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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fifth Meeting
Bangkok, 14-18 July 2008

PROJECT PROPOSAL: BURUNDI

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

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Burundi

(I) PROJECT TITLE	AGENCY
CFC phase out plan	UNEP, UNIDO

(II) LATEST ARTICLE 7 DATA (ODP Tonnes)				Year: 2007	
CFC: 3.1	CTC: 0	Halons: 0	MB: 0	TCA: 0	

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP Tonnes)										Year: 2007			
Substances	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco fluffing	Total Sector Consumption
				Manufacturing	Servicing					QPS	Non QPS		
CFC					3.1								3.1
CTC													0
Halons													0
Methyl Bromide													0
TCA													0

(IV) PROJECT DATA			2008	2009	2010	Total
Montreal Protocol Consumption Limits		CFC	8.9	8.9		
Maximum Allowable Consumption (ODP Tonnes)		CFC	3.1	3.1		
Project Costs (US\$)	UNEP	Project Costs	74,000.	41,000.		115,000.
		Support Costs	9,620.	5,330.		14,950.
	UNIDO	Project Costs	76,000.	53,000.		129,000.
		Support Costs	6,840.	4,770.		11,610.
Total Funds Requested for Current Year (US\$)		Project Costs	150,000.			150,000.
		Support Costs	16,460.			16,460.

(V) SECRETARIAT'S RECOMMENDATION:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Burundi, UNEP, as the lead implementing agency, has submitted a terminal CFC phase-out management plan (TPMP) for consideration by the Executive Committee at its 55th Meeting. The project will also be implemented with assistance from UNIDO. The total cost of the Burundi TPMP as originally submitted is US \$370,000 (US \$172,500 plus agency support costs of US \$22,425 for UNEP and US \$197,500 plus agency support costs of US \$17,775 for UNIDO). The CFC baseline for compliance is 59.0 ODP tonnes.

Background

2. In regard to the phase-out of CFCs in the refrigeration servicing sector, the Executive Committee allocated, at its 26th Meeting, US \$210,027 to UNDP and UNEP for the implementation of training programmes for refrigeration service technicians and customs officers, a recovery and recycling programme, and a programme for monitoring the activities included in the RMP. An additional US \$105,000 was approved for UNDP and UNEP for the refrigerant management plan (RMP) update at the 41st Meeting, which included additional training programmes for service technicians and customs officers and ancillary equipment for the recovery and recycling programme.

3. Implementation of the activities in the refrigeration servicing sector resulted in the training of 380 refrigeration service technicians in good servicing practices and 97 customs officers. It also led to the establishment of a recovery and recycling network and to several public awareness and information dissemination activities. Over the 2003-2005 period, about 2.0 ODP tonnes of CFC-12 were recovered.

Policy and legislation

4. The Government of Burundi has introduced Ministerial Orders to control ODS consumption. An ODS licensing system has been in operation since 2001.

Refrigeration servicing sector

5. Of the total 3.5 tonnes of CFC used in the refrigeration servicing sector in 2006, 3.05 ODP tonnes were used for servicing domestic refrigerators, 0.43 ODP tonnes for commercial and industrial refrigeration systems, and 0.02 ODP tonnes for MAC units and refrigerated transport. There are approximately 650 refrigeration technicians in the country, some 40 per cent of whom are within the formal sector. Approximately 60 per cent of the technicians have received formal training.

6. The 2007 prices of refrigerants per kg are: US \$18.00 for CFC-12, US \$17.00 for HFC-134a, US \$16.00 for HCFC-22.

Activities proposed in the TPMP

7. The following activities are proposed to be implemented through the TPMP project: additional training of refrigeration technicians in good servicing practices and training programmes for customs officers; a technical assistance programme including recovery and recycling, retrofit of CFC-12 MAC units, and introduction of drop-in refrigerants; a metered

dose inhaler (MDI) transition strategy; and establishment of a monitoring and evaluation mechanism. The Government of Burundi plans the complete phase-out of CFCs by 1 January 2010. A work plan for 2008 has been submitted with the TPMP proposal.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

8. The 2007 CFC consumption reported by the Government of Burundi under Article 7 of the Protocol of 3.1 ODP tonnes was already 5.8 ODP tonnes below the allowable level of consumption of 8.9 ODP tonnes for that year. The major reduction in CFC consumption experienced in Burundi from 46.5 ODP tonnes to 3.1 ODP tonnes between 2001 and 2007 was associated with the phase-out of 35 tonnes of CFCs through the conversion of one aerosol plant and one foam manufacturing plant to non-CFC alternatives. Additional amounts of CFCs have been phased out through controls on CFC imports, RMP implementation and awareness-raising activities.

9. Taking into consideration the limited amount of CFCs used in this sub-sector and the age of the MAC units (over 15 years), the Secretariat questioned the technical feasibility and economic viability of the conversion of the MAC sub-sector proposed in the TPMP. The Secretariat also noted that the amount of CFC that could feasibly be recovered from CFC-based commercial and industrial refrigeration systems still in operation was not sufficient to justify the request for additional recovery and recycling machines. Based on the observations made by the Secretariat, and taking into account the requirements of decisions 41/100 and 49/6 of the Executive Committee, UNIDO and UNEP adjusted the sub-project components of the TPMP as follows:

- (a) Additional training for technicians in good refrigeration practices including hydrocarbon technologies, review of the curricula at the technical training school, and provide demonstration equipment, to be implemented by UNEP (from US \$82,500 to US \$50,000);
- (b) Additional training programme for customs and law enforcement officers, to be implemented by UNEP (from US \$50,000 to US \$35,000);
- (c) Technical assistance programme to establish a retrofitting centre, provide incentives for the conversion of refrigeration systems, and distribute refrigeration service toolkits, to be implemented by UNIDO (from US \$162,500 to US \$129,000); and
- (d) Establishment of the reporting and monitoring unit, to be implemented by UNEP (from US \$50,000 to US \$30,000).

Agreement

10. The Government of Burundi submitted a draft agreement between the Government and the Executive Committee with the conditions for the complete phase-out of CFCs in Burundi, which is contained in the annex to the present document.

RECOMMENDATION

11. The Secretariat recommends blanket approval of the terminal phase-out management plan for Burundi. The Executive Committee may wish to:

- (a) Approve, in principle, the terminal phase-out management plan for Burundi, at the amount of US \$244,000 plus agency support costs of US \$14,950 for UNEP and US \$11,610 for UNIDO;
- (b) Approve the draft agreement between the Government of Burundi 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 decisions 41/100 and 49/6 of the Executive Committee 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:

	Project Title	Project Funding (US\$)	Support Cost (US\$)	Implementing Agency
(a)	Terminal phase-out management plan (first tranche)	74,000	9,620	UNEP
(b)	Terminal phase-out management plan (first tranche)	76,000	6,840	UNIDO

**DRAFT AGREEMENT BETWEEN BURUNDI 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 Burundi (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 row 2 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 6 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 fulfill 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 7 and 8 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-11, CFC-12 ,CFC-113,CFC-114 and CFC-115
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APPENDIX 2-A: THE TARGETS, AND FUNDING

		2008	2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	8.9	8.9	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	3.1	3.1	0.0	
3	New reduction under plan (OPD tonnes)	0.0	3.1	0.0	3.1
4	Lead IA agreed funding (US \$)	74,000	41,000	0	115,000
5	Cooperating IA agreed funding (US \$)	76,000	53,000	0	129,000
6	Total agreed funding (US \$)	150,000	94,000	0	244,000
7	Lead IA support costs (US \$)	9,620	5,330	0	14,950
8	Cooperating IA support costs (US \$)	6,840	4,770	0	11,610
9	Total agreed support costs (US \$)	16,460	10,100	0	26,560
10	Grand total agreed funding (US \$)	166,460	104,100	0	270,560

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 later than the second 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).
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the terminal phase-out plan (TPMP). The Lead IA, along with the Cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Unit (NOU).

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Burundi for related auditing. Based on discussion with the Lead IA, Burundi 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 Burundi 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 Burundi 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 Burundi 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.
