



**United Nations  
Environment  
Programme**

Distr.  
GENERAL

UNEP/OzL.Pro/ExCom/76/44  
12 April 2016

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Seventy-sixth Meeting  
Montreal, 9-13 May 2016

**PROJECT PROPOSAL: SAINT LUCIA**

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) UNEP and UNIDO

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**Saint Lucia**

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (Stage I)	UNEP (lead), UNIDO	64 <sup>th</sup>	35 per cent by 2020

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2014	0.8 (ODP tonnes)
---	------------	------------------

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2015	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.47				0.47

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	1.09	Starting point for sustained aggregate reductions:	1.09
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.38	Remaining:	0.71

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0	0	0	0	0	0
	Funding (US \$)	0	0	6,178	0	12,151	18,329
UNIDO	ODS phase-out (ODP tonnes)	0	0	0	0	0	0
	Funding (US \$)	4,144	0	3,552	0	6,210	13,906

(VI) PROJECT DATA		2011	2012	2013-2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits		n/a	n/a	1.09	0.98	0.98	0.98	0.98	0.98	0.71	n/a
Maximum allowable consumption (ODP tonnes)		n/a	n/a	1.09	0.98	0.98	0.98	0.98	0.98	0.71	n/a
Agreed funding (US\$)	UNEP										
	Project costs	13,000	13,150	0	26,300	0	0	9,200	0	21,000	82,650
	Support costs	1,690	1,710	0	3,419	0	0	1,196	0	2,730	10,745
	UNIDO										
	Project costs	88,850	11,000	0	27,500	0	0	0	0	0	127,350
	Support costs	7,997	990	0	2,475	0	0	0	0	0	11,462
Funds approved by ExCom (US\$)	Project costs	101,850	24,150	0	0	0	0	0	0	0	126,000
	Support costs	9,687	2,700	0	0	0	0	0	0	0	12,387
Total funds requested for approval at this meeting (US\$)	Project costs	0	0	0	0	53,800*	0	0	0	0	53,800
	Support costs	0	0	0	0	5,894*	0	0	0	0	5,894

\*Third tranche planned for 2015 but submitted to the 76<sup>th</sup> meeting.

<b>Secretariat's recommendation:</b>	Individual consideration
--------------------------------------	--------------------------

## PROJECT DESCRIPTION

1. On behalf of the Government of Saint Lucia, UNEP, as the lead implementing agency, has submitted to the 76<sup>th</sup> meeting a request for funding for the third tranche<sup>1</sup> of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$59,694, consisting of US \$26,300, plus agency support costs of US \$3,419 for UNEP, and US \$27,500, plus agency support costs of US \$2,475 for UNIDO. The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption and the tranche implementation plan for 2016 to 2018.

### Report on HCFC consumption

2. The HPMP for Saint Lucia approved at the 64<sup>th</sup> meeting, was based on an estimated HCFC consumption baseline of 25.14 mt (1.38 ODP tonnes) using survey data. The survey indicated that the HCFC consumption reported under Article 7 of the Montreal Protocol for 2009 was underestimated, and hence, the Government would submit a request to revise the reported consumption. However, the request for the second funding tranche submitted to the 68<sup>th</sup> meeting<sup>2</sup> did not include a request to revise the reported level of HCFC consumption for 2009 and reported zero consumption for 2010. On this basis, the baseline consumption was established at 3.96 mt (0.20 ODP tonnes) and the funding level of stage I of the HPMP was adjusted (from US \$210,000 to US \$164,500) in light with decision 60/44<sup>3</sup>.

3. Subsequently, upon a request by the Government to the Implementation Committee, at their 25<sup>th</sup> meeting the Parties to the Montreal Protocol<sup>4</sup> agreed to revise the baseline for compliance to 19.91 mt (1.09 ODP tonnes).

4. The Government reported a consumption of 0.83 ODP tonnes of HCFC in 2014 and estimated a consumption of 0.47 ODP tonnes for 2015, as shown in Table 1.

**Table 1. HCFC consumption in Saint Lucia (2011-2014 Article 7 data, 2015 estimate)**

HCFC	2011	2012	2013	2014	2015*	Baseline
<b>Metric tonnes</b>						
HCFC-22	19.45	13.59	10.24	15.13	8.54	19.49
HCFC-121	0.00	0.00	0.00	0.00	0.00	0.36
HCFC-123	0.00	0.00	0.27	0.00	0.00	0.00
HCFC-124	0.00	0.01	0.00	0.00	0.00	0.00
HCFC-142b	0.00	0.01	0.00	0.00	0.00	0.06
Total (mt)	19.45	13.62	10.51	15.13	8.54	19.91
<b>ODP tonnes</b>						
HCFC-22	1.07	0.75	0.56	0.83	0.47	1.08
HCFC-121	0.00	0.00	0.00	0.00	0.00	0.01
HCFC-123	0.00	0.00	0.01	0.00	0.00	0.00
HCFC-124	0.00	0.00	0.00	0.00	0.00	0.00
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.00
Total (ODP tonnes)	1.07	0.75	0.57	0.83	0.47	1.09**

\* Country programme data submitted on 24 March 2016

\*\*Revised baseline consumption.

5. The low level of consumption estimated in 2015 has been associated with the implementation of the licensing and quota system, training of technicians in good servicing practices and the public awareness raising activities, which limited imports and reduced demand for HCFCs.

<sup>1</sup> The third tranche was originally planned for 2015 but was only submitted to the 76<sup>th</sup> meeting.

<sup>2</sup> UNEP/OzL.Pro/ExCom/68/38.

<sup>3</sup> Paragraph 7 to 11 of document UNEP/OzL.Pro/ExCom/68/38.

<sup>4</sup> Decision XXV/13.

*Country programme (CP) implementation report*

6. The Government of Saint Lucia reported HCFC sector consumption data under the 2014 CP implementation report that is consistent with the data reported under Article 7.

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

*Legal framework*

7. In 2015, Saint Lucia revised the regulations related to the Montreal Protocol to provide legal endorsement for the import and export licensing system; stipulate the mandatory requirement of licenses for the import and export of all refrigerants including HCFCs, HFCs and other refrigerants; require issuance of HCFC quotas to all registered importers; limit refrigerant sale to certified technicians; and prohibit imports of HCFC-based equipment.

8. A total of 50 customs officers and 21 brokers were trained in the implementation of the licensing and quota system, and the monitoring and control of imports of ODS and ODS products. Training materials on illegal trade, including customs desk books and the UNEP Customs Quick Tool, were distributed to all participants.

*Refrigeration servicing sector*

9. In total 59 technicians were trained in good servicing practices, refrigerant recovery, reuse, and containment; retrofitting of equipment; use of alternatives and safe handling of flammable refrigerants including hydrocarbons. Following the training, 46 servicing technicians were certified. Tools and equipment were sold at subsidized prices to certified technicians. The refrigerant recovery and reuse (R&R) programme was implemented and 5.78 kg of HCFC-22 were recovered during the second tranche. Training manuals on retrofitting and conversion were developed and will be used for train-the-trainer workshops planned for the third tranche.

10. Awareness raising activities were conducted through public media, industrial association and a meeting with importers to disseminate information on HCFC phase-out policies.

*Project implementation and monitoring unit (PMU)*

11. Project implementation and monitoring was conducted by the national ozone unit (NOU), and regular reporting and verification was conducted in accordance with existing guidelines.

Level of fund disbursement

12. As of March 2015, of the US \$126,000 approved so far, US \$115,800 had been disbursed (US \$23,500 for UNEP and US \$92,300 for UNIDO). The balance of US \$10,200 will be disbursed in 2016 (Table 2).

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

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	13,000	13,000	13,150	10,500	26,150	23,500
UNIDO	88,850	88,850	11,000	3,450	99,850	92,300
Total	101,850	101,850	24,150	13,950	126,000	115,800
Disbursement rate (%)	100		58		92	

Implementation plan for the third tranche of the HPMP

13. The following activities will be implemented:
- (a) Training of 80 customs and enforcement officers on implementation of the licensing and quota system; identification of ODS and ODS-based equipment; and prevention of illegal trade (UNEP) (US \$6,000);
  - (b) Training of 30 technicians in refrigeration leakage control during servicing practices and the use and management of natural refrigerants including hydrocarbons as alternatives to ODS. Trained technicians will thereafter train other servicing technicians in leakage control (UNIDO) (US \$27,500);
  - (c) Certification of 80 servicing technicians after training in good refrigeration service practices including recover, reuse, and containment of refrigerants; retrofitting of equipment; use of alternatives and safe handling of flammable refrigerants. Certification is a compulsory requirement for purchasing refrigerants (but not for conducting servicing) and refrigerant sale to uncertified technicians is strictly prohibited under the regulation (UNEP) (US \$10,000);
  - (d) Raising awareness of HCFC phase-out, policies, alternative technologies and safety issues related to the use of hydrocarbon refrigerants; and implementing activities targeted for key stakeholders and the general public (UNEP) (US \$5,300); and
  - (e) Project coordination, monitoring and reporting (US \$5,000) (UNEP).

**SECRETARIAT'S COMMENTS AND RECOMMENDATION**

**COMMENTS**

Verification report

14. By the time of issuance of this document, the verification report of HCFC consumption for 2013, 2014 and 2015 was still underway. Therefore, in line with decision 72/19, funds approved under the third tranche will not be transferred to the implementing agencies until the Secretariat has reviewed the verification report and confirmed that the Government is in compliance with the Montreal Protocol and with its Agreement with the Executive Committee.

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

*Legal framework*

15. The Government of Saint Lucia has already issued HCFC import quotas for 2016 at 0.687 ODP tonnes.

*Refrigeration servicing sector*

16. Noting that training activities for retrofitting equipment and safe handling and use of hydrocarbon refrigerants had been implemented under the HPMP, attention was drawn to the Government of Saint Lucia on relevant decisions of the Executive Committee on retrofitting HCFC-based equipment to

hydrocarbon refrigerants<sup>5</sup>. UNEP explained that the Government is fully aware of these decisions. As imports of HCFC-based equipment are banned, retrofitting of equipment which still has economic life will assist the country in reducing demand of HCFCs. UNEP also explained that the training of technicians will focus mainly on safety aspects of hydrocarbon refrigerants use.

### Revision to the HPMP Agreement

17. The HPMP for Saint Lucia was approved at the 64<sup>th</sup> meeting prior to the establishment of the HCFC baseline for compliance; subsequently, the Agreement between the Government of Saint Lucia and the Executive Committee was revised at the 68<sup>th</sup> meeting based on the established baseline of 0.20 ODP tonnes pursuant to decision 64/37(e)<sup>6</sup>. However, the established HCFC baseline for compliance was further revised by the Parties to the Montreal Protocol upon a request by the Government. Based on the recently revised baseline, the eligible funding for Saint Lucia would be US \$210,000 instead of US \$164,500, as shown in Table 3.

**Table 3. Readjusted level of funding of stage I of the HPMP for Saint Lucia**

Agency	2011	2012	2015	2018	2020	Total
UNEP	13,000	13,150	26,300	9,200	21,000	82,650
UNIDO	88,850	11,000	27,500	0	0	127,350
Total	101,850	24,150	53,800	9,200	21,000	210,000

18. While revising the Agreement, UNIDO has requested to advance the funding planned for the fourth and fifth tranche of US \$3,259 and US \$5,697, respectively to the 76<sup>th</sup> meeting, given their very low levels. The Secretariat noted that UNEP has kept 10 per cent of the total funding in the last tranche.

19. In approving the revision of the Agreement at the 68<sup>th</sup> meeting, the Executive Committee requested the Fund Secretariat, once the baseline data were known, to update Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted<sup>7</sup>. Based on the revised Article 7 data reported by the Government, the relevant paragraphs of the Agreement have been updated, including a paragraph to indicate that the updated Agreement supersedes the updated Agreement approved at the 68<sup>th</sup> meeting, as shown in Annex I to this document. The full revised Agreement will be appended to the final report of the 76<sup>th</sup> meeting.

### Conclusion

20. The implementation of the second tranche is progressing well. Saint Lucia has established an enforceable licensing and quota system and has been in compliance with the Montreal Protocol control targets as well as with its Agreement with the Executive Committee. The training of customs officers has facilitated better control of HCFC imports entry. Training courses for technicians and a certification programme are being implemented. Integration of technician training into the curriculum of a professional training institute will ensure long-term sustainability of capacity development. The overall funding disbursement had reached 94 per cent. The approved funding will only be released after the Secretariat receives a verification report for 2013 to 2015 confirming that Saint Lucia was in compliance with the Montreal Protocol control targets.

<sup>5</sup> Decisions 72/17, 72/41 and 73/34.

<sup>6</sup> The Executive Committee requested the Secretariat to *inter alia*, update Appendix 2-A (“The targets, and funding”) to the Agreement with the figures for maximum allowable consumption, and to notify the Committee of the resulting levels accordingly.

<sup>7</sup> Decision 68/28(c)

**RECOMMENDATION**

21. The Executive Committee may wish to consider:

- (a) Noting:
  - (i) The progress report on the implementation of the second tranche of stage I of the HCFC phase out management plan (HPMP) for Saint Lucia;
  - (ii) That the Fund Secretariat had updated paragraph 1, and Appendices 1-A and 2-A of the Agreement between the Government of Saint Lucia and the Executive Committee, based on the established HCFC baseline for compliance and the revised funding level, and that paragraph 16 had been revised to indicate that the updated Agreement supersedes that reached at the 68<sup>th</sup> meeting, as contained in Annex I to the present document;
  - (iii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 1.09 ODP tonnes, calculated using actual consumption of 1.37 ODP tonnes and 0.81 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, and that the revised funding level for stage I of the HPMP for Saint Lucia was US \$210,000 plus agency support costs, in accordance with decision 60/44(f)(xii);
- (b) Approving the third tranche of stage I of the HPMP for Saint Lucia, and the corresponding 2016-2018 tranche implementation plan, at the amount of US \$59,694, consisting of US \$26,300, plus agency support costs of US \$3,419 for UNEP and US \$27,500, plus agency support costs of US \$2,475 for UNIDO, on the understanding that:
  - (i) The approved funds would not be transferred to UNEP and UNIDO until the Secretariat had reviewed the verification report and confirmed that the Government of Saint Lucia was in compliance with the Montreal Protocol and the Agreement between the Government and the Executive Committee; and
  - (ii) If Saint Lucia 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.

**Annex I**

**TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF SAINT LUCIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS  
(Relevant changes are in bold font for ease of reference)**

1. This Agreement represents the understanding of the Government of Saint Lucia (the “Country”) 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 **0.71** ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Saint Lucia and the Executive Committee at the **68<sup>th</sup>** meeting of the Executive Committee.

**APPENDIX 1-A: THE SUBSTANCES**

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	<b>1.09</b>

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

Row	Particulars	2011	2012	2013-2014	2015	2016-2017	2018	2019	2020	Total	
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP Tonnes)	0	0	<b>1.09</b>	<b>0.98</b>	<b>0.98</b>	<b>0.98</b>	<b>0.98</b>	<b>0.71</b>	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0	0	<b>1.09</b>	<b>0.98</b>	<b>0.98</b>	<b>0.98</b>	<b>0.98</b>	<b>0.71</b>	n/a	
2.1	Lead IA (UNEP) agreed funding (US\$)	13,000	13,150	0	<b>26,300</b>	0	<b>9,200</b>	0	<b>21,000</b>	<b>82,650</b>	
2.2	Support costs for Lead IA (US \$)	1,690	1,710	0	<b>3,419</b>	0	<b>1,196</b>	0	<b>2,730</b>	<b>10,745</b>	
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	88,850	11,000	0	<b>27,500</b>	0	<b>0</b>	0	<b>0</b>	<b>127,350</b>	
2.4	Support costs for Cooperating IA (US \$)	7,997	990	0	<b>2,475</b>	0	<b>0</b>	0	<b>0</b>	<b>11,462</b>	
3.1	Total agreed funding (US \$)	101,850	24,150	0	<b>53,800</b>	0	<b>9,200</b>	0	<b>21,000</b>	<b>210,000</b>	
3.2	Total support costs (US \$)	9,687	2,700	0	<b>5,894</b>	0	<b>1,196</b>	0	<b>2,730</b>	<b>22,207</b>	
3.2	Total agreed costs (US \$)	111,537	26,850	0	<b>59,694</b>	0	<b>10,396</b>	0	<b>23,730</b>	<b>232,207</b>	
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)										<b>0.38</b>
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)										<b>0</b>
4.1.3	Remaining eligible consumption for HCFC-22										<b>0.71</b>