



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/94/36
7 May 2024



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fourth Meeting
Montreal, 27-31 May 2024
Item 9(d) of the provisional agenda¹

PROJECT PROPOSAL: GABON

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 and UNIDO

¹ UNEP/OzL.Pro/ExCom/94/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Gabon

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2022	7.37 ODP tonnes
---	------------	-----------------

(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	Servicing				
HCFC-22					7.37				7.37

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	30.2	Starting point for sustained aggregate reductions:	30.2
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	10.57	Remaining:	19.63

(V) ENDORSED BUSINESS PLAN		2024	2025	2026	Total
UNEP	ODS phase-out (ODP tonnes)	0.00	0.00	0.00	0.00
	Funding (US \$)	348,040	0	0	348,040
UNIDO	ODS phase-out (ODP tonnes)	3.72	0.00	0.00	3.72
	Funding (US \$)	194,740	0	0	194,740

(VI) PROJECT DATA		2024	2025	2026	2027-2028	2029	2030	Total	
Montreal Protocol consumption limits (ODP tonnes)		19.63	9.81	9.81	9.81	9.81	0.00	n/a	
Maximum allowable consumption (ODP tonnes)		19.63	9.81	9.81	9.81	9.81	0.00	n/a	
Project costs requested in principle (US \$)	UNEP	Project costs	181,000	0	318,000	0	0	146,000	645,000
		Support costs	22,716	0	39,910	0	0	18,324	80,950
	UNIDO	Project costs	155,000	0	115,000	0	0	0	270,000
		Support costs	10,850	0	8,050	0	0	0	18,900
Total project costs recommended in principle (US \$)		336,000	0	433,000	0	0	146,000	915,000	
Total support costs recommended in principle (US \$)		33,566	0	47,960	0	0	18,324	99,850	
Total funds recommended in principle (US \$)		369,566	0	480,960	0	0	164,324	1,014,850	

(VII) Request for approval of funding for the first tranche (2024)		
Implementing agency	Funds recommended (US \$)	Support costs (US \$)
UNEP	181,000	22,716
UNIDO	155,000	10,850
Total	336,000	33,566

Secretariat's recommendation:	Individual consideration (Secretariat presentation not required)
--------------------------------------	--

PROJECT DESCRIPTION

Background

1. On behalf of the Government of Gabon, 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 \$1,063,000, consisting of US \$645,000, plus agency support costs of US \$80,950 for UNEP and US \$315,000, plus agency support costs of US \$22,050 for UNIDO, as originally submitted.² 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 \$541,395, consisting of US \$308,000, plus agency support costs of US \$38,655 for UNEP and US \$182,000, plus agency support costs of US \$12,740 for UNIDO, as originally submitted.

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

3. Stage I of the HPMP for Gabon was originally approved at the 62nd meeting³ and revised at the 73rd meeting⁴ to phase out 10.57 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US \$540,000, plus agency support costs. At the 62nd meeting, even though the HCFC consumption of Gabon was above 360 mt, the Government requested to be treated as a low-volume-consuming (LVC) country. The Executive Committee agreed with the funding recommended but indicated that, because of its baseline and in line with decision 62/11, it would continue to treat Gabon as a non-LVC country. The completion date for stage I was extended at the 87th meeting to 31 December 2022 and stage I was subsequently completed in accordance with the date of extension and the project completion report was submitted in June 2023.

Report on HCFC consumption

4. The Government of Gabon reported a consumption of 7.37 ODP tonnes of HCFCs in 2022, which is 76 per cent below the HCFC baseline for compliance. Article 7 data and country programme (CP) data for 2023 had not been reported by the time this document was prepared. The 2018-2022 HCFC consumption is shown in table 1.

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

HCFC-22	2018	2019	2020	2021	2022	Baseline
Metric tonnes (mt)	365.00	330.00	280.00	195.00	134.00	549.09
ODP tonnes	20.08	18.15	15.40	10.73	7.37	30.20

5. HCFC-22 is used in the servicing and maintenance of RAC equipment, and its consumption has been decreasing due to the implementation of the HPMP, particularly the training of customs officers on the identification and control of HCFCs and HCFC-based equipment; the training of technicians on good refrigeration servicing practices; and the introduction of HFC-based equipment.

² As per the letter of 2 February 2024 from the Ministry of Environment, Climate, and the Protection of Nature of Gabon to the Secretariat.

³ Decision 62/50

⁴ Annex XI of UNEP/OzL.Pro/ExCom/73/67

Country programme implementation report

6. The Government of Gabon 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. The Government of Gabon has operated a licensing and quota system for the import of HCFCs since 2013, and for HCFC-based equipment since 2015. The Government of Gabon also enforces the sub-regional regulation for the “Communauté Economique et Monétaire de l’Afrique Centrale” (CEMAC), which harmonizes the management of controlled substances, including HCFCs in the subregion. The National Ozone Committee is responsible for establishing and distributing annual HCFC import quotas. The National Ozone Unit (NOU) issues the authorization for HCFC imports and the release by the Customs Department. At the end of a calendar year, each importer is required to report the actual imported quantities to the NOU. The Directorate General of Customs and Excise transmits all this information to the NOU for records and reporting to the Ozone Secretariat. Gabon has adopted its national coding system, based on the 2022 harmonized system (HS) codes recommended by the World Customs Organization, with additional national sub-codes.

8. During stage I of the HPMP, 424 customs and enforcement officers received training on control and identification of HCFCs and HCFCs-based equipment and five refrigerant identifiers were procured for training purposes. Workshops were held for 51 importers and customs brokers on the allocation of quotas and requirements for imports. A workshop was also held for 35 members of parliament on the commitment of the country in terms of the ODS phase-out and the impact of the Kigali Amendment. The Government of Gabon ratified the Kigali Amendment on 28 February 2018 and is in the process of amending the ODS National legislation to broaden its scope and include the control and monitoring of HFCs.

Refrigeration servicing sector

9. During stage I of the HPMP, a total of 696 RAC technicians were trained on good servicing practices, recovery and recycling techniques and the safe handling of flammable alternatives.

10. Equipment and tools⁵ were procured and distributed to support the training centre “Centre de Formation et de Perfectionnement Professionnels Basile – ONDIMBA”, and the Association of Refrigeration Technicians; training workshops for trainers were held on the use of the equipment. Public awareness activities were carried out including broadcasting information about workshops, annual quotas and ozone issues, the printing of materials for training workshops and the celebration of Ozone Day.

Level of fund disbursement

11. As of June 2023, of the US \$540,000 approved for stage I, US \$480,510 (89 per cent) had been disbursed (US \$290,100 for UNEP and US \$190,410 for UNIDO). The balance includes US \$48,319 in

⁵ Including recovery machines, recovery cylinders, recovery equipment, weighing scales for large cylinders, refrigerant identifiers, double stage vacuum pumps, four valve manifold gauges sets, four valve manifold gauges sets with hoses, vacuum gauges, digital thermometers, electronic leak detectors, portable digital multimeters, four-way digital manifolds with hoses, brazing kits, oxygen free dry nitrogen cylinders, nitrogen purge tools, pinch-off tools, flaring tools, and spare parts.

committed funds which are pending the delivery of refrigerant identifiers, and US \$11,171 which will be returned by UNIDO, at the 95th meeting, after the delivery of the equipment.

Stage II of the HCFC phase-out management plan

Remaining consumption eligible for funding

12. After deducting 10.57 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding in stage II amounts to 19.63 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

13. There are approximately 860 technicians, out of which 183 are women⁶, in Gabon with 540 of these working informally and 64 workshops operating in the servicing sector, consuming HCFC-22 to service domestic refrigeration equipment, domestic air conditioners, industrial and commercial refrigeration equipment and refrigerated transport, as shown in table 2. Based on Article 7 data reported in 2022, HCFC-22 represents 29 per cent in mt of all HCFCs and HFCs used in the servicing sector followed by HFC-134a (24 per cent), R-404A (18 per cent) R-410A (17 per cent) and R-407C (12 per cent). In addition, 50 mt of R-600a was identified during the sectoral survey for 2022 which is used as an alternative to HFCs and HCFCs in domestic refrigeration, commercial refrigeration and as a humidifier; as well as 0.03 mt of R-290.

Table 2. Estimation of demand for HCFC-22 in the RAC servicing sector in Gabon in 2022

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)
Domestic air conditioners (unitary and split)	170,555	1.2	204,666	20	40,933
Commercial refrigeration (cold rooms)	13,624	8	108,992	88	95,913
Transport	10,322	0.75	7,742	25	1,935
Total	194,501	n/a	321,400	n/a	138,782

Phase-out strategy

14. Stage II of the HPMP will focus on the promotion and adoption of energy-efficient technologies with both ozone and climate benefits in alignment with the Kigali Amendment. The programme for stage II includes measures such as: further elaboration of the legal and regulatory framework for the phase-out of HCFCs and the shift towards alternative technologies; continuing the training programmes for customs and enforcement officers; creation of an online tool to connect the Customs Department with the NOU for more efficient control of imports; continuing the training programmes for RAC servicing technicians and the introduction of a certification scheme; enhancing the tools and equipment at the centre of excellence and establishing a new reclamation centre; a campaign to attract women to work in the RAC sector; and continuing public awareness activities.

Proposed activities

15. Stage II of the HPMP proposes the following activities:

- (a) *Strengthening the national capacity to control HCFCs (UNEP) (US \$240,000)*: Ensuring a functioning system of licensing and quotas for HCFC imports through legislative and

⁶ Around 25.5 per cent of students trained in the RAC training centres in the period from 2017 to 2022 were women.

regulatory measures; establishing a regulatory measure to control intended emission of refrigerants during installation, servicing and decommissioning of RAC equipment; translation of relevant laws and regulations into the local languages and increasing efficiency of HCFC import controls through introduction of an online tool to be operational by 2025; 32 trainings on control and identification of HCFCs and HCFCs-based equipment and relevant laws and regulations for approximately 800 customs and enforcement officers; information and awareness-raising workshops for importers on the procedures for issuing import licenses and quotas and on the potential risks and dangers of certain refrigerant substances;

- (b) *Strengthening the capacity of refrigeration technicians on good practices in refrigeration (UNEP) (US \$355,000)*: Updating of the training manual and training for at least 800 RAC technicians on good practices in refrigeration, including techniques for the recovery, recycling and reuse of refrigerants and safety measures for handling of new refrigerants and equipment; establishment of a certification scheme for refrigeration technicians, under which around 60 technicians would be certified every year from the completion of the scheme to 2030; an awareness campaign to promote the certification scheme; the development of regulatory standards and protocols on the use of flammable and toxic substances in RAC equipment; targeted campaigns for students to study in the RAC field with a special focus on attracting women into the field; and
- (c) *Strengthening the centre of excellence, establishing a new one and establishing a reclamation centre (UNIDO) (US \$315,000)*: Procurement of new tools and spare parts for the existing centre of excellence and establishing one new centre of excellence, procuring and delivering tools and equipment⁷ and providing training on latest technology developments; establishing two reclamation centres and providing them with tools and equipment⁸; intensive training for RAC trainers on the use of hydrocarbons; provision of 10 refrigerant identifiers to strengthen Customs.

Project implementation and monitoring

16. The system established under stage I of the HPMP will continue into stage II, with the NOU and UNEP monitoring activities, reporting on progress, and working with stakeholders to phase out HCFCs. The cost of those activities for UNEP amounts to US \$50,000, and includes project staff and consultants (US \$30,000), domestic travel (US \$11,000), meetings and workshops (US \$9,000).

Gender policy implementation

17. The Government of Gabon, UNEP and UNIDO are fully committed to implementing the gender mainstreaming policy of the Multilateral Fund and their own gender policies. The participation of women has been found to be increasing in recent years and women made up 25.5 per cent of the participation in RAC training programmes from 2017-2022. In light of decision 92/40, stage II of the HPMP will continue to encourage more women to join RAC-related fields. A specific gender-related activity will consist of campaigns targeted towards female students with this purpose. Promotion of careers in the RAC sector will be included in the celebration activities for National Women's Week. Gender mainstreaming has been taken into consideration in the planning and decision-making for stage II of the HPMP and budget allocations have taken into account gender mainstreaming activities, gender disaggregated data will continue to be collected.

⁷ Including oxygen free dry nitrogen cylinder, pressure regulator, vacuum pump and gauge, scale, digital multimeter, recovery machine and cylinders, refrigerant identifiers, core valve removal tool, charging station for hydrocarbon (HC), electronic gauge manifold, electronic leak detector for HC and various other tools and safety gear.

⁸ Including a reclaim unit, laboratory items for rough test, recovery cylinders, storage tanks, recovery units and hoses.

18. On other mandatory requirements and performance indicators, the NOU will perform a gender assessment during the implementation of the first tranche, using institutional strengthening funding, and activities coming out of the assessment recommendations will be implemented under the stage II budget.

Total cost of stage II of the HCFC phase-out management plan

19. The total cost of stage II of the HPMP for Gabon has been estimated at US \$960,000, as originally submitted, for achieving a 67.5 per cent reduction from its HCFC baseline consumption by 2025 and a 100 per cent reduction by 2030.

Implementation plan for the first tranche of stage II of the HCFC phase-out management plan

20. The first funding tranche of stage II of the HPMP in the total amount of US \$490,000, as originally submitted, will be implemented between June 2024 and December 2026 and will include the following activities:

- (a) *Strengthening the national capacity to control HCFCs (UNEP) (US \$138,000)*: Ensuring a functioning system of licensing and quotas for HCFC imports through legislative and regulatory measures; translation of relevant laws and regulations into the local languages and increasing efficiency of HCFC import controls through introduction of an online tool to be operational by 2025; 17 trainings on control and identification of HCFCs and HCFCs-based equipment and relevant laws and regulations for approximately 425 customs and enforcement officers; information and awareness-raising workshops for importers on the procedures for issuing import licenses and quotas and on the potential risks and dangers of certain refrigerant substances;
- (b) *Strengthening the capacity of refrigeration technicians on good practices in refrigeration (UNEP) (US \$155,000)*: Updating of the training manual, and training for at least 320 RAC technicians on good practices in refrigeration, including techniques for the recovery, recycling and reuse of refrigerants, safety measure for the handling of new refrigerants and equipment; development of the institutional set up and procedures for the certification scheme, stakeholder consultation and capacity building of stakeholders involved in the certification process, awareness campaign on the certification scheme and initial certifications; development of regulatory standards and protocols on the use of flammable and toxic substances in RAC equipment; targeted campaigns for students to study in RAC fields with a special focus on attracting women into the field;
- (c) *Strengthening the centre of excellence, establishing a new one and establishing a reclamation centre (UNIDO) (US \$182,000)*: Procuring new tools and spare parts for the existing centre of excellence⁹ and providing training on latest technology developments; establishing one reclamation centre providing it with tools and equipment⁸; intensive training for RAC trainers on the use of hydrocarbons; provision of 10 refrigerant identifiers to Customs; and
- (d) *Project monitoring (UNEP) (US \$15,000)*: Project staff and consultants, domestic travel, and meetings and workshops.

⁹ Refer to footnote 7

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

21. 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 2024-2026 business plan of the Multilateral Fund.

Overarching strategy

22. The Government of Gabon submitted a letter indicating its commitment to achieve a 100 per cent reduction of its HCFC baseline consumption and attain compliance with the Montreal Protocol measures by 2030, and that the country will not require any HCFCs for its servicing needs after 2030.

Legal framework

23. The Government of Gabon issued HCFC import quotas for 2024 at 180 mt (9.9 ODP tonnes) which is lower than the Montreal Protocol control targets.

Technical and cost-related issues

Technician certification scheme

24. Regarding the establishment of a certification scheme for RAC technicians, UNEP explained that during the first tranche an assessment of the situation and needs would be conducted, including the institutional setup to ensure that the scheme is sustainable beyond the end of stage II, the development of the certification procedures, the enabling of the vocational training centre to perform the functions of certifier, and stakeholder consultations to review the draft procedures. The scheme is envisaged to be completed by the end of the second tranche, when the capacity of key stakeholders involved in the certification process will have been built. The last tranche of the HPMP will be used to ensure that the scheme is implemented nation-wide and that it can continue to be functional beyond 2030. UNEP will assist the country in this respect. It is expected that the "Agence Gabonaise de Normalisation" (AGANOR) be responsible for the certification and that, once operational, it will certify around 60 technicians every year until 2030. The certification will not be mandatory, but it will be a requirement to allow technicians to handle certain types of servicing work. Initiatives will be implemented to ensure that technicians are motivated to undergo the certification process.

Reclamation centre

25. On the establishment of a reclamation centre, the agencies explained that the activity would reduce the amount of refrigerant vented into the atmosphere when equipment is being serviced, and the recovered refrigerant would reduce the import of new HCFCs. Currently, of the 64 existing workshops, none of them has a gas recycling machine. Thus, once recovered, the refrigerants are kept in recovery bottles and sent to the centre of excellence for storage. They are then processed through a recycling machine for possible reuse. In response to comments from the Secretariat, UNEP clarified that the activity would establish one reclamation centre and not two as originally submitted. Accordingly, UNEP revised the costs of the component by US \$45,000 and provided a list of equipment and activities for establishing one centre.

26. Considering the large investment, and in the absence of a business model to run the reclamation centre and make the operation sustainable, the Secretariat recommended, following previous practice, to have the business model designed during the first tranche, and the necessary equipment procured during the second tranche on the basis of that model. UNIDO, with the support of an international and a national expert, will assist the Government in developing a comprehensive business model demonstrating the

technical feasibility of the activity in terms of the amounts of HCFCs to be recovered and reused, and its financial viability when submitting the request for future tranches.

27. The country does not currently have the supporting regulatory framework to ensure the sustainability of reclamation and reuse of HCFCs and other controlled substances, but a proposal for the regulatory text is being prepared to provide a framework for sustainable recovery and reuse. The agencies also confirmed the commitment from the Government to establish regulatory measures to control intended emission of refrigerant during installation, servicing and decommissioning of RAC equipment.

Intensive training on the use of hydrocarbons

28. Upon enquiry by the Secretariat, UNIDO explained that this activity aims to provide access to a specialized training programme for five selected senior trainers from the RAC sector stakeholders, who will provide training to technicians after completing the programme. By participating in this programme, participants will gain essential knowledge and skills needed to keep up to date with the latest developments and technological advancements in the RAC sector, particularly emphasizing safety and energy efficiency aspects. The one-week train-the-trainers programme encompasses various stages to ensure comprehensive learning, i.e., initial online training sessions, higher-level practical sessions (at the Clean Cooling Hub in Vienna, Austria), where participants will engage in hands-on training and theoretical classes in the training centre. These sessions will focus on safety protocols, maintenance practices, and the unique characteristics of hydrocarbon refrigerants. Furthermore, participants will be equipped with the necessary skills to ensure energy-efficient operations, stay abreast of relevant standards and regulations, and explore innovative system concepts. Participants will not only enhance their own expertise but also contribute significantly to the training activities within their country for service technicians, thereby fostering a culture of continuous learning and professional development within their local RAC sector.

Centre of excellence

29. Gabon currently hosts only one centre of excellence. According to the survey conducted by UNEP, it is advisable to enhance the existing centre in Libreville. The tools procured and delivered to the centre have been in use for between five and ten years, and there is a need to continue strengthening this centre. At the same time, it is also necessary, in order to meet the growing demand of the RAC market in the country, to establish another centre of excellence. The Government and UNEP recommend that it be established in the current economic hub of the country, Port-Gentil, known for its significant and growing industrial activity.

Total project cost

30. The total cost for stage II of the HPMP, as agreed, amounts to US \$915,000, which is US \$345,000 lower than the maximum eligible funding level for a low-volume consuming country based on decision 74/50(c)(xii). UNEP clarified that the Government was aware, and that based on the remaining years until 2030 and the existing capacity of the NOU, the Government was confident that the agreed funding will allow the full phase out of HCFCs by 2030.

Tranche distribution

31. Following the discussion with UNIDO on the costs anticipated for the establishment of a reclamation centre, the development of the business plan, identifying necessary equipment and the host institution for the reclamation centre in the first tranche and the procurement of equipment in the second tranche, as well as the proportion of the total funds requested for the first tranche, UNIDO agreed to revise the tranche distribution. Accordingly, the first tranche which was originally requested at US \$490,000 (plus agency support costs), consisting of US \$308,000 for UNEP and US \$182,000 for UNIDO, was reduced to

US \$336,000 (plus agency support costs), consisting of US \$181,000 for UNEP, and US \$155,000 for UNIDO.

Impact on the climate

32. The activities proposed in the servicing sector, which include better containment of refrigerants through training and 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 the savings of approximately 1.8 CO₂-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Gabon, including its efforts to encourage the shift towards alternative technologies; enable more efficient control of imports; and to continue RAC technician training and introduce a certification scheme 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

33. UNEP confirmed that the country, after the political instability it went through in 2023, is able to implement the activities in stage II of the HPMP. UNEP is following the situation, in close collaboration with the UN Resident Coordinator in the country.

34. The activities envisaged under stage II would contribute to the country's ability to use HCFC-free and possibly also low-GWP alternatives. UNEP mentioned that there were no perceived or identified risks for the adoption of non-HCFC alternatives in the course of stage II implementation, given the situation of the country being an importing country. The harmonized code 29.03.71.00 for HCFC-22 has been used in the country since 2012. The current national coding system, adopted in February 2023 by the General Customs and Excise Department of Gabon, is based on the 2022 prescribed codes by the World Customs Organization, with additional national sub-codes. This has improved the monitoring of HCFC imports in the country. The online tool, to be established during stage II, will connect Customs with the NOU for more efficient control of ODS imports and exchange of information in real time.

35. UNEP confirmed that the monitoring systems will be further strengthened during the implementation of the project to ensure sustainability of the results of the project post 2030. It is foreseen that all customs and enforcement officers will continue to be trained on a regular basis, so as to ensure proper control and avoidance of illegal trade on HCFCs. Furthermore, the implementation of the licensing and quota system will be enhanced to ensure that HCFCs imports are kept under control, and border controls will be strengthened to ensure that the phase-out of HCFCs is sustained beyond 2030.

Co-financing

36. The Government of Gabon will contribute to the implementation of stage II of the HPMP, in particular supporting the monitoring and evaluation of the HPMP, as well as other components. The anchoring of the NOU within the Ministry of Environment, will facilitate the implementation of HPMP, including aspects that are not covered by the Multilateral Fund. This support will be mainly in-kind, in the form of rent of offices, assignment of local temporary staff to assist in the meetings and workshops, transport for meeting and workshop participants.

2024-2026 draft business plan of the Multilateral Fund

37. UNEP and UNIDO are requesting US \$ 915,000, plus agency support costs, for the implementation of stage II of the HPMP for Gabon. The total requested value of US \$369,566, including agency support costs for the period of 2024–2026, is US \$173,214 below the amount in the business plan.

Draft Agreement

38. A draft Agreement between the Government of Gabon and the Executive Committee for stage II of the HPMP is contained in annex I to the present document.

RECOMMENDATION

39. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Gabon for the period from 2024 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$1,014,850, consisting of US \$645,000, plus agency support costs of US \$80,950, for UNEP and US \$270,000, plus agency support costs of US \$18,900, for UNIDO, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs, and no servicing tail will be needed;
- (b) Noting the commitment of the Government of Gabon:
 - (i) To completely phase out HCFCs by 1 January 2030, to ban the import of HCFCs by that date, and to ban the import of HCFC-based equipment by 1 January 2027;
 - (ii) To establish regulatory measures to control intended emission of refrigerant during installation, servicing and decommissioning of refrigerant and air-conditioning equipment, within stage II of the HPMP;
- (c) Deducting 19.63 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) Approving:
 - (i) The draft Agreement between the Government of Gabon 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; and
 - (ii) The first tranche of stage II of the HPMP for Gabon, and the corresponding tranche implementation plan, in the amount of US \$369,566, consisting of US \$181,000 plus agency support costs of US \$22,716 for UNEP, and US \$155,000, plus agency support costs of US \$10,850, for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF GABON 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 Gabon (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 subparagraph 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 subparagraph 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 has agreed to be the cooperating implementing agency/agencies (the “Cooperating IA”) 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/or Cooperating IA 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 IA 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 IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead I and the Cooperating IA with the fees set out in rows 2.2 and 2.4 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, 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 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 subparagraph 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 subparagraphs 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 between the Government 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	30.2

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	19.63	9.81	9.81	9.81	9.81	9.81	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	19.63	9.81	9.81	9.81	9.81	9.81	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	181,000	0	318,000	0	0	0	146,000	645,000
2.2	Support costs for Lead IA (US \$)	22,716	0	39,919	0	0	0	18,324	80,950
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	155,000	0	115,000	0	0	0	0	270,000
2.4	Support costs for Cooperating IA (US \$)	10,850	0	8,050	0	0	0	0	18,900
3.1	Total agreed funding (US \$)	336,000	0	433,000	0	0	0	146,000	915,000

Row	Particulars	2024	2025	2026	2027	2028	2029	2030	Total
3.2	Total support costs (US \$)	33,566	0	47,960	0	0	0	18,324	99,850
3.3	Total agreed costs (US \$)	369,566	0	480,960	0	0	0	164,324	1,014,850
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								19.63
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								10.57
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0

*Date of completion of stage I in accordance with the date of extension: 31 December 2022

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 subparagraph 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 subparagraph 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 subparagraph (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 subparagraphs 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 National Ozone Unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports of status of implementation of the HPMP 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 subparagraphs 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 IA;
- (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 IA, 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 IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the 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 subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA 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 IA, 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.