a plan for implementation of the servicing sector related activities to be integrated in the overall strategy
- Evaluate the climate co-benefits
- Prepare a project document

PROJECT CONCEPT

Country:	Tunisia
Title:	Preparatory funding request - Second Stage of HPMP Servicing sector Investment component for pre-blended polyols (Rigid PU foam)
Project Duration:	12 months
Project Budget:	US\$ 120,000 (excl. 7% Agency Support Costs) US\$ 60,000 to Servicing sector US\$ 60,000 to Pre-blended polyol sector
Implementing Agency:	UNIDO
Coordinating Agency:	Ministry of Environment and Sustainable Development (National Ozone Unit)

1. Project Summary

The Implementing Agency has received an official request from the Government of Tunisia for preparatory funding for the stage II of HPMP. In response to the decision 71/42(b) UNIDO is submitting a request for funds for the preparation of stage II of HPMP.

Tunisia's base line consumption of HCFCs amounted to 40.7 ODP tonnes. During the implementation of the first phase, 9.26 ODP tonnes of HCFC-22 and 1.60 ODP tonnes of HCFC-141b, excluding pre-blended polyol consumption, are planned to be eliminated by 2018, while the remaining eligible consumption amounts to 29.75 ODP tonnes of HCFC-22 and 5.02 ODP tonnes of HCFC-141b contained in imported pre-blended polyols.

In the Second Stage of HPMP, Tunisia will further address with priority the servicing sector aiming to reach a 68% (67.5) reduction in HCFCs consumption by the year 2025. The Stage II strategy will also include activities to address investment component in the the pre-blended polyol sector

2. Description of current implementation

The Executive Committee for the Implementation of the Montreal Protocol (ExCom) approved, at its 72nd Meeting (May 2014) Stage I of the HCFC Phase-Out Management Plan (HPMP) for Tunisia for the period 2014-2018 (Decision 72/36) to reduce HCFC consumption by 15 per cent of the baseline of 40.7 ODP tonnes. Under this framework, the first tranche of Stage I of the HPMP for Tunisia and the corresponding 2014–2015 implementation plans, were approved. Lastly, at its 76th Meeting (May 2016), the ExCom approved the second tranche of Stage II for this country, corresponding to the period 2016–2018.

Since the approval of Tunisia HPMP Stage I, activities have been implemented in relation with all the corresponding activities identified in the project document. Thus, concerning all HCFCs, the licensing system with the quota-based HCFC control is currently in operation in Tunisia, and additional potential regulatory and policy measures will be assessed for its implementation.

On its turn, investment projects linked to the use of HCFC-141b as solvent have made substantial progress so far on the identification of available alternatives, the selection of the most appropriate ones and the replacement of that substance in two Tunisian companies, SOFAP and SNCFT. Whereas SOFAP is expected to undertake the pilot-scale trial of the pre-selected alternative before the end of 2016, the replacement at the SNCFT has already been successfully completed.

Finally, with respect to HCFC-22 consumption, the activities undertaken so far have focused on providing information on available alternatives to four companies of the air conditioning manufacturing sector and training their personnel in the use of some of these alternatives. This is the basis for the conversion of the respective production lines, which is expected to take place in the period 2016-2018. In line with this, and always under this component, the servicing sector has also been assisted to reduce HCFC-22 consumption. Thus, whilst a training and certification programme has been designed and proposed, the equipment and tools needed by training centers have been identified, procured and delivered with the corresponding training on its use. The provision of tools and equipment for workshops will be effective before the end of 2016.

In addition to activities under the HPMP, a demonstration project for the introduction of trans-critical CO₂ refrigeration technology for supermarkets in Tunisia was approved by the ExCom at its 76th Meeting (Decision 76/27).

3. Overarching strategy 2018 – 2025

3.1. Current HCFC consumption

Progress of HCFC consumption in the last five years is shown in the following table.

Table 1. HCFC consumption in the last five years in Tunisia (metric tonnes)

	2011	2012	2013	2014	2015
HCFC-22	599.532	577.245	566.85	610.43	629.748
HCFC-141b	8.46	8.46	8.46	8.46	8.46
HCFC-123	0	0.5	0	0	0

In table 2, information on the import quotas for the last two years is provided.

Table 2. HCFC import quotas – 2015 and 2016

Substance	2015		2016	
	Mt	No of companies	Mt	No of companies
HCFC-22	646.29	19	569.887 ⁽¹⁾	20
HCFC-141b	8.46	1	8.46	1
HCFC-141b	4.073	1 ⁽²⁾	4.073	1 ⁽²⁾

(1) An additional reserve of 33.8 metric tons must be here considered (this amount can be distributed if the NOU receives further demands or in case of urgency or need).

(2) Trader which do not use HCFC-141b for own purposes.

3.2. Information to be gathered and updated

Besides the gathering and updating of information related to consumption of HCFCs in the corresponding verification reports, additional information will be gathered and subsequently updated on those aspects related to the expected activities of Stage II.

For addressing the Stage II to the servicing sector, a comprehensive survey will be required to give response to the servicing needs post 2020, considering also the small and medium enterprises operating discontinuous with assembly field applications.

Stage II will also address the consumption of HCFC 141b contained in non-reported imported pre-blended polyol used for various foam applications. Consequently, information on the imports of this material will be gathered accordingly. This kind of information has not been gathered yet due to the fact that its use is linked to implementation of activities under Stage II.

3.3. Activities to be undertaken for PRP

In accordance with the guideline 71/55, the preparatory activities and the corresponding funds requested for UNIDO, are as follows:

Activities	Total
Preparation of Refrigeration Servicing (including assembly)	60,000
Survey to update consumption all over the country	25,000
Consultation meetings	15,000
Consultancy (international consultant)	12,000
National consultants and data validation process	8,000
Preparation of investment activities in polyol sector and for elimination of the use of HCFCs in rigid PU	60,000
Survey on use of pre-blended polyol for foam applications	20,000
Site-visits and sites selection criteria setting-up	8,000
Stakeholders consultation meetings	10,000
International consultant for preparing project concepts	22,000
Grand total	120,000

In both components, the consultation meetings refer to those with parties involved in the investment activities. The team in charge of project management will visit Tunisia to discuss and agree with national counterparts and relevant stakeholders on the basics of project design and implementation.

Concerning the survey on the use of pre-blended polyol for foam applications it is necessary to analyze the consumption of HCFC-141b in this sector. This will also include a first assessment on the needs of Customs to identify this type of material.

4. Investment component

4.1. Information on enterprises

According to information obtained during HPMP preparation, imports of HCFC-141b in pre-blended polyol are undertaken by two types of entities:

- Traders which sell the imported pre-blended polyol to end-users in the country;
- End-users.

There are three identified traders which import HCFC-141b pre-blended in polyol: *BASF Tunisie*, *Promochimie* and *Adly Chimique*. *BASF Tunisie*, which is the main importer in volume, refused to provide data on their imports of HCFC-141b pre-blended in polyol. Data provided by the two other traders (24.7% of the total amount) are included in the table below:

Table 3: Break-down of imports of HCFC-141b in pre-blended polyol by importer

Importer	Imports (MT)					
	2007	2008	2009	2010	2011	2012
Promochimie	6.42	9.67	4.68	4.20	1.65	5.70
Adly Chimique	4.01	10.54	15.73	14.87	7.18	10.50

Concerning end users, the foam sector in Tunisia is, in terms of production volumes, dominated by the flexible slabstock market where companies have been converted in the past from CFC-11 to CO₂. There have been several companies funded through the World Bank and UNIDO under the NPP program that have been converted to HCFC-141b. The sector consists mainly of small companies with consumption lower than 10 MT/year of HCFC-141b. Major concentration of the industry is in the capital Tunis and in the industrial city of Sfax.

The companies in this sector work with imported HCFC-141b pre-blended in polyol, which they obtain either through direct imports or through traders, as above indicated. There is currently no company in this sector working with HCFC-141b pure.

In order to clearly define the consumption of HCFC-141b in this sector, companies have been grouped as follows:

1. Companies which are of no foreign ownership, have not been previously supported by the Multilateral Fund and have set up their production based on HCFC-141b prior to 21 September 2007; the following table shows the consumption data for these companies for the period 2007-2012:

Table 4: Consumption of HCFC-141b pre-blended in polyol by Group 1 companies

Company	Sector	Consumption (MT of HCFC-141b)					
		2007	2008	2009	2010	2011	2012
Misaft	Elastomer foam (filters)	12.40	13.86	14.99	15.97	15.22	18.00
Mont Blanc Electromanager «GAN»	Wood imitation	6.00	6.45	7.50	8.25	6.90	9.45
Sotufca	Elastomer foam	1.50	2.25	3.75	4.50	3.75	4.50
GIF	Elastomer foam (filters)	4.58	5.40	6.23	5.56	4.88	4.50
Le Panneau	Sandwich panels	7.92	7.92	11.85	13.92	5.28	2.64

Company	Sector	Consumption (MT of HCFC-141b)					
		2007	2008	2009	2010	2011	2012
Polysieges		0.85	2.43	1.48	1.67	1.58	2.36
Afri-Chrome	Flexible molded foam	1.58	1.58	1.80	1.65	1.58	1.65
Frigomeuble	Refrigerator insulation	0.45	0.63	0.69	0.73	0.76	0.93
Société Tunisienne d'Équipement (STE)	Sandwich panels	0.33	0.30	0.33	0.40	0.36	0.45
Attia Refrigeration	Refrigerator insulation	0.06	0.10	0.10	0.20	0.15	0.07
Total Consumption		35.66	40.91	48.71	52.83	40.45	44.54

2. Companies which are of no foreign ownership, have been previously supported by the Multilateral Fund and have set up their production based on HCFC-141b prior to 21 September 2007; the following table shows the consumption data for these companies, some of which have only provided their consumption data for 2012:

Table 5: Consumption of HCFC-141b pre-blended in polyol by Group 2 companies

Company	Sector	Consumption (MT of HCFC-141b)					
		2007	2008	2009	2010	2011	2012
Bafes - Frigobaf	Refrigerator insulation						4.60
Frijo Technique	Refrigerator insulation						4.40
REI	Refrigerator insulation						3.70
Societe Moderne Refrigeration	Refrigerator insulation						2.50
Sotiem	Refrigerator insulation						2.30
Sotim	Slabstock						2.00
Coldeq	Sandwich panels	2.12	2.49	0.90	1.45	1.45	1.64
Meublatex	Wood imitation	1.50	1.50	1.50	1.50	1.50	1.50
Sogima	Refrigerator insulation						1.50
Tabrid	Refrigerator insulation						1.00
Chahed Réfrigération	Refrigerator insulation	0.63	0.44	0.76	0.79	0.22	0.19
Total Consumption		4.25	4.43	3.16	3.74	3.18	25.33

3. Companies which are of foreign ownership and/or have set up their production based on HCFC-141b after 21 September 2007; the following table shows the consumption data for these companies for the period 2007-2012:

Table 6: Consumption of HCFC-141b pre-blended in polyol by Group 3 companies

Company	Sector	Consumption (MT of HCFC-141b)					
		2007	2008	2009	2010	2011	2012
Draxlmaier	Flexible molded foam	2.32	4.26	3.21	4.51	6.42	2.64
Almia Refrigeration	Refrigerator insulation	0.00	2.72	3.02	1.67	1.92	2.21
Total Consumption		2.32	6.98	6.23	6.18	8.34	4.85

4. Companies which used HCFC-141b pre-blended in polyol during the period 2007-2012 but they do not do so anymore:

Table 7: Consumption of HCFC-141b pre-blended in polyol by Group 4 companies

Company	Sector	Consumption (MT of HCFC-141b)					
		2007	2008	2009	2010	2011	2012
SNCI	Sandwich panels	0.00	108.38	127.50	112.50	75.00	0.00
Soften	Water Heaters	7.01	7.01	7.01	7.01	0.00	0.00
Sofrifac	Sandwich panels	0.75	1.20	1.50	2.25	0.00	0.00
Biome Solar Industry (BSI)	Water Heaters	0.23	0.63	1.47	1.80	0.00	0.00
Polymex	Wood imitation	0.90	0.90	0.90	0.90	0.00	0.00
Technochem	Sandwich panels	2.82	3.12	16.25	0.00	0.00	0.00
Total Consumption		11.70	121.23	154.63	124.46	75.00	0.00

Taking into account the data in the tables above, the following table shows the annual consumption of HCFC-141b in pre-blended polyol for the period 2007-2012 in Tunisia:

Table 8: HCFC consumption in the foam manufacturing sector

Substance	Consumption (MT)					
	2007	2008	2009	2010	2011	2012
HCFC-141b	53.92	173.55	212.73	187.20	126.96	74.72

4.2. Activities for a project proposal

The preparatory activities that will be undertaken to develop a project proposal for the conversion of these enterprises are those indicated in section 3.3 above and, as previously explained, they include a survey for updating the information on consumption contained in tables 3 to 8.

Project Concept

Country:	Ecuador
Title:	Verification report of national consumption targets
Project Duration:	12 months
Project Budget:	US\$ 30,000 (excl. 7% Agency Support Costs)
Implementing Agency:	UNIDO
Coordinating Agency:	Unidad de Gestión Ambiental - MIPRO - NOU

Project Summary

1. Background

Funding requirement for the preparation of verification report of national program is being requested in accordance with UNEP/OzL.Pro/ExCom/76/17.

The HCFC Phase-out Management Plan for Ecuador was approved in November 2011 at the 65th Meeting of Executive Committee of the Multilateral Fund for the implementation of the Montreal Protocol. The project was approved in accordance with the Agreement between the Government and the Executive Committee for the period 2011 to 2020 to meet the 35 per cent reduction in HCFC consumption, and on the understanding that US\$ 630,000 was provided to address HCFC consumption in the refrigeration servicing sector to reach up to and include the 35 per cent reduction in 2020 in line with decision 60/44.

Decision 76/17: *'The Executive Committee decided to request relevant bilateral and implementing agencies to include in their respective amendments to their work programmes due for submission to the 77th meeting, funding for verification reports for stage I of the HPMPs in the amount of US \$30,000, plus agency support costs, for the following 17 Article 5 countries: Benin, Cabo Verde, Chad, **Ecuador**, El Salvador, Grenada, Guyana, Jamaica, Kyrgyzstan, Liberia, Mozambique, Nepal, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Sierra Leone, Swaziland, and Zambia.'*