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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-first Meeting
Montreal, 18-22 June 2018

PROJECT PROPOSAL: PLURINATIONAL STATE OF BOLIVIA

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, fourth tranche)

UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS
Plurinational State of Bolivia

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (stage I)	UNIDO (lead), UNDP	64th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2017	2.06 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2017		
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.96				1.96
HCFC-141b					0.10				0.10
HCFC-141b in imported pre-blended polyol		0.11							0.11

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	6.1	Starting point for sustained aggregate reductions:	6.7
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	2.13	Remaining:	4.57

(V) BUSINESS PLAN		2018	2019	2020	Total
UNIDO	ODS phase-out (ODP tonnes)	0.20	0	0.21	0.41
	Funding (US \$)	32,700	0	34,335	67,035

(VI) PROJECT DATA			2011	2012	2013*	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	n/a	6.10	6.10	5.49	5.49	5.49	5.49	5.49	3.97	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	6.10	6.10	5.49	5.49	5.49	5.49	5.49	3.97	n/a	
Agreed Funding (US \$)	Germany	Project costs	94,500	0	0	0	0	0	0	0	0	0	94,500	
		Support costs	12,285	0	0	0	0	0	0	0	0	0	0	12,285
	UNIDO	Project costs	0	0	94,500	0	64,500	0	0	30,000	0	31,500	220,500	
		Support costs	0	0	8,505	0	5,805	0	0	2,700	0	2,835	19,845	
	UNDP**	Project costs	0	0	0	0	0	0	0	0	0	0	0	0
		Support costs	0	0	0	0	0	0	0	0	0	0	0	0
Funds approved by ExCom (US \$)		Project costs	94,500	0	94,500	0	64,500	0	0				253,500	
		Support costs	12,285	0	8,505	0	5,805	0	0				26,595	
Total funds requested for approval at this meeting (US \$)		Project costs								30,000			30,000	
		Support costs								2,700			2,700	

*The project transfer from the Government of Germany to UNIDO was approved at the 74th meeting.

**UNDP might implement a project for the phase-out of HCFC-141b contained in imported pre-blended polyols if submitted by the Government during the implementation of stage I of the HPMP.

Secretariat's recommendation:	For individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of the Plurinational State of Bolivia, UNIDO as the lead implementing agency, has submitted a request for funding for the fourth tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$30,000, plus agency support costs of US \$2,700 for UNIDO.¹ The submission includes a progress report on the implementation of the third tranche, the verification report on HCFC consumption for 2009 to 2010 and HCFC-141b contained in imported pre-blended polyols for 2007 to 2014, and the tranche implementation plan for 2018 to 2019.

Report on HCFC consumption

2. The Government of the Plurinational State of Bolivia reported a consumption of 2.06 ODP tonnes of HCFC in 2017, which is 66 per cent below the HCFC baseline for compliance. The 2013-2017 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in the Plurinational State of Bolivia (2013-2017 Article 7 data)

HCFC	2013*	2014**	2015	2016	2017	Baseline
Metric tonnes						
HCFC-22	109.98	24.75	30.52	55.67	35.60	88.85
HCFC-123	0	1.04	0	0	0	0.20
HCFC-124	0	0	0	0	0	1.70
HCFC-141b	0	0	0.23	0	0.94	8.85
HCFC-142b	0	0	0.56	0	0	2.55
Sub-total (mt)	109.98	25.79	31.31	55.67	36.54	102.15
HCFC-141b in imported pre-blended polyols	9.30	8.45	2.42	1.03	0.99	5.5***
Total (mt)	119.3	34.24	33.73	56.7	37.53	107.7
ODP tonnes						
HCFC-22	6.05	1.36	1.68	3.06	1.96	4.89
HCFC-123	0	0.02	0	0	0	0.00
HCFC-124	0	0	0	0	0	0.04
HCFC-141b	0	0	0.03	0	0.10	0.97
HCFC-142b		0	0.04	0	0	0.17
Sub-total (ODP tonnes)	6.05	1.38	1.74	3.06	2.06	6.1
HCFC-141b in imported pre-blended polyols	1.02	0.93	0.27	0.11	0.11	0.61***
Total (ODP tonnes)	7.07	2.31	2.01	3.17	2.17	6.67

*Updated as per decision 75/52(b)(iii).

**Updated to allocate imports that entered the country in 2015 to that year.

***Average consumption between 2007 and 2009.

3. The consumption decreased substantially in 2014, and since then remained substantially below the baseline for compliance. HCFC-142b (a component of R-406A) is consumed intermittently as drop-in blend for servicing of CFC-12-based equipment. Bulk HCFC-141b is consumed intermittently; currently it is used for flushing refrigeration circuits while in the past it was also used as a foam-blowing agent; and consumption of HCFC-141b contained in imported pre-blended polyols has decreased.

¹ As per the letter of 19 April 2018, from the Ministry of Environment and Water of the Plurinational State of Bolivia, to the Secretariat.

Country programme (CP) implementation report

4. The Government of the Plurinational State of Bolivia reported HCFC sector consumption data under the 2017 CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports. It concluded that the 2009 and 2010 reported consumption of HCFCs of 4.45 ODP tonnes and 7.69 ODP tonnes, respectively, was the best estimate of the country's consumption at the time. On that basis, there would be no need to change the country's baseline. The verification report also reviewed information from importers and Customs on HCFC-141b contained in imported pre-blended polyols as indicated in Table 2. For 2007-2009, no data was available. The national ozone unit (NOU) updated the 2011-2014 CP report based on the verification report.

Table 2. Verified consumption of HCFC-141b contained in imported pre-blended polyols

	2007	2008	2009	2010	2011	2012	2013	2014
Metric tonnes	n/a	n/a	7.9*	9.8*	7.07	7.43	9.30	8.45
ODP tonnes	n/a	n/a	0.87*	1.08*	0.78	0.82	1.02	0.93

*Based on data from document UNEP/OzL.Pro/ExCom/72/21.

6. It was recommended to make the following changes to the licensing system: make licenses valid for a single ODS type and shipment; the validity of the licenses should be more limited (e.g., one month); implement mandatory reporting of the use of the license by importers and exporters within a short period (e.g., 96 hours); ensuring a maximum time for license processing (e.g., ten days). Other recommendations included improved communication between the NOU and customs and additional training for customs; and strengthening the data recording procedures.

Progress report on the implementation of the third tranche of the HPMP*Legal framework*

7. The update to the decree to control ODS, which had been expected to be approved in March 2016 to, *inter alia*, incorporate the accelerated HCFC phase-out schedule, establish quotas per importer based on ODP tonne instead of substance, and limit the validity of licenses to 31 December of the year the license is issued, has not yet been approved. The decree in place has, however, allowed the authorities to enforce control measures and limit ODS imports.

Refrigeration servicing sector

8. The following activities were implemented during the third tranche: the curriculum for the training programme was updated; a total of five training centres have been established, including three new centres, a private centre and in a local university; equipment for the training centres was delivered, including six recovery and recycling units, six recovery machines, and refrigerant identifiers for customs; approximately 50 refrigeration technicians were trained in good practices and received certification; two public awareness activities on the Montreal Protocol and matters related to the HPMP were undertaken.

Project implementation and monitoring unit (PMU)

9. There have been six changes of the ozone focal point since the 75th meeting, including a new national ozone officer that was designated in February 2018 in the interim. UNIDO has advised the vice-ministry and other authorities in the country on the importance on ensuring continuity on the

implementation of the HCFC phase-out programme. On-going support and training is being provided to the current NOU.

Level of fund disbursement

10. As of April 2018, of the US \$253,500 approved so far, US \$242,220 had been disbursed (US \$147,720 for UNIDO and US \$94,500 for the Government of Germany²) as shown in Table 3. The balance of US \$11,280 will be disbursed in 2018-2019.

Table 3. Financial report of stage I of the HPMP for the Plurinational State of Bolivia (US \$)

Tranche		UNIDO	Germany	Total	Disbursement rate (%)
First tranche	Approved	0	94,500	94,500	100
	Disbursed	0	94,500	94,500	
Second tranche	Approved	94,500	0	94,500	100
	Disbursed	94,391	0	94,391	
Third tranche	Approved	64,500	0	64,500	83
	Disbursed	53,329	0	53,329	
Total	Approved	159,000	94,500	253,500	96
	Disbursed	148,720	94,500	242,220	

Implementation plan for the fourth tranche of the HPMP

11. The following activities will be implemented between 2018 and 2019:
- (a) Training of 250 customs officers on the decree in place for the control of ODS, identification of HCFC-22 refrigerants, illegal trade and use of refrigerant identifiers;
 - (b) Training of approximately 800 technicians in good service practices, including refrigerant recovery and recycling, leakage control and proper handling of refrigerants including flammable refrigerants; strengthening the refrigerant recovery system; and technical assistance to end-users in a leak reduction programme;
 - (c) Public awareness on the safe handling of natural refrigerants; and
 - (d) Project implementation and monitoring.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Issues on HCFC consumption

12. In accordance with decision 75/52(b)(i) and (iii), the Government of the Plurinational State of Bolivia submitted revised consumption data for 2011 to 2013 reported under Article 7 of the Montreal Protocol to the Ozone Secretariat, and under the CP report to the Fund Secretariat, and updated the CP report for the 2011-2014 consumption of HCFC-141b contained in imported pre-blended polyols, on the basis of the results of the verification report. In addition, the Government updated the 2014 and 2015

² At the 75th meeting, the Executive Committee noted *inter alia* that the Agreement between the Government of the Plurinational State of Bolivia and the Executive Committee had been updated based on transfer of lead implementing agency from the Government of Germany to UNIDO (decision 75/52).

consumption reported under both Article 7 and the CP report to allocate imports that entered the country in 2015 to that year.

13. In line with decision 75/52(b)(iv), the UNEP Compliance Assistance Programme (CAP) has been providing capacity-building for the NOU. UNEP CAP undertook three missions to the country and held discussions with the Vice Minister of the Environment, who is the Montreal Protocol political focal point, on matters related to the Montreal Protocol and the implementation of the HPMP; it also assisted the NOU in drafting a procedure for issuing licenses and data reporting. UNEP CAP also had bilateral meetings with Government officials back-to-back with network meetings, and has scheduled an additional mission for the third quarter of 2018. Notwithstanding the continuous assistance provided by UNEP CAP, during the project review process, several changes were made to consumption reported under Article 7 and the CP report; those changes point to continued challenges in data reporting in the country.

14. UNEP CAP emphasized that turnover of the NOU is beyond the control of UNEP CAP, as the implementing agency for the institutional strengthening project for the country. Given the particular situation of the turnover of the NOU, the Secretariat suggested that UNEP CAP continue assisting the Government in strengthening the institutional capabilities in the country allowing for the continuity of the NOU.

15. With regard to HCFC-141b in bulk, UNIDO clarified that some importers recently started promoting its use of as flushing agent for cleaning refrigeration circuits; however, such use has been limited due to the high price of HCFC-141b. UNIDO is promoting other options for cleaning refrigeration systems. Regarding the consumption of HCFC-141b contained in imported pre-blended polyols, which had been removed from the quota system but for which a license is still required, UNIDO confirmed that UNDP still planned to submit a project to address such consumption under stage I, in line with decision 63/15.

Verification report

16. The Secretariat recognized the challenges in collecting data on HCFC consumption prior to 2011. Notwithstanding best efforts by the verifier, with the assistance of the NOU, the data necessary for the verification could not be found, and therefore the verification for those years is incomplete.

17. Noting that the country's starting point was based on its baseline, that the 2017 consumption was already 67 per cent below its starting point, and that only a limited verification of the baseline could be undertaken, the Secretariat assessed the level of consumption on which baseline was established with regard to socio-economic parameters in the country (e.g., population and its distribution in urban and rural regions; main economic activities; gross domestic product and per capita income, and access to electricity), and did not consider there to be sufficient information to warrant a change in the country's starting point for aggregated reductions on HCFC consumption.

18. Regarding the recommendations in the verification report, it was agreed that UNIDO include an update on progress toward implementing those recommendations as part of the progress report on the implementation of the fourth tranche of the HPMP.

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

Legal framework

19. The Government of the Plurinational State of Bolivia has already issued HCFC import quotas for 2018 at 5.06 ODP tonnes, which is lower than the Montreal Protocol control targets.

20. Regarding the update to the decree to control ODS, the Government has decided to further delay that update to also include updates necessary for the implementation of the Kigali Amendment. To that end, the Government intends to submit, through UNEP, a request for enabling activities to the 82nd meeting.

Refrigeration servicing sector

21. The training of customs officers that had been planned under the third tranche has not yet been undertaken. Trainings are planned for 2018 and 2019.

22. Similarly, the code of practice for technicians and a certification scheme that was expected to be established during implementation of the third tranche, have yet to be implemented; efforts toward their implementation will continue under the fourth tranche. Regarding the certification scheme, the curriculum for the training programme of service technicians was updated and implemented at a local training institution, INFOCAL; technicians that complete the training and pass the theoretical and practical exam receive a competency-based certificate; however, a mandatory certification scheme has not yet been implemented. The Government is working to establish national norms that would require certification for certain jobs. In addition, Ministerial Resolution 97/97 established a national record of refrigerant technicians, which helps the NOU track the number of technicians in the country.

Conclusion

23. The HPMP is progressing, the import licensing and quota system is operational and will enable the country achieving compliance with the Montreal Protocol's phase-out schedule for HCFCs, and the 2017 consumption level was below that specified in the Montreal Protocol. Eighty-three per cent of the third tranche has been disbursed, and 97 per cent of the funds approved so far have been disbursed. Notwithstanding this progress, the country continues to face challenges in reporting its consumption and some activities that had been planned could not yet be undertaken; those challenges are likely exacerbated by the frequent changes in NOU. Continued implementation of the HPMP, combined with continued assistance from UNEP CAP, will strengthen the reliability of reported data and the country's national institutions related to the implementation of the Montreal Protocol.

RECOMMENDATION

24. The Executive Committee may wish to consider:

- (a) Noting:
 - (i) The progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan (HPMP) in the Plurinational State of Bolivia;
 - (ii) That UNIDO would include an update on progress toward implementing the recommendations in the verification report submitted to the 81st meeting, including strengthening the licensing system, improved communication with customs and additional training for customs, improved communication, and strengthening the data recording procedures, as part of the progress report on the implementation of the fourth tranche of the HPMP;
 - (iii) That the UNEP Compliance Assistance Programme (CAP) would continue to assist the Government to strengthen its national institutions related to the implementation of the Montreal Protocol;

- (iv) That UNEP CAP would include a report on efforts to assure the continuity of the national ozone unit in the next request for renewal of the institutional strengthening project for the country; and
 - (b) Approving the fourth tranche of stage I of the HPMP for the Plurinational State of Bolivia, and the corresponding 2018-2019 tranche implementation plan, at the amount of US \$30,000, plus agency support costs of US \$2,700 for UNIDO.
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