



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/76/52
8 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: TURKMENISTAN

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

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Turkmenistan

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNIDO (lead)	62 nd	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2014	2.7 (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-123									
HCFC-124									
HCFC-141b									
HCFC-142b									
HCFC-22					0.15				0.15

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	6.8	Starting point for sustained aggregate reductions:	6.8
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	2.38	Remaining:	4.42

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNIDO	ODS phase-out (ODP tonnes)	0.8	0.0	0.0	0.0	0.1	0.9
	Funding (US \$)	231,394	0	0	0	35,744	267,138

(VI) PROJECT DATA			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	n/a	6.8	6.8	6.12	6.12	6.12	6.12	6.12	4.42	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	6.8	6.8	6.12	6.12	6.12	6.12	6.12	4.42	n/a
Agreed funding (US\$)	UNIDO	Project costs	309,050	0	0	94,500	0	0	215,250	0	0	0	33,250	652,050
		Support costs	23,179	0	0	7,087	0	0	16,144	0	0	0	2,494	48,904
Funds approved by ExCom (US\$)	UNIDO	Project costs	309,050	0	0	94,500	0	0	0	0	0	0	0	403,550
		Support costs	23,179	0	0	7,087	0	0	0	0	0	0	0	30,266
Total funds requested for approval at this meeting (US\$)	UNIDO	Project costs	0	0	0	0	0	0	215,250	0	0	0	0	215,250
		Support costs	0	0	0	0	0	0	16,144	0	0	0	0	16,144

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

PROJECT DESCRIPTION

1. On behalf of the Government of Turkmenistan, UNIDO, as the designated implementing agency, has submitted to the 76th meeting a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$215,250, plus agency support costs of US \$16,144. 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 2020.

Report on HCFC consumption

HCFC consumption

2. The Government of Turkmenistan reported a consumption of 4.2 ODP tonnes of HCFC in 2015. The 2011-2015 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Turkmenistan (2011-2015 Article 7 data)

HCFC-22	2011	2012	2013	2014	2015*	Baseline
Metric tonnes	106.00	140.63	75.60	49.12	76.59	124.14
ODP tonnes	5.83	7.73	4.16	2.7	4.2	6.80

*Data from verification report.

3. The high consumption of HCFCs in 2012 was due to stockpiling in anticipation of the 2013 control measures. From 2013, HCFC consumption has been below the consumption baseline with the 2015 consumption 38 per cent below. The significant decrease in HCFC consumption 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.

Verification report

4. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2015 was 4.2 ODP tonnes. The verification concluded that Turkmenistan is in compliance with the Montreal Protocol control targets.

Country programme (CP) implementation report

5. The Government of Turkmenistan reported HCFC sector consumption data under the 2014 CP implementation report that is consistent with the data reported under Article 7. The 2015 CP report will be submitted by 1 May 2016.

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

Legal framework

6. In addition to the establishment and operation of the licensing and quota system for HCFC imports/exports, an incentive programme for HCFC alternatives, and strengthening the use of harmonized customs codes for all refrigerants, are being planned. A total of 40 customs and enforcement officers were trained in HCFC import/export control through the routine customs training programme; refrigerant identifiers were distributed.

Refrigeration servicing sector

7. The main activities implemented included:
- (a) Strengthening the training centres through the provision of equipment for training in the use of alternatives including hydrocarbon, ammonia and carbon dioxide; and development of training materials for service technicians and end-users;
 - (b) Training of 25 trainers and 100 technicians in good servicing practices and equipment maintenance using the training centres, and improving the certification system for servicing technicians;
 - (c) Awareness-raising activities on HCFC phase-out, support for establishing an industrial association; and
 - (d) Monitoring, coordination and reporting of activities implemented in the HPMP.

Level of fund disbursement

8. As of March 2016, of the US \$403,550 approved so far, US \$383,408 had been disbursed, as shown in Table 2. The balance of US \$20,142 will be disbursed in 2016.

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

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNIDO	309,050	308,980	94,500	74,428	403,550	383,408
Disbursement rate (%)	100		79		95	

Implementation plan for the third tranche of the HPMP

9. The third tranche will focus on refrigerant recovery and reuse, improving refrigerant containment to reduce emissions into the atmosphere; promote the use of the alternative refrigerants through training of technicians; policies development, incentive programmes and awareness-raising activities to promote recovery and recycling of refrigerants. The following specific activities will be implemented:

- (a) Strengthening the training center for technicians, updating the training manual to include flammable refrigerants, and developing the second training center (US \$50,500);
- (b) Training of 25 trainers and 100 technicians in good servicing practices, equipment maintenance and use of alternative refrigerants; provision of tools and equipment (US \$71,250);
- (c) Continuous training of customs officers through customs training programme (no funding is needed for this component as HCFC import control has been integrated into the curriculum of training for customs officers); and
- (d) Project monitoring and management, public awareness-raising activities and policy improvement (US \$93,500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

10. The Government of Turkmenistan has already issued HCFC import quotas for 2016 in accordance with the Montreal Protocol control targets.

Refrigeration servicing sector

11. The Secretariat noted that training in use of hydrocarbon refrigerants was included in the technicians training programme and reminded the country of the relevant decisions of the Executive Committee on retrofitting HCFC-based equipment to hydrocarbon refrigerants¹. UNIDO clarified that the Government is fully aware of these decisions. It also noted that retrofitting equipment to flammable refrigerants is not a common practice in Turkmenistan, as it is believed that this cannot be safely implemented, and it is not supported under the HPMP. Technical information on the use of hydrocarbon is available and training programmes cover safety aspects in the use of hydrocarbon refrigerants.

12. With regard to strengthening the training centre for technicians, UNIDO explained that the training center has played an important role in HCFC phase-out. Strengthening training centres with equipment and new training materials will further improve the quality of technicians' training. In conjunction with the refrigeration technicians' certification programme that has already been implemented, this will ensure the sustainability of the training programmes.

Conclusion

13. The implementation of the second tranche is progressing well. Turkmenistan has been in compliance with the Montreal Protocol control targets; the verification report confirmed that the licensing and quota system is operational. The training of customs officers has been integrated into the curriculum of customs training programmes; and a certification programme for technicians is being implemented, which will ensure long-term sustainability of capacity development. The overall funding disbursement reached 95 per cent.

RECOMMENDATION

14. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Turkmenistan; and further recommends blanket approval of the third tranche of stage I of the HPMP for Turkmenistan, and the corresponding 2016-2020 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, third tranche)	215,250	16,144	UNIDO

¹ Decisions 72/17 and 73/34.