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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-second Meeting
Montreal, 29 May to 2 June 2023
Item 9(d) of the provisional agenda¹

PROJECT PROPOSAL: BURKINA FASO

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

Phase-out

- HCFC phase-out management plan (stage II, first tranche)

UNEP, UNIDO and
Government of
Germany

¹ UNEP/OzL.Pro/ExCom/92/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Burkina Faso

(I) PROJECT TITLE	AGENCY
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO, Germany

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2022	5.31 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2022	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Serviceing				
HCFC-22					5.31				5.31

(IV) CONSUMPTION DATA (ODP tonnes)				
2009 - 2010 baseline:	28.90	Starting point for sustained aggregate reductions:		18.00
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)				
Already approved:	6.30	Remaining:		11.70

(V) ENDORSED BUSINESS PLAN		2023	2024	2025	Total
UNEP	ODS phase-out (ODP tonnes)	2.0	0.0	0.0	2.0
	Funding (US \$)	65,000	0	0	65,000
UNIDO	ODS phase-out (ODP tonnes)	2.0	0.0	2.2	4.2
	Funding (US \$)	187,000	0	203,000	390,000

(VI) PROJECT DATA		2023	2024	2025	2026	2027	2028	2029	2030	Total	
Montreal Protocol consumption limits (ODP tonnes)		18.79	18.79	9.39	9.39	9.39	9.39	9.39	0	n/a	
Maximum allowable consumption (ODP tonnes)		11.70	6.13	5.60	5.60	5.60	5.60	5.60	0	n/a	
Project costs requested in principle (US \$)	UNEP	Project costs	125,000	0	0	205,000	0	190,000	0	180,000	700,000
		Support costs	15,536	0	0	25,479	0	23,614	0	22,371	87,000
	UNIDO	Project costs	200,000	0	0	0	0	270,000	0	0	470,000
		Support costs	14,000	0	0	0	0	18,900	0	0	32,900
	Germany	Project costs	120,000*	0	0	0	0	0	0	0	120,000
		Support costs	15,600*	0	0	0	0	0	0	0	15,600
Total project costs recommended in principle (US \$)		445,000	0	0	205,000	0	460,000	0	180,000	1,290,000	
Total support costs recommended in principle (US \$)		45,136	0	0	25,479	0	42,514	0	22,371	135,500	
Total funds recommended in principle (US \$)		490,136	0	0	230,479	0	502,514	0	202,371	1,425,500	

* Funding for energy efficiency activities (decision 89/6)

(VII) Request for approval of funding for the first tranche (2023)		
Implementing agency	Funds recommended (US \$)	Support costs (US \$)
UNEP	125,000	15,536
UNIDO	200,000	14,000
Government of Germany	120,000	15,600
Total	445,000	45,136

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

Background

1. On behalf of the Government of Burkina Faso, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$1,425,500, consisting of US \$700,000, plus agency support costs of US \$87,000 for UNEP, US \$470,000, plus agency support costs of US \$32,900 for UNIDO, and US \$120,000, plus agency support costs of US \$15,600 for the Government of Germany, as originally submitted.² The submission includes a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector to be implemented through the Government of Germany.³ The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US \$490,136, consisting of US \$125,000, plus agency support costs of US \$15,536 for UNEP, US \$200,000, plus agency support costs of US \$14,000 for UNIDO, and US \$120,000, plus agency support costs of US \$15,600, as originally submitted.

Status of implementation of stage I of the HCFC phase-out management plan

3. Stage I of the HPMP for Burkina Faso was originally approved at the 62nd meeting⁴ and revised at the 70th and 80th meetings^{5,6} to phase out 6.30 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector and to meet the 35 per cent reduction from the starting point for aggregate reduction by 2020, at a total cost of US \$630,000, plus agency support costs. Stage I of the HPMP was completed at the end of 2021 as planned, the project completion report has been submitted to the current meeting and the remaining funding will be returned to the 93rd meeting.

Report on HCFC consumption

4. The Government of Burkina Faso reported a consumption of 5.31 ODP tonnes of HCFC in 2022, which is 82 per cent below the HCFC baseline for compliance and 71 per cent below the revised starting point of 18 ODP tonnes. The 2018-2022 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Burkina Faso (2018-2022 Article 7 data)

HCFC-22	2018	2019	2020	2021	2022	Baseline
Metric tonnes (mt)	189.09	148.00	114.55	105	96.5	525.15
ODP tonnes	10.40	8.14	6.35	5.78	5.31	28.90

5. Since 2018, HCFC-22 consumption has been decreasing steadily thanks to the implementation of the HPMP, including capacity-building for customs officers, training in the refrigeration servicing sector and awareness-raising activities which have improved servicing practices and promoted the market transition from HCFCs to alternative technologies including HFCs.

² As per the letters of 6 February 2023 and 31 March 2023 from the Ministry of Environment and Water Sanitation of Burkina Faso to UNEP and to the Secretariat respectively.

³ In line with decision 89/6, low-volume-consuming countries can include in their HPMPs additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.

⁴ Decision 62/48 and document UNEP/OzL.Pro/ExCom/62/23.

⁵ Decision 70/15(a)(iii), Annex XI of document UNEP/OzL.Pro/ExCom/70/59.

⁶ Decision 80/65, Annex XXII of document UNEP/OzL.Pro/ExCom/80/59.

CP implementation report

6. The Government of Burkina Faso reported HCFC sector consumption data under the 2022 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Status of progress and disbursement

Legal framework

7. Regulatory measures for the control of ozone-depleting substances have been in place since 1992 and were updated in 2013 when the licensing and quota system for the import and export of HCFCs was established. The Government ratified the Kigali Amendment in 2018 and established a licensing system for the import and export of HFCs in 2021, with the quota system for HFCs to become effective in 2024. The country continues to harmonize ODS policies with the sub-regional ODS regulation applicable to the eight members of the Union Économique et Monétaire Ouest Africaine (UEMOA).⁷ The National Ozone Unit (NOU) continues to issue the required authorization for the import of equipment using controlled substances including HCFCs and HFCs, but there is no import quota for the import of these equipment.

8. The legal framework for managing toxic and flammable refrigerants is included in the ODS law; and two International Electrotechnical Commission (IEC) safety standards related to refrigeration, air-conditioning and heat pumps have been adopted. The other codes and standards for the safe handling of low-GWP refrigerants will be introduced during stage II of the HPMP.

9. During stage I of the HPMP, training sessions were conducted for a total 438 customs and enforcement officers on the licensing and quota system, the control and identification of ODSs and ODS-based equipment, and the detection of fraud and smuggling networks for ODS trade; a total of 16 refrigerant identifiers have been provided.

Refrigeration servicing sector

10. Over the course of stage I of the HPMP, a total of 508 RAC technicians attended training sessions and refresher training courses, including several training sessions to ensure the safe use of new technologies with flammability and/or toxicity risks. Modules on ozone-depleting and greenhouse gases have been included in the curriculum of vocational schools and RAC training centres to ensure the sustainability of the training programme.

11. Equipment, tools, and materials (e.g., two R-290-based air-conditioning (AC) demonstration units; 16 refrigerant identifiers; 10 sets of refrigerant recovery units and recycling kits, 15 electronic leak detectors; and servicing tools and accessories) were provided to two vocational training institutes, two centres of excellence and large RAC workshops. Various public-awareness activities were organized to promote HCFC phase-out and the transition to low-GWP alternatives.

Project implementation and monitoring

12. The funding amount of US \$98,000 approved under stage I for project implementation and monitoring was used for the recruitment of consultants (refrigeration expert and customs experts) to assist the NOU in monitoring the implementation of HPMP activities including data collection.

⁷ Règlement No: 04/2005/CM/UEMOA: Sub-regional regulation adopted in 2005 that supersedes other ODS-related regulations, which can be used by customs authorities in eight UEMOA member countries to restrict the entry of ODSs and ODS-based equipment.

Level of fund disbursement

13. As of 1 January 2023, of the US \$630,000 approved so far, US \$628,630 (99.7 per cent) had been disbursed (US \$390,000 for UNEP and US \$238,630 for UNIDO). The remaining balance of US \$1,370 will be returned to the 93rd meeting.

Stage II of the HCFC phase-out management planRemaining consumption eligible for funding

14. After deducting 6.30 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding amounts to 11.70 ODP tonnes of HCFC-22, which will be phased out in stage II.

Sector distribution of HCFCs

15. There are approximately 2,000 technicians (roughly two per cent of whom are women) and 550 workshops in the servicing sector, consuming HCFC-22 to service domestic and commercial AC, cold rooms, and ice plants, as shown in table 2. Based on the data collected during the survey, HCFC-22 represents 28 per cent (in metric tonnes) of the refrigerants used in the servicing sector, followed by HFC-134a (56 per cent), HC-600a (6.5 per cent), HFC-410A (5.9 per cent), HFC-404A (2.5 per cent), and HFC-407C (0.73 per cent), HFC-32 (0.23 per cent), and HC-290 (0.16 per cent).

Table 2. Estimate of demand for HCFC-22 in the RAC servicing sector in Burkina Faso

Sector/ Application	(a)	(b)	(c) = (a)*(b)	(d)	(c)*(d)
	Equipment inventory	Average charge (kg)	HCFC bank (kg)	Estimated bank refilled during servicing (%)	Annual need for servicing (kg)
Air-conditioning (2.6-7 kW)	327,945	1.10*	359,584	30	108,222
Air-conditioning (\geq 7 kW)	8,249	8	65,992	45	29,696
Cold rooms and ice machines	80	25	2,000	45	900
Total	336,274	n/a	427,576	n/a	138,818

* Average of the charges of air-conditioners from 2.6 kW, 3.5 kW, 5.25 kW and 7 kW and rounded.

Phase-out strategy

16. In stage II, the Government of Burkina Faso proposes to completely phase out HCFCs by 2030. Stage II of the HPMP will focus on the continued development of the legal and regulatory framework for HCFC reduction and the transition to alternative technologies; training for customs and law enforcement officers to strengthen import control; the development of codes and standards for the safe handling of hazardous refrigerants; training for RAC service technicians; the introduction of a certification scheme for RAC technicians; strengthening centres of excellence with tools and equipment; targeted campaigns to encourage women to enter the RAC field; and other public-awareness activities.

Proposed activities

17. Stage II proposes the following activities:

- (a) Strengthening legislation and regulations on HCFCs by connecting the NOU to SYLVIE an electronic platform for import and export which is already connecting public and private institutions involved in the importation of goods; developing and introducing a ban on the import of equipment containing HCFCs by 1 January 2026; adopting minimum energy-efficiency standards in AC equipment acquired through public procurement, in

collaboration with the Energy Department; developing regulatory standards and protocols for the use of flammable and/or toxic substances in RAC equipment (UNEP) (US \$85,000);

- (b) Strengthening compliance and enforcement capacity by training 12 trainers and 800 customs and enforcement officers and environmental inspectors (40 training workshops) in the control and identification of HCFCs and HCFCs-based equipment; holding ten information and awareness workshops for importers and distributors on regulatory requirements (UNEP) (US \$210,000); supplying 16 refrigerant identifiers and repairing existing identifiers (UNIDO) (US \$90,000);
- (c) Training 15 trainers and 1,000 RAC technicians (40 training workshops) in good practices, and in the recovery, recycling and reuse of refrigerants and safe handling of flammable and/or toxic refrigerants; conducting a targeted campaign to encourage female students to enter the RAC field; organizing RAC associations into a union and carrying out a needs assessment (UNEP) (US \$230,000);
- (d) Developing and implementing a national certification scheme for refrigeration technicians and certifying 400 technicians; developing a system to validate the practical skills of technicians (UNEP) (US \$115,000);
- (e) Strengthening two centres of excellence, two training institutes and 50 enterprises/workshops by providing technical assistance, tools and equipment, and by modifying the training facilities to enable training with flammable refrigerants;⁸ enhancing recovery and recycling (RR) capacity by providing equipment to RR companies and workshops based on a survey and providing training on equipment use and business development (UNIDO) (US \$380,000); and
- (f) Additional activities for the introduction of alternatives to HCFCs with low- or zero-GWP and for maintaining energy efficiency in the refrigeration servicing sector as described in paragraph 19 below (Germany) (US \$120,000).

Proposed activities to maintain energy efficiency in the refrigeration servicing sector

18. The project related to energy efficiency, submitted in line with decision 89/6, is designed to create an enabling environment for the implementation of minimum energy performance standards (MEPS) in the RAC sector through training and awareness programmes and the development of process to monitor implementation progress and evaluate the uptake of energy efficiency equipment.

19. The activities proposed to maintain energy efficiency in the servicing sector will be implemented by the Government of Germany and will include:

- (a) Reviewing and updating the standard curriculum for servicing of RAC equipment to incorporate MEPS and the associated energy savings measures into the curriculum to ensure sustainable adoption of MEPS; and training of 15 trainers on the updated curriculum (US \$15,000);
- (b) Training of 150 RAC technicians on energy saving measures in order to advise end-users on selection of the appropriate equipment size based on room dimensions, inverter versus

⁸ Such as a safety assessment of the facilities including ventilation assessment and anti-spark power sources; flame retardant materials on the floor, fire alarms and fire extinguishers; materials will include storage cylinders and other equipment to be determined after a needs assessment.

single speed systems, and appropriate settings for AC controls to optimize energy performance of the RAC appliance (US \$15,000);

- (c) Two training sessions on the design of MEPS (personnel in the standards department, Ministry of Energy and the NOU) including on establishing and maintaining a data inventory, analysis of the impact of MEPS implementation and the market structure of RAC equipment, and calculating the appropriate MEPS level for various RAC appliances to enable the Government to update the MEPS in the future (US \$20,000);
- (d) Public awareness campaign targeting all users of cooling equipment to inform on MEPS and associated energy savings via radio, television and leaflets; to hold five workshops for industrial stakeholders on MEPS to gain support for the MEPS regime (US \$40,000);
- (e) Designing a system for monitoring the uptake and energy efficiency level of RAC appliances. The monitoring system will include a regulatory framework for reporting by importers on the energy efficiency level of appliances, and the collection and storage of relevant MEPS data via an online platform including number of units imported and the energy consumption level (US \$15,000); and
- (f) Technical assistance (cost of international technical experts) for supporting technical training and MEPS design (US \$15,000).

Project implementation and monitoring

20. The system established under stage I of the HPMP will continue into stage II, with the NOU monitoring activities, reporting on progress, and working with stakeholders to phase out HCFCs. The cost of those activities amounts to US \$60,000 and includes local consultants (US \$40,000) and travel for consultants and NOU staff (US \$20,000).

Gender policy implementation⁹

21. In line with the policies of the Multilateral Fund, the Government, UNEP and UNIDO are committed to ensuring gender mainstreaming throughout the implementation of stage II. The NOU will consult with stakeholders to develop a strategy to encourage the participation of women in the RAC field, work with gender focal points in government ministries, collect gender-disaggregated data, organize gender training on gender-sensitive work environments for customs and law enforcement officers and for RAC workshops; and ensure gender parity in cross-border cooperation meetings.

Total cost of stage II of the HPMP

22. The total cost of stage II of the HPMP for Burkina Faso has been estimated at US \$1,170,000 (plus agency support costs), as originally submitted, for a 100 per cent phase-out by 2030, plus US \$120,000 for the introduction of alternatives to HCFCs with low- or zero-GWP and for maintaining energy efficiency in the refrigeration servicing sector in line with decision 89/6. The proposed activities and cost breakdown are summarized in paragraphs 17 to 20 above.

⁹ In line with decision 84/92(d), decision 90/48(c) encouraged bilateral and implementing agencies to continue ensuring that the operational gender mainstreaming policy was applied to all projects, taking into consideration the specific activities presented in table 2 of document UNEP/OzL.Pro/ExCom/90/37.

Activities planned for the first tranche of stage II

23. The first funding tranche of stage II of the HPMP in the total amount of US \$445,000 will be implemented between June 2023 and December 2025 and will include the following activities:

- (a) Strengthening legislation and regulations on HCFCs by establishing a ban on the import of HCFC-based equipment by 1 January 2026; supporting the establishment of minimum energy-efficiency standards for AC acquired through public procurement; conducting a study on the development of regulatory standards and protocols on the use of flammable and/or toxic substances in RAC equipment (UNEP) (US \$15,000);
- (b) Strengthening compliance and enforcement capacity by training 12 trainers and 135 customs and enforcement officers and environmental inspectors in the control and identification of HCFCs and HCFCs-based equipment and relevant laws and regulations; conducting three information and awareness workshops for importers and distributors on the Montreal Protocol and relevant laws and regulations (UNEP) (US \$40,000); supplying eight refrigerant identifiers and consumables, providing training in the use of identifiers, and repairing existing identifiers (UNIDO) (US \$45,000);
- (c) Conducting a study for the development of a national certification scheme for RAC technicians with the supporting regulations for implementation (UNEP) (US \$25,000);
- (d) Training 15 trainers and holding six training workshops for a total of 150 RAC technicians on good servicing practices, refrigerant recovery, recycling and reuse, and safe handling of refrigerants (UNEP) (US \$30,000);
- (e) Strengthening two centres of excellence and four training institutes by providing technical assistance, tools and equipment, and by modifying the facilities to be suitable for training with flammable refrigerants; enhancing refrigerant RR capacity by providing equipment to RR enterprises and RAC workshops, providing training on equipment use, and developing business models to ensure the sustainability of RR operation (UNIDO) (US \$155,000);
- (f) Activities for the introduction of alternatives to HCFCs with low- or zero-GWP and for maintaining energy efficiency in the refrigeration servicing sector as described in paragraph 19 above (Government of Germany) (US \$120,000); and
- (g) Project monitoring, evaluation, and reporting (UNEP) (US \$15,000) for local consultants and travel for consultants and NOU staff.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

24. The Secretariat reviewed stage II of the HPMP in light of stage I, the policies, and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2023-2025 business plan of the Multilateral Fund.

Overarching strategy

25. The Government of Burkina Faso proposes to meet the 100 per cent reduction of its HCFC baseline consumption by 2030 and to maintain a maximum annual consumption of HCFCs in the period of 2030 to

2040 at a level consistent with Article 5, paragraph 8 ter(e)(i) of the Montreal Protocol.¹⁰ The HCFC-22 imported after 2023 will be mainly used to service RAC equipment that is still in operation, in line with the Montreal Protocol schedule. The expected annual HCFC consumption and the detailed plan of HCFC-22 imports for the servicing tail after 2030 will be submitted when the final tranche of stage II is requested, together with the Government’s commitment to continue establishing strict import and control methods to monitor the levels of import and the uses of HCFCs during that period.

26. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Burkina Faso agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040, and with the expected annual HCFC consumption in Burkina Faso for the period 2030–2040.

Legal framework

27. The Government proposed to ban the import of equipment containing HCFCs from 1 January 2026. The Secretariat noted that the import of HCFC-containing equipment increased in 2020 and 2021, and subsequently discussed with UNEP and the Government the importance of controlling the import of HCFC-containing equipment to reduce the servicing demand for HCFCs in the future. The Government decided to bring the ban forward to 1 January 2025. Meanwhile, the Government has started to develop a ban on the import of HCFC-containing equipment in the public procurement sector, to come into effect in June 2023. It is expected that these regulatory measures will reduce the servicing demand for HCFCs and will support the country’s compliance during stage II and onward.

Technical and cost-related issues

28. Based on the survey conducted during preparation of stage II, Burkina Faso has two metric tonnes of installed capacity of cold rooms and ice machines consuming HCFC-22, yet no activities were planned to address this consumption. UNEP explained that the end-users of these large units will purchase replacement equipment using alternatives with their own funds. The Secretariat noted the opportunities and challenges in transitioning to low-GWP technologies in this sub-sector and suggested that technical assistance be provided to support the introduction of low-GWP technologies. Subsequently, UNEP advised that the Government would provide co-funding of US \$40,000 to conduct specialized training on installation, operation, and servicing with alternatives in the commercial AC and refrigeration sector to enable the transition to low-GWP alternatives based on the needs of the private sector.

29. The Secretariat noted that HCFC consumption in 2022 is already 82 per cent lower than the country’s baseline for compliance and suggested that lower targets be set for the years covered by stage II. UNEP explained that the service demand for HCFC-22 is estimated to be higher than 2022 consumption because of the increased imports of HCFC-containing units. After discussion, the Government agreed to set lower control targets in row 1.2 of the Agreement than the Montreal Protocol phase-out schedule for stage II of the HPMP from 2024 to 2029, as shown in table 3.

Table 3: Revised HCFC phase-out schedule for stage II of the HPMP for Burkina Faso

Particulars	2023	2024	2025	2026	2027	2028	2029	2030
Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	18.79	18.79	9.39	9.39	9.39	9.39	9.39	0
Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes), as revised	11.70	6.13	5.60	5.60	5.60	5.60	5.60	0

¹⁰ HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

Activities to maintain energy efficiency in the refrigeration servicing sector

30. In line with decision 89/6(d), UNEP and the Government of Germany have included in the tranche implementation plan the specific actions, performance indicators, and the associated funding has been included in the stage II agreement contained in Annex I.

31. Burkina Faso is applying, on a voluntary basis, the MEPS of the West African region (ECOWAS) established in 2017. There is an on-going effort by the Ozone and Climate Friendly Cooling in West and Central Africa (ROCA) to update the MEPS for the RAC sector and to make it mandatory. The proposed activities are intended to compliment ROCA's initiative by creating framework conditions to enable implementation of the adopted MEPS. There is no duplication of activities between the two programmes. The NOU will ensure that energy efficiency activities are implemented efficiently in coordination with other activities in the HPMP.

32. With regard to the monitoring system, it was clarified that the system will be used to collect data to understand the impact of MEPS adoption and the market composition of RAC appliances. This data helps with the design and update of the MEPS. The NOU will coordinate with the Ministry of Energy to determine the best way to collect this information at a single point from importers. It aims to have an online single window system in Burkina Faso, that allows for multiple government entities to have access to documents related to the import of goods. Customs will ensure that the actual imports are recorded in the system. The NOU and the Ministry of Energy will analyse the data to take appropriate decisions on the types of RAC equipment entering the country.

33. On the testing and monitoring of energy consumption level specified in the labelling of the imported products, it was clarified that importers are required to provide the relevant performance tests from an accredited laboratory, and it is likely that the country will continue to depend on relevant documentary proof from the importers of the RAC equipment due to lack of a testing facility.

Total project cost

34. The total cost for stage II of the HPMP amounts to US \$1,290,000, based on decision 74/50(c)(xii) on the eligible funding level for a low-volume-consuming country including energy efficiency activities in line with decision 89/6 at US \$120,000. The funding for the first tranche was agreed as submitted.

Impact on the climate

35. The activities proposed in the servicing sector, which include better containment of refrigerants through training and the provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in savings of approximately 1.8 CO₂-eq tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Burkina Faso, including its efforts to improve RAC servicing practices, ban the import of equipment containing HCFCs, and implement MEPS indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

Sustainability of the HCFC phase-out and assessment of risks

36. The risks to successful implementation of the project and the sustainability of the phase-out were discussed. UNEP advised that Burkina Faso had two military coups in 2022, and that political instability in the country could hinder the success of the project. UNEP will continue monitoring the situation together with other UN resident agencies. If any threat appears, funds will not be transferred to the country.

37. The sustainability of the results achieved during the implementation of stage I has been taken into consideration. Vocational schools and training centres in the RAC sector have included modules on ozone

and greenhouse gases issues in their curriculum. The training institutions and centres of excellence will continue to train technicians and provide advice on technological issues. Training and capacity building for customs and law-enforcement officers is an ongoing activity, implemented in cooperation with customs authorities. All these activities will continue in stage II and beyond, which will contribute to the sustainable phase-out of HCFCs. A plan to monitor the consumption of HCFCs after the completion of the HPMP in 2030 will be submitted when the final tranche is submitted.

38. The activities proposed under the energy efficiency component aims at developing the capacity of the country to implement the MEPS, monitor results and enable the Government to update the MEPS regularly in the future. This will ensure continued improvement of energy efficiency of RAC appliance in the country.

Co-financing

39. The Government will provide an in-kind contribution of US \$180,000 to fund the implementation of stage II. This includes the Government's contribution of US \$80,000 for the modification of training facilities to safely handle flammable refrigerants, office space rental, and the hiring of temporary local staff to assist with meetings and workshops. In addition, the Government will contribute \$40,000 for technical assistance to end-users in the cold room and ice machine sub-sector to support the transition to low-GWP technology.

40. The co-financing for the first tranche amounts to US \$60,000, including strengthening national capacity for import control by monitoring the import and distribution of HCFCs (US \$5,000); reinforcing the technical capacities of refrigeration technicians on good practices in the RAC sector (US \$5,000); technical assistance to strengthen RR centres, vocational training institutions and some large repair shops to ensure the sustainability of training in the servicing sector (US \$40,000); and project management, monitoring and reporting (US \$10,000).

2023-2025 draft business plan of the Multilateral Fund

41. UNEP and UNIDO are requesting US \$1,170,000, plus agency support costs, for the implementation of stage II of the HPMP for Burkina Faso.¹¹ The total requested value of US \$354,536, including agency support costs for the period of 2023–2025, is below the amount in the business plan.

Draft Agreement

42. A draft Agreement between the Government of Burkina Faso and the Executive Committee for stage II of the HPMP is contained in Annex I to the present document.

RECOMMENDATION

43. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Burkina Faso for the period from 2023 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$1,425,500, consisting of US \$700,000, plus agency support costs of US \$87,000 for UNEP and US \$470,000, plus agency support costs of US \$32,900 for UNIDO and US \$120,000, plus agency support costs of US \$15,600 for the Government of Germany, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;

¹¹ Funding for energy efficiency activities had not been included in the business plan.

- (b) Noting the commitment of the Government of Burkina Faso:
 - (i) To ban the import of equipment containing HCFCs by 1 June 2023 in public procurement and by 1 January 2025 in all sectors;
 - (ii) To reduce HCFC consumption by 79 per cent of the country's baseline by 2024 and 81 per cent by 2025 and to completely phase out HCFCs by 1 January 2030, and that HCFCs would not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
- (c) Further noting that stage II of the HPMP includes funding for additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$120,000, plus agency support costs of US \$15,600 for the Government of Germany;
- (d) Deducting 11.70 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (e) Approving the draft Agreement between the Government of Burkina Faso and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex I to the present document;
- (f) That, to allow for consideration of the final tranche of its HPMP, the Government of Burkina Faso should submit:
 - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030-2040;
 - (ii) The expected annual HCFC consumption in Burkina Faso for the period 2030-2040 period, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030; and
- (g) Approving the first tranche of stage II of the HPMP for Burkina Faso, and the corresponding tranche implementation plan, in the amount of US \$490,136, consisting of US \$125,000, plus agency support costs of US \$15,536 for UNEP, and US 200,000, plus agency support costs of US \$14,000 for UNIDO and US \$120,000, plus agency support costs of US \$15,600 for the Government of Germany.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BURKINA FASO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Burkina Faso (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 zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. 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 any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
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 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

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 fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO and the Government of Germany have agreed to be the cooperating implementing agency/agencies (the “Cooperating IAs”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and Cooperating IAs taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The Cooperating IAs will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IAs are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.2, 2.4 and 2.6 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A 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 amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions 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 Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	18
Total	C	I	18

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	18.79	18.79	9.39	9.39	9.39	9.39	9.39	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	11.70	6.13	5.60	5.60	5.60	5.60	5.60	0	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	125,000	0	0	205,000	0	190,000	0	180,000	700,000
2.2	Support costs for Lead IA (US \$)	15,536	0	0	25,479	0	23,614	0	22,371	87,000

Row	Particulars	2023	2024	2025	2026	2027	2028	2029	2030	Total
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	200,000	0	0	0	0	270,000	0	0	470,000
2.4	Support costs for UNIDO (US \$)	14,000	0	0	0	0	18,900	0	0	32,900
2.5	Cooperating IA (Government of Germany) agreed funding (US \$)	120,000	0	0	0	0	0	0	0	120,000
2.6	Support costs for Government of Germany (US \$)	15,600	0	0	0	0	0	0	0	15,600
3.1	Total agreed funding (US \$)	445,000	0	0	205,000	0	460,000	0	180,000	1,290,000
3.2	Total support costs (US \$)	45,136	0	0	25,479	0	42,514	0	22,371	135,500
3.3	Total agreed costs (US \$)	490,136	0	0	230,479	0	502,514	0	202,371	1,425,500
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									11.70
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									6.30
4.1.3	Remaining eligible consumption for HCFC (ODP tonnes)									0

*Date of completion of stage I as per stage I Agreement: 31/12/2020

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
 - (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
 - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall monitoring will be provided by the Government, through the NOU, with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the Plan to the Lead IA.
2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines:
 - (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
 - (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.
3. Monitoring of development of the Plan and verification of the achievement of the performance targets will be assigned to an independent local company or to independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (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 Plan;

- (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
- (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IAs;
- (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Coordinating the activities of the Cooperating IAs, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IAs on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IAs will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IAs, and refer to the Lead IA to ensure a coordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.
