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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December

PROJECT PROPOSAL: BELIZE

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

Phase-out

- HCFC phase-out management plan (Stage I, first tranche) UNEP/UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Belize

(I) PROJECT TITLE	AGENCY
HCFC Phase Out Management Plan	UNDP, UNEP (lead)

(II) LATEST ARTICLE 7 DATA	Year: 2009	2.5 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2009			
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab Use	Total sector consumption		
				Manufacturing	Servicing						
HCFC123											
HCFC124											
HCFC141b					0.1					0.1	
HCFC142b											
HCFC22					2.4					2.4	

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline (estimate):	2.94	Starting point for sustained aggregate reductions:	2.94
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.0	Remaining:	1.91

(V) BUSINESS PLAN		2010	2011	2012	2013	2014	Total
UNEP	ODS phase-out (ODP tonnes)	0.1		0.1			0.2
	Funding (US \$)	37,290		37,290			74,580

(VI) PROJECT DATA			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits (estimate)			n/a	n/a	n/a	2.94	2.94	2.65	2.65	2.65	2.65	2.65	1.91	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	2.94	2.94	2.65	2.65	2.65	2.65	2.65	1.91	
Project Costs requested in principle (US\$)	UNDP	Project costs	60,000					6,500						66,500
		Support costs	5,400					585						5,985
	UNEP	Project costs	80,000					96,000				37,500		213,500
		Support costs	10,400					12,480				4,875		27,755
Total project costs requested in principle (US \$)			140,000					102,500				37,500	280,000	
Total support costs requested in principle (US \$)			15,800					13,065				4,875	33,740	
Total funds requested in principle (US \$)			155,800					115,565				42,375	313,740	

(VII) Request for funding for the first tranche (2010)			
Agency	Funds requested (US \$)	Support costs (US \$)	ODS phase-out (ODP tonnes)
UNDP	60,000	5,400	
UNEP	80,000	10,400	

Funding request:	Approval of funding for the first tranche (2010) as indicated above
Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

1. On behalf of the Government of Belize UNEP, as the lead implementing agency, has submitted to the 62nd Meeting of the Executive Committee an HCFC phase-out management plan (HPMP) at a total cost as originally submitted, of US \$440,500 plus agency support costs of US \$38,220 for UNEP and US \$13,185 for UNDP, for the implementation of Stage I of the HPMP. The HPMP covers strategies and activities to achieve the 35 per cent reduction in 2020.

2. The first tranche for Stage I being requested at this meeting amounts to US \$152,500 plus agency support of US \$19,825 for UNEP and US \$136,500 plus agency support cost of US \$12,285 for UNDP, as originally submitted.

Background

ODS regulations

3. The Ministry of Natural Resources and the Environment is the national body responsible for the implementation of the Montreal Protocol in Belize. The Government of Belize passed the Pollution Regulation in June 2002, which, *inter alia*, controlled the import and export of all Ozone Depleting Substances. The Pollution Regulation was amended in August 2009 to include HCFCs and HFCs in the licensing system. In addition, Belize passed the Refrigeration Technicians (licensing) Act in July 2010, which regulates the practice of refrigeration and air conditioning services through mandatory registration and licensing of technicians. The Government of Belize is developing legislation to address climate change and energy efficiency to seek synergies between ozone protection and climate change benefit.

HCFC consumption

4. All HCFCs used in Belize are imported as the country does not produce these substances. HCFC-22 accounts for 98 per cent of the total HCFC consumption with 2 per cent of HCFC-141b used as flushing agent. HCFC-22 is used in refrigeration and air conditioning service sector only and is the less expensive refrigerant available in Belize. Approximately 50 per cent of the refrigeration and air conditioning equipment is serviced with HCFC-22. Table 1 shows the level of HCFC consumption in Belize.

Table 1: HCFC level of consumption in Belize (Article 7)

Year	HCFC-22	HCFC-141b	Total	HCFC-22	HCFC-141b	Total
	Metric tonnes			ODP tonnes		
2005	0.36	0.00	0.36	0.02	0.00	0.02
2006	0.50	0.00	0.50	0.03	0.00	0.03
2007	17.81	0.15	17.96	0.98	0.02	1.00
2008	32.30	0.64	32.94	1.78	0.07	1.85
2009	44.15	0.78	44.93	2.43	0.09	2.52

Sectoral distribution of HCFCs

5. The installed capacity of refrigeration and air-conditioning units in the country using HCFC-22 was estimated at 9,978 units in 2009 as shown in Table 2.

Table 2: HCFC-22 consumption by sector

Type	Total number of units	Total charge of refrigerant (tonnes)		Service demand (tonnes)	
		Metric	ODP	Metric	ODP
Commercial	3883	16.15	0.89	29.14	1.60
Residential	5095	6.60	0.36	13.25	0.73
Total	8978	22.75	1.25	42.39	2.33

6. HCFC consumption in Belize has been increasing rapidly since 2007 and is expected to grow continuously until the freeze in 2013. This forecast growth was determined using the trend of imports of HCFCs into the country during 2007 to 2009. The table below provides a summary of the forecast HCFC consumption in Belize.

Table 3: Forecast consumption of HCFC

		2009*	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Constrained HCFC consumption	MT	44.93	60.00	70.00	70.00	52.47	50.00	47.22	45.00	42.00	40.00	36.00	34.10
	ODP	2.52	3.37	3.92	3.92	2.94	2.80	2.64	2.50	2.32	2.21	1.99	1.89
Unconstrained HCFC consumption	MT	44.93	60	70	85	100	110	125	140	150	165	180	195
	ODP	2.52	3.37	3.94	4.79	5.64	6.21	7.06	7.90	8.48	9.33	10.18	11.02

*actual reported Article 7 data

HCFC phase-out strategy

7. The Government of Belize is proposing to adopt a staged approach to achieve the complete phase-out of HCFCs by 2030. The current submission only consists of Stage I of the HPMP to achieve 35 per cent reduction in 2020 and focuses largely on activities for the servicing sector using HCFCs.

8. Belize will reduce the demand for HCFC-22 for servicing of existing equipment through HCFC recovery and recycling, and by strengthening training of technicians and building their capacity for better service practices. It will also ensure that the small amount of HCFC-141b used in flushing will be replaced with non-ODS alternatives by imposing a strict quota. Belize will also ensure that imports of both bulk HCFC-22 and equipment containing HCFCs are reduced by including HCFC-22 based equipment in the licensing system and establishing a quota to follow the reduction schedule in the Montreal Protocol. In addition, the Government will strengthen the enforcement of the licensing system in order to closely monitor imports of both HCFCs and HCFC-using equipment to ensure that these are within the limits set. The summary of activities and proposed implementation period is shown in Table 4.

Table 4: Specific activities of the HPMP and proposed period of implementation

Description of Activities	Implementation schedule
Technical capacity development: training of technicians on good practice, recovery and reuse, retrofitting to alternatives	2011 - 2020
Recovery, reuse and recycling: equipment support for refrigerant recovery and reuse	2012 - 2014

Assistance for the use of flammable refrigeration equipment: provision of tools and equipment to support conversion to low GWP refrigerants	2011 - 2014
Set up refrigeration and air conditioning excellence centre and development of national expertise capacity	2011 - 2020
Assistance to large end-users including hotels and resorts to phase out HCFCs	2011 - 2015
Implementation of policy and regulation, licensing, quota and labelling system	2011 - 2012
Capacity building for enhanced control of trade of HCFC-based substances and equipment: training of customs officers and law enforcement officers	2011 - 2020
Monitoring, evaluation and reporting	2011 - 2020

Cost of the HPMP

9. The total cost of Stage I of the HPMP for Belize has been estimated at US \$440,500 to achieve a 35 per cent reduction in HCFC consumption by 2020 resulting in a phase-out of 18.36 metric tonnes (mt) (1.03 ODP tonnes) of HCFCs. The detailed cost breakdown for activities is listed in Table 5.

Table 5: Total cost of the HPMP for Belize (US \$)

Description of Activities	UNEP	UNDP	Total
Technical capacity development	71,000	-	71,000
Recovery, reuse and recycling	-	66,500	66,500
Assistance for the use of flammable refrigerant equipment	80,000	-	-
Set up refrigeration and air conditioning excellence centre and development of national expertise capacity	87,000	-	87,000
High efficiency HCFC phase out synergy in the hotel sector	10,000	-	10,000
Improved policy and legal framework to support HCFC phase out	6,000	-	6,000
Capacity building for enhanced control of trade of HCFC-based substances and equipment	50,000	-	50,000
Monitoring, evaluation and reporting	70,000	-	70,000
Total	374,000	66,500	440,500

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

10. The Secretariat reviewed the HPMP for Belize in the context of the guidelines for the preparation of HPMPs (decision 54/39) and the criteria for funding HCFC phase-out in the consumption sector agreed at the 60th Meeting (decision 60/44).

Overarching strategy

11. Belize will follow the Montreal Protocol schedule to phase out HCFCs and chooses to submit only Stage I to meet the 35 per cent reduction target by 2020 due to the uncertainty of new technologies and their commercial availability. Further adjustments in the strategy will be made during the implementation of Stage I to ensure a smooth transition to phase out the remaining HCFCs from 2020 to 2030.

Issues related to HCFC consumption

12. UNEP provided an explanation for the rapid increase in HCFC consumption since 2007 and the high growth rate used for the forecast of HCFC consumption in 2010. It indicated that the HCFC-22 is the least expensive refrigerant available in Belize which explained the rapid increase of HCFCs consumption from 2007 to 2009. UNEP also indicated that a high increase in refrigeration and air conditioning equipment imported into the country resulted in a subsequent need for HCFCs for servicing. The Secretariat also queried why in 2008 and 2009 HCFC imports were higher than the demand required for servicing new equipment. UNEP indicated that the survey data did not include some large installations of equipment with a high charge of HCFCs. The low prices of HCFCs during this period also contributed to this increase. The Government of Belize forecasts that the HCFC demand will continue to grow until the quota system is introduced in 2013.

Starting point for aggregate reduction in HCFC consumption

13. The starting point for sustained aggregate reductions in HCFC consumption selected by the Government in the HPMP proposal was 52.47 mt (2.94 ODP tonnes) calculated using the estimated baseline, which consists of its 2009 actual reported consumption of 44.93 mt (2.52 ODP tonnes) and estimated 2010 consumption of 60 mt (3.37 ODP tonnes) averaged out. UNEP indicated that the Government chose this figure as it is confident that this reflects a more realistic amount required by the country to maintain its servicing sector than using an estimated average consumption for both 2009 and 2010. In line with decision 60/44, if the country uses an estimated baseline as its starting point, this may be adjusted to the actual baseline figures once these are known in 2011. The Secretariat drew UNEP's attention to the fact that should the calculation of the actual baseline for Belize be different to that currently used in the HPMP, the corresponding funds will be adjusted accordingly if this consumption place the country in a different funding category. These adjustments will be made in future tranches for the HPMP.

Technical and cost issues

14. The Secretariat raised some issues regarding the improvement in the legal framework for the management of HCFCs as funding was already provided for policy development during HPMP preparation. UNEP clarified that while the country has an existing licensing system, the current regulation governing HCFCs needs to be improved. During Stage I of the HPMP implementation, the country will extend the licensing system to HCFC based equipment and will implement a quota system for the import of HCFCs and HCFC-using equipment. It will also introduce mandatory labelling of HCFC containers and retrofitted equipment and registration of technicians to support HCFC phase-out.

15. The HPMP foresees that the activities predominantly in the servicing sector, such as training of technicians as well as a recovery and recycling programme, will assist the country to comply with its targets. The country feels that it needs additional recovery and recycling equipment as that provided in the terminal phase-out management plan (TPMP) was not sufficient. It also indicated that some recycling machines are specific for CFC-12 and not suitable for HCFCs. The investment component is designed primarily for the provision of equipment for recovery and recycling and tools for conversion to low GWP alternatives. Belize integrated the implementation of the TPMP with the HPMP. HCFC refrigerant identifiers were purchased using the funding from the TPMP. Training of technicians

undertaken in the TPMP also included elements to address HCFC phase-out. Its need for additional equipment arises from the need to increase the network of recovery centres in the country.

16. The Secretariat noted that Belize proposed the conversion to low GWP technology as one of the strategies for consumption reduction and inquired about the technical feasibility and safety infrastructures in the country. UNEP clarified that this is intended for capacity building to allow technicians to acquire skills for the conversion, retrofit and service of low GWP consuming equipment so that they can apply these skills when HCFC-22 refrigerant demand exceeds the supplies. It is estimated in the proposal that 20 per cent of the new systems are expected to use low GWP technology. In addition, though low GWP technology is promoted to the extent possible to seek climate benefit, it is most likely that all available alternative technologies will be applied during the HCFC phase-out.

17. The Secretariat raised concerns on the total cost of US \$440,500, as originally submitted, which had exceeded the eligible funding of US \$280,000 for a low-volume-consuming (LVC) country with a baseline of 52.47 mt (2.94 ODP tonnes) of HCFC consumption in the servicing sector only set in decision 60/44. The Secretariat discussed the cost issues with UNEP and reiterated that the Executive Committee at its 61st Meeting has reminded that funding for LVCs should not exceed the amounts indicated in decision 60/44. Based on the discussion, UNEP adjusted the total funding level to US \$425,000 for the implementation of the HPMP. Of this amount, US \$280,000 is requested from the Multilateral Fund and the remaining of US \$145,000 will be provided through co-funding. Belize has indicated that the Government of Switzerland has already committed to provide US \$100,000 to fund the implementation of the HPMP outside of their contribution to Multilateral Fund. Sources of funding for the US \$45,000 will be identified during implementation.

18. In line with decision 60/44, the total funding for Stage I of the HPMP for Belize was agreed at US \$280,000 to phase out 18.36 mt (1.03 ODP tonnes) of HCFCs by 2020 as shown in Table 6.

Table 6: Agreed level of funding of Stage I of the HPMP for Belize

Description of Activities	UNEP	UNDP	Total
Technical capacity development	71,000	-	71,000
Recovery, reuse and recycling	-	66,500	66,500
Assistance for the use of flammable refrigerant equipment	-	-	-
Set up refrigeration and air conditioning excellence centre and development of national expertise capacity	31,500	-	31,500
High efficiency HCFC phase out synergy in the hotel sector	7,000	-	7,000
Improved policy and legal framework to support HCFC phase out	6,000	-	6,000
Capacity building for enhanced control of trade of HCFC-based substances and equipment	42,000	-	42,000
Monitoring, evaluation and reporting	56,000	-	56,000
Total (Multilateral Fund contribution)	213,500	66,500	280,000
Co-funding			145,000

Impact on the climate

19. The technical assistance activities in the HPMP addressing the servicing sector, supported by the introduction of better service practices (through training of refrigeration technicians) will reduce the current amount of HCFC-22 used in the servicing sector (each kg of HCFC-22 not emitted due to better refrigeration practices, results in about 1.8 CO₂-equivalent tonnes saved). Additional CO₂-equivalent tonnes could be avoided through retrofitting HCFC-22 based equipment to HFC-407C refrigerant, which represents the most technically viable option currently available (i.e., each kg of HCFC-22 retrofitted to HFC-407C results in about 0.11 CO₂-equivalent tonnes saved). If ten percent of the current service need of 42.39 mt of HCFC-22 (see table 2) is replaced with HFC-407C, the potential CO₂ equivalent saved could be 466.3 tonnes.

20. It is important to note that these reductions are associated with the activities being proposed in the HPMP (which are known). However, it does not take into consideration the new non-HCFC-based equipment that could be imported into the country (which is not known). In general, it can be assumed that the new refrigeration systems have been designed using more up-to-date technology (i.e., lower refrigerant charge, more robust construction, and stricter brazing procedures) than those being replaced, so substantially reducing leakage rates and servicing needs.

Adjusted 2010-2014 business plans

21. UNEP and UNDP are requesting US \$280,000 plus support costs for the implementation of Stage I of the HPMP. The total value requested for the period 2010-2014 of US \$155,800 including support cost, is US \$81,220 above the total amount in the adjusted business plan. The difference in the figures is because the HCFC baseline for compliance estimated for the business plan was based on the 2008 (latest reported) consumption data (32.94 metric tonnes) while that in the HPMP was based on the submitted estimated baseline using the average of actual 2009 reported consumption and estimated 2010 consumption and to account for the phase-out up to the 2020 control measures only. UNDP did not provide any allocation in the adjusted business plan for Belize for the period. Based on the estimated baseline for Belize of 52.47 mt, the country's allocation up to the 2020 phase-out should be US \$280,000 in line with decision 60/44.

Monitoring and evaluation

22. Monitoring and evaluation activities are planned to take place throughout the implementation period. A national consultant will be employed for project coordination, implementation and monitoring the progress. Independent verification of achievement is also planned.

Draft agreement

23. A draft agreement between the Government of Belize and the Executive Committee for the phase-out of consumption of HCFCs is contained in Annex I to the present document.

RECOMMENDATION

24. The HPMP for Belize is submitted for individual consideration. The Executive Committee may wish to consider:

- (a) Noting with appreciation the submission of Stage I of the HCFC phase-out management plan (HPMP) for Belize to achieve the 35 per cent reduction in HCFC consumption by 2020 at an estimated cost of US \$425,000, of this amount US \$280,000 (excluding agency support costs) is requested from the Multilateral Fund and the rest would be provided through co-funding;

- (b) Noting that the Government of Belize agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the estimated baseline of 52.47 mt (2.94 ODP tonnes), calculated using actual consumption reported in 2009 and estimated 2010 consumption;
- (c) Approving, in principle, the HPMP for Belize for the period 2010-2020, at the amount of US \$280,000 plus agency support costs of US \$27,755 for UNEP and US \$5,985 for UNDP;
- (d) Approving the Agreement between the Government of Belize and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex I to the present document;
- (e) Requesting the Secretariat, once the baseline data is known, to update Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, to notify the Executive Committee of the resulting levels of maximum allowable consumption, and of a potential related impact on the eligible funding level with any adjustments needed being made at the submission of the next tranche; and
- (f) Approving the first implementation plan for 2011-2015, and the first tranche of Stage I of the HPMP for Belize at the amount of US \$80,000 plus agency support costs of US \$10,400 for UNEP and US \$60,000 plus agency support cost of US \$5,400 for UNDP.

Annex I

AGREEMENT BETWEEN GOVERNMENT OF BELIZE AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUROCARBONS

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 1.91 ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules with the understanding that this figure is to be revised one single time in 2011, when the baseline consumption for compliance would be established based on Article 7 data, with the funding to be adjusted accordingly, as per decision 60/44.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A . The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (maximum allowable total consumption of Annex C, Group I substances) as the final reduction step under this agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in rows 4.1.3 and 4.2.3.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
 - b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
 - c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- d) That the Country has submitted and received approval from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (the “Format of Tranche Implementation Reports and Plans”) covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on Implementation of the activities in the previous tranche implementation plan in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sub-sector, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IA taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under

the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to information necessary to verify compliance with this Agreement.

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	2.83
HCFC-141b	C	I	0.11

.APPENDIX 2-A: THE TARGETS, AND FUNDING for Belize

		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	2.94	2.94	2.65	2.65	2.65	2.65	2.65	1.91	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	2.94	2.94	2.65	2.65	2.65	2.65	2.65	1.91	n/a
2.1	Lead IA UNEP agreed funding(US \$)	80,000					96,000				37,500		213,500
2.2	Support costs for Lead IA(US \$)	10,400					12,480				4,875		27,755
2.3	Cooperating IA UNDP agreed funding (US \$)	60,000					6,500				0		66,500
2.4	Support costs for Cooperating IA (US \$)	5,400					585				0		5,985
3.1	Total agreed funding (US \$)	140,000					102,500				37,500		280,000
3.2	Total support cost (US \$)	15,800					13,065				4,875		33,740
3.3	Total agreed costs (US \$)	155,800					115,565				42,375		313,740
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.99
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)												1.84
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)												0.07

* No funds to be requested during last year of the agreement (2020)

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

2. Funding for the future tranches will be considered for approval not earlier than the second meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

3. The submission of the Tranche Implementation Report and Plan will consist of five parts:
- (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
 - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
 - (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
 - (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and lead implementing agency; and
 - (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The NOU will submit annual progress reports of status of implementation of the HPMP to UNEP.
2. Monitoring of development of HPMP and verification of the achievement of the performance targets, specified in the Plan, will be assigned to independent company or to independent consultants by UNEP.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY (UNEP)

1. The Lead IA will be responsible for the following activities:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
 - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
 - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
 - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the co-ordinating implementing agencies, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
 - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
 - (l) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY (UNDP)

1. The Cooperating IA will be responsible for the following activities:
 - (a) Providing policy development assistance when required;
 - (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
 - (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by USD 2,500 per metric tonnes of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.
