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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-second Meeting
Montreal, 3-7 December 2018

PROJECT PROPOSAL: RWANDA

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, fourth tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Rwanda

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage I)	UNEP (lead), UNIDO	64 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2017	2.46 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2017	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.70				1.70
HCFC-141b		0.42							0.42
HCFC-142b		0.34							0.34

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	4.10	Starting point for sustained aggregate reductions:	4.10
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	1.44	Remaining:	2.66

(V) BUSINESS PLAN		2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.15	0	0.14	0.29
	Funding (US \$)	33,900	0	31,640	65,540

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	n/a	4.10	4.10	3.69	3.69	3.69	3.69	3.69	2.67	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	4.10	4.10	3.69	3.69	3.69	3.69	3.69	2.67	n/a	
Agreed funding (US \$)	UNEP	Project costs	42,000	0	40,000	0	0	30,000	0	30,000	0	28,000	170,000	
		Support costs	5,460	0	5,200	0	0	3,900	0	3,900	0	3,640	22,100	
	UNIDO	Project costs	55,000	0	0	0	0	55,000	0	0	0	0	0	110,000
		Support costs	4,950	0	0	0	0	4,950	0	0	0	0	0	9,900
Funds approved by ExCom (US \$)	Project costs	97,000	0	40,000	0	0	85,000	0					222,000	
	Support costs	10,410	0	5,200	0	0	8,850	0					24,460	
Total funds requested for approval at this meeting (US \$)	Project costs									30,000			30,000	
	Support costs									3,900			3,900	

Secretariat's recommendation:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Rwanda, UNEP as the lead implementing agency, has submitted a request for funding for the fourth tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$30,000, plus agency support costs of US \$3,900 for UNEP only.¹ The submission includes a progress report on the implementation of the third tranche, and the tranche implementation plan for 2018 to 2020.

Report on HCFC consumption

2. The Government of Rwanda reported a consumption of 2.46 ODP tonnes of HCFC in 2017, which is 40 per cent below the HCFC baseline for compliance. The 2013-2017 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Rwanda (2013-2017 Article 7 data)

HCFC	2013	2014	2015	2016	2017	Baseline
Metric tonnes						
HCFC-22	56.00	47.60	57.00	32.90	30.85	68.32
HCFC-123	8.30	0.00	5.80	0.00	0.00	3.00
HCFC-141b	4.00	5.10	2.00	7.20	5.70	1.47
HCFC-142b	1.50	1.58	2.20	2.50	2.10	1.98
Total (mt)	69.80	54.28	67.00	42.6	38.65	74.77
ODP tonnes						
HCFC-22	3.08	2.62	3.13	1.81	1.70	3.75
HCFC-123	0.16	0.00	0.12	0.00	0.00	0.06
HCFC-141b	0.44	0.56	0.22	0.79	0.63	0.16
HCFC-142b	0.10	0.10	0.14	0.16	0.13	0.13
Total (ODP tonnes)	3.78	3.28	3.61	2.76	2.46	4.10

3. The overall HCFC consumption continued to decrease in the period between 2015 and 2017, showing the effectiveness of the country's licensing and quota system, which has been operational since 1 July 2013, the ban on the import of HCFC-based equipment since 1 January 2015, and the implementation of HPMP activities.

4. A recent market survey conducted by the National Ozone Unit (NOU) showed that HCFC-22 and HFC-134 at US \$29/kg remained cheaper than other refrigerants such as R-404A, R-407A, R-407C, R-410A, which sold at US \$46/kg on the market.

Country programme (CP) implementation report

5. The Government of Rwanda reported HCFC sector consumption data under the 2017 CP implementation report, which is consistent with the data reported under Article 7 of the Montreal Protocol.

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

Legal framework

6. The Government of Rwanda has established a licensing and quota system, and banned, effective 1 January 2015, the import of HCFC-based equipment. The Government is also implementing a National Strategy on Low Carbon Growth and Climate Change Resilience, which has the potential to mobilize more funds for even faster HCFC phase-out. An e-monitoring system for ODS and

¹ As per the letter of 24 September 2018 from the Rwanda Environment Management Authority to the Secretariat.

non-ODS import and consumption was being developed. The Government of Rwanda ratified the Kigali Amendment on 25 May 2017, and is currently reviewing and revising the national ODS and climate legislation to provide for HFC phase-down.

Refrigeration servicing sector

7. The following activities were implemented:

- (a) Completed a training workshop for 42 customs and law enforcement officers from the East African Community on prevention of illegal ODS trade, and a training workshop for 22 newly recruited customs officers on the identification of HCFC refrigerants and illegal trade; and
- (b) Completed four training workshops in cooperation with the refrigeration and air-conditioning (RAC) association for 129 technicians, including four trainers and 42 students, on identification of refrigerants, introduction of good service practices, safe use of hydrocarbon refrigerants, and data entry of ODS and non-ODS equipment.

Project implementation and monitoring unit (PMU)

8. The National Ozone Unit (NOU) is responsible for the HPMP implementation under the supervision of the Single Project Implementation Unit coordinator in the Rwanda Environment Management Authority.

Level of fund disbursement

9. As of September 2018, of the US \$222,000 approved so far, US \$153,066 had been disbursed (US \$92,000 for UNEP and US \$61,066 for UNIDO) as shown in Table 2. The balance of US \$5,000 of the first tranche will be returned by UNEP to the Fund at the 83rd meeting; and the remaining balance of US \$63,934 will be disbursed between 2018 and 2019.

Table 2. Financial report of stage I of the HPMP for Rwanda (US \$)

Agency	First tranche		Second tranche		Third tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	42,000	37,000	40,000	40,000	30,000	15,000	112,000	92,000
UNIDO	55,000	55,000	0	0	55,000	6,066	110,000	61,066
Total	97,000	92,000	40,000	40,000	85,000	21,066	222,000	153,066
Disbursement rate (%)	94.9		100.0		25.0		69.0	

Implementation plan for the fourth tranche of stage I

10. The following activities will be implemented between December 2018 and December 2020:

- (a) Organizing two training workshops for 40 customs and enforcement officers on control of HCFCs and HCFC-based equipment, building capacity for enforcement of ODS-related legislation and regulations, dissemination of the amended ODS regulations, and strengthening the customs training school by reviewing training manuals and improving the curricula (UNEP) (US \$10,000);
- (b) Strengthening of vocational and technical institutions and organizing three training workshops for 60 refrigeration technicians on good refrigeration servicing practices; and organizing two meetings for the RAC association on natural refrigerants, and their safe handling (UNEP) (US \$10,000);

- (c) Strengthening of three regional centres through provision of equipment (e.g. a portable recovery/recycling unit, recovery cylinder, electronic charging scale, electronic leak detector, vacuum pump, vacuum gauge, 4-way manifold and general servicing tools), and organizing one training workshop on installation and maintenance of HC-based air-conditioning systems (UNIDO) (funds from the previous tranche); and
- (d) Monitoring the implementation of the HPMP (UNEP) (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Recommendation from the verification report of the third tranche

11. UNEP indicated that the recommendations of the verification report,² which was submitted to the 77th meeting³ had been addressed as follows: The NOU is working closely with the Customs department and the Rwanda Standards Board (RSB), which controls imports. Customs officers and RSB staff ensured that refrigerants were specified before import permits were endorsed. Customs officers received regular training, and ports of entry were equipped with refrigerant identifiers. The NOU is working closely with the RAC sectors in awareness raising on ODS consumption and the Montreal Protocol, has facilitated the review of ODS regulations to possibly include HFC licensing, and has two meetings annually with importers.

Progress report on the implementation of the third tranche of stage I

Legal framework

12. The Government of Rwanda has issued an HCFC import quota of 1.21 ODP tonnes for 2018 below the Montreal Protocol control targets.

Refrigeration servicing sector

13. UNEP informed that the Government was committed to achieving total HCFC phase-out ahead of the Montreal Protocol schedule by, among others, promoting the use of natural refrigerants and other viable low-GWP alternative technologies. It was also exploring ways of reducing tax on import of refrigeration equipment operating with natural refrigerants (i.e., R-600a in domestic refrigeration, and ammonia (R-717) in some industrial applications). Under the HPMP, technicians were trained on the safe handling and maintenance of R-600a-based appliances, thus encouraging the use of these refrigerants in the domestic refrigeration and air-conditioning sector.

14. Regarding the delay in implementing the component on strengthening three regional centres, UNIDO explained that a change of the ozone officer was not communicated for several months. This had been rectified, and UNIDO was working with the new ozone officer to procure refrigeration recovery packages for technicians.

² The verifier recommended the necessity: (i) to ensure that refrigerant identifiers are distributed and Customs officers trained regularly; (ii) to establish regular communication and crosschecking on the import permits issued by the national ozone unit and those presented at the Customs entry points; (iii) to ensure that copies of issued licenses are used by endorsing actual imports against allocated quotas; to review and reconcile issued quotas and actual imports; and (iv) to ensure that the refrigerants are specified before endorsing the importing permits.

³ UNEP/OzL.Pro/ExCom/77/59/Add.1

Conclusion

15. The Secretariat noted that the Government of Rwanda has an operational HCFC licensing and quota system, and HCFC-22 consumption is decreasing, with the consumption in 2017 below 40 per cent of the baseline. The Government banned the import of HCFC-based equipment, strengthening its HCFC phase-out efforts and promoting the uptake of energy efficient and low-GWP alternative technologies. The recommendations from the verification report have been addressed. Activities in the fourth tranche will sustain stage I of the HPMP for Rwanda.

RECOMMENDATION

16. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan (HPMP) for Rwanda; takes note that UNEP will return to the Fund the balance of US \$5,000 from the first tranche to the 83rd meeting; and further recommends blanket approval of the fourth tranche of stage I of the HPMP for Rwanda, and the corresponding 2018-2020 tranche implementation plan, at the funding level shown in the table below:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fourth tranche)	30,000	3,900	UNEP