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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Eighty-fifth Meeting

Montreal, 25-29 May 2020

Postponed to 19-22 July 2020*

PROJECT PROPOSAL: LESOTHO

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) Germany

* Due to coronavirus disease (COVID-19)

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

Lesotho

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	Germany (lead)	64 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2019	0.56 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2019	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-142b					0.0				0.0
HCFC-22					0.56				0.56

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	3.5	Starting point for sustained aggregate reductions:	1.54
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.54	Remaining:	1.00

(V) BUSINESS PLAN		2020	Total
Germany	ODS phase-out (ODP tonnes)	0.5	0.5
	Funding (US \$)	31,640	31,640

(VI) PROJECT DATA			2011	2012	2013	2014	2015-2016	2017	2018-2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	3.5	3.5	3.2	3.2	3.2	2.3	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	3.5	3.5	3.15	1.54	1.39	1.00	n/a
Agreed funding (US\$)	Germany	Project costs	100,000	0	0	68,000	0	84,000	0	28,000	280,000
		Support costs	13,000	0	0	8,840	0	10,920	0	3,640	36,400
Funds approved by ExCom (US \$)		Project costs	100,000	0	0	68,000	0	84,000	0	0	252,000
		Support costs	13,000	0	0	8,840	0	10,920	0	0	32,760
Total funds requested for approval at this meeting (US \$)		Project costs	0	0	0	0	0	0	0	28,000	28,000
		Support costs	0	0	0	0	0	0	0	3,640	3,640

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Lesotho, the Government of Germany as the designated implementing agency, has submitted a request for funding for the fourth and final tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$28,000, plus agency support costs of US \$3,640.¹ The submission includes a progress report on the implementation of the third tranche and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

2. The Government of Lesotho reported a consumption of 0.56 ODP tonnes of HCFC in 2019, which is 84 per cent below the HCFC baseline for compliance, and 60 per cent below the target in its Agreement with the Executive Committee for that year. The 2015-2019 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Lesotho (2015-2019 Article 7 data)

HCFC	2015	2016	2017	2018	2019	Baseline
Metric tonnes						
HCFC-22	13.3	12.77	12.69	11.45	10.27	62.70
HCFC-142b*	0.34	0.07	0.08	0.01	0.00	-
Total (mt)	13.64	12.84	12.77	11.46	10.27	62.70
ODP tonnes						
HCFC-22	0.73	0.71	0.7	0.63	0.56	3.50
HCFC-142b*	0.02	0.00	0.00	0.00	0.00	-
Total (ODP tonnes)	0.75	0.71	0.70	0.63	0.56	3.50

* A component of R-406A, a refrigerant blend used in cold rooms.

3. The reduction of HCFC consumption is related to a combination of the enforcement of the HCFC import licensing and quota system and implementation of the HPMP activities including training programmes for technicians and technical assistance provided to the refrigeration and air-conditioning (RAC) servicing sector, and awareness and outreach activities. In addition, an increase on the imports of HCFC-free equipment also contributed to the reduction of consumption of HCFCs.

CP implementation report

4. The Government of Lesotho reported HCFC sector consumption data under the 2019 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

5. The Government of Lesotho continues to enforce the Ozone-Depleting Substances Regulations of 2012 to control import and export of ODS. The national ozone unit (NOU) works closely with customs authorities on implementing the licensing and quota system for HCFCs.

Refrigeration servicing sector

6. The main activities that had carried out include:

- (a) Four customs training programmes for 97 customs officers and customs clearing agents (38 of whom were females) on controls and monitoring of HCFCs including new

¹ As per the letter of 27 March 2020 from the Ministry of Energy and Meteorology of Lesotho the Secretariat.

developments in controls and monitoring issues relating to illegal trade; and procurement of spare parts for the refrigerant identifier equipment; and

- (b) Four trainers attended certified refrigeration courses including electrical component for RAC and safe handling of refrigerants in South Africa; two RAC training institutions were provided with additional equipment (e.g., two-stage vacuum pump, recovery machine, electronic leak detector, and manifold gauges); and 168 technicians, including 16 women, were trained on good RAC service practices including safe handling of alternative refrigerants.

Project implementation and monitoring unit (PMU)

7. The NOU has been overseeing the implementation of the HPMP with the cooperation of the Government of Germany. The PMU expenditures to date amount to US \$38,995 (US \$27,832 for staff and consultant expenses, and US \$11,163 for travel); this amount is lower than the funding allocated for the PMU (US \$40,000).

Level of fund disbursement

8. As of January 2020, of the US \$252,000 approved so far, US \$233,356 had been disbursed as shown in Table 2. The balance of US \$18,644 will be disbursed in 2020.

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

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)
First	100,000	100,000	100.0
Second	68,000	68,000	100.0
Third	84,000	65,356	77.8
Total	252,000	233,356	92.6

Implementation plan for the fourth and final tranche of the HPMP

9. The following activities will be implemented until December 2021 (budget including the balance of US \$18,644):

- (a) Two customs trainings for 50 border officers and customs clearing agents on monitoring and controls of HCFCs (US \$12,500);
- (b) Training of two trainers from the local institutions on theoretical and practical aspects of RAC servicing and maintenance (US \$12,000);
- (c) Two trainings workshops for 50 RAC technicians on good servicing practices and safe handling of alternative refrigerants (US \$12,000);
- (d) One stakeholder workshop on project implementation and future actions to be undertaken to facilitate ongoing consultation and collaboration with the RAC industry for ensuring greater awareness and participation of industry stakeholders in training and consultations on incentives for adopting HCFC-free alternatives (US \$7,000); and
- (e) Project monitoring and follow-up on implementation of activities (US \$3,144).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Starting point for aggregate reduction on HCFC consumption

10. At its 80th meeting, the Government of Lesotho submitted a request for funding the third tranche of the HPMP;² in its request, the Government agreed to adjust the starting point for sustained aggregate reduction in HCFC consumption from 3.50 to 1.54 ODP tonnes calculated as the average reported consumption over the 2011-2016 period. On this basis, the Committee *inter alia* noted the revised starting point requested by the Government, that the total funding approved in principle for stage I as initially calculated, had been US \$280,000, rather than US \$210,000; and that the necessary funding adjustments would be made during the approval of stage II of the HPMP (decision 80/69(a)(iii)).

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

Legal framework

11. The Government of Lesotho has established the import quota for 2020 not exceeding 1.00 ODP tonnes in accordance with the HPMP Agreement targets.

Refrigeration servicing sector

12. Upon request for clarification, the Government of Germany explained that the certification programme for refrigeration technicians originally planned during the third funding tranche could not be implemented as additional work was required in standardising the curriculum at the RAC training institutions, and in establishing an enforcement mechanism for mandatory training and certification of technicians. Therefore, the Government of Lesotho decided to implement the certification programme during stage II of the HPMP.

13. The Secretariat noted the training of safe handling of refrigerants and enquired about retrofit of equipment using flammable refrigerants in the country. The Government of Germany confirmed that there is no reported retrofit of HCFC-22-based RAC equipment with flammable refrigerants and such retrofits are discouraged; furthermore, the Government of Lesotho is fully aware of decisions 72/17 and 73/34 on retrofits. All efforts are being made for the country to ensure that the technicians are suitably qualified to handle the new refrigerants used in new RAC equipment as they become available in the market; and trainers in training institutions are being trained to provide down-stream training to technicians on safe use of flammable alternatives.

PMU expenditure

14. The Secretariat noted that with the budgets for the last tranche, the total PMU expenditures would be US \$2,139 above the PMU budget (US \$40,000). The Government of Germany clarified that the NOU is the institution that undertakes all the monitoring work related to the HPMP, and agreed not to request funds for project management and monitoring in the fourth tranche; the funds originally budgeted for the PMU (US \$3,144) will be allocated to the training programme for RAC technicians.

² UNEP/OzL.Pro/ExCom/80/42

Gender policy implementation³

15. The Government of Germany informed that the Government of Lesotho is fully committed to implementing the gender policy. The Government is promoting female practitioners in the training programmes and has already reported that 16 technicians and 38 enforcement officers had been trained under the HPMP. Participation of female technicians in the training programme for RAC servicing is increasing and is encouraged; customs training normally includes about 50 per cent of female officers due to the number of female officers in customs and enforcement activities. The NOU will keep track of female technicians and customs officers trained.

Sustainability of the HCFC phase-out

16. The Government is taking steps to maximise the number of technicians trained on good servicing practices and safe use of alternatives; by training the trainers on good servicing practices and safe adoption of flammable alternatives, the capacity of technicians in the country would be strengthened on an ongoing basis. Training centers have also been strengthened through equipment support. Continuous strengthening of customs and enforcement officers through training and capacity building activities have helped the country effectively control and monitor HCFC imports. All these aforementioned efforts would ensure the sustainability of HCFC phase-out in the country.

Conclusion

17. The Government of Lesotho has been enforcing its HCFC import and export licensing and quota system and the HCFC consumption for 2019 of 0.56 ODP tonnes was 84 per cent and 60 per cent below the baseline for compliance and the HPMP Agreement targets, respectively. The HPMP is progressing and the activities planned under the third tranche achieved the targets set for the training of technicians and enforcement officers. The level of disbursement is 92.6 per cent of the funds approved so far. The activities planned under the fourth tranche will further strengthen the refrigeration servicing sector, ensure long term sustainability of the activities, and enable the country to meet its obligations under the Protocol and its Agreement with the Executive Committee. The country will complete stage I of the HPMP in accordance with the Agreement with the Executive Committee and plans to submit its stage II of the HPMP in 2021.

RECOMMENDATION

18. 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 of (HPMP) for Lesotho; and further recommends blanket approval of the fourth and final tranche of stage I of the HPMP for Lesotho, and the corresponding 2020-2021 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)	28,000	3,640	Germany

³ Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.