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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-fourth Meeting
Montreal, 16–20 December 2019

PROJECT PROPOSAL: NIGER

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage I, second tranche) UNIDO and UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Niger

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2018	11.53 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2018	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Service				
HCFC-22					11.53				11.53

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	15.98	Starting point for sustained aggregate reductions:	15.97
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	5.60	Remaining:	10.40

(V) BUSINESS PLAN		2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	1.25	0.50	1.75
	Funding (US \$)	141,250	56,500	197,750
UNIDO	ODS phase-out (ODP tonnes)	0.90	0.20	1.10
	Funding (US \$)	96,750	21,500	118,250

(VI) PROJECT DATA			2012	2013	2014	2015	2016	2017	2018	2019*	2020	Total
Montreal Protocol consumption limits (ODP tonnes)			n/a	16.0	16.0	14.4	14.4	14.4	14.4	14.4	10.4	n/a
Maximum allowable consumption (ODP tonnes)			n/a	16.0	16.0	14.4	14.4	14.4	14.4	14.4	10.4	n/a
Agreed funding (US \$)	UNIDO	Project costs	175,000	0	0	0	90,000	0	0	0	20,000	285,000
		Support costs	13,125	0	0	0	6,300	0	0	0	1,400	20,825
	UNEP	Project costs	100,000	0	0	0	125,000	0	0	0	50,000	275,000
		Support costs	13,000	0	0	0	16,250	0	0	0	6,500	37,750
Funds approved by ExCom (US \$)		Project costs	275,000									275,000
		Support costs	26,125									
Total funds requested for approval at this meeting (US \$)		Project costs								215,000		215,000
		Support costs								22,550		22,550

* Tranche initially planned for 2016

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Niger, UNIDO as the lead implementing agency has submitted a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$237,550 consisting of US \$90,000, plus agency support costs of US \$6,300 for UNIDO, and US \$125,000, plus agency support costs of US \$16,250 for UNEP.¹ The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2016 to 2018 and the tranche implementation plan for 2019 to 2020.

Report on HCFC consumption

2. The Government of Niger reported a consumption of 11.53 ODP tonnes of HCFC in 2018, which is 28 per cent below the HCFC baseline for compliance. The 2014-2018 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Niger (2014-2018 Article 7 data)

HCFC-22	2014	2015	2016	2017	2018	Baseline
Metric tonnes	260.30	236.80	220.50	215.45	209.70	290.54
ODP tonnes	14.32	13.02	12.13	11.85	11.53	15.98

3. The HCFC-22 consumption has been decreasing due to the implementation of the activities under the HPMP, particularly the enforcement of the licensing and quota system and training of customs officers, which has assisted in better control of HCFC imports, and the improved service practice in the refrigeration servicing sector.

Country programme (CP) implementation report

4. The Government of Niger reported HCFC sector consumption data under the 2018 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports. The verification noted that, although the licensing and quota system is operational, the quota is not issued to individual importers due to the legislative provisions in Decree No. 90-146/PRN/MPE of 10 July 1990 on the liberalization of the import and export of goods, and in Law No. 2004 of 30 March 2004 on the organization of statistical activity and creation of the National Institute of the Statistics. The latter Law stipulates that the identity of the importers is protected with regard to the imports realized. The National Ozone Unit (NOU) sets the national quota in accordance with the maximum allowable limits in the Agreement with the Executive Committee, and distribute it to importers on a “first come, first served” basis. HCFC import controls are thus mainly executed by monitoring the import licenses issued.

6. The verification report also noted that the control of HCFC imports at the customs level has not been able to detect and identify all imported ODS due to insufficiencies in the national customs coding system that does not allow tracking ODS down to individual compounds. The verifier has recommended that the Government update the national customs coding system to contain individual tariff codes for HCFC and HFC refrigerant gases at the level of individual compounds.

¹ As per the letter of 2 September 2019 from the Ministry of Environment, Urban Health and Sustainable Development of Niger to UNIDO.

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

Legal framework

7. The Government of Niger has established an institutional framework involving all stakeholders to control the import of HCFCs and HCFC-containing equipment. Inter-Ministerial Decree No. 00177/MESU/DD/MS/PCP on the allocation of import quotas for HCFCs and HCFC-containing equipment was adopted on 24 October 2018. Through this Decree, the Government made allocations of annual import quotas for 2019 and 2020 to three groups of registered HCFC importers. The Government has started working on the introduction of the Harmonized System of Commodity Description and Customs Codes (HS code) to assist in better identification of individual HCFC in line with the recommendation of the verification report.

8. To ensure long-term sustainability of the customs training, the Government plans to incorporate into the training curriculum for customs officers, modules on techniques for identifying fraud and false labelling of refrigerant cylinders, on the identification of HCFCs and on the regulation of HCFC import quotas. The Government also plans to certify trained customs officers as resource persons for continued training of new customs officers.

Refrigeration servicing sector

9. The following activities were implemented during the first tranche:

- (a) Training of 89 customs and enforcement officers in monitoring and controlling HCFC imports and identification of HCFCs;
- (b) Updating the training curriculum, conducting 12 training workshops for 360 technicians on good servicing practices, refrigerant recovery and reuse and servicing with alternative technologies;
- (c) Provision of tools and equipment, updating the training manual and conducting four training workshops for four refrigerant recovery and recycling (RR) centres that provided assistance to 36 servicing workshops; and
- (d) Conducting public awareness activities on HCFC phase-out, and monitoring the imports of HCFCs by licensed importers;

10. No project management unit was established. The NOU monitored and coordinated the implementation of the HPMP. The total expenditure in the first tranche was US \$11,700, covering meetings, travel and local consultancy.

Level of fund disbursement

11. As of October 2019, of the US \$275,000 approved so far (US 175,000 for UNIDO and US \$100,000 for UNEP), US \$274,750 (99.9 per cent) had been disbursed (US \$174,750 for UNIDO and US \$100,000 for UNEP). The balance of US \$250 will be disbursed in the period of 2019 to 2020.

Implementation plan for the second tranche of the HPMP

12. The following activities will be implemented between December 2019 and December 2020:

- (a) Review of the legislative framework and identify possible improvements (UNIDO) (US \$15,000);

- (b) Conducting eight training workshops to train 160 customs and enforcement officers in monitoring, control and identification of HCFCs and prevention of illegal trade (UNEP) (US \$50,000)
- (c) Conducting 12 workshops for 250 refrigeration technicians in good servicing practices, RR techniques, and servicing equipment with alternative technologies (UNEP) (US \$75,000); and
- (d) Strengthening the refrigerant RR network, developing specifications and providing equipment and tools (UNIDO) (US \$60,000).

13. The NOU will continue to coordinate activities, as well as monitor and report progress during the implementation of the second tranche. A budget of US \$15,000 has been planned to cover the related activities, including local travel, meetings, workshops and local consultancy.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

Comments

Establishment of an operational licensing and quota system

14. In accordance with decision 63/17, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports was put in place and that the system was capable of ensuring the country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of the Agreement for stage I.

Verification report

15. Although the licensing and quota system is operational, the verification suggested to further improve it to achieve more accurate data reporting through the introduction of the appropriate HS code to enable identification of individual HCFCs. The Government has employed a consultant to implement this recommendation and will continue this activity in the second tranche.

16. The Secretariat considers that the effective operation of the licensing and quota system is crucial for achieving compliance with the targets in the Montreal Protocol and the Agreement with the Executive Committee, and therefore suggests that approval of funding of the third (and final) tranche, to be submitted to the 86th meeting, be made conditional on the introduction of the new HS code.

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

Legal framework

17. The Government of Niger has already issued HCFC import quotas for 2019 in accordance with the Montreal Protocol control targets. The project for Niger was delayed due to the slow implementation in improving national quota system to enable the distribution of national quota to individual importers.

Refrigeration servicing sector

18. The Secretariat noted that comprehensive programmes were implemented in the servicing sector in the first tranche, including the strengthening of training centers, training of technicians, provision of tools and equipment, and strengthening the RR network.

19. The Secretariat inquired whether retrofitting to hydrocarbons had been occurring in Niger and discussed the relevant decisions of the Executive Committee² in this regard. UNIDO clarified that the Government was aware of the risks associated with the flammability of hydrocarbons, and with the maintenance and conversion of equipment from other refrigerants to hydrocarbons. It has not conducted conversions and has no intention to convert HCFC-22-based equipment to hydrocarbons. It will focus on raising awareness and providing training to refrigeration and air-conditioning technicians on safety measures. Furthermore, importers have been encouraged to import equipment already operating with flammable refrigerants.

Sustainability of the HCFC phase-out

20. In the first tranche, activities were implemented to ensure the sustainability of achievements, including strengthening of the regional training centers, and establishing a refrigerant RR network. In the second tranche, the Government will continue working on incorporating ODS identification and import controls into the curriculum for customs officers' training; and certifying trained customs officers as resource persons to perform continuous customs training. It will also implement certification of technicians to ensure long-term sustainability of technician training.

Revision of the Agreement

21. When approving stage I of the HPMP, the Fund Secretariat was requested, in the event that the baseline consumption for Niger was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the revised figures for the baseline once approved by the Parties to the Montreal Protocol (decision 66/40(c)). The HCFC consumption for 2009 was subsequently amended by the Parties at their Twenty-Fourth Meeting (decision XXIV/16), resulting in a revised baseline consumption of 15.98 ODP tonnes. This change does not affect the starting point for aggregate reductions in HCFC consumption (16 ODP tonnes), which has been established based on data collected from the survey during preparation of the HPMP.

22. Accordingly, the Secretariat has updated Appendix 2-A to the Agreement based on the established baseline of 15.95 ODP tonnes, and revised agency support costs in accordance with decision 66/17(b), as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 84th meeting.

Conclusion

23. The Government of Niger has established a licensing and quota system for the control of HCFC imports and exports, and is considering further improving the effectiveness of the system. Niger is in compliance with the control targets set in its Agreement with the Executive Committee and the Montreal Protocol consumption limit. The recommendations from the consumption verification conducted for 2016 to 2018 for further improvement of the licensing and quota system have been incorporated into the work plan of the second tranche. Extensive training has been provided to refrigeration technicians and customs officers; tools and equipment were provided to strengthen training centers and to refrigeration recovery, recycling and reuse. Several activities were implemented or planned to ensure sustainability of the results, including certification of technicians. The disbursement of funding for the first tranche has reached 100 per cent.

Recommendation

24. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of stage I of

² Decisions 72/41 and 73/34

the HCFC phase-out management plan (HPMP) for Niger; and

- (b) Notes that the Fund Secretariat had updated Appendix 2-A of the Agreement between the Government of Niger and the Executive Committee, based on the established HCFC baseline for compliance and revised agency support costs, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 66th meeting, as contained in Annex I to the present document.

25. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for Niger, and the corresponding 2019-2020 tranche implementation plan, at the funding level shown in the table below, on the understanding that the approval of the third tranche would be conditional to the introduction and enforcement of the Harmonized System of Commodity Description and Customs Code for HCFCs and HFCs:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, second tranche)	90,000	6,300	UNIDO
(b)	HCFC phase-out management plan (stage I, second tranche)	125,000	16,250	UNEP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF NIGER AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF HYDROCHLOROFLUOROCARBONS

(Relevant changes are in bold font for ease of reference)

16. This updated Agreement supersedes the Agreement reached between the Government of Niger and the Executive Committee at the 66th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	16.0	16.0	14.40	14.40	14.40	14.40	14.40	10.40	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	16.0	16.0	14.40	14.40	14.40	14.40	14.40	10.40	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	175,000	0	0	0	0	0	0	90,000	20,000	285,000
2.2	Support costs for Lead IA (US \$)	13,125	0	0	0	0	0	0	6,300	1,400	20,825
2.3	Cooperating IA (UNEP) agreed funding (US \$)	100,000	0	0	0	0	0	0	125,000	50,000	275,000
2.4	Support costs for Cooperating IA (US \$)	13,000	0	0	0	0	0	0	16,250	6,500	35,750
3.1	Total agreed funding (US \$)	275,000	0	0	0	0	0	0	215,000	70,000	560,000
3.2	Total support costs (US \$)	26,125	0	0	0	0	0	0	22,550	7,900	56,575
3.3	Total agreed costs (US \$)	301,125	0	0	0	0	0	0	237,550	77,900	616,575
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)										5.60
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										10.40