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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-sixth Meeting
Montreal, 2-6 November 2020
Postponed to 8-12 March 2021[1]

PROJECT PROPOSALS: ZIMBABWE

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

Phase-out

- HCFC phase-out management plan (stage I, fifth tranche) — Germany

- HCFC phase-out management plan (stage II, first tranche) — UNEP and UNDP

[1] Due to coronavirus disease (COVID-19)

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

ZIMBABWE

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage I)	Germany (lead)	65th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group l)	Year: 2019	9.85 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)									Year: 2019
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					9.74				9.74
HCFC-142b					0.11				0.11

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	17.8	Starting point for sustained aggregate reductions:	23.91
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	12.34	Remaining:	11.57

(V) BUSINESS PLAN		2020	Total
Germany	ODS phase-out (ODP tonnes)	0.67	0.67
	Funding (US $)	62,699	62,699

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2017	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	17.80	17.80	16.02	16.02	16.02	11.6	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	17.80	17.80	16.02	16.02	16.02	11.6	n/a
Agreed funding (US $)	Germany	Project costs	7,474	419,417	275,927	0	112,000	168,000	0	56,000	1,038,818
		Support costs	972	50,096	33,008	0	13,398	20,097	0	6,699	124,270
Funds approved by ExCom (US $)		Project costs	7,474	419,417	275,927	0	112,000	168,000	0	0	982,818
		Support costs	972	50,096	33,008	0	13,398	20,097	0	0	117,571
Total funds requested for approval at this meeting (US $)		Project costs	0	0	0	0	0	0	0	56,000	56,000
		Support costs	0	0	0	0	0	0	0	6,699	6,699

Secretariat's recommendation:	Blanket approval

PROJECT DESCRIPTION

1. On behalf of the Government of Zimbabwe, the Government of Germany as the designated implementing agency, has submitted a request for funding for the fifth and final tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US $56,000, plus agency support costs of US $6,699.[2] The submission includes a progress report on the implementation of the fourth tranche and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

2. The Government of Zimbabwe reported a consumption of 9.85 ODP tonnes of HCFCs in 2019, which is 45 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

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

HCFC	**2015**	**2016**	**2017**	**2018**	**2019**	**Baseline**
Metric tonnes (mt)						
HCFC-22	256.80	172.58	185.19	176.75	177.18	306.55
HCFC-141b	0.35	0.0	0.0	0.0	0.0	8.54
HCFC-142b	0.0	0.0	7.2	5.3	1.63	0.0
Sub-total	**257.15**	**172.58**	**192.39**	**182.05**	**178.81**	**314.94**
HCFC-141b in imported pre-blended polyols*	0.00	0.00	0.00	0.00	0.00	55.55*
Total (mt)	**257.15**	**172.58**	**192.39**	**182.05**	**178.81**	**370.49**
ODP tonnes						
HCFC-22	14.12	9.49	10.18	9.72	9.74	16.86
HCFC-141b	0.04	0.0	0.0	0.0	0.0	0.94
HCFC-142b	0.0	0.0	0.47	0.35	0.11	0.0
Sub-total	**14.16**	**9.49**	**10.65**	**10.07**	**9.85**	**17.80**
HCFC-141b in imported pre-blended polyols*	0.00	0.00	0.00	0.00	0.00	6.11*
Total (ODP tonnes)	**14.16**	**9.49**	**10.65**	**10.07**	**9.85**	**23.91**

*As per the Agreement with the Executive Committee.

3. The HCFC consumption has been fluctuating on a downward trend due to the implementation of activities in the HPMP, including enforcement of the licensing and quota system, capacity-building activities for customs officers and servicing technicians, and the market transformation from HCFC-22 to alternative technologies. The 30 per cent decrease since 2016 is attributed to the political and economic situation in the country. The Government removed the multi-currency system and introduced local currency, which created a massive shortage of foreign currency and limited imports of basic commodities including refrigerants. The emerging alternatives are hydrocarbon (HC) refrigerants and HFCs (R-410a and R-407C in the air-conditioning (AC) sector, and R-404a and R-507A in commercial refrigeration).

CP implementation report

4. The Government of Zimbabwe reported HCFC sector consumption data under the 2019 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

[2] As per the letter of 24 August 2020 from the Ministry of Environment, Climate, Tourism and Hospitality Industry of Zimbabwe to the Secretariat.

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

Legal framework

5. A licensing and quota system for HCFCs and HCFC-based equipment has been established and is operational. The ODS regulations were updated with the introduction of a ban on imports of HCFC-141b in bulk and in pre-blended polyols, which went into effect on 1 November 2016. In 2019, the national standard on certification of RAC technicians was published, making it mandatory. A ban on imports of new and second-hand equipment containing HCFC-22 has been in effect since 1 November 2016. The regulation also requires prior approval from the National Ozone Unit (NOU) for installation and commissioning of HCFC-22-based equipment. Regulations also make mandatory refrigerant recovery, recycling and reuse (RRR), while RAC technicians are required to keep log sheets on refrigerant use for medium- to large-sized appliances, thus facilitating leak detection.

6. The ODS regulations are being reviewed to include HFCs. New regulations, expected to come into force by 1 January 2021, contain the following provisions: a list of prohibited and controlled ODS and equipment containing ODS, including all phased-out substances and equipment containing those substances; the labelling and packaging of ODS and ODS-based equipment; requirements for certification and training of refrigeration and air-conditioning (RAC) technicians; requirements for wholesalers and distributors of HCFCs and HCFC-based equipment; reporting to the NOU by importers and users of ODS; and the requirement for the NOU to keep a database of importers, including cases of permit violations.

7. The process of ratification of the Kigali Amendment has been initiated by the NOU and is expected to be completed by the end of 2020. An HFC import and licensing system will be discussed following ratification.

Polyurethane (PU) manufacturing sector

8. The conversion of five PU foam enterprises to cyclopentane was completed in July 2015 (prior to the approval of the third tranche), resulting in the phase-out of 55.50 mt (6.11 ODP tonnes) of HCFC-141b contained in imported pre-blended polyols.

Refrigeration servicing sector

9. The following activities were implemented:

(a) Standardization of the training curriculum focusing on trainer skills and know-how; training of five trainers from five vocational training centres (VTC) in basic refrigeration, electrical work and safe handling of refrigerants. The trainers will deliver the training courses for further training of RAC technicians in the country; the trainers in the other two VTCs will be trained in the fifth tranche;

(b) Provision of seven sets of training equipment (e.g., leak detector, digital manifold gauge, vacuum gauge, recovery units, recovery cylinders) to seven VTCs;

(c) Provision of equipment and tools (e.g., three HC leak detectors, 13 digital manifold gauges, 13 vacuum gauges, 55 recovery cylinders) to three refrigeration associations and large industrial end-users to support refrigerant RRR and prevent venting of refrigerants; and

(d) Project implementation, monitoring and reporting with the following expenditure breakdown: staff and consultants US $5,635, and travel US $1,597.

Level of fund disbursement

10. As of August 2020, of the US $982,818 approved so far, US $891,169 had been disbursed, as shown in Table 2. The balance of US $91,649 including the committed funds will be disbursed in 2020 to 2021.

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

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)
First	426,891	426,891	100
Second	275,927	275,927	100
Third	112,000	112,000	100
Fourth	168,000	76,351	45
Total	**982,818**	**891,169**	**91**

Implementation plan for the fifth and final tranche of the HPMP

11. The following activities will be implemented between November 2020 and the end of 2021:

(a) Conducting two training courses to train 40 customs officers and brokers in HCFC import control leading to a total of 240 customs officers trained under stage I; conducting monitoring and inspection of border posts (US $11,500 plus US $9,720 from the fourth tranche);

(b) Training of two trainers and conducting 15 training workshops to train 150 RAC technicians on good servicing practices and safe handling of flammable refrigerants leading to a total of six trainers and 1,150 RAC technicians trained under stage I (US $36,500, plus US $12,000 from the fourth tranche);

(c) Initiating the process of certification of technicians and certifying 500 technicians; and conducting awareness-raising and promotion activities on the mandatory certification of technicians (US $2,000, plus US $18,500 from the fourth tranche);

(d) Providing additional tools (e.g., HC leak detectors, digital manifold gauges, vacuum gauges, recovery cylinders) to service workshops based on needs expressed, as well as assistance to refrigeration associations (US $15,000 from the fourth tranche); and

(e) Project implementation, monitoring and reporting with a total cost of US $21,000 (US $6,000 plus US $15,000 from the fourth tranche) with the following breakdown: staff and consultants US $15,000; travel US $3,000; meetings and workshops US $3,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

12. The Government of Zimbabwe has already issued HCFC import quotas for 2020 at 8.32 ODP tonnes, which is lower than the Montreal Protocol control targets.

13. In response to the conditions for approval of the fourth tranche[3] the Government of Germany as the lead implementing agency submitted a revised verification report that covered the period from 2009 to 2016 and included all HCFCs and HCFC mixtures. The verified consumption for all the years including baseline years did not change the funding category for Zimbabwe.

Refrigeration servicing sector

14. The planned training for customs officers and technicians in the fourth tranche was delayed due to an issue with receiving funds by the designated account in the country. The Government of Germany is working directly with service providers to overcome the hurdle of transferring funds. The training for technicians has been initiated by directly working with training centres and is currently ongoing. The training for customs officers will be conducted with the assistance of the Zimbabwe Revenue Authority, and at least 20 customs officers will be trained by the end of 2021. Due to the restrictions of the COVID-19 pandemic, the number of customs officers and technicians trained per session will be reduced. The in-person sessions will be arranged following the guidelines of the Government and virtual training would be considered if needed.

Completion of stage I

15. The Government of Germany has confirmed that stage I of the HPMP for Zimbabwe will be completed by 31 December 2021 as established in paragraph 14 of the Agreement.

Gender policy implementation[4]

16. In line with the gender mainstreaming policies of the Multilateral Fund, the implementation of the fifth tranche will take into account gender mainstreaming and equity to encourage the full engagement of women in various steps including planning, policy and decision-making, consultation and advisory activities, capacity-building and outreach, and monitoring and evaluation. Gender-disaggregated data will be collected for reporting.

Sustainability of the HCFC phase-out

17. The Government of Zimbabwe banned imports of HCFC-141b both bulk and pre-blended in polyols after the completion of the conversion project in the foam sector. Several regulatory measures have been enacted to support sustainable HCFC phase-out including a ban on imports of new and second-hand equipment containing HCFC-22; prior approval for installation and commissioning of HCFC-22-based equipment; mandatory refrigerant RRR; and requiring RAC technicians to keep log sheets for large appliances to facilitate leak detection. Ozone-related issues have been incorporated into the training curriculum for customs officers. A mandatory certification system for technicians has been established and is being implemented. The above actions will ensure the sustainability of the phase-out in the manufacturing and servicing sectors, as well as capacity development in the country to control HCFCs.

[3] That the approved funds will not be transferred to the Government of Germany until the Secretariat had reviewed the revised verification report covering the period 2009 to 2016 and addressing the issues that were identified in the verification report submitted to the 80th meeting, on the understanding that any revision to the reported consumption of the baseline years that could result in an adjustment to the starting point for aggregate reduction in HCFC consumption, would be considered at the time of the approval of the last tranche of stage I of the HPMP, and the funding level would be adjusted (Annex XII of document UNEP/OzL.Pro/ExCom/80/59).
[4] Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

Conclusion

18. The reported 2019 HCFC consumption of 9.85 ODP tonnes was already 45 per cent below the country's baseline, and the quota for 2020 was issued below the control target under the Montreal Protocol. The country's import licensing and quota system is operational; the ban on HCFC-141b in bulk and contained in imported pre-blended polyols is in place after five PU foam enterprises were converted to cyclopentane, phasing out 6.11 ODP tonnes of HCFC-141b contained in imported pre-blended polyols. Equipment and tools have been provided to centres of excellence and training institutions to strengthen their capacity. The training of technicians and customs officers planned for the fourth tranche has started after a delay due to the funding transfer issue and will be completed in the fifth tranche. The level of disbursement is 45 per cent of the fourth tranche and 91 per cent of the funds approved so far. The activities planned under the fifth tranche will further strengthen the servicing sector, ensure the long-term sustainability of the activities, and will enable the country to maintain its compliance obligations under the Montreal Protocol.

RECOMMENDATION

19. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the fourth tranche of stage I of the HCFC phase-out management plan (HPMP) for Zimbabwe; and further recommends blanket approval of the fifth and final tranche of stage I of the HPMP for Zimbabwe, and the corresponding 2020-2021 tranche implementation plan, at the funding level shown in the table below:

	Project title	Project funding (US $)	Support cost (US $)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fifth tranche)	56,000	6,699	Germany

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

ZIMBABWE

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

(II) LATEST ARTICLE 7 DATA (Annex C Group l)	Year: 2019	9.85 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)									**Year:** 2019
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					9.74				9.74
HCFC-141b					0.11				0.11

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	17.8	Starting point for sustained aggregate reductions:	23.91
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	12.34	Remaining:	11.57

(V) BUSINESS PLAN		**2020**	**2021**	**2022**	**After 2022**	**Total**
UNEP	ODS phase-out (ODP tonnes)	1.50	0.00	0.00	4.29	5.79
	Funding (US $)	110,868	0	0	188,475	299,343
UNDP	ODS phase-out (ODP tonnes)	0.00	2.31	0.00	3.47	5.78
	Funding (US $)	0	109,180	0	163,771	272,951

(VI) PROJECT DATA			**2020**	**2021-2022**	**2023**	**2024**	**2025-2026**	**2027**	**2028-2029**	**2030**	**Total**
Montreal Protocol consumption limits			11.57	11.57	11.57	11.57	5.78	5.78	5.78	0	n/a
Maximum allowable consumption (ODP tonnes)			11.57	11.57	11.57	11.57	5.78	5.78	5.78	0	n/a
Projects costs requested in principle (US $)	UNEP	Project costs	150,000	0	192,500	0	0	192,500	0	105,000	640,000
		Support costs	18,844	0	24,183	0	0	24,183	0	13,190	80,400
	UNDP	Project costs	100,000	0	150,000	0	0	150,000	0	0	400,000
		Support costs	7,000	0	10,500	0	0	10,500	0	0	28,000
Total project costs requested in principle (US $)			250,000	0	342,500	0	0	342,500	0	105,000	1,040,000
Total support costs requested in principle (US $)			25,844	0	34,683	0	0	34,683	0	13,190	108,400
Total funds requested in principle (US $)			275,844	0	377,183	0	0	377,183	0	118,190	1,148,400

(VII) Request for approval of funding for the first tranche (2020)		
Agency	**Funds requested (US $)**	**Support costs (US $)**
UNEP	150,000	18,844
UNDP	100,000	7,000
Total	250,000	25,844

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

20. On behalf of the Government of Zimbabwe, 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 $1,148,400, consisting of US $640,000, plus agency support costs of US $80,400 for UNEP, and US $400,000, plus agency support costs of US $28,000 for UNDP, as originally submitted.[5] The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

21. The first tranche of stage II of the HPMP being requested at this meeting amounts to US $587,681, consisting of US $370,000, plus agency support costs of US $46,481 for UNEP, and US $160,000, plus agency support costs of US $11,200 for UNDP, as originally submitted.

Status of implementation of stage I of the HPMP

22. Stage I of the HPMP for Zimbabwe was originally approved at the 65th meeting[6] and revised at the 71st meeting[7] to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US $1,038,818, plus agency support costs, to phase out 12.34 ODP tonnes of HCFCs (5.29 ODP tonnes of HCFC-22 used in the refrigeration and air-conditioning (RAC) servicing sector, 0.94 ODP tonnes of HCFC-141b used in flushing refrigeration systems and 6.11 ODP tonnes of HCFC-141b contained in pre-blended polyols in the foam manufacturing sector). An overview of implementation of stage I, including an analysis of the HCFC consumption, the progress and financial reports on implementation, and the request for the fifth and final tranche submitted to the current meeting, is available in paragraphs 1 to 19 of the present document.

Stage II of the HPMP

Remaining consumption eligible for funding

23. After deducting 12.34 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding for complete phase-out amounts to 11.57 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

24. There are approximately 2,500 technicians and 900 workshops servicing domestic air conditioners, commercial and industrial refrigeration, transport refrigeration, mobile air-conditioning (AC) and chillers, as shown in Table 3.

Table 3. Estimation of demand for HCFC-22 in the RAC servicing sector in Zimbabwe

Sub-sector		Number of units	Average charge (mt/unit)	HCFC bank (mt)	Leakage (%)	Annual needs for servicing	
						mt	ODPt
Commercial refrigeration	Stand-alone	17,750	13	230.75	25	57.69	3.17
	Condenser units	7,824	25	195.6	25	48.90	2.69
	Centralized system	1,937	35	67.80	25	16.95	0.93
Industrial refrigeration		1,566	20	31.32	25	7.83	0.43
Transport refrigeration		9520	2	19.04	25	4.76	0.26
Residential AC		78,750	0.8	63	15	9.45	0.52
Other AC (Packaged units)		16,113	10	161.13	15	24.17	1.33
Chiller AC		1,039	60	62.34	15	9.35	0.51
Total		**134,499**		**830.98**		**179.10**	**9.85**

[5] As per the letter of 16 July 2020 from the Ministry of Environment, Climate, Tourism and Hospitality Industry of Zimbabwe to the Secretariat.
[6] UNEP/OzL.Pro/ExCom/65/52
[7] Annex XVII of document UNEP/OzL.Pro/ExCom/71/64

25. HCFC-22 represents 31 per cent of the refrigerants used in the servicing sector, followed by HFC-134a (28 per cent), R-410A (17 per cent), R-404A (14 per cent), R-407C (7 per cent), R-600a (6 per cent), R-290 (2.4 per cent) and other refrigerants and blends.

Phase-out strategy in stage II of the HPMP

26. Stage II of the HPMP will build upon the experience gained during implementation of stage I and will focus on the reduction of HCFC-22 through the adoption of energy-efficient, ozone- and climate-friendly refrigerants in the RAC sector, consistent with the provisions of the Kigali Amendment to the Montreal Protocol. The activities will focus on strengthening the HCFC licensing and quota system and building the capacities of customs officers; training technicians in good servicing practices and servicing with alternatives; supporting training institutions; and continue implementing a certification system to sustain the long-term capacity development of technicians. No servicing tail is anticipated after 2030.

Proposed activities in stage II of the HPMP

27. Stage II proposes the following activities:

(a) Training 25 trainers and 1,000 customs and enforcement officers (including staff in tax, customs, revenue collection, and law enforcement department) in monitoring and controlling imports of HCFCs and identifying illegal trade; and conducting ongoing reviews and updates of the customs training curriculum to incorporate new issues into the customs training (UNEP) (US $130,000);

(b) Developing standards and procedures, and continue implementing the certification of technicians in the RAC sector; stakeholder consultations and training on the certification process; conducting 10 awareness-raising campaigns and distributing certification procedures; and certifying 1,000 technicians (UNEP) (US $120,000);

(c) Developing, in collaboration with the Zimbabwe Energy Regulatory Authority, technical standards for the safe handling (installation, operation, maintenance and decommissioning) of flammable and toxic refrigerants, as well as the standard for minimum energy efficiency in RAC equipment; stakeholder consultation, training and awareness-raising on the safety and energy efficiency standards; monitoring compliance in the implementation of safety and energy efficiency standards; supporting policy development on green procurement; and providing training for procurement officers on low-GWP, energy-efficient RAC equipment (UNEP) (US $110,000);

(d) Revising the training curriculum and training 25 trainers and 1,000 refrigeration technicians in good servicing practices, in brazing competence and in the safe handling of flammable and toxic refrigerants with the support of the RAC Association and seven training institutes; conducting targeted awareness-raising activities for importers, distributors and end-users on the need to move away from HCFCs and introduce alternative technologies (UNEP) (US $220,000); and

(e) Identifying needs and providing equipment and tools[8] to strengthen seven training institutions; providing equipment and tools[9] to the RAC Association to facilitate its role in the certification of technicians; establishing six refrigerant recovery and recycling (R&R) centres to reduce HCFC consumption in the commercial and industrial refrigeration sector,

[8] Manifold gauges, vacuum gauges, vacuum pumps, charging stations, recovery machines, ammeters, voltmeters, demonstration units, and tools for tubing.
[9] Portable charging station, scale, electronic gauge, manifold for multiple refrigerant leak detector, safety-related tools and accessories, brazing units, and compression fitting tools.

including the provision of equipment[10] (UNDP) (US $400,000).

Project implementation and monitoring

28. The system established under stage I of the HPMP will continue into stage II, where the NOU, with the assistance of UNEP, monitors activities, reports progress, and works with stakeholders to phase out HCFCs. The cost of those activities amounts to US $60,000 (staff and consultants (US $20,000); travel (US $5,000); meetings and workshops (US $30,000); and other miscellaneous expenses (US $5,000)).

Gender policy implementation

29. In line with decision 84/92,[11] as well as the UNEP and UNDP gender mainstreaming policies, the implementation of stage II of the HPMP will take into account gender equality and women's empowerment, from the project board and project management team to consultants, and from training to active participation in consultation workshops. The NOU will seek stakeholders' input on how to integrate gender-specific indicators in the planning, implementation, and reporting process of each component, with the focus on supporting gender-balanced participation in training and capacity-building activities. Incentives will be created to encourage greater involvement by women in implementation. The planned participation rate for women in all training sessions is approximately 30 per cent.

Total cost of stage II of the HPMP

30. The total cost of stage II of the HPMP for Zimbabwe amounts to US $1,040,000 (plus agency support costs), as originally submitted, for achieving 67.5 per cent reduction from its HCFC baseline consumption by 2025 and 100 per cent reduction by 2030, which is in line with decision 74/50(c)(xii).

Activities planned for the first tranche of stage II

31. The first funding tranche of stage II of the HPMP, at the total amount of US $530,000, will be implemented between November 2020 and November 2023 and will include the following activities:

(a) Reviewing the customs training curriculum; training 25 trainers and 150 customs officers in ODS import control and the prevention of illegal trade; conducting border dialogues (twice a year) with neighboring countries (UNEP) (US $75,000);

(b) Developing technical standards for the safe use of flammable and toxic refrigerants, and minimum efficiency standards for RAC equipment in collaboration with the standards authority; stakeholder consultations; awareness-raising and sensitization campaign on the standards; monitoring compliance; and supporting the development of a policy on green procurement (UNEP) (US $75,000);

(c) Updating procedures for the certification of technicians; consultations with stakeholders to review the updated procedures for certification of technicians; conducting two training workshops for the certification team (trainers, evaluators, enforcement officers) on the certification procedures; awareness-raising campaign on the certification scheme; and certifying 100 technicians (UNEP) (US $60,000);

(d) Updating national codes of conduct for technicians; reviewing and revising the training curriculum for RAC technicians in training institutions; conducting five training sessions

[10] Six refrigerant identifiers, laboratory items for quality checks of recycled refrigerant; storage cylinders, storage tanks, scale, 20 recovery units, and six recycling machines.
[11] Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

to train 100 technicians in good servicing practices, the requirements of the certification process and the national code of conduct for servicing RAC systems to prepare the technicians going through the certification process; conducting two targeted awareness campaigns for importers, distributors and end-users on the need to move away from HCFCs and introduce alternative technologies (UNEP) (US $130,000);

(e) Identifying the needs of and providing training equipment to seven training institutions; and establishing six refrigerant R&R centres, including the provision of equipment (UNDP) (US $160,000); and

(f) Project implementation, monitoring and reporting (UNEP) (US $30,000): US $13,000 for staff and consultant; US $7,000 for travel; US $9,000 for meetings and workshops; and US $1,000 for other miscellaneous expenses.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

32. 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 2020-2022 business plan of the Multilateral Fund.

Overarching strategy

33. The strategy adopted under stage II of the HPMP was determined through national stakeholder consultation. The Government has banned the import of HCFC-based equipment since 1 November 2016, which should curtail the demand beyond 2030, and will establish a ban on the import of all HCFCs by 1 January 2030. A stage II covering a 10-year period toward complete phase-out by 2030 (not anticipating any servicing tail after 2030) will enable long-term strategic planning and policy intervention by the Government to support the HCFC phase-out. The Government will set a clear target with measurable milestones for the industry to plan their business and be prepared for market transformation, taking into consideration of the life span of RAC equipment. Stage II also takes into consideration HFC phase-down under the Kigali Amendment and promoting the transition to low-GWP technologies to maximize climate benefit.

34. While noting with appreciation that Zimbabwe does not anticipate any servicing tail after 2030, the Secretariat recalled the provisions of Article 5, paragraph 8 ter(e)(i) [12] of the Montreal Protocol and paragraph 13 of decision XIX/6 and, in order to be equitable across Article 5 countries, recommended noting the commitment of the Government to completely phase-out HCFCs by 1 January 2030, and that HCFCs would not be imported after that date, except for the allowance for a servicing tail between 2030 and 2040 where required, and consistent with the provisions of the Montreal Protocol.

Technical and cost-related issues

35. A clarification was made on the certification scheme that was initiated in stage I where certificates were issued to technicians after taking the training, even though standardized examinations and competence evaluations had not been introduced. In 2019, the National Standard and Guidelines on the Certification of RAC Practitioners was published, supporting the mandatory certification of technicians. In stage II, the detailed certification procedures will be fully developed following the established standards with the assistance of an international consultant, and will be implemented to support the introduction of flammable

[12] Other applications where HCFCs can be used include the servicing of fire suppression and fire protection equipment existing on 1 January 2030; solvent applications in rocket engine manufacturing; and topical medical aerosol applications for the specialized treatment of burns.

refrigerants. Certification will be offered on four different levels, depending on the type of equipment and qualification level of the technicians, and is set to become operational by 1 January 2022. Owners of RAC equipment will be encouraged to hire certified technicians. Training institutions have been assisted with tools and accessories under stage I and will be further strengthened during stage II to enable enhanced training. A nominal fee will be paid by RAC technicians seeking certification to support the sustainability of the certification system.

36. With regard to the refrigerant R&R programme, the six RRR centres are hosted by servicing workshops and their operation is limited to the recovery of refrigerants from large commercial and industrial equipment only. Reclamation will not be included due to cost constraints. The regulatory support to ban the intentional venting of refrigerant is in place. With the increase in the price of HCFC-22, it is expected that RRR centre operations will be more sustainable.

37. To achieve a balanced funding distribution according to the needs of the country throughout the implementation period, and taking into consideration the restrictions of the COVID-19 pandemic, the funding distribution has been adjusted as shown in Table 4.

Table 4: Adjustment of the funding tranche distribution for stage II of the HPMP for Zimbabwe

Description	Agency	2020-2022	2023-2024	2025-2026	2027-2029	2030	Total
As requested	UNEP	370,000	0	165,000	0	105,000	640,000
	UNDP	160,000	0	240,000	0	0	400,000
	Total	**530,000**	**0**	**405,000**	**0**	**105,000**	**1,040,000**
After adjustment	UNEP	150,000	192,500	0	192,500	105,000	640,000
	UNDP	100,000	150,000	0	150,000	0	400,000
	Total	**250,000**	**342,500**	**0**	**342,500**	**105,000**	**1,040,000**

38. Accordingly, the activities to be implemented in the first tranche have been adjusted as follows: review of customs training manuals, customs training (25 trainers and 75 customs officers) and border dialogues (twice a year) (US $70,000); review of the existing certification system and stakeholder consultations, update the national codes of conduct for RAC technicians, one awareness initiative for commercial end-users, support to the RAC Association and update of RAC training manuals (US $60,000); identifying the needs and providing training equipment to training centres and establish six refrigerant R&R centres (US $100,000) and project implementation, monitoring and reporting (US $20,000).

Impact of COVID-19 on the implementation

39. Upon an inquiry about the impact of the COVID-19 pandemic on the implementation of the first tranche of stage II, UNEP explained that some activities could be conducted virtually, for example, training of customs officers, stakeholder consultations and meetings, and identifying the training needs of training institutions. For the training of technicians, reducing the number of participants for each session in accordance with health regulations would be explored. The Government believes that the funding approval for the first tranche of stage II will contribute to the post-pandemic economic recovery by creating jobs related to the activities implemented in the HPMP and by resuscitating the RAC sector.

Impact on the climate

40. The proposed activities in the servicing sector, which include better containment of refrigerants through training and the provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in savings of approximately 1.8 CO_2-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Zimbabwe, including its efforts in training technicians in good servicing practices, promoting refrigerant recovery and recycling, as well as awareness activities to promote low-GWP alternatives, indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

Co-financing

41. The Government's contribution to the HPMP will be through in-kind contributions in staffing, office space, utility costs, and transport vehicles for the NOU's operation, estimated at 15 per cent of the total cost of the HPMP. The Government of Zimbabwe is also implementing a national communication programme under the UNFCCC[13] to promote the adoption of low-energy-consuming RAC appliances.

2020-2022 draft business plan of the Multilateral Fund

42. UNEP and UNDP are requesting US $1,040,000, plus agency support costs, for the implementation of stage II of the HPMP for Zimbabwe. The total requested value of US $275,844, including agency support costs for the period of 2020–2022, is US $55,796 above the amount in the business plan.

Draft Agreement

43. A draft Agreement between the Government of Zimbabwe and the Executive Committee for the phase-out of HCFCs in stage II of the HPMP is contained in Annex I to the present document.

RECOMMENDATION

44. The Executive Committee may wish to consider:

(a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Zimbabwe for the period from 2020 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $1,148,400, consisting of US $640,000, plus agency support costs of US $80,400 for UNEP, and US $400,000, plus agency support costs of US $28,000 for UNDP, on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of HCFCs;

(b) Noting the commitment of the Government of Zimbabwe to completely phase out HCFCs by 1 January 2030, and that HCFCs would not be imported after that date, except for the allowance for a servicing tail between 2030-2040 where required, and consistent with the provisions of the Montreal Protocol;

(c) Deducting 11.57 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

(d) Approving the draft Agreement between the Government of Zimbabwe 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

(e) Approving the first tranche of stage II of the HPMP for Zimbabwe, and the corresponding tranche implementation plans, in the amount of US $275,844, consisting of US $150,000, plus agency support costs of US $18,844 for UNEP, and US $100,000, plus agency support costs of US $7,000 for UNDP.

[13] United Nations Framework Convention on Climate Change

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ZIMBABWE 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 Zimbabwe 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 prior to 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 rows 4.1.3, 4.2.3 and 4.3.3. (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 (HPMP) approved ("the Plan"). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

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

Flexibility in the reallocation of funds

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

(a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes which would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and

(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;

(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;

(c) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations standards and incentives adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and

(d) 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 the UNDP has agreed to be the cooperating implementing agency (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 Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination 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 IA 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, 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 sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

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

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

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	16.86
HCFC-141b	C	I	0.94
Sub-total	C	I	17.8
HCFC-141b contained imported pre-blended polyols	C	I	6.11
Total	C	I	23.91

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2020	2021-2022	2023	2024	2025-2026	2027	2028-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	11.57	11.57	11.57	11.57	5.78	5.78	5.78	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	11.57	11.57	11.57	11.57	5.78	5.78	5.78	0	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	150,000	0	192,500	0	0	192,500	0	105,000	640,000
2.2	Support costs for Lead IA (US $)	18,844	0	24,183	0	0	24,183	0	13,190	80,400
2.3	Cooperating IA (UNDP) agreed funding (US $)	100,000	0	150,000	0	0	150,000	0	0	400,000
2.4	Support costs for	7,000	0	10,500	0		10,500	0		28,000

Row	Particulars	2020	2021-2022	2023	2024	2025-2026	2027	2028-2029	2030	Total
	Cooperating IA (US $)									
3.1	Total agreed funding (US $)	250,000	0	342,500	0	0	342,500	0	105,000	1,040,000
3.2	Total support costs (US $)	25,844	0	34,683	0	0	34,683	0	13,190	108,400
3.3	Total agreed costs (US $)	275,844	0	377,183	0	0	377,183	0	118,190	1,148,400
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									11.57
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									5.29
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									0.00
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)									0.00
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)									0.94
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)									0.00
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)									0.00
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)									6.11
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)									0.00

* Date of completion of stage I as per stage I Agreement: 31 December 2021.

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

(a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

(b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

(c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;

(d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

(e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP 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. The National Ozone Unit (NOU) will submit annual progress reports on the status of implementation of the Plan to the Lead IA.

2. Monitoring, reporting and verification indicators will be used for the monitoring of the project milestones. The NOU will provide overall coordination of all the activities under the Plan, such as training, certification, and awareness dissemination, in line with the Agreement between the Government of Zimbabwe and the implementing agencies.

3. The Refrigeration and Air-conditioning Association has established a database of all the members and will support the NOU in organizing training workshops and certification of technicians, and monitoring codes of conduct and practice of technicians.

4. The NOU, with the assistance of the implementing agencies, will prepare progress reports on tranche implementation for the Executive Committee.

5. The implementing agencies will play a monitoring and supervisory role to ensure that agreed milestones are achieved and will organize independent verifications to ensure that the project is on track and in line with the Agreements.

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 HPMP;

(b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

(c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

(d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

(e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating 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) Co-ordinating 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 each Cooperating IA;

(l) Ensuring that disbursements made to the Country are based on the use of the indicators;

(m) Providing assistance with policy, management and technical support when required;

(n) Reaching consensus with the Cooperating IA on any planning, co-ordination 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 HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating 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 co-ordinated 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, co-ordination 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 HPMP 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.