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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-seventh Meeting
Montreal, 28 November - 2 December 2016

PROJECT PROPOSAL: FIJI

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) UNDP and UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Fiji

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNDP (lead), UNEP	65 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2015	3.87 (ODP tonnes)
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(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-123				0.0	0.0				0.0
HCFC-124				0.0	0.0				0.0
HCFC-141b				0.0	0.0				0.0
HCFC-142b				0.0	0.02				0.02
HCFC-22				0.0	3.85				3.85

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	8.4	Starting point for sustained aggregate reductions:	5.77
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	2.02	Remaining:	3.75

(V) BUSINESS PLAN		2016	2017	2018	2019	2020	Total
UNDP	ODS phase-out (ODP tonnes)	0.4	0.0	0.0	0.0	0.1	0.5
	Funding (US \$)	65,237	0	0	0	21,745	86,982
UNEP	ODS phase-out (ODP tonnes)	0.3	0.0	0.0	0.0	0.1	0.3
	Funding (US \$)	47,065	0	0	0	13,052	60,117

(VI) PROJECT DATA			2011	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	8.4	8.4	7.6	7.6	7.6	7.6	7.6	5.5	
Maximum allowable consumption (ODP tonnes)			n/a	5.8	5.8	5.2	5.2	5.2	5.2	5.2	3.8	
Agreed funding (US\$)	UNDP	Project costs	71,800	0	37,900	0	59,850	0	0	0	19,950	189,500
		Support costs	6,462	0	3,411	0	5,387	0	0	0	1,795	17,055
	UNEP	Project costs	47,900	0	24,400	0	41,650	0	0	0	11,550	125,500
		Support costs	6,227	0	3,172	0	5,415	0	0	0	1,502	16,316
Funds approved by ExCom (US\$)	Project costs	119,700	0	62,300	0	0	0	0	0	0	0	182,000
	Support costs	12,689	0	6,583	0	0	0	0	0	0	0	19,272
Total funds requested for approval at this meeting (US\$)	Project costs	0	0	0	0	101,500	0	0	0	0	0	101,500
	Support costs	0	0	0	0	10,802	0	0	0	0	0	10,802

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Fiji, UNDP as the lead implementing agency, has submitted to the 77th meeting a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP)¹, at a total cost of US \$112,302, consisting of US \$59,850, plus agency support costs of US \$5,387 for UNDP, and US \$41,650, plus agency support costs of US \$5,415 for UNEP. The submission includes a progress report on the implementation of the second tranche and the tranche implementation plan for 2017 to 2020.

Report on HCFC consumption

HCFC consumption

2. The Government of Fiji reported a consumption of 3.87 ODP tonnes for 2015 which is lower than the maximum allowable consumption in the Agreement between the Government and the Executive Committee. The 2011-2015 HCFC consumption is shown in Table 1.

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

HCFC	2011	2012	2013	2014	2015	Baseline*
Metric tonnes (mt)						
HCFC-22	262.53	260.84	139.52	121.49	70.03	152.18
HCFC-142b	0.32	0.38	0.00	0.28	0.32	0.62
Total (mt)	262.85	261.22	139.52	121.77	70.35	152.80
ODP tonnes						
HCFC-22	14.44	14.35	7.67	6.68	3.85	8.37
HCFC-142b	0.02	0.02	0.00	0.02	0.02	0.04
Total (ODP tonnes)	14.46	14.37	7.67	6.70	3.87	8.4

*The Government of Fiji submitted a request for revision of its HCFC baseline to the 57th meeting of the Implementation Committee under the Non-Compliance Procedure for the Montreal Protocol

3. The decline in HCFC consumption from 2014 to 2015 levels is attributed to the strict licensing/permitting system and the import quota system for HCFCs that are in place.

Country programme (CP) implementation report

4. The Government of Fiji reported HCFC sector consumption data under the 2015 CP implementation report which is 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. Fiji currently has in place the Ozone Depleting Substances (ODS) Act 1998 and its subsequent Regulations (2010) that set in place a licensing/permitting system for all ODS in terms of handling, storage, sales, imports and re-exports including to foreign-flagged fishing vessels. Fifty-one enforcement officers were trained on monitoring ODS imports and exports and the use of the refrigerant identifiers; and two sets of refrigerant identifiers were purchased and distributed to the customs office.

Refrigeration servicing sector

6. The following activities had been implemented: 296 trainers and service technicians were trained on good servicing practices in refrigeration and the safe handling of flammable refrigerants (i.e., ammonia, hydrocarbons and carbon dioxide), and provided with equipment (e.g., recovery cylinders,

¹ As per the letter of 23 September 2016 from the Department of Environment of the Republic of Fiji to UNDP.

manifold pistons, leak detectors, scales); certification of refrigeration and air-conditioning (RAC) technicians has been fully implemented and has certified 1,138 technicians. Under the recovery and reclamation programme, the mini-reclaim units provided during the previous tranche resulted in the recovery and reclaim of 130 kilograms of HCFC.

7. The national ozone unit (NOU) in consultation with the Ministry of Fisheries and relevant stakeholders prepared the draft of a five-year plan that contains guidelines and options on retrofitting and other methods to support conversion of the refrigeration equipment in the fisheries sector once approved.

Project implementation and monitoring unit (PMU)

8. The implementation of activities under the HPMP is led by the NOU located in the Department of the Environment. Meetings with various stakeholders are held to establish annual work plans, monitor the administrative management of the entire programme, and prepare progress reports.

Level of fund disbursement

9. As of September 2016, of the US \$182,000 so far approved, US \$161,073 had been disbursed (US \$101,173 for UNDP and US \$59,900 for UNEP). The balance of US \$20,927 will be disbursed by the end of December 2016 (Table 2).

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

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNDP	71,800	71,028	37,900	30,145	109,700	101,173
UNEP	47,900	47,900	24,400	12,000	72,300	59,900
Total	119,700	118,928	62,300	42,145	182,000	161,073
Disbursement rate (%)	99 %		68 %		88.5 %	

Implementation plan for the third tranche of the HPMP (2017-2020)

10. The following activities will be implemented:

- (a) Finalization of policy, legislation and standards for introduction of low-global warming potential (GWP) refrigeration systems; dissemination of these information to local stakeholders (i.e., RAC association and service technicians); and training of 90 customs and enforcement officers on ODS regulations, HCFC phase-out and inspection techniques of HCFCs and HCFC-based equipment, (UNEP) (US \$7,650);
- (b) Finalization of national training curriculum; 17 training workshops on good servicing practices, handling of flammable refrigerants in RAC systems, and management of HCFCs for the marine and fisheries refrigeration sectors for 425 RAC technicians (UNEP) (US \$24,000);
- (c) Procurement of two additional recovery and reclamation equipment for HCFC-22 refrigerant and servicing tools (e.g., locking tools, vacuum pumps, manifold gauges), and training for their use (UNDP) (US \$14,850);
- (d) Finalization of implementation modality and procedures for the incentive programme to replace existing HCFC-22-based refrigeration systems that cannot be retrofitted with available alternatives (i.e., HFC-32, HC-600, HC-290, ammonia), identification of beneficiaries for the replacement support incentive programme for end-users, and two workshops on the implementation of the programme (UNDP) (US \$25,000) ;

- (e) Communication and outreach on HPMP implementation to publicize training schedules for RAC technicians, certification system for RAC technicians, and benefits of using energy-efficient and low-GWP refrigerant systems; and to disseminate information on handling flammable refrigerants to enforcement officers (UNEP) (US \$10,000); and
- (f) Continue planning, implementation, and monitoring activities of the HPMP (UNDP) (US \$20,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HCFC consumption

11. HCFC-22 consumption in 2011 and 2012 was higher than that of the baseline as it included consumption for bulk sales to foreign-owned vessels. The consumption of HCFC-22 used to service the refrigeration equipment of foreign-owned vessels was considered as an export under the Montreal Protocol and this was enforced through a national policy in 2013.

12. The starting point for sustained aggregate reduction in HCFC consumption was revised at the 73rd meeting from 8.40 ODP tonnes to 5.77 ODP tonnes. The 2015 HCFC consumption reported at 3.87 ODP tonnes is lower than its starting point.

13. In line with decision 73/60(a)(ii), Fiji submitted a request to the 57th Implementation Committee under the Non-Compliance Procedures of the Montreal Protocol² to change its baseline to be consistent with its policy to exclude bulk sales of HCFC to foreign flagged vessels. The Committee had noted the participation and presentation made by the NOU at this meeting to provide information on the request, but in view of the late submission of the request and the large volume of information to be considered, the Committee had agreed to defer consideration of the matter to its 58th meeting³.

14. The Government of Fiji had also confirmed through UNDP that issues on the licensing and quota system identified in the verification report submitted to the 73rd meeting were satisfactorily addressed (i.e., close monitoring and recording of exports of HCFCs to foreign flagged vessels as part of its licensing system).

15. The Government of Fiji had established import quotas in 2016 and 2017 of 5.19 ODP tonnes consistent with its Agreement with the Executive Committee.

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

Refrigeration servicing sector

16. In ensuring the sustainability of the technicians' training programme, the Fiji National University implements the refrigeration servicing training programme; the NOU, the RAC industry and the Higher Education Commission are developing and upgrading the training curriculum to include good service practices in refrigeration in the University's academic programmes to professionalise refrigeration servicing; and support to the certification scheme for technicians is being provided.

17. With regard to the retrofit incentive programme for the fisheries sector, UNDP explained that the activities will focus on conducting workshops for the RAC Industry Association and the fishing vessels

² Kigali, Rwanda, 9 October 2016.

³ Bangkok, Thailand, 9 July 2017.

stakeholders to explore options for retrofitting and/or replacing refrigeration equipment and building capacity. UNDP expects that during the third tranche, beneficiaries will be identified and retrofitting or replacement of refrigeration systems will commence once a technical alternative is agreed upon. Since low-GWP options for use in fishing boats are not currently available, ongoing technical assistance will continue to determine the best option to assist this sector.

Conclusion

18. The Secretariat noted that the country's import licensing and quota system continues to be operational and will enable HCFC consumption reductions in line with the Montreal Protocol's phase-out schedule, and that the reported 2015 HCFC consumption is already below 10 per cent of the revised starting point established in the Agreement with the Executive Committee; and conditions of decision 73/60(c) have been fulfilled. The activities in the RAC servicing sector are being implemented in close coordination with stakeholders; and sustainability of the training programme is ensured with the country's ongoing work with Fiji National University, the RAC industry, the Higher Education Commission, and the NOU. The country is therefore on track to compliance with the Montreal Protocol measures for the 35 per cent reduction in HCFC consumption to which Fiji had committed in stage I of the HPMP.

RECOMMENDATION

19. 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 of (HPMP) for Fiji; and further recommends blanket approval of the third tranche of stage I of the HPMP for Fiji, and the corresponding 2017-2020 tranche implementation plan, with associated support costs at the funding levels shown in the table below, on the understanding that if Fiji 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, third tranche)	59,850	5,387	UNDP
(b)	HCFC phase-out management plan (stage I, third tranche)	41,650	5,415	UNEP