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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eightieth Meeting
Montreal, 13-17 November 2017

PROJECT PROPOSAL: MAURITANIA

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 and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Mauritania

(I) PROJECT TITLE	AGENCY
HPMP	UNEP (lead)/UNDP

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2016	18.15 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2016	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Serviceing				
HCFC-22					18.15				18.15

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	20.5	Starting point for sustained aggregate reductions:	6.60
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	6.60

(V) BUSINESS PLAN		2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	1.67	0.74	0.0	0.37	2.78
	Funding (US \$)	85,700	68,500	0	34,200	188,400
UNDP	ODS phase-out (ODP tonnes)	0.92	0.0	0.10	0.0	1.02
	Funding (US \$)	41,630	0	8,000	0	49,630

(VI) PROJECT DATA			2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Montreal Protocol consumption limits			18.45	18.45	18.45	13.33	13.33	13.33	13.33	13.33	6.66	n/a
Maximum allowable consumption (ODP tonnes)			6.60	6.60	6.60	5.94	5.94	5.94	5.94	5.94	2.14	n/a
Project costs requested in principle (US\$)	UNEP	Project costs	150,000	0	0	50,000	0	41,750	0	0	60,750	302,500
		Support costs	19,500	0	0	6,500	0	5,428	0	0	7,897	39,325
	UNDP	Project costs	105,000	0	0	100,000	0	100,000	0	0	0	305,000
		Support costs	7,350	0	0	7,000	0	7,000	0	0	0	21,350
Total project costs requested in principle (US\$)			255,000	0	0	150,000	0	141,750	0	0	60,750	607,500
Total support costs requested in principle (US\$)			26,850	0	0	13,500	0	12,428	0	0	7,897	60,675
Total funds requested in principle (US \$)			281,850	0	0	163,500	0	154,178	0	0	68,647	668,175

(VII) Request for funding for the first tranche (2017)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNEP	150,000	19,500
UNDP	105,000	7,350

Funding request:	Approval of funding for the first tranche (2017) as indicated above
Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

1. On behalf of the Government of Mauritania, UNEP as the lead implementing agency, has submitted a request for funding of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$1,330,615, consisting of US \$509,425, plus agency support costs of US \$66,225 for UNEP, and US \$705,575, plus agency support costs of US \$49,390 for UNDP, as originally submitted.¹ The HPMP covers strategies and activities to achieve a 67.5 per cent reduction in the HCFC baseline consumption by 2025.

2. The first tranche for stage I of the HPMP being requested at this meeting amounts to US \$546,000, consisting of US \$281,500, plus agency support costs of US \$36,595 for UNEP, and US \$264,500, plus agency support costs of US \$18,515 for UNDP, as originally submitted.

ODS regulations

3. Mauritania is situated on arid and semi-arid zones and is considered as a country with a high-ambient temperature under decision XXVIII/2 of the Kigali Amendment to the Montreal Protocol. It has adhered to the Vienna Convention and the Montreal Protocol since May 1994, and has ratified the London, Copenhagen, Montreal (2005) and Beijing (2014) Amendments.

4. The Law n° 2000 - 045 of 26 July 2000 on the environment provides for compliance under the Montreal Protocol. In July 2017, an Inter-Ministerial Decree² to regulate imports, commercialization and distribution of HCFCs, HFCs, other refrigerants and equipment-based on these substances, became effective. The Decree also includes an import/export licensing and quota system for HCFCs and HFCs.

5. The Ministry of Environment and Sustainable Development is the focal point for implementation of the Montreal Protocol and is responsible for the Bureau National Ozone Mauritanien (NOU), which was re-established in early 2016.

HCFC consumption and sector distribution

6. The Government of Mauritania has submitted reports of its HCFC consumption under Article 7 of the Montreal Protocol on an annual basis, although official data on imports of HCFCs or records from importers or other sources are unavailable. In 2007 and 2008, the Government reported consumption of 1.4 and 5.5 ODP tonnes of HCFCs, respectively, and increased to 20.5 ODP tonnes in 2009-2010, based on which the baseline for compliance was established. In 2016, HCFC consumption amounted to 18.1 ODP tonnes, i.e., 11 per cent below the baseline. The 2012-2016 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Mauritania (2012-2016 Article 7 data)

HCFC-22	2012	2013	2014	2015	2016	Baseline
Metric tonnes	370.00	370.00	365.09	335.09	330.00	372.7
ODP tonnes	20.35	20.35	20.08	18.43	18.15	20.5

7. HCFC-22 accounts for the total consumption of HCFCs in Mauritania, and is used for servicing refrigeration and air-conditioning (RAC) equipment. There are an estimated 250 service workshops, which on average employ 3 to 4 skilled technicians and an undetermined number of unskilled persons, providing RAC servicing.

¹ As per the letter of 7 August 2017 from the Ministry of Environment and Sustainable Development to the Secretariat.

² The Decree was signed by the Ministers of Environment and Sustainable Development; of Commerce, Industry and Tourism; and, of Economy and Finance. It was transmitted to the Presidency for registration and copied to all Ministries for immediate enforcement.

HCFC phase-out strategy

8. The Government of Mauritania will follow the Montreal Protocol phase-out schedule and adopt a staged approach to completely phase-out HCFCs. The overarching objective is attaining ozone and climate benefits through the implementation of the HPMP, by reducing HCFC consumption in the refrigeration and air-conditioning servicing sector, and adopting ozone friendly and energy efficient technologies.

9. The Government proposes to achieve compliance with the control targets up to 2025 through implementation of stage I of the HPMP; and with the control target of 2030 (97.5 per cent reduction in HCFC consumption) through implementation of stage II, as shown in Table 2.

Table 2. Staged approach for the implementation of the HPMP for Mauritania

Stage	Description	Timeframe
I	Deployment and enforcement of the import/export licensing and quota system; training of customs officers and refrigerant technicians; promotion of environmentally-friendly refrigerant practices; strengthening two national reference and refrigerant storage centres and five recovery centres; and activities to reduce consumption of HCFC-based refrigerants	2017-2025
II	Phase-out the remaining HCFC consumption through promotion of the use of environmentally-friendly refrigerants	2026-2030

10. The projects to phase-out the HCFC consumption under stage I are described below:

- (a) *Strengthening policy and regulatory framework:* Policy and legal instruments under the Inter-Ministerial Decree will be strengthened to support the implementation of HCFC phase-out. The import/export licensing and quota system will be enforced in collaboration with the Ministry of Finance, Customs Directorate and Ministry of Environment and Sustainable Development, and the NOU. The capacity to collect data and information will be strengthened and monitoring of HCFC imports and customs procedures will be enhanced;
- (b) *Training programme for customs and other law enforcement officers:* Participants will receive hands-on training on the operation and maintenance of refrigerant identifiers that will be provided to the Customs Directorate. A training manual detailing the ODS regulations including the import/export licensing system, an overview of HCFC alternatives and technologies, and techniques for inspection of refrigeration equipment will be developed for the Customs Directorate; and the curriculum of the customs training school will be revised to include this manual. To facilitate customs' clearance when refrigeration equipment and refrigerants are imported, a simplified booklet describing procedures to be followed and a checklist will be developed (the materials developed by UNEP will be the basis for developing training materials). Training of 40 customs officers trainers and 250 -300 customs officers;
- (c) *Training on good refrigeration servicing and strengthening the Association of Refrigeration Engineers and Technicians (AREAT):* Thirty trainers (engineers and technicians) from workshops and vocational schools, with the support of AREAT, will be selected and trained; the trainers will be responsible for training approximately 900 technicians; and the training manual for refrigeration technicians will be included in the curriculum of technical schools. AREAT will be monitoring the training courses and will update trainers with information on new technologies and service practices; office equipment will be provided to the seven regional chapters of AREAT; and membership costs to AREAT will be reduced for 300 trained engineers and technicians;

- (d) *Strengthening two reference and refrigerant storage centres; five regional recovery centres; and establishment of a central storage centre:* Strengthening the existing training centres in major cities. A memorandum of understanding will be signed between AREAT and the training technical schools for providing the support and expertise of the refrigeration engineers and technicians to staff of the training schools and students; and
- (e) *Reporting and monitoring the activities of the HPMP:* The NOU with the assistance of consultants, and in close coordination with the Customs Department will monitor the implementation of the HPMP. The NOU will prepare and submit annual reports on ODS consumption under Article 7 of the Montreal Protocol and country programme implementation, and progress reports on the implementation of the HPMP.

Overall cost of stage I of the HPMP

11. The total cost of stage I of the HPMP has been estimated at US \$1,215,000, to phase-out 13.84 ODP tonnes of HCFCs (i.e., 67.5 per cent reduction from the baseline) by 2025 as shown in Table 3.

Table 3. Total estimated cost of stage I of the HPMP for Mauritania (US \$)

Description	Agency	2017	2020	2022	2025	Total
Strengthening policy and regulatory framework	UNEP	47,000	0	23,350	0	70,350
Training programme for customs and other law enforcement officers	UNEP	82,000	45,550	0	0	233,100
	UNDP	50,000	0	55,550	0	
Training on good refrigeration servicing and strengthening AREAT	UNEP	130,000	57,500	0	0	315,000
	UNDP	127,500	0	0	0	
Strengthening two reference and storage centres; five regional recovery centres; and establishment of a central storage centre	UNEP	0	11,525	0	0	484,050
	UNDP	87,000	162,000	100,000	123,525	
Reporting and monitoring of HPMP activities	UNEP	22,500	31,075	22,500	36,425	112,500
Total		546,000	307,650	201,400	159,950	1,215,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

12. The Secretariat reviewed the HPMP for Mauritania in the context of the guidelines for the preparation of HPMPs (decision 54/39), the criteria for funding stage I of HCFC phase-out in the consumption sector agreed at the 60th meeting (decision 60/44); and the 2017-2019 business plan of the Multilateral Fund.

Issues related to the implementation of activities in Mauritania

13. In response to queries by the Secretariat on Mauritania's compliance with its Montreal Protocol obligations, UNEP indicated that activities related to the Montreal Protocol were suspended between 2008 and 2015. In early 2016, UNEP organized a mission to the country, and some of the outcomes was the Government's decision to re-establish the NOU, the relaunch of Montreal Protocol related activities, and institution of the licensing and quota system. Further to the submission of the HPMP, UNEP confirmed that all outstanding issues have been satisfactorily addressed with the Government, and that activities to be funded by the Multilateral Fund could be immediately implemented.

Starting point for aggregate reduction in HCFC consumption

14. As stated in the HPMP, ODS consumption in Mauritania has been unregulated since 2010; there are no reliable import records from either the Customs Directorate, importers, or other sources. Despite this situation, the Government has reported consumption of HCFCs under Article 7 of the Protocol annually.

15. As records on amounts of HCFC imported into the country were not available, for the preparation of the HPMP the HCFC consumption was assumed to be 17 per cent of the total amount of HCFC-22 charged in different types of refrigeration equipment that were in operation in the country, i.e., the average leakage rate of refrigerants. However, the actual number of refrigeration equipment in operation and the leakage rate used in the calculation of the consumption could not be corroborated. It was, therefore, necessary to undertake an additional survey to address the uncertainties of the reported data and better assess the actual level of HCFC consumption in Mauritania.

16. Responding to the above observations, UNEP explained that the reported consumption was based on best estimate as the licensing and quota system was not yet operational. The knowledge and experience in reporting consumption was limited given the fact that the infrastructure that was set up during the CFC phase-out was not operational between 2008 and 2015; furthermore, the NOU was re-established only in early 2016. UNEP emphasized that an additional survey could be undertaken at a later date once the basic infrastructure in the country is fully operational; customs officers receive training on matters related to import/export of HCFCs and technicians receive training on good servicing practices; AREAT is further strengthened; and main end-users and RAC workshops are registered.

17. Noting the lack of reliable data on HCFCs in the country, the level of HCFC consumption was estimated at approximately 120.00 mt (6.60 ODP tonnes) of HCFCs considering *inter alia* the total population and its geographical distribution (over 3.5 million inhabitants, 60 per cent living in urban areas, with two major cities, one with 0.66 million and another with 0.0072 million inhabitants); access to electricity (28 per cent of total population or 48 per cent of urban population); and the gross domestic product per capita (US \$1,078). This level of consumption could be considered as the starting point for aggregate reduction in HCFC consumption, on the understanding that it could be revised once a comprehensive survey to determine the actual level of consumption is taken. Once the survey is conducted, a mandatory independent verification would be undertaken to corroborate the validity of the data surveyed and to ascertain that an effective HCFC import licensing and quota system is operational. Based on this approach, the Government of Mauritania would be able to receive financial assistance and re-start implementation of ODS phase-out activities (i.e., US \$607,500 to achieve the 67.5 per cent reduction in HCFC consumption by 2025).

18. After several consultations between the Government of Mauritania and UNEP, UNEP confirmed that the Government agreed to consider a consumption of 6.60 ODP tonnes of HCFCs as the starting point (i.e., 13.90 ODP tonnes less than the baseline consumption), to secure Multilateral Fund support to strengthen its re-established legal and institutional framework. The Government's agreement was also on the understanding that the starting point could be revised once the surveyed consumption was independently verified, and that the clause on reductions in funding for failure to comply indicated in its Agreement with the Executive Committee would not be applied in the case that the verified level of HCFC consumption would be higher than 6.60 ODP tonnes.

Operational licensing and quota system

19. In line with decision 63/17, the Government has reaffirmed its commitment to comply with the Montreal Protocol control targets through the implementation and enforcement of the licensing and quota system introduced in July 2017.

Revision of activities proposed in stage I of the HPMP

20. The Government of Mauritania, with the assistance from UNEP, adjusted the strategy and action plan of stage I of the HPMP, based on the proposed starting point of 6.60 ODP tonnes of HCFCs. Stage I would focus on strengthening the country's institutional and regulatory framework, establishing the communication channel within the Government, and the procedures for implementing the licensing and quota system.

21. Activities planned for the first tranche will include: strengthening the policy and regulatory framework including a database for registering the use and end-users of HCFCs; training 40 customs officers as trainers who would train between 250-300 customs and other law enforcement officers; conducting a comprehensive survey on HCFC consumption and the RAC sector; strengthening of the AREAT and training approximately 30 technicians as trainers and 900 technicians; strengthening two reference and storage centres and five regional recovery centres, and establishing a central storage centre; and reporting and monitoring HPMP activities. The successful implementation of the first tranche would further strengthen the NOU, the licensing and quota system and data collection that would accurately determine the level of HCFC consumption in the country.

22. The activities, estimated costs (as agreed) and funding distribution of the revised stage I of the HPMP for Mauritania are shown in Table 4.

Table 4: Agreed overall cost of stage I of the HPMP for Mauritania (US \$)

Description	Agency	2017	2020	2022	2025	Total
Strengthen policy and regulatory framework	UNEP	18,900	0	9,725	10,875	39,500
Training programme for customs and other law enforcement officers	UNEP	49,350	0	10,500	8,400	68,250
	UNDP	36,750	0	36,750	0	73,500
Conduct a comprehensive survey in the RAC sector, needs assessment and training for refrigeration and air-conditioning service technicians, and strengthening AREAT	UNEP	60,225	21,125	0	12,600	93,950
	UNDP	57,750	0	0	0	57,750
Strengthening two reference and storage centres; five regional recovery centres; and establishment of a central storage centre	UNDP	10,500	100,000	63,250	0	173,750
Reporting and monitoring of HPMP activities	UNEP	21,525	28,875	21,525	28,875	100,800
Total		255,000	150,000	141,750	60,750	607,500

Impact on the climate

23. The proposed activities in the servicing sector, which include better containment of refrigerants through training and the provision of equipment, will reduce the amount of HCFC-22 used for refrigeration servicing. Each kilogramme of HCFC-22 not emitted due to better refrigeration practices results in a savings of approximately 1.82 CO₂-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Mauritania indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

Co-financing

24. Mauritania was committed to co-financing and has made available and fully equipped the NOU premises, through the support of the Ministry of Environment and Sustainable Development. Other co-financing opportunities would be explored, particularly as regards financing of energy efficiency benefits.

2017-2019 business plan of the Multilateral Fund

25. UNEP and UNDP are requesting US \$607,500, plus agency support costs, for the implementation of stage I of the HPMP (2017-2020). Of this amount, US \$445,350 is requested for the 2017-2019 period, which is US \$241,520 above the amount in the business plan for these years.

Draft Agreement

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

RECOMMENDATION

27. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the HCFC phase-out management plan (HPMP) for Mauritania for the period 2017 to 2025 to reduce HCFC consumption by 67.5 per cent of the baseline, in the amount of US \$668,175, consisting of US \$302,500, plus agency support costs of US \$39,325 for UNEP, and US \$305,000, plus agency support costs of US \$21,350 for UNDP;
- (b) Noting with appreciation the efforts that the Government of Mauritania has made to re-establish its legal and institutional framework for the effective implementation of Montreal Protocol activities in order to meet its obligations;
- (c) Noting that the starting point for aggregate reduction in HCFC consumption has been estimated at 6.60 ODP tonnes;
- (d) Deducting 4.46 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (e) Approving the draft Agreement between the Government of Mauritania and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document, on the understanding that the clause on reductions in funding for failure to comply (Appendix 7-A) would not be applied in the case that the verified level of HCFC consumption was higher than the estimated starting point of 6.60 ODP tonnes;
- (f) Requesting the Fund Secretariat, in the event that the starting point was revised, to update Appendices 1-A and 2-A to the draft Agreement to include the revised figures for maximum allowable consumption, and to notify the Executive Committee of the resulting levels of maximum allowable consumption, and of any potential related impact on the eligible funding level, with any necessary adjustments being made when the next tranche was submitted; and
- (g) Approving the first tranche of stage I of the HPMP for Mauritania and the corresponding implementation plan, at the amount of US \$281,850, consisting of US \$150,000, plus agency support costs of US \$19,500 for UNEP, and US \$105,000, plus agency support costs of US \$7,350 for UNDP, on the understanding that the comprehensive survey to determine the actual level of consumption in Mauritania is taken and independently verified prior to the submission and approval of the second funding tranche.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF MAURITANIA 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 Mauritania (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 2.14 ODP tonnes by 1 January 2025 in compliance with Montreal Protocol schedules, with the understanding that this figure can be revised one single time following two years of the implementation of this Agreement and a comprehensive survey of HCFC consumption.
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 UNDP has 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 rows 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	6.60

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	18.45	18.45	18.45	13.33	13.33	13.33	13.33	13.33	6.66	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	6.60	6.60	6.60	5.94	5.94	5.94	5.94	5.94	2.14	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	150,000	0	0	50,000	0	41,750	0	0	60,750	302,500
2.2	Support costs for Lead IA (US \$)	19,500	0	0	6,500	0	5,428	0	0	7,898	39,325
2.3	Cooperating IA (UNDP) agreed funding (US \$)	105,000	0	0	100,000	0	100,000	0	0	0	305,000
2.4	Support costs for Cooperating IA (US \$)	7,350	0	0	7,000	0	7,000	0	0	0	21,350
3.1	Total agreed funding (US \$)	255,000	0	0	150,000	0	141,750	0	0	60,750	607,500
3.2	Total support costs (US \$)	26,850	0	0	13,500	0	12,428	0	0	7,897	60,675
3.3	Total agreed costs (US \$)	281,850	0	0	163,500	0	154,178	0		68,647	668,175
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										4.46
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)										2.14

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

2. 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 a 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, on the understanding that this clause would not be applied in the case that the verified level of HCFC consumption was higher than the estimated starting point of 6.60 ODP tonnes.
