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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-first Meeting
Montreal, 18-22 June 2018

PROJECT PROPOSAL: BURUNDI

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, third and fourth tranches) UNEP and UNIDO

* re-issued for technical reasons on 4 June 2016

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Burundi

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	65 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2017	4.51 (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					4.51				4.51

(IV) CONSUMPTION DATA (ODP tonnes)				
2009 - 2010 baseline:		7.20	Starting point for sustained aggregate reductions:	2.10
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)				
Already approved:		0.73	Remaining:	1.37

(V) BUSINESS PLAN		2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.48	0.0	0.25	0.96
	Funding (US \$)	72,094	0	37,516	143,510
UNIDO	ODS phase-out (ODP tonnes)	0.6	0.0	0.0	0.6
	Funding (US \$)	87,200	0	0	87,200

(VI) PROJECT DATA			2011	2013	2014	2015	2016	2017	2018*	2019	2020	Total	
Montreal Protocol consumption limits			n/a	7.15	7.15	6.44	6.44	6.44	6.44	6.44	4.65	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	7.2	7.2	6.48	6.48	6.48	2.10	2.10	1.37	n/a	
Agreed funding (US \$)	UNEP	Project costs	45,000	0	30,000	0	35,000	0	28,800	0	33,200	172,000	
		Support costs	5,850	0	3,900	0	4,550	0	3,744	0	4,316	22,360	
	UNIDO	Project costs	80,000	0	0	0	80,000	0	0	0	0	0	160,000
		Support costs	7,200	0	0	0	7,200	0	0	0	0	0	14,400
Funds approved by ExCom (US \$)	Project costs	125,000	0	30,000	0	0	0	0	0	0	0	155,000	
	Support costs	13,050	0	3,900	0	0	0	0	0	0	0	16,950	
Total funds requested for approval at this meeting (US \$)	Project costs	0	0		0	115,000	0	28,800	0	0	0	143,800	
	Support costs	0	0		0	11,750	0	3,744	0	0	0	15,494	

*The third tranche due in 2016 is being requested with the fourth tranche in 2018.

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Burundi, UNEP as the lead implementing agency, has submitted a request for funding for the third and fourth tranches of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$159,294, consisting of US \$63,800, plus agency support costs of US \$8,294 for UNEP, and US \$80,000, plus agency support costs of US \$7,200 for UNIDO.¹ The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption for 2013 to 2017, and the tranche implementation plan for 2018 to 2020.

Report on HCFC consumption

2. The Government of Burundi reported a consumption of 4.51 ODP tonnes of HCFC in 2017, which was 38 per cent below the HCFC baseline for compliance. The 2013-2017 HCFC consumption is shown in Table 1.

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

HCFC-22	2013	2014	2015	2016	2017	Baseline
Metric tonnes	129.27	124.00	118.00	95.23	82.02	130.9
ODP tonnes	7.11	6.82	6.49	5.24	4.51	7.2

3. The consumption of HCFCs has been in a steady decline partly due to the implementation of the activities approved under the HPMP, and an increase in the import of non-HCFC-22-based refrigeration equipment.

Country programme (CP) implementation report

4. The Government of Burundi 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.

Verification report

5. The verification report noted that Decree Law No. 07/99 of 14 May 2003 on the import of ODS was used as the legal instrument to control imports of ODS. In November 2017, the Ministerial Ordinance No.770/2148/CAB/2017 was issued to regulate the import, marketing and distribution of HCFCs, and became operational on 1 January 2018.

6. The verification report noted that errors were made at the time of import data entry at customs stations, and the data provided by the workshops and the technicians also contained estimation errors because many of them did not have maintenance sheets. The verification report recommended the effective implementation of the Ministerial Ordinance on the license and quota system that entered into force on 1 January 2018.

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

Legal framework

7. The Ministry of Water, Environment, Land Management and Housing has the overall mandate for the implementation of the laws and regulations relating to environmental issues. The National Ozone Unit (NOU) was established in 2004 in coordination with the Burundi National Institute for the Environment and Protection of Nature (INECN), and is responsible for the implementation of the Montreal Protocol.

¹ As per the letter of 26 March 2018 from the Ministry of Water, Environment, Land Management and Housing of Burundi to the Secretariat.

8. Regulations on ODS and ODS-based equipment, including the licensing and quota system were issued on 14 May 2013. The licensing and quota system was revised and became operational on 1 January 2018.

Refrigeration servicing sector

9. The main activities carried out include:

- (a) Three training workshops on identification and control of HCFCs and HCFC-based refrigeration and air-conditioning equipment for 45 customs officers and police inspectors who are responsible for maintaining and submitting data on all imports of ODS to the National Ozone Unit (NOU), and controlling and confiscating illegal ODS imports;
- (b) Four training workshops for 140 refrigeration and service technicians on good refrigeration practices, including safe handling of flammable refrigerants; and
- (c) Three meetings with refrigeration associations that play a key role in the implementation of projects associated with the HPMP (i.e., data collection in the refrigeration sector; strengthening the capacity of refrigeration technicians, and involvement in the elaboration and implementation of training workshops; and submission of two progress reports on the implementation of activities associated with the HPMP).

Project implementation and monitoring unit (PMU)

10. The NOU, which is responsible for the implementation of national legislation to control and manage ODS imports and consumption, coordinates and manages the HPMP.

Level of fund disbursement

11. As of April 2018, of the US \$155,000 approved so far, US \$133,800 had been disbursed (US \$60,000 for UNEP and US \$73,800 for UNIDO) as shown in Table 2. The balance of US \$21,200 will be disbursed in 2018-2020.

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

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	45,000	45,000	30,000	15,000	75,000	60,000
UNIDO	80,000	73,800	0	0	80,000	73,800
Total	125,000	118,800	30,000	15,000	155,000	133,800
Disbursement rate (%)	95		50		86	

Implementation plan for the third and fourth tranches of the HPMP

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

- (a) Training of 80 customs and law enforcement officers operating at the main ports of entry and other border entry points of the country on ODS laws and regulations and enforcement, practical skills and knowledge in identifying different types of refrigerants, and review of the customs training manual to include Montreal Protocol issues in the syllabus. Training sessions will be organized for customs officers on the use of the refrigerant identifiers and control of ODS (UNEP) (US \$20,000);
- (b) Training of 150 refrigeration technicians and engineers on good refrigeration servicing practices, refrigerant management, including safe handling of flammable refrigerants; demonstrate procedures to reduce emissions of refrigerants during preventive and

unscheduled maintenance; provide information on HCFC-free technologies, and safety about flammable refrigerants (UNEP) (US \$30,000);

- (c) Provision of additional service tools and basic equipment (e.g., recovery cylinders, recovery units, vacuum pumps, leak detectors, refrigerant identifiers, digital scale, brazing unit, portable charging station, nitrogen cylinder, manifolds, flaring tool set, and spare parts) to training centres, refrigeration service workshops, and the refrigeration associations (UNIDO) (US \$80,000); and
- (d) Coordination and management of the HPMP implementation and regular collection of data (UNEP) (US \$13,800).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Revision of the starting point and funding levels, and modification to the Agreement

13. Based on the surveys conducted for the preparation of stage I of the HPMP for Burundi, the starting point for aggregated reductions on HCFC consumption was estimated at 7.20 ODP tonnes (130.9 mt). However, noting the limited availability of reliable data, an issue acknowledged in the verification report, and the political and economic circumstances that have prevailed in the recent past, the Government of Burundi and UNEP have acknowledged that the level of the starting point may be lower than originally estimated.

14. Following consultations with the Government of Burundi, UNEP indicated that the data collected during the preparation of the HPMP was based on the survey undertaken by national consultants for the period 2005-2010. The survey results on the annual consumption data submitted at the 65th meeting were much higher than the consumption data reported under Article 7 of the Montreal Protocol, having a bearing on establishing the level of the starting point.² More recently, errors were identified at customs stations, and data could not be fully verified because it was not possible to travel to different regions of the country due to security issues. On this basis and acknowledgement of unreliable consumption estimates, the Government of Burundi agreed to adjust the starting point for sustained aggregate reduction in HCFC consumption from 7.20 to 2.10 ODP tonnes. This level of consumption will be the basis for the country's import quotas to be set from 2018.

15. The total funding approved in principle for stage I of the HPMP amounted to US \$332,000, to meet the 35 per cent reduction of the HCFC baseline by 2020. However, based on the revised starting point, the maximum level of funding under decision 60/44(f)(xii) would be US \$210,000 for the same period. Noting that the change in the starting point would result in a reduction in funding for the HPMP of US \$122,000, the Government suggested that such adjustment be considered during the approval of stage II of the HPMP. The funding for the complete phase-out of HCFCs would be US \$750,000 (in line with decision 74/50(c)(xii)).

16. In light of the revision to the starting point, the Secretariat suggested that UNEP assists the Government of Burundi to consider submitting a request to the Ozone Secretariat to revise the HCFC consumption data reported under Article 7 of the Montreal Protocol.

² UNEP/OzL.Pro/ExCom/65/27, Table 1

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

Legal framework

17. The Secretariat noted that in response to decision 77/15(b)(i), UNEP assisted the Government of Burundi in finalizing the formal HCFC licencing and quota system. As a result, the Government of Burundi signed Ordinance 770/2148/CAB/2017 in November 2017 that established the HCFC licensing and quota system, which became effective on 1 January 2018.

18. The Government of Burundi will adjust HCFC import quotas for 2018 at a level of 2.10 ODP tonnes.

Request submitting the third and fourth tranches together

19. UNEP has submitted the funding request for the third and fourth tranches of stage I together given the delay in completion of the activities in the second tranche. The delay was due to the political and security situation in the country. UNEP also confirmed that together with UNIDO, they would be able to implement the activities associated with the two tranches being requested at the 81st meeting. The Secretariat considers this request adequate, noting the urgent assistance to be provided to the Government of Burundi for strengthening its institutional and regulatory framework, including the new licensing and quota system, and for strengthening the skills of the refrigeration servicing technicians.

20. The Secretariat also suggested that in addition to the implementation of the activities with the combined funding associated with the third and fourth tranches, UNEP also provides additional assistance to the Government of Burundi through the Compliance Assistance Programme, particularly in relation to strengthening the country's institutional and regulatory framework.

Revision to the Agreement

21. Based on the revised starting point for Burundi, and the adjustments to the funding tranche distributions of stage I of the HPMP, paragraph 1, Appendices 1 A and 2-A are revised and paragraph 16 is updated to indicate that the revised updated Agreement supersedes the Agreement approved at the 65th meeting, as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 81st meeting.

Conclusion

22. The reported 2017 HCFC consumption of 4.51 ODP tonnes was already 38 per cent below the country's baseline, and the Secretariat noted and acknowledged the revision of the starting point, with funding levels to be adjusted in stage II of the HPMP endorsed by the Government of Burundi. The country's new licensing and quota system became operational on 1 January 2018, and import quotas starting 2018 have been adjusted based on the revised starting point, which is lower than the Montreal Protocol targets. The level of fund disbursement is over 86 per cent. The activities planned under the combined third and fourth tranches will further strengthen the institutional and regulatory framework in the country and the refrigeration servicing sector, ensure the long-term sustainability of the activities, and will enable the country to meet its compliance obligations under the Montreal Protocol and its Agreement with the Executive Committee.

RECOMMENDATION

23. The Executive Committee may wish to consider:

- (a) Noting:
 - (i) The progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan of (HPMP) for Burundi;
 - (ii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 2.10 ODP tonnes based on the review of consumption levels, particularly given the current socio-economic factors in the country;
 - (iii) That the total funding approved in principle for stage I of the HPMP at the 65th meeting to meet the 35 per cent reduction of the HCFC baseline, was US \$332,000 rather than US \$210,000 in line with decision 60/44(f)(xii); that the maximum funding balance for which the country was eligible for the total phase-out of HCFCs was US \$418,000 in line with decision 74/50(c)(xii); and that the necessary funding adjustments would be made during the approval of the stage II HPMP for the country;
 - (iv) That the Fund Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Burundi and the Executive Committee, based on the revised starting point, and that paragraph 16 had been updated to indicate that the revised updated Agreement superseded that reached at the 65th meeting, as contained in Annex I to the present document; and;
- (b) Approving the third and fourth tranches of stage I of the HPMP for Burundi, and the corresponding 2018-2020 tranche implementation plan, at the amount of US \$159,294 consisting of US \$63,800, plus agency support costs of US \$8,294 for UNEP; and US \$80,000, plus agency support costs of US \$7,200 for UNIDO.

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BURUNDI AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

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

1. This Agreement represents the understanding of the Government of Burundi (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 **1.37** ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Burundi and the Executive Committee at the 65th meeting of the Executive Committee.

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	2.10

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2011	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	n/a	7.15	7.15	6.44	6.44	6.44	6.44	6.44	4.65	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)*	n/a	n/a	7.2	7.2	6.48	6.48	6.48	2.10	2.10	1.37	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	45,000	0	30,000	0	0	0	0	63,800	0	33,200	172,000
2.2	Support costs for Lead IA (US \$)	5,850	0	3,900	0	0	0	0	8,294	0	4,316	22,360
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	80,000	0	0	0	0	0	0	80,000	0	0	160,000
2.4	Support costs for Cooperating IA (US \$)	7,200	0	0	0	0	0	0	7,200	0	0	14,400
3.1	Total agreed funding (US \$)	125,000	0	30,000	0	0	0	0	143,800	0	33,200	332,000
3.2	Total support costs (US \$)	13,050	0	3,900	0	0	0	0	15,494	0	4,316	36,760
3.3	Total agreed costs (US \$)	138,050	0	33,900	0	0	0	0	159,294	0	37,516	368,760
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)											0.73
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)											0.00
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)											1.37

*Starting point revised from 7.20 ODP tonnes to 2.10 ODP tonnes at the 81st meeting in 2018. The funding level associated with stage I of the HPMP should be up to US \$210,000. The funding adjustment will be made when stage II of the HPMP is approved.

