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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-eighth Meeting
Montreal, 15-19 November 2021¹

PROJECT PROPOSAL: NIGER

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

Phase-out

- HCFC phase-out management plan (stage I, third tranche) UNIDO and UNEP

¹ Online meetings and an intersessional approval process will be held in November and December 2021 due to coronavirus disease (COVID-19).

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.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Niger

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage I)	UNEP, UNIDO (lead)	66 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2020	10.02 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2020	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					10.02				10.02

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:		15.98	Starting point for sustained aggregate reductions: 15.97
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:		5.60	Remaining: 10.40

(V) BUSINESS PLAN		2021
UNIDO	ODS phase-out (ODP tonnes)	0.20
	Funding (US \$)	21,400
UNEP	ODS phase-out (ODP tonnes)	0.50
	Funding (US \$)	56,500

(VI) PROJECT DATA			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*	Total
Montreal Protocol consumption limits (ODP tonnes)			n/a	16.0	16.0	14.4	14.4	14.4	14.4	14.4	10.4	10.4	n/a
Maximum allowable consumption (ODP tonnes)			n/a	16.0	16.0	14.4	14.4	14.4	14.4	14.4	10.4	10.4	n/a
Agreed funding (US \$)	UNIDO	Project costs	175,000	0	0	0	0	0	0	90,000	20,000	0	285,000
		Support costs	13,125	0	0	0	0	0	0	6,300	1,400	0	20,825
	UNEP	Project costs	100,000	0	0	0	0	0	0	125,000	50,000	0	275,000
		Support costs	13,000	0	0	0	0	0	0	16,250	6,500	0	37,750
Funds approved by ExCom (US \$)	Project costs		275,000	0	0	0	0	0	0	215,000	0	0	490,000
	Support costs		26,125	0	0	0	0	0	0	22,550	0	0	48,675
Total funds requested for approval at this meeting (US \$)	Project costs											70,000	70,000
	Support costs											7,900	7,900

* Tranche initially planned for 2020

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Niger, UNIDO as the lead implementing agency, has submitted a request for funding for the third and final tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$77,900, consisting of US \$20,000, plus agency support costs of US \$1,400 for UNIDO, and US \$50,000, plus agency support costs of US \$6,500 for UNEP.² The submission includes a progress report on the implementation of the second tranche and the third tranche implementation plan for 2021 to 2022.

Report on HCFC consumption

2. The Government of Niger reported a consumption of 10.02 ODP tonnes of HCFC in 2020, which is 37.30 per cent below the HCFC baseline for compliance. The 2016-2020 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Niger (2016-2020 Article 7 data)

HCFC-22	2016	2017	2018	2019	2020	Baseline
Metric tonnes	220.50	215.45	209.70	192.91	182.25	290.54
ODP tonnes	12.13	11.85	11.53	10.61	10.02	15.98

3. The HCFC-22 consumption has been decreasing due to the implementation of the activities under the HPMP, particularly the enforcement of the licensing and quota system, training of customs officers, which has assisted in better control of HCFC imports, and the improved practices in the refrigeration servicing sector. Although the increased import of HFC-based equipment has also contributed to reducing HCFC-22 imports, the prices of HFC blends and low-global-warming potential (GWP) alternatives are still three to four times higher than the price of HCFC-22, slowing down the change of old equipment.

Country programme (CP) implementation report

4. The Government of Niger reported HCFC sector consumption data under the 2020 CP implementation report consistent with the data reported under Article 7 of the Montreal Protocol.

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

Legal framework

5. The licensing system for imports of HCFCs and HCFC-based equipment came into effect as of 1 January 2013. Since that date, the National Ozone Unit (NOU) has maintained a list of all importers of HCFCs. The Government of Niger has also established an institutional framework involving all stakeholders to control the import of HCFCs and HCFC-based equipment. The inter-ministerial decree for allocation of import quotas for HCFCs and HCFC-based equipment to the registered importers was adopted on 24 October 2018.³ An inter-ministerial order on the distribution of HCFC import quotas and on the import of HFCs, their blends and the equipment containing HCFC/HFC was adopted in December 2020⁴ and will be effective as of January 2023. An ozone-depleting substance (ODS) electronic licensing system is being connected to both Customs and the Ministry of Commerce to prevent imports without a corresponding license. Niger has adopted the 2017 harmonized code for the individual identification of HCFCs. The Country ratified the Kigali Amendment on 29 August 2018.

² As per the letter of 23 August 2021 from the Ministry of Environment, Urban Health and Sustainable Development of Niger to UNIDO.

³ Inter-ministerial Decree No. 00177/MESU/DD/MS/PCP

⁴ Inter-ministerial Order No. 225/ME/SU/DD/MC/PSP

6. The Government of Niger confirmed that the regulation banning the import of controlled substances that have already been phased out is in force and that the Customs Department continues to monitor all controlled ODS. No cases of illegal trade of phased-out ODS have been identified and the Government is not aware of any use or any stockpiles of those substances in the country.

Refrigeration servicing sector

7. During the second tranche, the following outputs were achieved:

- (a) *Strengthening the capacity of customs officers and enforcement personnel:* Conducted four training sessions for 88 customs officers and other enforcement officers on monitoring, control and identification of HCFC and HCFC-based equipment. In addition, printed and translated customs quick tools for screening ODS were delivered to all the customs entry points to enable front-line officers to identify HCFCs and reduce illegal trade;
- (b) *Capacity building of refrigeration and air-conditioning (RAC) service technicians:* Conducted five capacity-building workshops for 145 refrigeration technicians in good servicing practices, recovery and recycling (R&R) techniques as well as safe handling of flammable refrigerants with a focus on the introduction of high energy efficiency RAC equipment based on zero ODP, and low-GWP refrigerants; and upgraded the training curricula for RAC servicing at four vocational schools; and
- (c) *Provision of tools and equipment for refrigerant R&R:* Consultations with stakeholders were held to discuss tools and equipment for the four R&R centres, training centres, the Refrigeration Association, and ODS identifiers for the Customs Department. As a result, a second list⁵ of tools and equipment was defined and the procurement process is ongoing, with expected delivery to the country in November 2021.

8. The country does not have a project management unit. The NOU monitored and coordinated the implementation of the HPMP with the support of short-term consultancy services. All second tranche funds approved for monitoring were disbursed (US \$15,000).

Level of fund disbursement

9. As of September 2021, of the US \$490,000 approved so far, US \$366,565 had been disbursed (US \$206,565 for UNIDO and US \$160,000 for UNEP) as shown in Table 2. The balance of US \$123,435 will be disbursed in 2021 to 2022.

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

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed*	Approved	Disbursed	Approved	Disbursed
UNIDO	175,000	175,000	90,000	31,565	275,000	206,565
UNEP	100,000	100,000	125,000	60,000	225,000	160,000
Total	274,750	274,750	215,000	91,535	490,000	366,565
Disbursement rate (%)	100		43		75	

*Including balances of US \$250 and US \$910 returned by UNIDO and UNEP, respectively.

⁵ Eighteen units of digital clamp and capacitor meters, and portable fire extinguishers; 17 recovery cylinders; 10 refrigerant identifiers; six recovery machines for HCFC/HFC/HC; five units of vacuum pumps and electronic scales; and one educational demonstration set for training on the use of HC-290.

Implementation plan for the third and final tranche of the HPMP

10. The following activities will be implemented between November 2021 and December 2022:
- (a) *Updating the regulatory framework:* Continue updating the licensing and quota system in the Ministry of Commerce to link it to the Customs Department's electronic system, and adopting the 2022 World Customs Organization (WCO) harmonized code with individual identification of HCFC and HFC refrigerants (UNIDO) (US \$10,000);
 - (b) *Strengthening the capacity of customs officers and enforcement personnel:* Organizing training workshops for approximately 170 participants from the Customs Department and other enforcement agencies on controlling the import of HCFCs, and introducing the new regional and national regulations for refrigerants and RAC equipment, including the revised harmonized codes (UNEP) (US \$25,000 and US \$25,000 remaining from the second tranche);
 - (c) *Capacity building of the RAC service technicians:* Carrying out training workshops for approximately 260 refrigeration technicians in good service practices, R&R techniques as well as safe handling of flammable refrigerants (UNEP) (US \$25,000 and US \$40,000 remaining from the second tranche);
 - (d) *Provision of tools and equipment for refrigerant R&R:* Distributing of tools and equipment (e.g. digital clamp and capacitor meters, portable fire extinguishers; recovery cylinders; recovery machines for HCFC/HFC/HC; vacuum pumps and electronic scales for strengthening R&R centres; and one educational demonstration set for training on the use of HC-290) being procured (UNIDO) (US \$58,435 from the second tranche); and
 - (e) *Monitoring, coordination and reporting:* Hiring a national consultant to assist in monitoring the implementation of the HPMP and data collection (UNIDO) (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

11. The Government of Niger has already issued HCFC import quotas for 2021 at 10.38 ODP tonnes, in accordance with the Montreal Protocol control targets.

12. The second tranche was approved on the understanding that the approval of the third tranche would be conditional to the introduction and enforcement of the Harmonized System of Commodity Description and Customs Code for HCFCs and HFCs.⁶ The Secretariat noted this had not been. UNIDO explained that Niger is a member country of the Economic Community of West African States (ECOWAS) and consequently the Government follows the Customs Code approved at that sub-regional level agreement. ECOWAS does not allow the member countries to make amendments to the code on an individual basis. The WCO harmonized code of 2017 was adopted at the ECOWAS level and then transposed into the Niger regulation. The new WCO global tariff code that will go into effect as of 2022 includes unique codes for HFCs. ECOWAS and its member countries can also adopt the new code as of 1 January 2022. In addition,

⁶ Decision 84/55 and Annex XIV of document UNEP/OzL.Pro/ExCom/84/75

UNIDO explained that any changes that would have been introduced in 2020 or 2021 could be modified in 2022.

Refrigeration servicing sector

13. The Secretariat noted the delays in submitting the present tranche request, and that the targets for training of 89 customs officers and 360 refrigeration technicians have not been achieved. UNIDO explained that there were initial delays in the disbursement of funds from the second tranche due to internal banking issues within the Ministry of Environment. While the issue with the bank account was resolved, implementation of activities was further delayed due to the constraints imposed by the COVID-19 pandemic and the retirement of the national ozone officer. Presently the administrative problems have been solved, lockdown restrictions have been lifted, and training activities are in progress and will be completed by December 2022.

14. Noting the HCFC consumption in 2020 was close to the maximum allowable consumption for that year, the Secretariat enquired about what policy measures and actions would be appropriate to reduce the country's HCFC demand. UNIDO responded that: banning the import of HCFC-based equipment, incentives to introduce RAC equipment based on low-GWP alternative refrigerants, a prohibition on venting/flushing of HCFCs, requiring leak checking, and mandatory control of HCFC R&R could be part of a comprehensive HCFC/HFC regulation in the next stage of the HPMP or the Kigali HFC implementation plan (KIP).

15. Upon asking whether the country could establish mandatory certification for refrigeration technicians, UNIDO responded that such a measure would require establishing an enforcement mechanism and standardizing the curriculum at the RAC training institutions, and the Government of Niger will consider establishing a mandatory certification mechanism during stage II of the HPMP or as part of the KIP.

16. UNIDO also reported that although the R-290-based air-conditioning was not identified in Niger, the number of domestic refrigeration units running with HFC has increased rapidly (approximately 50,000 more units were imported between 2016 and 2018). Consequently, efforts are being made to ensure that the technicians are suitable for handling HFC and HC refrigerants in RAC equipment. Furthermore, trainers in the vocational schools and R&R centres were trained to provide downstream training to technicians on the safe use of flammable refrigerants to prepare the technicians for using the low-GWP technology.

17. The Secretariat recalled decisions 72/17 and 73/34 for the eventual retrofitting of RAC equipment. UNIDO reported that the Government was aware of those decisions; accordingly, retrofitting was not encouraged, and it did not take place under the HPMP. It was also clarified that since HC technology is already present in the market, the RAC training workshops focused on strengthening the technicians' skills on good RAC practices including safe handling of flammable refrigerants, but not on retrofitting.

Completion of stage I

18. In view of the delays in submitting the present tranche request, the Government of Niger is requesting an extension for implementation of stage I until 31 December 2022. The Government is committed to completing all activities contained in the implementation plans of the second and third tranches by the end of December 2022. The Secretariat supports this extension, on the understanding that no further extensions will be requested, and notes that there has been progress in implementation of the HPMP activities notwithstanding the challenges faced. Stage II of the HPMP will be submitted by the 90th meeting.

Gender policy implementation⁷

19. Although stage I of the HPMP was approved before adopting the gender policy, gender considerations were taken into account during the second tranche, mainly in the numbers of female participants in the training that was organized. In the last tranche, the NOU will promote women's attendance at training workshops and raise awareness of the need for gender-friendly work environments. This work will be continued under stage II of the HPMP.

Sustainability of the HCFC phase-out

20. To ensure the sustainability of the HPMP activities over time, the NOU has started working with the leading RAC training schools and four regional centres have introduced good refrigeration practices and the safe use of flammable or toxic refrigerants into their curriculum. The training of refrigeration technicians combined with tools and basic equipment distributed to servicing technicians will reduce leakage and emissions of refrigerants and recovery and reuse practices will further reduce the demand for HCFC-22. While the current situation of the RAC sector in the country does not allow for the establishment of a certification scheme, the Government will continue strengthening the training institutes, the R&R centres in the country and the RAC technicians' association. Similarly, the regular Customs training includes an overview of the Montreal Protocol, and the Customs Department and the NOU keep the training material updated. The Customs Department is a member of the Ozone Committee which controls the import of controlled substances under the Montreal Protocol and the RAC equipment based on them. In combination with the application of the HCFC quota system, all these activities will contribute to the sustainable phase-out of HCFCs.

Conclusion

21. Niger's import licensing and quota system was operational; the 2020 consumption level was below the Montreal Protocol control limits and the maximum allowable consumption, and the quota set for 2021 is in accordance with the Montreal Protocol targets. The capacity of customs and service technicians will continue to be strengthened to sustain HCFC phase-out in the country. Despite initial delays in implementing the second tranche, the HPMP is showing a gradual restart of activities since 2020 and has been progressing; the Government and the implementing agencies are committed to efficiently implementing HPMP activities to complete stage I by 31 December 2022. The actions already implemented and those planned under the third tranche, such as launching the online licensing system, enhancing the capacity of customs officers and RAC technicians, providing support to training institutions, and distributing equipment and tools will further strengthen enforcement and the performance of the servicing sector.

RECOMMENDATION

22. The Fund Secretariat recommends that the Executive Committee:

- (a) Take note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Niger; and
- (b) Extend, on an exceptional basis due to the delays imposed by the COVID-19 pandemic, the completion date of stage I of the HPMP for Niger until 31 December 2022, noting that no further extension would be requested.

⁷ Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

23. The Fund Secretariat further recommends blanket approval of the third and final tranche of stage I of the HPMP for Niger, and the corresponding 2021-2022 tranche implementation plan, at the funding levels shown in the table below:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, third tranche)	20,000	1,400	UNIDO
(b)	HCFC phase-out management plan (stage I, third tranche)	50,000	6,500	UNEP