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EXECUTIVE COMMITTEE OF  
 THE MULTILATERAL FUND FOR THE  
 IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-fifth Meeting

Montreal, 25-29 May 2020

Postponed to 19-22 July 2020\*

**PROJECT PROPOSAL: PACIFIC ISLAND COUNTRIES**

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

Phase-out

|  |  |
| --- | --- |
| * HCFC phase-out management plan for 12 Pacific Island Countries (PIC) (stage I, third tranche) | UNEP |

\* Due to coronavirus disease (COVID-19)

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**Pacific Island Countries**

|  |  |  |  |
| --- | --- | --- | --- |
| **(I) PROJECT TITLE** | **AGENCY** | **MEETING APPROVED** | **CONTROL MEASURE** |
| HCFC phase-out management plan (stage I) | UNEP (lead) | 63rd | 35% by 2020 |

|  |  |  |
| --- | --- | --- |
| **(II) LATEST ARTICLE 7 DATA (Annex C Group l)** | Year: 2018 | 0.32 (ODP tonnes) |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)** | | | | | | | | **Year: 2018** | |
| Chemical | Aerosol | Foam | Fire fighting | Refrigeration | | Solvent | Process agent | Lab use | Total sector consumption |
|  | | | | Manufacturing | Servicing |  | | | |
| HCFC‑22 |  |  |  |  | 0.32 |  |  |  | 0.32 |

|  |  |  |  |
| --- | --- | --- | --- |
| **(IV) CONSUMPTION DATA (ODP tonnes)** | | | |
| 2009 - 2010 baseline: | 3.33 | Starting point for sustained aggregate reductions: | 3.33 |
| **CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)** | | | |
| Already approved: | 1.17 | Remaining: | 2.17 |

|  |  |  |  |
| --- | --- | --- | --- |
| **(V) BUSINESS PLAN** | | **2020** | **Total** |
| UNEP | ODS phase‑out (ODP tonnes) | 0.0 | 0.0 |
| Funding (US $) | 210,293 | 210,293 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **(VI) PROJECT DATA** | | | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2020** | **Total** |
| Montreal Protocol consumption limits | | | 0 | 0 | 3.33 | 3.33 | 3.00 | 3.00 | 3.00 | 3.00 | 2.17 | n/a |
| Maximum allowable consumption (ODP tonnes) | | | 0 | 0 | 3.33 | 3.33 | 3.00 | 3.00 | 3.00 | 3.00 | 2.17 | n/a |
| Agreed funding (US $) | UNEP | Project costs | 873,375 | 0 | 0 | 0 | 636,525 | 0 | 0 | 0 | 186,100 | 1,696,000 |
| Support costs | 113,539 | 0 | 0 | 0 | 82,748 | 0 | 0 | 0 | 24,193 | 220,480 |
| Funds approved by ExCom (US $) | | Project costs | 873,375 | 0 | 0 | 0 | 636,525 | 0 | 0 | 0 | 0 | 1,509,900 |
| Support costs | 113,539 | 0 | 0 | 0 | 82,748 | 0 | 0 | 0 | 0 | 196,287 |
| Total funds requested for approval at this meeting (US $) | | Project costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 186,100 | 186,100 |
| Support costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,193 | 24,193 |

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| **Secretariat's recommendation:** | Blanket approval |

**PROJECT DESCRIPTION**

# On behalf of the Governments of the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu (hereinafter referred to as the Pacific Island Countries (PICs)), UNEP as the designated implementing agency, has submitted a request for funding for the third and final tranche of stage I of the HCFC phase-­out management plan (HPMP), at the amount of US $186,100, plus agency support costs of US $24,193.[[1]](#footnote-1) The submission includes a progress report on the implementation of the second tranche, the verification reports for Palau, Samoa, Solomon Islands and Tonga, on HCFC consumption for 2015 to 2019 and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

# The Governments of the PICs estimated a total consumption of 0.17 ODP tonnes of HCFC in 2019. The 2015-2019 HCFC consumption is shown in Table 1.

**Table 1. HCFC consumption in the PICs (2015-2019 Article 7 data)**

| **HCFC‑22** | **2015** | **2016** | **2017** | **2018** | **2019a** | **Baseline** |
| --- | --- | --- | --- | --- | --- | --- |
| **Metric tonnes (mt)** |  |  |  |  |  |  |
| Cook Islands | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.86 |
| Kiribati | 0.51 | 0.44 | 0.39b | 0.22 | 0.00 | 0.97 |
| Marshall Islands | 1.49 | 0.00 | 0.00 | 0.00 | 0.00 | 3.99 |
| Micronesia (Federated States of) | 0.08 | 0.73 | 0.07 | 0.00 | 1.13 | 2.55 |
| Nauru | 0.30 | 0.15 | 0.00 | 0.00 | 0.00 | 0.18 |
| Niue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.15 |
| Palau | 2.09 | 2.11 | 1.80 | 1.20 | 0.13c | 2.97 |
| Samoa | 1.27 | 1.05 | 1.35 | 0.23 | 0.19c | 4.60 |
| Solomon Islands | 3.22 | 4.29 | 4.10 | 3.63 | 1.49c | 35.05 |
| Tonga | 0.30 | 0.08 | 0.12 | 0.15 | 0.02c | 2.55 |
| Tuvalu | 0.30 | 0.12 | 0.20 | 0.03 | 0.00 | 1.64 |
| Vanuatu | 0.35 | 0.00 | 0.22 | 0.29 | 0.41 | 5.11 |
| **Total (mt)** | **9.91** | **8.97** | **8.25** | **5.75** | **3.37** | **60.62** |
| **ODP tonnes** |  |  |  |  |  |  |
| Cook Islands | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.10 |
| Kiribati | 0.03 | 0.02 | 0.02 | 0.01 | 0.00 | 0.10 |
| Marshall Islands | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 |
| Micronesia (Federated States of) | 0.00 | 0.04 | 0.00 | 0.00 | 0.06 | 0.20 |
| Nauru | 0.02 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00d |
| Niue | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00d |
| Palau | 0.11 | 0.12 | 0.10 | 0.07 | 0.00c | 0.20e |
| Samoa | 0.07 | 0.06 | 0.07 | 0.01 | 0.01c | 0.30 |
| Solomon Islands | 0.18 | 0.24 | 0.23 | 0.20 | 0.08c | 2.00e |
| Tonga | 0.02 | 0.00 | 0.01 | 0.01 | 0.00c | 0.10e |
| Tuvalu | 0.02 | 0.01 | 0.01 | 0.00 | 0.00 | 0.10 |
| Vanuatu | 0.02 | 0.00 | 0.01 | 0.02 | 0.02 | 0.30e |
| **Total (ODP tonnes)** | **0.55** | **0.5** | **0.45** | **0.32** | **0.17** | **3.60** |

a Estimated consumption reported under the project proposal.

b Including 0.26 mt of HCFC-22 and 0.13 mt of HCFC-124.

c Data from the verification report on HCFC consumption.

d Very low consumption where rounding of figures to two digits shows zero consumption.

e HCFC consumption for 2009 was revised as per decision XXIII/29 of the Meeting of the Parties.

# The overall HCFC-22 consumption has been decreasing in the 12 PICs; five countries reported under Article 7 of the Montreal Protocol zero consumption in 2018 and six countries estimated zero consumption in 2019. The sustained decrease in HCFC consumption is attributed to the implementation of the HPMP *inter alia* enforcement of control measures including licensing and quota systems, activities in the refrigeration servicing sector and public awareness that have resulted in a lower demand for HCFC for servicing. In addition, an increased import of non-HCFC-22-based equipment has contributed to the reduction of consumption.

# *Country programme (CP) implementation report*

# The Government of the PICs reported HCFC sector consumption data under the 2018 CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol.

*Verification reports*

# Four of the 12 PICs (Palau, Samoa, Solomon Islands, and Tonga) required a verification of HCFC consumption to be submitted as part of the present tranche request, and the results of the verification are summarized below. The verification of HCFC consumption for the remaining countries will be submitted to the 86th meeting along with stage II of the regional HPMP.

# *Palau*

# The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports; that the consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2015 to 2018 was correct (as shown in Table 1 above); and that Palau has met its obligations under the Montreal Protocol reduction schedule and its Agreement with the Executive Committee for 2015-2019. The report recommended to strengthen the enforcement of licensing and quota systems, including ensuring the accuracy of data recorded, mandatory reporting for importers, improving operation procedures between the Bureau of Customs and Border Protection and the national ozone unit (NOU), and enhancing awareness of customs officers and importers.

# *Samoa*

# The verification report confirmed that the Government of Samoa is implementing a licensing and quota system for HCFC imports and exports; that the consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2015 to 2018 was correct (as shown in Table 1 above); and that Samoa has met its obligations under the Montreal Protocol reduction schedule and its Agreement with the Executive Committee for 2015 to 2019. The report also included recommendations to strengthen the implementation of the licensing and quota systems, data monitoring, reconciliation and reporting, and to develop standard operating procedures between the Customs Department and Ministry of Natural Resources and Environment for the clearance process and data monitoring and reporting.

# *Solomon Islands*

# The verification report confirmed that the Government of Solomon Islands is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2015 to 2019 were 0.07, 0.12, 0.23, 0.20 and 0.08 ODP tonnes, respectively. The report concluded that the HCFC consumption reported under Article 7 of the Montreal Protocol is different from the verified consumption for 2015, 2016 and 2017 and that this is attributed to the absence of a systematic data recording in place. The report confirmed that Solomon Islands has met its obligations under the Montreal Protocol reduction schedule and its Agreement with the Executive Committee for 2015-2019. The report included recommendations to amend the Article 7 and CP data for 2015 to 2017; to strengthen the implementation of the licensing and quota systems including cross-checking information in the declaration of shipments to avoid mis-declarations, to develop standard operating procedures for clearance processing and data monitoring, reconciliation and reporting, and to enhance the awareness of customs officers and importers.

# *Tonga*

# The verification report confirmed that the Government of Tonga is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs was 0.00 ODP tonnes (i.e., 0.045, 0.041, 0.104, 0.085 and 0.022 mt, respectively) for 2015 to 2019; the data reported under Article 7 of the Montreal Protocol for 2015 to 2018 differ from the verified data. The verification concluded that Tonga has complied with its obligations under the Montreal Protocol reduction schedule and its Agreement with the Executive Committee. The report included recommendations pertaining to the quota and import permit application form, revoking and reallocation of quotas; mandatory reporting for importers; improvement of clearance processing and data monitoring, reporting, and training for customs officers and importers.

# UNEP confirmed that the Governments of Solomon Islands and Tonga will request the revision of their Article 7 and CP data to make consistent with the verified data, after these findings are discussed with the customs authorities to have a common understanding on data reporting, and avoiding such discrepancies in the future. UNEP also confirmed that the verification recommendations will be implemented during the third tranche and development of stage II of the HPMP will also take into account these recommendations.

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

*Regional component*

# UNEP continued to support PICs to control imports and exports of HCFCs and HCFC-based equipment with focus on strengthening the monitoring, reporting, verification and enforcement (MRVE) mechanism. The PICs continue to use UNEP’s informal Prior-Informed Consent (iPIC) process to validate the import and export of controlled substances. In addition, through the ratification of the Kigali Amendment, the PICs are amending their national laws to include licensing systems to control the import and export of HFCs. A risk profiling system for ODS control was promoted with customs authorities to strengthen trade control during the customs clearance process; enforcement and prosecution of violators of ODS regulations was strengthened through the amendment of legislation related to prosecution and penalties. Discussions on standard operating procedures on the handling of confiscated controlled substances was initiated.

# All PICs except the Marshall Islands, adopted and are currently applying the Pacific Harmonized Commodity Description and Coding System 2017 (PACHS17)[[2]](#footnote-2) as of 31 January 2020, to assign specific HS code for HCFC and HFCs (both pure and contained in blends) in accordance with the World Customs Organization (WCO) recommendation.

# With regard to the Marshall Islands, the Customs department records and tracks manually the trade of HCFC through its licensing system Consultation meetings are being held with the NOU and the Customs department in order to finalize the adoption of the HS code and its plan to move to a computerized system in close collaboration with the Oceania Customs Organisation (OCO).

# The PICs continue to implement the Pacific Islands (Energy) Labelling Standards (PALS),[[3]](#footnote-3) based on established policy and legislative measures prohibiting the import of refrigeration and air-conditioning (RAC) products that are non-compliant with energy efficiency rating.

# UNEP worked with the PICs to integrate certification systems of RAC technicians into the existing Technical and Vocational Education and Training (TVET) in order to certify RAC technicians that have completed training to handle ODS-based equipment.

# Some PICs have banned the import of HCFC-based equipment to reduce future demand of HCFCs for servicing: Tonga (from January 2016); Palau (from December 2016) and Vanuatu (from December 2019); while the Cook Islands, Marshall Islands, Federated States of Micronesia, Nauru and Niue no longer import HCFC-based equipment on a voluntary basis.

*Legal framework*

# Since 2015, the PICs continued to implement and enforce their ODS legislation/regulations with support from the regional component to control imports and exports of HCFCs and HCFC‑based equipment. Specific legislative and regulatory measures to support HCFC phase-out undertaken by each of the PICs are summarized in Table 2.

**Table 2: Status of actions on legislation and regulation to support HCFC phase‑out**

| **Country** | **Adoption of 2017 HS code\*** | **HCFC quota system** | **Local permit/license requirement for HCFC** | | | **Control import/export of HCFC RAC equipment** | **Others** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Handling** | **Storage** | **Sale** |
| Cook Islands | Yes | Yes | Yes | Yes | Yes | Yes (control)  PALS programme | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Kiribati | Yes | Yes | Yes | Yes | Yes | Yes (control)  PALS programme | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Marshall Islands | No | Yes | In progress | Yes | Yes | In progress | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Micronesia (Federated States of) | Yes | Yes | Yes | Yes | Yes | In progress | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Nauru | Yes | Yes | In the process | In the process | In the process | Yes (control)  ODS law  (ban)  Customs law on foreign labelled ACs | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Niue | Yes | Yes | In the process | In the process | In the process | In the process | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Palau | Yes | Yes | Yes | Yes | Yes | Yes (ban)  (as of Dec 2016) | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Samoa | Yes | Yes | Yes | Yes | Yes | Yes (control)  2016 OLPR\*\*  2017 SEEA\*\*\* | Amending regulation to control import/export of HFC (in progress);  Member of iPIC |
| Solomon Islands | Yes | Yes | Yes | Yes | Yes | Yes (control) | Amending regulation to control import/export of HFC (in-progress);  Tax disincentive for HCFC (effective); Member of iPIC |
| Tonga | Yes | Yes | Yes | Yes | Yes | Yes (ban)  (as of Jan 2016) | Amending regulation to control import/export of HFC (draft finalized, waiting for approval);  Member of iPIC |
| Tuvalu | Yes | Yes | In progress | In progress | In progress | Yes (control) | Amending regulation to control import/export of HFC (in progress); Member of iPIC |
| Vanuatu | Yes | Yes | Yes | Yes | Yes | Yes (ban)  (as of Dec 2019) | Regulation to control import/export of HFC (effective);  Tax disincentive for HCFC (effective);  Member of iPIC |

\* Through PACHS (see footnote 2 above)

\*\* Ozone Layer Protection Regulation

\*\*\* Samoa Energy Efficiency Act

# A total of 847 customs and enforcement officers were trained on prevention of illegal trade in ODS and ODS-based equipment based on experiences in the region, fire and safety hazards from refrigerants, and on the use of tools for enforcement of ODS trade control developed by UNEP (e.g., Customs Quick Tool, Risk Assessment for Illegal Trade). A breakdown of the workshops conducted under the second tranche is shown in Table 3.

**Table 3. Summary of training workshops for customs and enforcement officers (second tranche)**

| **Country** | **Number of workshops** | **Number of participants** |
| --- | --- | --- |
| Cook Islands | 2 | 27 |
| Kiribati | 4 | 67 |
| Marshall Islands | 2 | 27 |
| Micronesia (Federated States of) | 4 | 50 |
| Nauru | 2 | 22 |
| Niue | 2 | 37 |
| Palau | 3 | 24 |
| Samoa | 4 | 139 |
| Solomon Islands | 5 | 84 |
| Tonga | 5 | 269 |
| Tuvalu | 3 | 40 |
| Vanuatu | 6 | 61 |
| **Total for 12 PICs** | **42** | **847** |

*Refrigeration servicing sector*

# Each country conducted training workshops on good servicing practices for a total of 727 RAC technicians as shown in Table 4. A simplified manual on good practices for RAC technicians (i.e., Good Servicing Practices for Flammable Refrigerants – A Quick Guide) was finalised in consultation with experts in the PICs and other regions.

# **Table 4. Summary of training workshops for RAC technicians (second tranche)**

| **Country** | **Number of workshops** | **Number of participants** |
| --- | --- | --- |
| Cook Islands | 3 | 44 |
| Kiribati | 3 | 84 |
| Marshall Islands | 1 | 17 |
| Micronesia (Federated States of) | 3 | 61 |
| Nauru | 2 | 25 |
| Niue | 2 | 48 |
| Palau | 1 | 20 |
| Samoa | 2 | 80 |
| Solomon Islands | 5 | 160 |
| Tonga | 4 | 115 |
| Tuvalu | 2 | 48 |
| Vanuatu | 2 | 25 |
| **Total for 12 PICs** | **30** | **727** |

# A train-the-trainers workshop on good servicing practices for RAC equipment operating with low‑GWP refrigerants including safety procedures, policy and standards for handling flammable refrigerants, was conducted for 34 master trainers and national ozone officers (NOOs). The training also contributed towards the obligations of all 14 PICs (which includes Fiji and Papua New Guinea) under the Sustainable Development Linkages and Samoa Small Islands Developing States (SIDS) Pathway to link climate and energy efficiency benefits with existing national initiatives with other environmental agreements, in this case the Montreal Protocol.

# Three countries (Kiribati, Solomon Islands and Tuvalu) formally established their RAC associations. In three other countries (Nauru, Niue and Marshall Islands), the establishment of an association is not feasible due to the low number of technicians, instead the NOUs have taken the approach of conducting visits to individual RAC companies to discuss the successful implementation of the activities proposed in their HPMPs. The RAC Association of Technicians established in March 2011 in Vanuatu is no longer in operation and the NOU is working with the RAC stakeholders to revive the association.

*Awareness activities*

# Awareness-raising activities focused on importers, distributors/vendors of HCFC refrigerants and RAC equipment, RAC technicians, customs and enforcement officers, as well as firefighting and energy efficiency authorities and a focal point for PALS, to increase awareness and synergize HPMP activities with their on-going activities. Activities implemented included workshops and meetings, publication and communication materials related to the Montreal Protocol and the HPMP.

*Project implementation and monitoring unit (PMU)*

# The regional HPMP component is managed by UNEP while the NOU of each country continues to be responsible for the coordination, management, and implementation and monitoring of activities under the HPMP. These responsibilities are different from the tasks under the institutional strengthening (IS) project, and involved collaboration with Government departments/agencies on the review and amendment of regulations including initiatives to link HPMP activities with those related to maximizing climate co‑benefits, preparation of reports related to the HPMP, coordination with Customs Department, RAC association where available, technicians and other stakeholders, and awareness raising. The cumulative total funding allocated for project monitoring to each country from the second tranche was US $107,200 out of which US $72,323 was disbursed for experts, travel between islands, communication and outreach, and consultation meetings.

Level of fund disbursement

# As of March 2020, of the US $1,509,900 approved so far, US $1,284,602 had been disbursed as shown in Table 5. The balance of US $225,298 will be disbursed in 2020.

**Table 5. Financial report of stage I of the HPMP for the PICs (US $)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Countries** | **First tranche** | | **Second tranche** | | **Total** | |
| **Approved** | **Disbursed** | **Approved** | **Disbursed** | **Approved** | **Disbursed** |
| Cook Islands | 49,250 | 49,250 | 39,850 | 15,500 | 89,100 | 64,750 |
| Kiribati | 53,250 | 53,250 | 44,850 | 24,249 | 98,100 | 77,499 |
| Marshall Islands | 54,000 | 54,000 | 47,700 | 23,317 | 101,700 | 77,317 |
| Micronesia (Federated States of) | 53,875 | 53,875 | 46,925 | 25,353 | 100,800 | 79,228 |
| Nauru | 45,625 | 45,625 | 20,975 | 4,220 | 66,600 | 49,845 |
| Niue | 45,625 | 45,625 | 20,075 | 11,630 | 65,700 | 57,255 |
| Palau | 62,375 | 62,375 | 45,625 | 40,625 | 108,000 | 103,000 |
| Samoa | 76,250 | 76,250 | 57,400 | 52,000 | 133,650 | 128,250 |
| Solomon Islands | 110,250 | 110,250 | 65,250 | 35,322 | 175,500 | 145,572 |
| Tonga | 64,750 | 64,750 | 49,550 | 30,087 | 114,300 | 94,837 |
| Tuvalu | 47,875 | 47,875 | 34,925 | 18,831 | 82,800 | 66,706 |
| Vanuatu | 76,250 | 76,250 | 57,400 | 24,093 | 133,650 | 100,343 |
| **Sub‑total national HPMP** | **739,375** | **739,375** | **530,525** | **305,227** | **1,269,900** | **1,044,602** |
| Regional | 134,000 | 134,000 | 106,000 | 106,000 | 240,000 | 240,000 |
| **Total** | **873,375** | **873,375** | **636,525** | **411,227** | **1,509,900** | **1,284,602** |
| **Disbursement rate (%)** | 100 | | 65 | | 85 | |

Implementation plan for the third and final tranche of the HPMP

# The following activities will be implemented until December 2021:

## *Control of HCFC supply:* One regional training workshop for customs authorities on development of the ODS risk profiling system and development of standard operating procedures (regional component); Coordination with customs authorities on the adoption of the revised PACHS17, customs and enforcement training workshops in each PICs and monitoring the operation of refrigerant identifiers (national component) (UNEP) (US $83,400);

## *Control HCFC demand*: Each of the PICs to organise RAC training workshop for RAC technicians; collaborate with national energy officers to include energy efficiency of RAC equipment into the training curricula, and verify compliance to the energy standards and type of refrigerants in the RAC equipment imported; initiate the establishment of competency-based certification systems for implementation in stage II of the HPMP; continue working on identifying and tracking HCFC supply and demand for the fisheries sector, and following up on the implementation of the decision of the Pacific Islands Forum Fisheries Agency to implement the fishing vessel registration form in close coordination with the Fisheries Department of each country, (UNEP) (US $42,000);

## *Communication and creating an enabling environment*: continue implementation of awareness and information dissemination activities in all PICs (e.g., deployment of OzonAction tools and materials in HPMP activities, banning of HCFC-based equipment and encouraging RAC servicing workshops to participate in RAC association where available), and conduct national stakeholders’ workshops on the challenges and lessons learned from the implementation of stage I of the HPMP (UNEP) (US $36,700); and

## Project coordination and monitoring (UNEP) (US $24,000, plus funds from IS and in-kind contribution from PICs)

**SECRETARIAT’S COMMENTS AND RECOMMENDATION**

**COMMENTS**

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

*Legal framework*

# The HCFC import quotas for 2020 have been established at lower levels than those allowed under the Montreal Protocol for each of the 12 PICs.

# *Refrigeration servicing sector*

# The Secretariat noted the overall progress of the implementation of the activities for the regional HPMP for the PIC. Clarification was sought on the distinction between enabling activities for HFC phase‑down and those activities implemented under the HPMP particularly those related to regulatory actions. UNEP explained that while activities under the HPMP and enabling activities are clearly defined, issues related to HFCs are integrated where possible as both group of controlled substances are used for servicing RAC equipment; thus, joint proposals are prepared for the amendment of specific HS code for HCFCs, HFCs and blends in accordance with WCO’s recommendation; licensing systems are strengthened to include control of imports of both HCFCs and HFCs and controls on HCFC- and HFC-based equipment.

# UNEP also confirmed that outstanding permitting/licensing in the handling of HCFCs in Marshall Islands, Nauru, Niue, and Tuvalu will be in place by the fourth quarter of 2020 except for any delays caused by COVID-19. An update will be provided when stage II of the HPMP is submitted at the 86th meeting.

# In responding to the issue related to operational problems with the refrigerant identifiers, UNEP noted that actions were being taken to correct the technical malfunction in these identifiers which was related to a software update. UNEP further noted that tools and equipment (e.g., manifold gauges for flammable refrigerant, lokring tools, cylinders, leak detectors, and other tools specifically for safe handling of flammable refrigerants), would be requested under stage II of the HPMP.

# UNEP indicated that stage I of the HPMP for the PICs will be completed by 31 December 2021 as established in paragraph 14 of the Agreement and that stage II will be submitted to the 86th meeting.

Gender policy implementation[[4]](#footnote-4)

# UNEP indicated that the Governments of the PICs have committed to ensure that during the implementation of the third tranche of the HPMP gender mainstreaming and equity will be considered to the extent possible to encourage full engagement of females in various steps such as planning, policy and decision-making, brainstorming and advisory, monitoring and evaluation. Each of the PICs will also collect sex‑disaggregated data, where possible, and report on these achievements under the HPMP.

Sustainability of the HCFC phase-out

# The Governments of the PICs continued to implement and enforce their ODS legislation/regulations with support of the regional component to control imports and exports of HCFCs and HCFC-based equipment with the focus on strengthening the MRVE mechanism. The activities in the servicing sector and training programmes are progressing and have met the expected targets on time. In addition, three countries have banned the import of HCFC-based equipment to prevent the future demand of HCFCs for installation and servicing, and five countries no longer import HCFC-based equipment on a voluntary basis. All these aforementioned measures will ensure sustainability of the HCFC phase-out.

Conclusion

# The Secretariat noted that all 12 PICs are in compliance with the Montreal Protocol and have reduced their overall consumption in 2019 below the allowable levels under the Montreal Protocol. The activities planned under the second tranche have been implemented: all countries have an operational licensing system, and had issued national import/export quotas for 2020 at levels lower than those allowed under the Montreal Protocol. Training of enforcement officers and technicians continued resulting in 847 customs and enforcement officers and 727 service technicians trained. The verification recommendations will be implemented during the third tranche of stage I and stage II of the HPMP. The level of disbursement for the second tranche is 65 per cent with an overall disbursement of 85 per cent.

# **RECOMMENDATION**

# 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 the Pacific Island Countries (PICs) and further recommends blanket approval of the third and final tranche of stage I of the HPMP for the PICs, and the corresponding 2020-2021 tranche implementation plan, at the funding levels shown in the table below:

|  | **Project title** | **Project funding (US $)** | **Support cost (US $)** | **Implementing agency** |
| --- | --- | --- | --- | --- |
|  | HPMP (stage I, second tranche): |  |  |  |
| (a) | Cook Islands | 9,900 | 1,287 | UNEP |
| (b) | Kiribati | 10,900 | 1,417 | UNEP |
| (c) | Marshall Islands | 11,300 | 1,469 | UNEP |
| (d) | Micronesia (Federated States of) | 11,200 | 1,456 | UNEP |
| (e) | Nauru | 7,400 | 962 | UNEP |
| (f) | Niue | 7,300 | 949 | UNEP |
| (g) | Palau | 12,000 | 1,560 | UNEP |
| (h) | Samoa | 14,850 | 1,931 | UNEP |
| (i) | Solomon Islands | 19,500 | 2,535 | UNEP |
| (j) | Tonga | 12,700 | 1,651 | UNEP |
| (k) | Tuvalu | 9,200 | 1,196 | UNEP |
| (l) | Vanuatu | 14,850 | 1,930 | UNEP |
| (m) | Regional ASP | 45,000 | 5,850 | UNEP |
|  | **Total** | **186,100** | **24,193** | **UNEP** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  |  |

1. As per the letters dated March 2020 from the Governments of the Cook Islands, Kiribati, the Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu to UNEP. [↑](#footnote-ref-1)
2. PACHS17 is a multipurpose goods nomenclature that forms the basis for Customs Tariffs and International Merchandise Trade Statistics, meant to assist the Oceania Customs Organisation (OCO) members who are not members of the World Customs Organization to adopt the HS code 2017. [↑](#footnote-ref-2)
3. http://www.spc.int/edd/fr/section-01/energy-overview/energy/202-pacific-island-countries-commit-to-appliance-labelling-and-standards [↑](#footnote-ref-3)
4. Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle. [↑](#footnote-ref-4)