



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/75/63
26 October 2015

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fifth Meeting
Montreal, 16-20 November 2015

PROJECT PROPOSAL: SAINT VINCENT AND THE GRENADINES

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

Phase-out

- HCFC phase-out management plan (second tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Saint Vincent and the Grenadines

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan	UNEP (lead), UNIDO	64 th	100 % by 2025

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2014	0.09 (ODP tonnes)
--	------------	-------------------

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2014	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.09				0.09

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	0.28	Starting point for sustained aggregate reductions:	0.28
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.28	Remaining:	0

(V) BUSINESS PLAN		2015	2016	2017	2018	Total
UNEP	ODS phase-out (ODP tonnes)	0.1	0	0	0.1	0.1
	Funding (US \$)	158,200	0	0	116,390	274,590

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016-2017	2018	2019	2020-2024	2025	Total	
Montreal Protocol consumption limits			n/a	n/a	0.28	0.28	0.25	0.25	0.25	0.25	0.18	0.09	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	0.28	0.25	0.23	0.23	0.23	0.23	0.09	0.0	n/a	
Agreed funding (US\$)	UNEP	Project costs	55,809	0	0	0	140,000	0	103,000	0	0	46,991	345,800	
		Support costs	7,255	0	0	0	18,200	0	13,390	0	0	6,109	44,954	
	UNIDO	Project costs	124,115	0	0	0	0	0	0	0	0	0	0	124,115
		Support costs	11,170	0	0	0	0	0	0	0	0	0	0	11,170
Funds approved by ExCom (US\$)	Project costs	179,924	0	0	0	0	0	0	0	0	0	0	179,924	
	Support costs	18,425	0	0	0	0	0	0	0	0	0	0	18,425	
Total funds requested for approval at this meeting (US\$)	Project costs	0	0	0	0	140,000	0	0	0	0	0	0	140,000	
	Support costs	0	0	0	0	18,200	0	0	0	0	0	0	18,200	

Secretariat's recommendation:	Blanket approval
--------------------------------------	------------------

PROJECT DESCRIPTION

1. On behalf of the Government of Saint Vincent and the Grenadines, UNEP as the lead implementing agency, has submitted to the 75th meeting a request for funding for the second tranche of the HCFC phase-out management plan (HPMP), at the amount of US \$140,000, plus agency support costs of US \$18,200 for UNEP only. The submission includes a progress report on the implementation of the first tranche, and the tranche implementation plan for 2015 to 2018.

Report on HCFC consumption

HCFC consumption

2. The Government of Saint Vincent and the Grenadines reported a consumption of 0.09 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Saint Vincent and the Grenadines (2010-2014 Article 7 data)

HCFC-22	2010	2011	2012	2013	2014	Baseline
Metric tonnes	2.8	5.39	5.00	3.30	1.65	5.1
ODP tonnes	0.2	0.30	0.28	0.18	0.09	0.3

3. The 2014 HCFC consumption is already 68 per cent and 64 per cent below the baseline consumption and the maximum allowable consumption for 2014, respectively. The significant decrease in HCFC-22 consumption in 2013 and 2014 was due to the effective implementation of the HPMP activities, in particular: training of technicians; public awareness; implementation of a stringent licensing and quota system; and strong cooperation from the customs authority and the industry.

Country programme (CP) implementation report

4. The Government of Saint Vincent and the Grenadines reported HCFC sector consumption data under the 2014 CP implementation report which is consistent with the data reported under Article 7.

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

Legal framework

5. The import licensing and quota system for HCFCs has been established and is operational. The ODS regulation was established to authorize the national ozone unit (NOU) to set the national quota for HCFCs in compliance with the accelerated phase-out schedule in the Montreal Protocol and the targets established in the Agreement between the Government and the Executive Committee. The regulation is being further updated to introduce: mandatory certification for technicians; penalties for illegal imports; mandatory reporting of all recovered refrigerants; and exemption of the import license fee for natural refrigerants. A ban on the import of HCFC-based equipment is being reviewed.

6. The development of standards for servicing, transportation, storage and safety in the refrigeration and air-conditioning (RAC) sector, including safe introduction of flammable and toxic refrigerants, has been initiated and the dialogue with the Bureau of Standards is ongoing.

7. Thirty customs officers and 44 customs brokers and importers were trained on the import licensing and quota system, prevention of illegal trade and safe storage and handling of ODS.

Refrigeration servicing sector

8. Thirty-nine technicians were trained on good practices, retrofitting and use of alternative technologies including hydrocarbons; five refrigerant recovery centres were established; and equipment and tools were procured for the recovery centres and training institutions for technicians. Awareness raising activities were conducted, which impacted on the technology selection by the industry and end-users.

Project implementation and monitoring unit (PMU)

9. Project monitoring and coordination were conducted by the NOU to ensure efficient implementation.

Level of fund disbursement

10. As of September 2015, of the US \$179,924 approved so far, 95 per cent had been disbursed. The balance of US \$9,811 will be disbursed during the implementation of the second tranche.

Implementation plan for the second tranche of the HPMP

11. The second funding tranche of the HPMP will be implemented between November 2015 and May 2018, and the following activities will be undertaken:

- (a) Amending ODS regulations to introduce certification of importers, tax incentives and mandatory reporting of HCFC imports and sales by importers (24,000) (UNEP);
- (b) Developing the standards for non-HCFC equipment and refrigerants including HC (US \$9,000) (UNEP);
- (c) Training of 60 customs and enforcement officers in the prevention of illegal trade and monitoring of imports of ODS (US \$15,000) (UNEP);
- (d) Training of 40 RAC technicians in good servicing practices, and the use of alternative technologies; demonstrating the retrofit to low-GWP technologies; purchasing training equipment (US \$70,000) (UNEP);
- (e) Monitoring of recovery centers and collecting data (US \$2,212 from previous tranche) (UNIDO);
- (f) Awareness-raising activities (US \$15,000) (UNEP); and
- (g) Project coordination and management (US \$7,000) (UNEP).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

12. In line with decision 63/17, and as required under the Agreement between the Government and the Executive Committee, confirmation has been received from the Government of Saint Vincent and the

Grenadines that an enforceable national system of licensing and quotas for HCFC imports and exports, is in place and that the system is capable of ensuring compliance with the Montreal Protocol. The quota for 2015 has been issued at 0.09 ODP tonnes which is below the maximum allowable consumption (0.23 ODP tonnes) in the Agreement.

Refrigeration servicing sector

13. In response to the Secretariat's request for additional information on the five recovery centres, UNEP clarified that in an effort to decentralize the activities, the recovery centers were established in partnership with the servicing workshops and training school. Equipment and tools as well as labels, posters and booklets were provided to these centers, through which technicians are assisted.

14. In response to the Secretariat's request for information on HCFC alternatives on the market, UNEP noted that currently the most commonly used refrigerants include HC-600A, HFC-410A, HFC-134A, and HFC-404A. HC-based equipment was introduced into the market prior to HPMP approval; a primary focus of the ongoing training is to build the capacity among technicians to service HC-based equipment and avoid conversion to HFCs.

15. With regard to the long-term sustainability of the training programme, UNEP indicated that a training laboratory was established at a technical college (Division of Technical and Vocational Education) for training technicians in good practice, retrofitting and servicing alternative technologies. Equipment has been procured to equip the laboratory and ongoing training is conducted at the laboratory. The technical college is also integrating the Caribbean Vocational Qualification (CVQ) into its curriculum.

16. In reference to the demonstration activities for retrofitting equipment with flammable refrigerants, the Secretariat reminded UNEP of decision 72/17¹ and decision 73/34². UNEP clarified that technicians will be trained in the safe use of hydrocarbon refrigerants and will be certified for conducting retrofitting. Principles based on the safe use and management of flammable and toxic refrigerants will be used to guide the implementation of these activities. Demonstration activities for retrofitting equipment to hydrocarbons will only be conducted in the context of training technicians. In addition, UNEP indicated that the project is expected to demonstrate cost savings in energy consumption from switching to energy-efficient, low-GWP alternatives. Detailed data on the amount of refrigerants used, type of refrigerant, monthly energy use and cost will be recorded.

Conclusion

17. The HCFC consumption in Saint Vincent and the Grenadines has been below the control targets set in the Agreement for 2013 and 2014. The licensing and quota system is being effectively enforced and training has been provided to customs officers. Technicians have been trained in good practices, refrigerant recovery and reuse, and servicing of equipment using alternatives, including hydrocarbons. Equipment and tools were provided to facilitate better service and a training laboratory was established. In view of the substantial progress achieved and the 95 per cent funding disbursement of the first tranche, the Secretariat recommends approval of the second tranche.

¹ To include in the approval of HCFC phase-out management plans, tranches, projects or activities that proposed the retrofit of HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants that the Executive Committee notes that, if the country engages in retrofitting HCFC-based refrigeration and air-conditioning equipment to flammable or toxic refrigerants and associated servicing, it does so on the understanding that they assume all associated responsibilities and risks.

² If a country were to decide, after taking into account decision 72/17, to proceed with retrofits that used flammable substances in equipment originally designed for non-flammable substances, it should be done only in accordance with the relevant standards and protocols.

RECOMMENDATION

18. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Saint Vincent and the Grenadines; and further recommends blanket approval of the second tranche of the HPMP for Saint Vincent and the Grenadines, and the corresponding 2015-2018 tranche implementation plan, at the funding level shown in the table below, on the understanding that if Saint Vincent and the Grenadines were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, second tranche)	140,000	18,200	UNEP