



**United Nations  
Environment  
Programme**



Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/56/32  
10 October 2008

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-sixth Meeting  
Doha, 8-12 November 2008

**PROJECT PROPOSAL: GUINEA-BISSAU**

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

Phase-out

- Terminal phase-out management plan (first tranche)

UNEP

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**Guinea-Bissau**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
CFC phase out plan	UNEP

<b>(II) LATEST ARTICLE 7 DATA (ODP Tonnes)</b>			<b>Year: 2007</b>	
CFC: 2.9	CTC: 0	Halons: 0	MB: 0	TCA: 0

<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)</b>						<b>Year: 2007</b>							
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					2.9								2.9
CTC													0
Halons													0
Methyl Bromide													0
TCA													0

<b>(IV) PROJECT DATA</b>		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Total</b>
<b>Montreal Protocol Consumption Limits</b>	CFC	3.9	3.9		
<b>Maximum Allowable Consumption (ODP Tonnes)</b>	CFC	3.9	3.9		
<b>Project Costs (US\$)</b>	UNEP	Project Costs	62,500.	37,500.	100,000.
		Support Costs	8,125.	4,875.	13,000.
<b>Total Funds Requested for Current Year (US\$)</b>		Project Costs	62,500.		62,500.
		Support Costs	8,125.		8,125.

<b>(V) SECRETARIAT'S RECOMMENDATION:</b>	<b>For blanket approval</b>
--	-----------------------------

## **PROJECT DESCRIPTION**

1. On behalf of the Government of Guinea-Bissau, UNEP, as the lead implementing agency, has submitted a terminal CFC phase-out management plan (TPMP) for consideration by the Executive Committee at its 56<sup>th</sup> Meeting. The project, as originally submitted, included UNIDO as the cooperating agency. The total cost of the Guinea-Bissau TPMP as presented is US \$200,000 (US \$110,000 plus agency support costs of US \$14,300 for UNEP and US \$90,000 plus agency support costs of US \$8,100 for UNIDO). The CFC baseline for compliance is 26.3 ODP tonnes.

### **Background**

2. In regard to the phase-out of CFCs in the refrigeration servicing sector, the Executive Committee allocated, at its 43<sup>rd</sup> Meeting, US \$442,900 to UNDP and UNEP for the implementation of the refrigerant management plan (RMP), comprising training programmes for refrigeration service technicians and customs officers, a technical assistance programme for the MAC and end-user sub-sectors, and a programme for monitoring the activities included in the RMP.

3. Implementation of the activities in the refrigeration servicing sector resulted in the training of 95 refrigeration service technicians in good servicing practices and 158 customs officers. It also led to the proper application of ODS regulations and the control of CFC-based equipment entering into the country. The equipment and service tools required for the technical assistance programme will arrive in the country by October 2008.

### **Policy and legislation**

4. An ODS licensing system has been in operation in Guinea-Bissau since November 2002.

### **Refrigeration servicing sector**

5. Of the total 2.9 ODP tonnes of CFC used in the refrigeration servicing sector in 2007, 1.2 ODP tonnes were used for servicing domestic refrigerators, 1.0 ODP tonne for commercial and industrial refrigeration systems, and 0.7 ODP tonne for MAC units. There are approximately 650 refrigeration technicians in the country, some 15 per cent of whom are in the formal sector. The 2007 prices of refrigerants per kg are: US \$9.38 for CFC-11; US \$8.00 for CFC-12, US \$18.69 for R-502, and US \$5.46 for HCFC-22.

### **Activities proposed in the TPMP**

6. The following activities are proposed to be implemented through the TPMP project: additional training of refrigeration technicians on alternative refrigerants, including hydrocarbons, and training programmes for customs officers; a technical assistance programme to retrofit CFC-based refrigeration and air conditioning equipment; and a monitoring and evaluation component. The Government of Guinea-Bissau plans to achieve the complete phase-out of CFCs by 1 January 2010.

## **SECRETARIAT'S COMMENTS AND RECOMMENDATION**

### **COMMENTS**

7. The 2007 CFC consumption reported by the Government of Guinea-Bissau under Article 7 of the Protocol of 2.9 ODP tonnes was already 1.0 ODP tonne below the allowable level of consumption of 3.9 ODP tonnes for that year.

8. In reviewing the status of implementation of the RMP project approved at the 43<sup>rd</sup> Meeting, the Secretariat noted that the technical assistance project for the MAC and refrigeration servicing and end-user sub-sectors, being implemented by UNDP, has been delayed. In spite of this implementation delay, US \$90,000 has been included in the TPMP for a technical assistance programme for retrofitting refrigeration equipment, to be implemented by UNIDO. Subsequently UNEP, as the lead implementing agency, submitted a revised proposal in which the technical assistance component under current implementation by UNDP will be slightly adjusted to address the current situation of the refrigeration servicing sector in the country. The request for the technical assistance programme that was proposed in the TPMP to be implemented by UNIDO has been withdrawn. The adjusted cost of the TPMP is US \$100,000, to be fully implemented by UNEP.

### Agreement

9. The Government of Guinea-Bissau submitted a draft agreement between the Government and the Executive Committee with the conditions for the complete phase-out of CFCs in Guinea-Bissau, which is contained in the annex to the present document.

### RECOMMENDATION

10. The Secretariat recommends blanket approval of the terminal phase-out management plan for Guinea-Bissau. The Executive Committee may wish to:

- (a) Approve, in principle, the terminal phase-out management plan for Guinea-Bissau, at the amount of US \$100,000 plus agency support costs of US \$13,000 for UNEP;
- (b) Approve the draft agreement between the Government of Guinea-Bissau and the Executive Committee for the implementation of the terminal phase-out management plan as contained in Annex I to this document;
- (c) Urge UNEP to take full account of the requirements of decisions 41/100 and 49/6 of the Executive Committee during the implementation of the terminal phase-out management plan; and
- (d) Approve the first tranche of the plan at the funding levels shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	Terminal phase-out management plan (first tranche)	62,500	8,125	UNEP

**Annex I**

**DRAFT AGREEMENT BETWEEN GUINEA-BISSAU AND THE EXECUTIVE COMMITTEE  
OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE-DEPLETING  
SUBSTANCES**

1. This Agreement represents the understanding of the Government of Guinea-Bissau (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 the Substances.
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 9 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2 –A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
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 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).
7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, 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 goals prescribed under this Agreement. Reallocations categorized as major changes must

be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.

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;
- (b) The technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies 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 fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the "Lead IA"). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol 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 amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

11. The funding components 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.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to information necessary to verify compliance with this Agreement.

13. All of the agreements 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 Protocol unless otherwise defined herein.

**APPENDICES**

**APPENDIX 1-A: THE SUBSTANCES**

Annex A:	Group I	CFC-11, CFC-12 ,CFC-113,CFC-114 and CFC-115
----------	---------	---

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex I, Group I substances (ODP tonnes)	3.9	3.9	0	
2	Max. allowable total consumption of Annex I, Group I substances (ODP tonnes)	3.9	3.9	0	3.9
3	Reduction from on-going projects (ODP tonnes)	0	0	0	0
4	New reduction under plan (ODP tonnes)	0	3.9	0	3.9
5	Unfunded reductions (ODP tonnes)	0	0	0	0
6	Total annual reduction (ODP tonnes)	0	3.9	0	3.9
7	Lead IA agreed funding (US \$)	62,500	37,500	0	100,000
9	Total agreed funding (US \$)	62,500	37,500	0	100,000
10	Lead IA support costs (US \$)	8,125	4,875	0	13,000
12	Total agreed support costs (US \$)	8,125	4,875	0	13,000
13	Grand total agreed funding (US \$)	70,625	42,375	0	113,000

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not later than the second meeting of 2009.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME**

1. **Data**

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

2. **Targets**

<b>Indicators</b>		<b>Preceding year</b>	<b>Year of plan</b>	<b>Reduction</b>
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. **Industry Action**

<b>Sector</b>	<b>Consumption preceding year (1)</b>	<b>Consumption year of plan (2)</b>	<b>Reduction within year of plan (1) – (2)</b>	<b>Number of projects completed</b>	<b>Number of servicing related activities</b>	<b>ODS phase-out (in ODP tonnes)</b>
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity:  
Objective:  
Target Group:  
Impact:

5. **Government Action**

<b>Policy/Activity planned</b>	<b>Schedule of implementation</b>
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. **Annual Budget**

<b>Activity</b>	<b>Planned expenditures (US \$)</b>
Total	

7. **Administrative Fees**



## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU). 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 terminal phase-out plan (TPMP). This organization, will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Unit (NOU).

### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Guinea-Bissau for related auditing. Based on discussion with the Lead IA, Guinea-Bissau should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (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 phase-out plan;
- (b) Assisting Guinea-Bissau in preparation of the Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects Guinea-Bissau consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year for submission to the Executive Committee.
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the

Executive Committee;

- (j) Ensuring that disbursements made to the Country are based on the use of the indicators;  
and
- (k) Providing assistance with policy, management and technical support when required.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

---