



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/79/29
12 June 2017

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-ninth Meeting
Bangkok, 3-7 July 2017

PROJECT PROPOSAL: BELIZE

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, second tranche) UN Environment and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Belize

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

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2015	2.26 (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-123									
HCFC-124									
HCFC-141b					0.09				0.09
HCFC-142b									
HCFC-22					2.16				2.16

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	2.80	Starting point for sustained aggregate reductions:	2.80
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.98	Remaining:	1.82

(V) BUSINESS PLAN		2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.35	0.00	0.00	0.14	0.49
	Funding (US \$)	108,000	0	0	42,000	150,000
UNDP	ODS phase-out (ODP tonnes)	0.02	0.00	0.00	0.00	0.02
	Funding (US \$)	7,000	0	0	0	7,000

(VI) PROJECT DATA			2010	2011-2012	2013-2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption			n/a	n/a	2.80	2.52	2.52	2.52	2.52	2.52	1.82	n/a
Maximum allowable consumption			n/a	n/a	2.80	2.52	2.52	2.52	2.52	2.52	1.82	n/a
Agreed funding (US\$)	UN Environment	Project costs	80,000	0	0	0	96,000	0	0	0	37,500	213,500
		Support costs	10,400	0	0	0	12,480	0	0	0	4,875	27,755
	UNDP	Project costs	60,000	0	0	0	6,500	0	0	0	0	66,500
		Support costs	5,400	0	0	0	585	0	0	0	0	5,985
Funds approved by ExCom (US\$)		Project costs	140,000	0	0	0	0	0	0	0	0	140,000
		Support costs	15,800	0	0	0	0	0	0	0	0	15,800
Total funds requested for approval at this meeting (US\$)		Project costs	0	0	0	0	0	102,500*	0	0	0	102,500
		Support costs	0	0	0	0	0	13,065*	0	0	0	13,065

*The second tranche should have been submitted in 2016

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

PROJECT DESCRIPTION

1. On behalf of the Government of Belize, United Nations Environment Programme (UN Environment), as the lead implementing agency, has submitted to the 79th meeting a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$115,565, consisting of US \$96,000, plus agency support costs of US \$12,480 for UN Environment, and US \$6,500, plus agency support costs of US \$585 for UNDP.¹ The submission includes a progress report on the implementation of the first tranche, and the tranche implementation plan for 2017 to 2020.

Report on HCFC consumption

HCFC consumption

2. The Government of Belize estimated a consumption of 2.14 ODP tonnes for 2016. The 2012-2016 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Belize (2012-2015 Article 7 data)

HCFC	2012	2013	2014	2015	2016*	Baseline
Metric tonnes						
HCFC-22	46.42	42.45	40.87	39.19	37.50	48.76
HCFC-141b	0.28	0.90	1.52	0.91	0.71	1.10
Total (mt)	46.7	43.35	42.39	40.10	38.21	49.86
ODP tonnes						
HCFC-22	2.55	2.33	2.25	2.16	2.06	2.68
HCFC-141b	0.03	0.10	0.17	0.10	0.08	0.12
Total (ODP tonnes)	2.58	2.43	2.42	2.26	2.14	2.80

* Country programme data submitted on 31 May 2017.

3. The HCFC consumption has been decreasing steadily since 2012 due to the implementation of the HPMP, particularly the enforcement of the licensing and quota system. In 2016, the HCFC consumption was over 23 per cent below the HCFC baseline for compliance and 15 per cent below the maximum allowable consumption in the Agreement with the Executive Committee for 2016.

Country programme (CP) implementation report

4. The Government of Belize reported HCFC sector consumption data under the CP implementation report that is largely consistent with the data reported under Article 7.

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

Legal framework

5. The Government of Belize passed the Pollution (Amendment) Regulation to establish the licensing system for the import and export of ozone depleting substances (ODS) including HCFCs in 2002. The Pollution Regulation is being amended to support the HCFC quota system and the inclusion of HCFC-based equipment, it has been submitted to the Ministry for approval by the Cabinet (expected latest in 2019) Legislative review and amendment of legislation requires consultation with the Solicitor General's office. The quota system has been established through Ministerial policy and with the assistance from the Customs department and is currently operated administratively. In addition, the

¹As per the letter of 6 April 2017 from the Department of the Environment of Belize to UN Environment.

Refrigeration Technicians (Licensing) Act supporting mandatory registration and licensing of refrigeration and air-conditioning (RAC) servicing technicians, was passed in July 2010.

RAC servicing sector

6. The following activities were carried out during the first tranche of stage I of the HPMP:
- (a) One course for trainers was conducted for 40 customs and enforcement officers in monitoring and control of trade, prevention of illegal trade of ODS and legislations; training was provided to 75 customs and enforcement personnel in the monitoring and control of imports of HCFCs and the prevention of illegal trade; 48 customs officers at border points were trained; and three portable multi-functional refrigerant identifiers were provided;
 - (b) Training was provided to 91 RAC technicians in servicing with alternative refrigerants including HFC-410A and HFC-407C systems and retrofits; the training also included hydrocarbon (HC) technologies at the initial stage of the HPMP as HC was selected as a low-GWP alternative when the HPMP was approved; one workshop was conducted for 25 technicians to sensitize and demonstrate the use of HC; the technicians certification programme was implemented with the assistance of the Association of Refrigeration of Air Conditioning Technicians (ARACT) Belize; vocational schools continue to offer a RAC certification programme on a regular basis;
 - (c) Tools and refrigerant recovery equipment were purchased and distributed to licensed technicians and three technical and vocational schools, including 20 portable refrigerant recovery machines and 160 refrigerant recovery cylinders, suction pumps, hoses, gauges and assorted spare parts and 100 dry filters²; a demonstration and sensitization on HC refrigerant was held at the Centre for Employment Training (CAYO) which has incorporated the use of HC technology into their curriculum; and
 - (d) Developed and disseminated public awareness materials/brochures to general public (universities, schools) to raise the awareness on ozone layer protection as well as the role of NOU and conducted several public presentations on ozone layer protection.

Project implementation and monitoring unit (PMU)

7. The National Ozone Unit (NOU) under the Department of the Environment has been monitoring the implementation of the activities under the HPMP. The ARACT supported the NOU in the implementation of the HPMP by assisting in training; selection of equipment and training institutes; and proposing economically viable and available technologies that bring climate and energy benefits to the country. The Customs and Excise Department support the implementation of the licensing and quota system.

Level of fund disbursement

8. As of April 2017, the US \$140,000 so far approved had been fully disbursed (US \$80,000 for UN Environment and US \$60,000 for UNDP).

² Since the second tranche for UNDP is only US \$6,500 and in order to use the funds efficiently, UNDP has combined the first and the second tranche together and use it in the first tranche to purchase tools and equipment.

Implementation plan for the second tranche of the HPMP

9. The following activities will be implemented between July 2017 and July 2020:
- (a) Conduct one train the trainers refresher course to train 40 Customs officers; train an additional 115 customs officers at the National Forensic Science Service in the identification of ODS refrigerants and blends; integrate ODS issues into the routine training for customs officers, and develop booklets and fact sheets on the prevention of illegal trade to suit the situation in Belize (UN Environment) (US \$16,500);
 - (b) Train an additional 90 technicians in best service practices, refrigerant recovery and reuse, servicing equipment using alternative refrigerants including flammable refrigerants; and train in safe use of HC refrigerants adopting/following international safety guidelines/standards (UN Environment) (US \$48,000);
 - (c) Equipment and tools were purchased for training centers in the first tranche, the second tranche will focus on training in servicing with alternative refrigerants and providing information on zero-ODP, low-GWP refrigerants and emerging technologies (UN Environment) (US \$9,500);
 - (d) Conduct one sensitization session for 25 stakeholders on the amended Pollution Regulations and the reporting requirements, raise awareness within the tourism sector on HCFC phase-out to support the transition to ODS-free and low-GWP refrigerants (UN Environment) (US \$4,500); and
 - (e) Carry out monitoring and reporting activities (UN Environment) (US \$17,500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

HCFC consumption

10. The stage I of the HPMP for Belize was approved at the 62nd meeting, based on an estimated HCFC baseline of 2.94 ODP tonnes estimated at the time when the HPMP for Belize was approved. However, the HCFC baseline for compliance has been established at 2.80 ODP tonnes, based on the actual consumption reported under Article 7 of the Montreal Protocol for 2009 and 2010 (i.e., 0.14 ODP tonnes lower than the estimated baseline). The starting point for aggregate reduction on HCFC consumption has been adjusted based on the established baseline, without any funding implications for the Multilateral Fund.

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

11. The Secretariat noted that the second tranche originally planned to be submitted in 2016 was deferred due to that the Government of Belize has not obtained the expected co-financing to supplement the funding for the HPMP. Despite the delay, activities were implemented resulting in reductions in HCFCs below the allowable level of consumption.

Legal framework

12. In line with decision 63/17, confirmation has been received from the Government of Belize 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 HCFC import quota for 2017 has been established at 2.39 ODP tonnes, which is below the control target of 2.52 ODP tonnes set in the Agreement with the Executive Committee. For subsequent years, the annual quota will be below the maximum limits allowed under the Montreal Protocol.

Refrigeration servicing sector

13. The Secretariat noted that stage I of the HPMP included two activities to assist the country in the safe introduction of flammable refrigerants (US \$80,000) and in establishing the RAC excellence centre (US \$55,000), with funding provided by other sources outside the Multilateral Fund (co-funding). Given that the co-funding has not been successful, the Government of Belize has adjusted the planned activities according to the available funding under stage I. During implementation of the first tranche, training for technicians has included safety aspects of servicing equipment that are originally designed with flammable refrigerants; tools and equipment have also been purchased for this purpose. The plan for the second tranche includes the training in servicing alternative refrigerants and the adoption of safety guidelines/procedures for handling flammable refrigerants.

14. The Secretariat noted that retrofit to HC refrigerant was conducted in Belize and reiterated the importance of following decisions 72/41 and 73/34 and stressed that HC refrigerant should be used only in equipment that was originally designed for HC refrigerant, not in retrofits. UN Environment clarified that drop-in or retrofit with flammable refrigerants was practiced at the initial stage of the first tranche but only limited to demonstration, sensitisation and provision of training to ensure safety in these practices. Following decisions 72/17, 72/41 and 73/34, drop-in and retrofits of RAC units to HC are not being pursued at this stage in Belize. Noting that new equipment based on HC refrigerants might be imported into the country, the NOU has planned to provide training to technicians in servicing new units that are originally designed to use flammable refrigerants (HCs and HFOs), as well as equipment for personal protection and for detecting flammable gases, to ensure a safe transition to these technologies.

Revision to the HPMP Agreement

15. The HPMP for Belize was approved prior to the establishment of the HCFC baseline for compliance. Accordingly, in approving the HPMP 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 (decision 62/41(d)). Based on the data reported by the Government of Belize under Article 7 and its revised phase-out schedule, the relevant paragraph and Appendices of the Agreement have been updated, and a new paragraph has been added to indicate that the updated Agreement supersedes that reached at the 62nd meeting, as shown in Annex I to the present document. The full revised Agreement will be appended to the final report of the 79th meeting.

Conclusion

16. Belize had been in compliance with the Montreal Protocol control targets set out for 2013 to 2016. The HCFC consumption in 2016 was 23 per cent below the baseline for compliance and 15 per cent below the maximum allowable consumption in the Agreement with the Executive Committee for 2016. The licensing and quota system is operational and the quota issued for 2017 is 2.39 ODP tonnes, which is below the maximum allowable limits set out in the Agreement with the Executive Committee. The training of customs officers on ODS issues is conducted on a regular basis by the NOU and will be

integrated into the routine training for customs officers. Training of technicians has been undertaken to enable good practices and reduce the demand for HCFCs and certification of technicians is being implemented to ensure long-term capacity development. The disbursement rate has reached 100 per cent.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee:

- (a) Take note of the progress report on the implementation of the first tranche of stage I of the HCFC phase out management plan (HPMP) for Belize;
- (b) Note that the Fund Secretariat has updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Belize and the Executive Committee, based on the established HCFC baseline for compliance, and that a new paragraph has been added to indicate that the updated Agreement superseded that reached at the 62nd meeting, as contained in Annex I to the present document; and
- (c) Further note that the revised starting point for sustained aggregate reduction in HCFC consumption is 2.80 ODP tonnes, calculated using actual consumption of 2.51 ODP tonnes and 3.09 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol.

18. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for Belize, and the corresponding 2017-2020 tranche implementation plan, at the funding levels shown in the table below, on the understanding that if Belize 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, first tranche)	96,000	12,480	UN Environment
(b)	HCFC phase-out management plan (stage I, first tranche)	6,500	585	UNDP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BELIZE AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

1. This Agreement represents the understanding of the Government of Belize (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 **1.82** ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Belize and the Executive Committee at the 62nd 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	2.68
HCFC-141b	C	I	0.12

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2010	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)	n/a	n/a	n/a	2.80	2.80	2.52	2.52	2.52	2.52	2.52	1.82	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	2.80	2.80	2.52	2.52	2.52	2.52	2.52	1.82	n/a
2.1	Lead IA UNEP agreed funding(US \$)	80,000	0	0	0	0	0	96,000	0	0	0	37,500	213,500
2.2	Support costs for Lead IA(US \$)	10,400	0	0	0	0	0	12,480	0	0	0	4,875	27,755
2.3	Cooperating IA UNDP agreed funding (US \$)	60,000	0	0	0	0	0	6,500	0	0	0	0	66,500
2.4	Support costs for Cooperating IA (US \$)	5,400	0	0	0	0	0	585	0	0	0	0	5,985
3.1	Total agreed funding (US \$)	140,000	0	0	0	0	0	102,500	0	0	0	37,500	280,000
3.2	Total support cost (US \$)	15,800	0	0	0	0	0	13,065	0	0	0	4,875	33,740
3.3	Total agreed costs (US \$)	155,800	0	0	0	0	0	115,565	0	0	0	42,375	313,740
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.94
4.1.2	Phase-out of HCFCs to be achieved in previously approved projects (ODP tonnes)												n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												1.74
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this agreement (ODP tonnes)												0.04
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)												n/a
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)												0.08