



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/54/29  
7 March 2008



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-fourth Meeting  
Montreal, 7-11 April 2008

**PROJECT PROPOSAL: REPUBLIC OF THE CONGO**

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

Phase-out

- Terminal phase-out management plan (first tranche)

UNEP and UNIDO

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

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**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS  
REPUBLIC OF THE CONGO**

<b>PROJECT TITLE</b>	<b>BILATERAL/IMPLEMENTING AGENCY</b>
Terminal phase-out management plan	UNEP and UNIDO

<b>NATIONAL CO-ORDINATING AGENCY:</b>	Ministère du tourisme et de l'environnement – Bureau Ozone
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**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT**

**A: ARTICLE-7 DATA (ODP TONNES, 2006, AS OF FEBRUARY 2008)**

Annex A, Group I	3.3		

**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2006, AS OF FEBRUARY 2008)**

ODS	Aerosol	Foam	Ref. Mfg.	Ref. Servicing	Solvents	Process agent	Fumigant
CFC-11				1.2			
CFC-12				1.9			
CFC-115				0.18			

<b>CFC consumption remaining eligible for funding (ODP tonnes)</b>	n/a
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**CURRENT YEAR BUSINESS PLAN:** Total funding US \$170,000: total phase-out 2.6 ODP tonnes.

PROJECT DATA		2008	2009	2010	Total
<b>CFCs</b> (ODP tonnes)	Montreal Protocol limit	<b>1.79</b>	1.79	-	n/a
	Annual consumption limit	<b>1.79</b>	1.79	-	n/a
	Annual phase-out newly addressed	<b>1.62</b>	1.79	-	3.41
<b>Halons</b> (ODP tonnes)	Montreal Protocol limit	<b>2.5</b>	2.5	-	n/a
	Annual consumption limit	<b>0</b>	0	-	n/a
	Annual phase-out newly addressed	<b>0</b>	0	-	n/a
<b>CTC</b> (ODP tonnes)	Montreal Protocol limit	<b>0.1</b>	0.1	-	n/a
	Annual consumption limit	<b>0</b>	0	-	n/a
	Annual phase-out newly addressed	<b>0</b>	0	-	n/a
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		<b>1.62</b>	1.79	-	3.41
Total ODS consumption to be phased-in (HCFCs)		<b>0</b>	0	0	0
<b>Final project costs (US \$):</b>					
Funding for Lead IA: UNEP		<b>68,000</b>	42,000	-	110,000
Funding for Cooperating IA: UNIDO		<b>50,000</b>	45,000	-	95,000
<b>Total project funding</b>		<b>118,000</b>	87,000	-	205,000
<b>Final support costs (US \$):</b>					
Support cost for Lead IA: UNEP		<b>8,840</b>	5,460	-	14,300
Support cost for Cooperating IA: UNIDO		<b>4,500</b>	4,050	-	8,550
<b>Total support costs</b>		<b>13,340</b>	9,510	-	22,850
<b>TOTAL COST TO MULTILATERAL FUND (US \$)</b>		<b>131,340</b>	96,510	-	227,850
Final project cost effectiveness (US \$/kg)					n/a

**FUNDING REQUEST:** Approval of funding for the first tranche (2008) as indicated above.

<b>SECRETARIAT'S RECOMMENDATION</b>	For blanket approval
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## **PROJECT DESCRIPTION**

1. On behalf of the Government of the Republic of the Congo, UNEP as the lead agency has submitted a terminal phase-out management plan (TPMP) for the phase out of ODS in the refrigeration and air-conditioning sector for the Executive Committee's consideration at its 54<sup>th</sup> Meeting. The total cost of the Republic of the Congo TPMP is US \$205,000 plus agency support costs. Of this total, the share for UNEP as the lead agency is US \$110,000 plus support cost of US \$14,300 and the share for UNIDO is US \$95,000 plus support cost of US \$8,550. The CFC consumption baseline is 11.9 ODP tonnes.

### Background

2. In regard to the CFCs phase-out in the Republic of the Congo's refrigeration-servicing sector, the Executive Committee approved an RMP amounting to US \$85,400 for UNEP, and an RMP update amounting to US \$118,078 for UNDP. The implementation of the original RMP, approved at the 32nd Meeting has been completed. The following activities have been carried out:

- (a) Assistance in the finalization of regulations related to ODS, import, quotas, tax on ODS and ODS based equipment was provided. An import/export licensing system was established. Thirty customs officers were trained as trainers, as well as 180 additional customs officers; the government notes that the co-operation with customs still needs to be improved; and
- (b) In the refrigeration service sector, 35 refrigeration technicians were trained as trainers. A national recovery and recycling network of 79 recovery units and two recycling centers was established. While it was possible to recover 12.9 tonnes of CFC-12, the country was not fully satisfied with the results.

3. The Republic of the Congo had a baseline consumption of carbon tetra-chloride of 0.6 ODP tonne, with zero consumption reported since 2001, and a baseline consumption of halon of 5.0 ODP tonnes, with zero consumption since 2002, according to the reported Article 7 consumption data.

### Policy and legislation

4. The Republic of the Congo adhered to the Vienna Convention, the Montreal Protocol and the London Amendment in November 1994 and to the Montreal, the Copenhagen and the Beijing Amendments in 2001. In 1991 a law was enacted dealing with the environment preservation (currently under review), which states "The protection, the import and the use of ODS, namely chlore and halon compounds, are under legislation in conformity with the Montréal Protocol." The country has also laws relating to the Montréal Protocol, namely a law from the year 2000 which stipulates that refrigeration equipment should be repaired only by trained technicians, and a law from 2002 that defines rules of import for ODS and ODS-containing products, as well as export and re exports. This law also provides for the annual ODS quotas.

Refrigeration-servicing sector

5. According to the project proposal the consumption of CFCs dropped in 2006 to 3.4 ODP tonnes, of which 0.4 ODP tonne CFC-12 (HFC-134a: 4.3 tonnes, HCFC-22: 4.5 tonnes) were consumed in the domestic refrigeration sub-sector. About 1.2 tonnes CFC-12 (no HFC-134a; HCFC-22: 3.5 tonnes) were consumed for the servicing of commercial and industrial refrigeration equipment, and 0.3 tonne CFC-12 (HFC-134a: 5.6 tonnes) for mobile air conditioning. All of this consumption was used for the service of equipment. The current prices of refrigerants per kg are: US \$11.8 for CFC-12, US \$23.6 for HFC 134a, US \$22.4 for HCFC-22.

Activities proposed in the TPMP

6. The following activities are proposed to be implemented through the TPMP project:
- (a) A training component for customs officers, using the local trainers already available to spread the customs training throughout the country. This is complementing previous efforts under the RMP;
  - (b) A training project for refrigeration technicians will train about 300 technicians in good practices related to alternatives and in techniques of retrofitting refrigeration and MACs systems. A group of 20 technicians and engineers from among the trainers trained during the first programme will be selected. Refresher training in good practices in refrigeration and a full course in techniques of retrofitting and good practices related to alternatives will be provided to that group that will then be used as trainers. During the second phase, the remaining training courses will be given by the trainers;
  - (c) An investment component is meant to provide incentives for recovering refrigerant and retrofitting refrigeration equipment, both through provision of equipment for the retrofitting programme and direct support of retrofits; and
  - (d) Finally, a monitoring component to ensure satisfactory implementation and subsequent follow-up is also foreseen.
7. A work plan for 2008 has been submitted with the TPMP proposal.

**SECRETARIAT'S COMMENTS AND RECOMMENDATION**

**COMMENTS**

8. The Secretariat discussed issues related to the licensing system, data provided in the proposal, cost items, in particular equipment cost, the retrofit programme, and the inclusion of substances other than CFCs in the plan. UNEP updated the project proposal and clarified open issues.

Agreement

9. The Government of the Republic of the Congo submitted a draft agreement between the Government and the Executive Committee setting out the conditions for the complete phase-out of CFCs in the Republic of the Congo, and the sustained phase-out of other substances with a baseline above zero, namely CTC and halons. The draft agreement is contained in Annex I to the present document.

**RECOMMENDATION**

10. The Secretariat recommends blanket approval of the terminal phase-out management plan for the phase out of ODS in the refrigeration and air conditioning sector in the Republic of the Congo. The Executive Committee may wish to:

- (a) Approve, in principle, the terminal phase-out management plan for the Republic of the Congo, at the amount of US \$205,000 plus agency support costs of US \$14,300 for UNEP and US \$8,550 for UNIDO;
- (b) Approve the draft agreement between the Government of the Republic of the Congo and the Executive Committee for the implementation of the terminal phase-out management plan, as contained in Annex I to this document;
- (c) Urge UNEP and UNIDO to take full account of the requirements of Executive Committee decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan; and
- (d) Approve the first tranche of the plan at the funding levels shown in the table below:

	<b>Project Title</b>	<b>Project Funding (US \$)</b>	<b>Support Cost (US \$)</b>	<b>Implementing Agency</b>
(a)	Terminal phase-out management plan (first tranche)	68,000	8,840	UNEP
(b)	Terminal phase-out management plan (first tranche)	50,000	4,500	UNIDO



## Annex I

### **DRAFT AGREEMENT BETWEEN THE REPUBLIC OF THE CONGO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE-DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of the Government of the Republic of the Congo (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in rows 2, 5, and 8 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 13 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2 -A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Format of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set

out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual implementation programme.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration-servicing sub-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the "Lead IA") and UNIDO has agreed to be cooperating implementing agency (the "Cooperating IA") under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 14 and 15 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval



Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

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

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

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

## **APPENDICES**

### **APPENDIX 1-A: THE SUBSTANCES**

Annex A	Group I	CFC-12, CFC-115
Annex A	Group II	Halons
Annex B	Group II	CTC

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Total</b>
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	1.79	1.79	-	n/a
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	1.79	1.79	-	n/a
3	New reduction under plan (ODP tonnes)	1.62	1.79	-	3.41
4	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	2.5	2.5	-	n/a
5	Max. allowable total consumption of Annex A, Group II substances (ODP tonnes)	0	0	0-	n/a
6	New reduction under plan (ODP tonnes)	0	0	0-	n/a
7	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0.1	0.1	-	n/a
8	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0	0	0-	n/a
9	New reduction under plan (ODP tonnes)	0	0	0-	n/a
10	Total annual reduction (ODP tonnes)	1.62	1.79	-	3.41
11	Lead IA agreed funding (US \$)	68,000	42,000	-	110,000
12	Cooperating IA agreed funding (US \$)	50,000	45,000	-	95,000
13	Total agreed funding (US \$)	118,000	87,000	-	205,000
14	Lead IA support costs (US \$)	8,840	5,460	-	14,300
15	Cooperating IA support costs (US \$)	4,500	4,050	-	8,550
16	Total agreed support costs (US \$)	13,340	9,510	-	22,850
17	Grand total agreed funding (US \$)	131,340	96,510	-	227,850

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Following approval of the first tranche in 2008, funding for the second tranche will be considered for approval not earlier than the first meeting of 2009.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME****1. Data**

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

**2. Targets**

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

**3. Industry Action**

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

**4. Technical Assistance**

Proposed Activity:

Objective:

Target Group:

Impact:

**5. Government Action**

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

**6. Annual Budget**

Activity	Planned expenditures (US \$)
Total	

**7. Administrative Fees**

## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit (NOU).

### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects the Republic of the Congo for related auditing. Based on discussion with the Lead IA, the Republic of the Congo should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix 5-A. In case the Executive Committee selects the Republic of the Congo consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of 2008 and preparing for annual implementation programme for 2009 for submission to the Executive Committee.
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;

- (i) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

#### **APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will:

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

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

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

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