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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March-3 April 2009

PROJECT PROPOSAL: SIERRA LEONE

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)

UNDP/UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Sierra Leone

(I) PROJECT TITLE		AGENCY	
CFC phase out plan Proposal		UNDP, UNEP	

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)			Year: 2007	
CFC: 10.4	CTC: 0.1	Halons: 0	MB: 0	TCA: 0

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)					Year: 2007						
Substances	Aerosol	Foam	Halon	Refrigeration	Solvent	Process Agent	MDI	Lab Use	Methyl Bromide	Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing				QPS	Non QPS	
CFC					10.4						10.4
CTC								0.1			0.1
Halons											0
Methyl Bromide											0
Others											0
TCA											0

(IV) PROJECT DATA			2009	2010	Total	
Montreal Protocol Consumption Limits		CFC	11.8			
		CTC	0.4			
Maximum Allowable Consumption (ODP Tonnes)		CFC	11.8			
		CTC				
Project Costs (US\$)	UNEP	Project Costs	95,000.	55,000.	150,000.	
		Support Costs	12,350.	7,150.	19,500.	
	UNDP	Project Costs	40,000.	20,000.	60,000.	
		Support Costs	3,600.	1,800.	5,400.	
Total Funds Requested for Current Year (US\$)		Project Costs	135,000.		135,000.	
		Support Costs	15,950.		15,950.	

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Sierra Leone UNEP, as the lead implementing agency, has submitted a terminal CFC phase-out management plan (TPMP) for consideration by the Executive Committee at its 57th Meeting. The total cost of the Sierra Leone TPMP as originally submitted is US \$326,000 (US \$205,000 plus agency support costs of US \$26,650 for UNEP and US \$121,000 plus agency support costs of US \$10,890 for UNDP). The CFC baseline for compliance is 78.6 ODP tonnes.

Background

2. In regard to the phase-out of CFCs in the refrigeration servicing sector, the Executive Committee allocated, at its 41st Meeting, US \$438,363 (excluding agency support costs) to UNDP and UNEP for the implementation of the refrigerant management plan (RMP), comprising training programmes for refrigeration service technicians and customs officers, a recovery/recycling programme (including MAC systems), a technical assistance programme for end-user sub-sectors, and a programme for monitoring the activities included in the RMP. Implementation of the activities in the refrigeration servicing sector resulted in the training of 200 refrigeration service technicians in good servicing practices, and 30 customs officers. However, implementation of the technical assistance components of the RMP, under UNDP, were deferred for over three years due to a delay in the approval of ODS regulations by Parliament.

Policy and legislation

3. The ODS legislation was enacted in July 2008, as part of the Environment Protection Agency Act 2008. This legislation regulates the importation and use of ODS and CFC-based equipment and provides for an ODS licensing and quota system. HCFCs will be included in the ODS Act during the preparation of the HPMP for Sierra Leone.

Refrigeration servicing sector

4. Of the total 10.4 ODP tonnes of CFCs used in the refrigeration servicing sector in 2007, 4.2 ODP tonnes were used for servicing domestic refrigerators, 4.2 ODP tonnes for commercial and industrial refrigeration systems, and 2.0 ODP tonnes for MAC units. There are approximately 500 refrigeration technicians in the country, of which about 40 per cent have been certified.

5. The 2007 prices of refrigerants per kg are: US \$6.13 for CFC-12; US \$8.09 for HFC-134a, US \$14.17 for R-502, US \$4.41 for HCFC-22, US \$15.00 for R-404, and US \$14.12 for R-600.

Activities proposed in the TPMP

6. The following activities are proposed to be implemented through the TPMP project: additional training of refrigeration technicians and strengthening of the refrigeration association, additional training for customs officers and review of the training curricula; a technical assistance and equipment programme for reference centres and incentive programme for MAC retrofit; and a monitoring and evaluation component. The Government of Sierra Leone plans 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 Sierra Leone under Article 7 of the Protocol of 10.4 ODP tonnes was already 1.4 ODP tonnes below that allowed of 11.8 ODP tonnes for that

year. UNEP indicated that a major reduction in CFC consumption has been achieved as most of the industrial and commercial refrigeration sub-sectors have converted to alternatives by themselves. Most of the refrigeration systems that were destroyed during the past have been replaced with new equipment using mostly HCFC-22. The awareness levels and market forces have also stimulated the shift to HCFC equipment. Furthermore, the second-hand CFC-based refrigerators imported into the country are being retrofitted by the technicians.

8. Although 0.1 ODP tonnes of CTC were used in Sierra Leone in 2007, activities to address this consumption were not included in the TPMP (the CTC baseline consumption for compliance is 2.6 ODP tonnes) since CTC is mostly used in laboratories, schools and universities.

9. In reviewing the status of implementation of the RMP project approved at the 41st Meeting, the Secretariat noted that the technical assistance project for refrigerant recovery and recycling (including MAC) and the end-user incentive programme being implemented by UNDP has been delayed with an unspent balance of US \$228,331 (as of December 2008). In regard to the delayed activities of the RMP, UNEP and UNDP reported that the Government of Sierra Leone has proposed to disburse US \$167,000 for additional training of 100 refrigeration technicians, to strengthen the vocational training centres, and to facilitate incentives for end-users during the first quarter of 2009.

10. Technical issues were raised related to: the current levels of CFC consumption by type of equipment; the request for additional customs training considering that the training programmes included in the RMP update would be conducted in the first quarter of 2009; the request for equipping the training centres and purchasing tool kits for service technicians without any further explanation or justification for the need of these equipment; and the request for additional funding for an incentive programme for end-users in spite of the delay in the implementation of a similar programme approved under the RMP. All these issues have been addressed by UNEP and UNDP and incorporated into the final project proposal. The level of funding has been agreed at US \$210,000 after taking into account the unspent balance from the RMP project and cost issues raised by the Secretariat. The following activities are being proposed:

- (a) Strengthening and enforcement of ODS regulations, training of customs officers and review of training curricular including HCFC regulations;
- (b) Training of refrigeration technicians in good service practices and retrofit to alternative refrigerants, and equipment for training workshops;
- (c) Technical assistance for retrofitting centres, and provision of service tools, spare parts, and support for introduction of alternative refrigerants;
- (d) Technical assistance programme to phase-out CTC consumption; and
- (e) Reporting and monitoring of TPMP activities

Agreement

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

RECOMMENDATION

12. The Secretariat recommends that the Executive Committee:

- (a) Approves, in principle, the terminal phase-out management plan for Sierra Leone, at the amount of US \$150,000 plus agency support costs of US \$19,500 for UNEP and US \$60,000 plus agency support costs of US \$5,400 for UNDP;
- (b) Approves the draft agreement between the Government of Sierra Leone and the Executive Committee for the implementation of the terminal phase-out management plan as contained in Annex I to this document;
- (c) Approves the 2009 annual implementation programme (first tranche);
- (d) Urges UNDP and 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

13. The Secretariat further recommends blanket approval of the first tranche of the 2009 annual plan at the funding levels shown in the table below:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan (first tranche)	95,000	12,350	UNEP
(b)	Terminal phase-out management plan (first tranche)	40,000	3,600	UNDP

Annex I**DRAFT AGREEMENT BETWEEN SIERRA LEONE 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 Sierra Leone (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 rows 2 and 4 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”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. 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 Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B.) The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 10 and 11 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 (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 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.

APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12 and CFC-115
Annex B:	Group II	CTC

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	11.8	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	11.8	0.0	
3	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0.4	0.0	
4	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0.4	0.0	
5	New reduction under plan Annex A (ODP tonnes)	11.8	0.0	11.8
6	New reduction under plan Annex B (ODP tonnes)	0.4	0.0	0.4
7	Lead IA agreed funding (US \$)	95,000	55,000	150,000
8	Cooperating IA agreed funding (US \$)	40,000	20,000	60,000
9	Total agreed funding (US \$)	135,000	75,000	210,000
10	Lead IA support costs (US \$)	12,350	7,150	19,500
11	Cooperating IA support costs (US \$)	3,600	1,800	5,400
12	Total agreed support costs (US \$)	15,950	8,950	24,900
13	Grand total agreed funding (US \$)	150,950	83,950	234,900

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

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

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

3. Industry Action

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

4. Technical Assistance

Proposed Activity:

Objective:

Target Group:

Impact:

5. Government Action

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

6. Annual Budget

Activity	Planned expenditures (US \$)
Total	

7. Administrative Fees

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

- 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, along with the Cooperating IA 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 Sierra Leone for related auditing. Based on discussion with the Lead IA, Sierra Leone 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 the Country 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 Sierra Leone 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) Coordinating the activities of the Cooperating IA;

- (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.

APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY

1. The Cooperating IA will:
 - (a) Provide policy development assistance when required;
 - (b) Assist Sierra Leone in the implementation and assessment of the activities funded for by the Cooperating IA; and
 - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

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.
