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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Eighty-seventh Meeting  
Montreal, 28 June-2 July 2021<sup>1</sup>

**PROJECT PROPOSALS: BELIZE**

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

Phase-out

- HCFC phase-out management plan (stage I, third tranche) UNEP and UNDP
- HCFC phase-out management plan (stage II, first tranche) UNEP and UNDP

<sup>1</sup> Online meetings and an intersessional approval process will be held in June and July 2021 due to coronavirus disease (COVID-19)

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

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

**BELIZE**

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (Stage I)	UNEP (lead), UNDP	62 <sup>nd</sup>	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2020	1.39 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2020	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.35				1.35
HCFC-141b					0.04				0.04

(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		2021	2022	2023	Total
UNEP	ODS phase-out (ODP tonnes)	0.13	0	0	0.13
	Funding (US \$)	42,375	0	0	42,375
UNDP	ODS phase-out (ODP tonnes)	0	0	0	0
	Funding (US \$)	0	0	0	0

(VI) PROJECT DATA			2010	2011-2012	2013-2014	2015	2016	2017	2018-2019	2020	2021	Total	
Montreal Protocol consumption limits			n/a	n/a	2.80	2.52	2.52	2.52	2.52	1.82	1.82	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	2.80	2.52	2.52	2.52	2.52	1.82	1.82	n/a	
Agreed funding (US \$)	UNEP	Project costs	80,000	0	0	0	96,000	0	0	37,500	0	213,500	
		Support costs	10,400	0	0	0	12,480	0	0	4,875	0	27,755	
	UNDP	Project costs	60,000	0	0	0	6,500	0	0	0	0	0	66,500
		Support costs	5,400	0	0	0	585	0	0	0	0	0	5,985
Funds approved by ExCom (US \$)	Project costs		140,000	0	0	0	0	102,500*	0	0	0	242,500	
	Support costs		15,800	0	0	0	0	13,065*	0	0	0	28,865	
Total funds requested for approval at this meeting (US \$)	Project costs		0	0	0	0	0	0	0	0	37,500**	37,500	
	Support costs		0	0	0	0	0	0	0	0	4,875**	4,875	

\*The second tranche should have been submitted in 2016

\*\*The third tranche should have been submitted in 2020

<b>Secretariat's recommendation:</b>	Blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of Belize, UNEP as the lead 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 \$37,500, plus agency support costs of US \$4,875 for UNEP only.<sup>2</sup> The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption for 2017 to 2020 and the tranche implementation plan for 2021.

### Report on HCFC consumption

2. The Government of Belize reported a consumption of 1.39 ODP tonnes of HCFC in 2020 under Article 7 of the Montreal protocol, which is 50 per cent below the HCFC baseline for compliance. The 2016-2020 HCFC consumption is shown in Table 1.

**Table 1. HCFC consumption in Belize (2016-2020 Article 7 data)**

HCFC	2016	2017	2018	2019	2020	Baseline
<b>Metric tonnes (mt)</b>						
HCFC-22	37.58	35.56	32.56	29.54	24.50	48.76
HCFC-141b	0.71	0.66	0.59	0.53	0.40	1.10
<b>Total (mt)</b>	<b>38.29</b>	<b>36.22</b>	<b>33.21</b>	<b>30.07</b>	<b>24.90</b>	<b>49.86</b>
<b>ODP tonnes</b>						
HCFC-22	2.07	1.96	1.79	1.62	1.35	2.68
HCFC-141b	0.08	0.07	0.06	0.06	0.04	0.12
<b>Total (ODP tonnes)</b>	<b>2.15</b>	<b>2.03</b>	<b>1.86</b>	<b>1.68</b>	<b>1.39</b>	<b>2.80</b>

3. HCFC consumption has been decreasing steadily due to the implementation of the HPMP, particularly through enforcement of the licensing and quota system, training of technicians in good servicing practices and awareness-raising activities to promote the use of alternatives. It is estimated that HCFC-22 accounts for 36 per cent of total refrigerant use in the servicing sector. Other refrigerants used in the servicing sector are HFC-134a (40.8 per cent), R-410A (13.1 per cent), R-404A (5.8 per cent), and a small amount of hydrocarbon (HC) refrigerants (1.3 per cent) used in servicing stand-alone bottle coolers, chest freezers and domestic refrigerators.

### *Country programme (CP) implementation report*

4. The Government of Belize reported HCFC sector consumption data under the 2020 CP implementation report that 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. The total consumption of HCFCs reported under Article 7 of the Montreal Protocol was correct for 2017 to 2020. The verification concluded that Belize was in compliance with the control targets in the Montreal Protocol and those in the Agreement with the Executive Committee.

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

#### *Legal framework*

6. The Government of Belize established a licensing system for the import and export of ozone depleting substances (ODS) in 2003, and the Pollution Regulations were amended in 2009 to include

<sup>2</sup> As per the letter of 4 February 2021 from the Ministry of Sustainable Development, Climate Change and Disaster Risk Management of Belize to the Secretariat.

HCFCs and alternatives (HFCs and HCs) as well as HCFC-based equipment into the licensing and quota system to control their imports and exports. The quota system for HCFCs and the licensing system for HCFC-based equipment have been implemented through a Ministerial policy. The Pollution Regulations are being amended to formalize the HCFC quota system and the licensing for HCFC-based equipment.

7. The Refrigeration Technicians (Licensing) Act, passed in 2010, supports mandatory registration and licensing of refrigeration and air-conditioning (RAC) servicing technicians. The technician licensing programme was implemented with the support of the Association of RAC Technicians (ARACT) in stage I. Under this mandatory licensing and registration system, 90 per cent of technicians have been registered with ARACT. This has laid a foundation to continue the implementation of technician certification in stage II.

8. The Government of Belize is implementing the “Quality in Renewable Energy and Energy Efficiency (R3E)” project, which includes the establishment of a regional energy-efficiency labelling standard. Based on this standard, the country will develop energy-efficiency rating and labelling for appliances, including RAC equipment.

9. Belize is implementing the enabling activities and expects to ratify the Kigali Amendment by January 2022.

#### *Refrigeration servicing sector*

10. The following activities have been implemented during the second tranche:

- (a) Training of 50 customs officers on the monitoring and control of ODS import and prevention of illegal trade through train-the-trainers refresher course, training of 40 customs brokers on the use of the online processing and application licensing system (OPAL); and development and distribution of awareness-raising booklets and factsheets on the prevention of illegal trade;
- (b) Training of 230 technicians in good servicing practices and the safe use of HC refrigerants, in collaboration with ARACT;
- (c) One demonstration and awareness-raising workshop for 25 technicians on the use of HC refrigerants, incorporating the use of HC refrigerants into the training curriculum at the Centre for Employment Training (CET);
- (d) Establishment of a centre of excellence in RAC equipment servicing and development of national expertise capacity: one consultant was employed to assess the status of good servicing practices and collect information on current practices in servicing RAC equipment in the hotel sector; and
- (e) One awareness-raising campaign in the hotel and tourism sector, meeting with the Belize Hotel Association and distribution of brochures on HCFC phase-out.

11. A total of 253 customs officers, enforcement personnel and customs brokers have been trained in controlling imports of ODS and preventing illegal trade; and 240 RAC technicians have been trained in good servicing practices, in refrigerant recovery and reuse, and in servicing equipment with alternatives.

#### *Project implementation and monitoring*

12. The National Ozone Unit (NOU) has been monitoring the implementation of HPMP activities. During the second tranche, a total of US \$17,500 was used for project monitoring, with the following

breakdown: staff US \$9,500; travel US \$4,000; meetings and workshops: US \$4,000; miscellaneous: US \$500.

Level of fund disbursement

13. As of February 2021, the entirety of the US \$242,500 approved so far had been disbursed (US \$176,000 for UNEP and US \$66,500 for UNDP).

Implementation plan for the third and final tranche of the HPMP

14. The following activities will be implemented by UNEP between July 2021 and December 2022:
- (a) Follow-up on the approval of the amendment to the Pollution Regulations, including the ban on the import of HCFC-141b by 1 January 2022; updates to the code of good practice for the RAC sector taking into account the safety aspect in using flammable and toxic refrigerants (US \$1,000);
  - (b) One training workshop for 20 new customs officers on the use of harmonized system codes and classification of refrigerants (US \$7,500);
  - (c) One seminar on the introduction of low-global-warming potential alternatives, training and certification of 15 RAC technicians in good servicing practices and the safe handling of flammable refrigerants (US \$12,500);
  - (d) Continuing assessing the capacity of good servicing practices in the commercial air-conditioning (hotel) sector, providing technical guidance in refrigerant recovery and recycling, leakage control and reduction, and good servicing practice in maintaining RAC equipment, and data collection for better measuring the benefits of well-maintained and installed RAC equipment (US \$14,000); and
  - (e) Project monitoring, coordination and reporting will be conducted by the NOU with the total budget of US \$2,500 (staff US \$1,000; travel US \$1,250; and miscellaneous US \$250).

**SECRETARIAT’S COMMENTS AND RECOMMENDATION**

**COMMENTS**

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

*Legal framework*

15. The Government of Belize has already issued HCFC import quotas at 1.82 ODP tonnes in compliance with the Montreal Protocol control target.

16. The Secretariat enquired whether the Government would prioritize the phase-out of HCFC-141b used in cleaning RAC equipment. UNEP reported that the Government had included a ban on the import of HCFC-141b in the amendment to the Pollution Regulations which is being considered by the Cabinet. Should the amendment not be approved by the end of 2021, the ban on the import of HCFC-141b will be administratively implemented through the quota system supported by the Ministerial policy. Due to this Government initiative, HCFC-141b will be eliminated under stage I of the HPMP. It was agreed that the complete phase-out of HCFC-141b should be reflected in the revised Agreement for stage I.

### *Refrigeration servicing sector*

17. The Secretariat further enquired about the impact of the refrigerant recovery, recycling and reuse (RRR) programme implemented in stage I. UNEP reported that approximately 100 kg of HCFC-22 had been recovered and reused; and 770 kg of unusable refrigerant had been exported for destruction through the persistent organic pollutants project, as a one-time initiative. In stage II, the RRR programme will continue to be implemented. However, disposal of unwanted ODS remains as a challenge.

### Completion of stage I

18. The completion date for stage I of the HPMP is 31 December 2021. Due to the constraints imposed by the COVID-19 pandemic, the implementation of activities planned for the second tranche has been delayed, resulting in submitting the funding request of the last tranche (due in 2020) only to the present meeting. As a consequence, the Government of Belize has requested to extend the implementation of stage I until December 2022. Stage II of the HPMP has been submitted to the present meeting.

### Gender policy implementation<sup>3</sup>

19. The gender mainstreaming policy of the Multilateral Fund was taken into consideration in the implementation of the HPMP. An interview was conducted with the first licensed (registered) female RAC technicians to promote the involvement of women in the industry. Gender-disaggregated data will be collected during the third tranche.

### Revision to the HPMP Agreement

20. In order to reflect the extended period of implementation of and the complete phase-out of HCFC-141b in stage I, paragraph 16 and Appendix 2-A of the Agreement between the Government and the Executive Committee have been updated, as shown in Annex I to the present document. The full, revised Agreement will be appended to the final report of the 87<sup>th</sup> meeting.

### Sustainability of the HCFC phase-out

21. The country has implemented a ban on the import of controlled substances and equipment that has been phased out; and has been raising awareness on the prohibited use of CFCs. There is no evidence of import of CFCs into the country. Bans on the import of HCFC-141b and of HCFC-based equipment have also been planned. The licensing and quota system covers HCFC-based equipment and is effectively implemented to control the import of HCFCs. The sustainability of technician training is ensured given that the licensing and certification of technicians is mandatory and will be further strengthened in stage II; vocational training schools supported under the HPMP provide formal training for professionals in the RAC servicing sector. Training on ODS import control has been provided to customs officers, and ODS-related issues have been integrated into the routine training for customs officers to ensure long-term sustainability.

### Conclusion

22. Belize was in compliance with the Montreal Protocol control targets set out for 2017 to 2020, as verified. The HCFC consumption in 2020 was 50 per cent below the baseline for compliance and 24 per cent below the maximum allowable consumption in the Agreement with the Executive Committee for 2020. The licensing and quota system is operational and the quota issued for 2021 was 1.82 ODP tonnes, in line with the Montreal Protocol control targets. Training of customs officers on ODS-related issues is conducted on a regular basis by the NOU and has been integrated into the routine training programme.

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<sup>3</sup> Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

Training of technicians has been undertaken to enable good practices and reduce the demand for HCFCs, and licensing/certification of technicians is being implemented to ensure long-term capacity development. All funds previously approved have been disbursed.

## RECOMMENDATION

23. The Fund Secretariat recommends that the Executive Committee:
- (a) Takes note of the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for Belize;
  - (b) Approves, on an exceptional basis, the extension of the date of completion of stage I of the HPMP for Belize to 31 December 2022, given delay in implementing phase-out activities due to the COVID-19 pandemic, and on the understanding that no further extension of project implementation would be requested; and
  - (c) Takes note that the Fund Secretariat has revised the updated Agreement between the Government of Belize and the Executive Committee, as contained in Annex I to the present document, specifically: Appendix 2-A, to reflect the extension of the duration of stage I and the complete phase-out of HCFC-141b by 1 January 2022 (see paragraphs 14(b) and 38); and paragraph 16, to indicate that the revised updated Agreement supersedes that reached at the 79<sup>th</sup> meeting.
24. The Fund Secretariat further recommends blanket approval of the third and final tranche of stage I of the HPMP for Belize, and the corresponding 2021 tranche implementation plan, at the funding level shown in the table below:

	<b>Project title</b>	<b>Project funding (US \$)</b>	<b>Support cost (US \$)</b>	<b>Implementing agency</b>
(a)	HCFC phase-out management plan (stage I, third tranche)	37,500	4,875	UNEP

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

**BELIZE**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HCFC phase-out plan (Stage II)	UNEP (lead), UNDP

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2020	1.39 (ODP tonnes)
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2020</b>	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.35				1.35
HCFC-141b					0.04				0.04

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009 - 2010 baseline:	2.80	Starting point for sustained aggregate reductions:	2.80
<b>CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)</b>			
Already approved:	1.06	Remaining:	1.74

<b>(V) BUSINESS PLAN</b>		2021	2022	2023	Total
UNEP	ODS phase-out (ODP tonnes)	0.38	0	0	0.38
	Funding (US \$)	42,019	0	0	42,019
UNDP	ODS phase-out (ODP tonnes)	0.18	0.27	0	0.45
	Funding (US \$)	27,174	40,522	356,085	423,781

<b>(VI) PROJECT DATA</b>			2021	2022-2023	2024	2025-2026	2027	2028-2029	2030	Total
Montreal Protocol consumption limits			1.82	1.82	1.82	0.91	0.91	0.91	0.00	n/a
Maximum allowable consumption (ODP tonnes)			1.82	1.74	1.74	0.91	0.91	0.91	0.00	n/a
Projects costs requested in principle (US \$)	UNEP	Project costs	95,350	0	88,250	0	151,490	0	52,910	388,000
		Support costs	12,396	0	11,473	0	19,694	0	6,878	50,441
	UNDP	Project costs	73,854	0	58,146	0	0	0	0	132,000
		Support costs	6,647	0	5,233	0	0	0	0	11,880
Total project costs requested in principle (US \$)			169,204	0	146,396	0	151,490	0	52,910	520,000
Total support costs requested in principle (US \$)			19,043	0	16,706	0	19,694	0	6,878	62,321
Total funds requested in principle (US \$)			188,247	0	163,102	0	171,184	0	59,788	582,321

<b>(VII) Request for approval of funding for the first tranche (2021)</b>		
Agency	Funds requested (US \$)	Support costs (US \$)
UNEP	95,350	12,396
UNDP	73,854	6,647
<b>Total</b>	<b>169,204</b>	<b>19,043</b>

<b>Secretariat's recommendation:</b>	Individual consideration
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## PROJECT DESCRIPTION

### Background

25. On behalf of the Government of Belize, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$582,321, consisting of US \$388,000, plus agency support costs of US \$50,441 for UNEP, and US \$132,000, plus agency support costs of US \$11,880 for UNDP, as originally submitted.<sup>4</sup> The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

26. The first tranche of stage II of the HPMP being requested at this meeting amounts to US \$188,247, consisting of US \$95,350, plus agency support costs of US \$12,396 for UNEP, and US \$73,854, plus agency support costs of US \$6,647 for UNDP, as originally submitted.

### Status of implementation of stage I of the HPMP

27. Stage I of the HPMP for Belize was originally approved at the 62<sup>nd</sup> meeting,<sup>5</sup> revised at the 79<sup>th</sup><sup>6</sup> and the present meeting to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US \$280,000, plus agency support costs, to phase out 1.06 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector. An overview of implementation of stage I, including an analysis of HCFC consumption, the progress and financial reports on implementation, and the request for the third and final tranche submitted to the current meeting, is available in paragraphs 1 to 24 of the present document.

### Stage II of the HPMP

#### Remaining consumption eligible for funding

28. After deducting 1.06 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding for complete phase-out in stage II amounts to 1.74 ODP tonnes of HCFC-22.

#### Sector distribution of HCFCs

29. There are approximately 240 technicians and 70 workshops consuming HCFC-22 (in addition to other refrigerants) to service RAC equipment. The estimated demand for HCFC-22 in the RAC servicing sector in Belize is presented in Table 2.

**Table 2. Estimated demand for HCFC-22 in the RAC servicing sector in Belize**

Sector/Application	Number of units	HCFC bank (mt)	Leakage (%)	Annual consumption (mt)	% of consumption
Domestic air-conditioning (AC)	10,000	13.00	35.4	4.60	22.16
Commercial AC	6,300	28.35	35.4	10.04	48.32
Commercial refrigeration (condensing units)	1,250	15.00	40.4	6.06	29.18
Industrial refrigeration (medium to large condensing units, centralized systems)	40	0.24	30.3	0.07	0.35
<b>Total</b>	<b>17,590</b>	<b>56.59</b>		<b>20.77</b>	<b>100.00</b>

<sup>4</sup> As per the letter of 4 February 2021 from the Ministry of Sustainable Development, Climate Change and Disaster Risk Management of Belize to the Secretariat.

<sup>5</sup> UNEP/OzL.Pro/ExCom/62/21 and Annex VIII of UNEP/OzL.Pro/ExCom/62/62.

<sup>6</sup> Annex X of UNEP/OzL.Pro/ExCom/79/51.

Phase-out strategy in stage II of the HPMP

30. Stage II of the HPMP has been designed based on the experience gained during the implementation of stage I; it will focus on strengthening the HCFC licensing and quota system; implementing legal measures to ban the import of HCFC-based equipment; supporting the safe use of alternatives and promoting the transition to low global-warming potential (GWP) technologies; and further strengthening the capacity of the servicing sector through training, strengthening the certification system for technicians, and refrigerant recovery and recycling.

Proposed activities in stage II of the HPMP

31. Stage II proposes the following activities:

- (a) Developing and implementing regulatory measures, including: bans on the import of HCFC-based equipment by the end of 2023 and of HCFCs by 1 January 2030; developing standards on the safe adoption of flammable and toxic alternative refrigerants; and developing regulations to support the technician certification programme (UNEP) (US \$35,600);
- (b) Strengthening the licensing and quota system to control HCFC imports, including: training for 130 customs officers, 45 importers and customs brokers, and 30 police, coast guard and other Government officials in HCFC import control and prevention of illegal trade; developing an online training course for customs officers (UNEP) (US \$85,000); and purchasing five refrigerant identifiers (UNDP) (US \$10,000);
- (c) Strengthening the capacity of servicing technicians, including: training of five trainers and 350 technicians (including six female technicians) in good servicing practices and servicing with alternative refrigerants; developing an online training course for technicians; and strengthening certification of technicians with the support of the Association of RAC Technicians (ARACT) (UNEP) (US \$162,040);
- (d) Promoting refrigerant recovery and recycling and strengthening vocational training institutes, including: providing tools and equipment (e.g., leak detector, swaging tools, welding kit, nitrogen pressure gauge, recovery units) to five vocational training institutes and 10 refrigerant recovery kits to technicians; and training of 40 technicians in refrigerant recovery and recycling and use of tools (UNDP) (US \$122,000); and
- (e) Awareness-raising activities in commercial AC and refrigeration sectors mainly in hotels, government buildings and large institutions on the ban on imports of HCFC-based equipment and on the energy-efficiency labeling standard for RAC equipment; developing awareness-raising materials to showcase the benefits of the transition to low-GWP and energy-efficient alternatives, and the hiring of licensed technicians (UNEP) (US \$54,200).

*Project implementation and monitoring*

32. The system established under stage I of the HPMP will continue to be used in stage II, where the national ozone unit (NOU) monitors activities, report on progress, and work with stakeholders to phase out HCFCs. The cost of those activities amounts to US \$51,160 for stage II (staff and consultant US \$25,000; travel to regions US \$20,000; and other miscellaneous costs US \$6,160).

*Gender policy implementation*<sup>7</sup>

33. Stage II of the HPMP for Belize has been developed taking into account the Multilateral Fund policy for gender mainstreaming and includes relevant indicators. The Government will work with ARACT to discuss support to be provided to female technicians; to incorporate gender-mainstreaming elements in the training; to promote the participation of women in decision-making processes, including training course design and other activities organized by the NOU; to provide scholarships to six female technicians in vocational training institutes; and to collect and report gender-disaggregated data in the course of implementation of stage II.

Total cost of stage II of the HPMP

34. The total cost of stage II of the HPMP for Belize has been estimated at US \$520,000 (plus agency support costs), as originally submitted, for achieving a 67.5 per cent reduction from its HCFC baseline consumption by 2025 and a 100 per cent reduction by 2030, in accordance with decision 74/50(c)(xii). The proposed activities and cost breakdown are summarized in paragraphs 31 and 32 of the present document.

Activities planned for the first tranche of stage II

35. The first funding tranche of stage II of the HPMP, at the total amount of US \$169,204, will be implemented between July 2021 and December 2024 and will include the following activities:

- (a) Developing regulations to ban the import of HCFC-based equipment by 31 December 2023; establishing standards for the safe handling of flammable and toxic refrigerants; and regulatory support for the certification of technicians (UNEP) (US \$22,600);
- (b) Training 20 customs brokers and importers in controlling illegal trade, in the identification of HCFCs and alternatives, and in the proper use of harmonized system codes (UNEP) (US \$5,000); and purchasing five refrigerant identifiers (UNDP) (US \$10,000);
- (c) Training five trainers and 50 refrigeration technicians in good servicing practices, and in servicing equipment with alternatives including safe handling of flammable refrigerants (UNEP) (US \$26,800);
- (d) Purchasing tools and equipment (e.g., leak detector, swaging tools, welding kit, nitrogen pressure gauge, recovery units) for three vocational training institutes to facilitate training in refrigerant recovery, recycling and servicing with alternatives; training for using the equipment is planned for the second tranche, after the equipment is delivered (UNDP) (US \$63,854);
- (e) Awareness-raising campaigns for end-users in commercial AC and refrigeration sectors including hotels, government buildings, and large institutions on HCFC phase-out and the transition to low-GWP, energy-efficient alternatives; collecting data on energy efficiency and developing web-based and mobile software to raise awareness (UNEP) (US \$32,200); and
- (f) Project implementation, monitoring and reporting (UNEP) (US \$8,750): travel US \$6,000; staff US \$1,250; and miscellaneous US \$1,500.

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<sup>7</sup> Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

36. The Secretariat reviewed stage II of the HPMP in light of stage I, the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2021-2023 business plan of the Multilateral Fund.

#### Overarching strategy

37. The Government of Belize proposes to meet the 100 per cent reduction of its HCFC baseline consumption by 2030, and to limit its maximum annual consumption of HCFC in the period from 2030 to 2040 consistent with Article 5, paragraph 8 ter(e)(i) of the Montreal Protocol.<sup>8</sup> The Government will establish a number of measures to ensure efficient monitoring of HCFC imports between 2030 and 2040, including the licensing and quota system for imports of all refrigerants. It will implement a ban on import of HCFC-141b starting 1 January 2022 and establish a ban on imports of all HCFCs prior to 2030. Only importers that are listed in the regulations will be able to import HCFCs, and the NOU will control and closely monitor the imports in collaboration with the customs department. The online customs training planned in stage II will continue to be used for internal customs trainings beyond 2030 to ensure long-term, sustainable and effective monitoring and control of imports of HCFCs.

38. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Belize agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the 2030-2040 period, and the expected annual HCFC consumption in Belize for the 2030-2040 period.

#### Regulations to support HCFC phase-out

39. The Secretariat noted that the ban on the import of HCFC-based equipment planned for 1 January 2024 was rather late, which would create servicing demand for HCFC-22 after 2030, and suggested to the Government to prioritize the ban. Subsequently, the Government revised the deadline for the ban on the import of HCFC-based equipment to 1 January 2023. In addition, UNEP indicated that the Government would issue a ban on all imports of HCFCs prior to 1 January 2030.

#### Technical and cost-related issues

40. The Secretariat noted that the Government of Belize had already implemented a technician licensing and registration programme in stage I and enquired how the existing system would be improved during stage II to support the adoption of alternative technologies. UNEP explained that the Refrigeration Technicians Licensing Act will be amended to include the procedure for examinations, the requirement for workshops to employ at least one licensed technician, the restriction limiting the sale of refrigerants to licensed technicians, and support for the mandatory certification of technicians.

41. Upon a request for clarification, UNEP indicated that the online training courses for customs officers and technicians would provide an additional resource for internal training beyond 2030. The platform will be designed to allow for continuously uploading materials, thus ensuring that the content of training courses is constantly updated; these courses will be maintained by the customs department and ARACT, respectively.

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<sup>8</sup> HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

Total project cost

42. The total cost for stage II of the HPMP and the funding for the first tranche was agreed as submitted.

Impact on the climate

43. The proposed activities in the servicing sector, which include better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in savings of approximately 1.8 CO<sub>2</sub>-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by the Government of Belize, including its efforts in promoting low-GWP alternatives, as well as refrigerant recovery and reuse, indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

**Co-financing**

44. The Government of Belize is implementing the energy-efficiency programme and developing energy-efficiency labeling standards for appliances, including RAC equipment. Some HCFC-22-based models may not meet the standard and will not be imported. This will contribute to the introduction to the country of energy-efficient RAC equipment based on alternatives. In addition, 20 per cent of the training cost was shared by technicians. The Government will continue exploring other sources of co-financing for the HPMP.

**2021-2023 draft business plan of the Multilateral Fund**

45. UNEP and UNDP are requesting US \$520,000, plus agency support costs, for the implementation of stage II of the HPMP for Belize. The total requested value of US \$188,247, including agency support costs, for the 2021–2023 period is US \$277,553 below the amount in the business plan.

**Draft Agreement**

46. A draft Agreement between the Government of Belize and the Executive Committee for the phase-out of HCFCs in stage II of the HPMP is contained in Annex II to the present document.

**RECOMMENDATION**

47. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Belize for the period from 2021 to 2030, in the amount of US \$582,321, consisting of US \$388,000, plus agency support costs of US \$50,441 for UNEP, and US \$132,000, plus agency support costs of US \$11,880 for UNDP, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;
- (b) Noting the commitment of the Government of Belize:
  - (i) To completely phase out HCFCs and to ban the import of HCFCs by 1 January 2030, except for those allowed for a servicing tail between 2030 and 2040 where required, consistent with the provisions of the Montreal Protocol;
  - (ii) To establish a ban on the import of HCFC-based equipment by 1 January 2023;

- (c) Deducting 1.74 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) Approving the draft Agreement between the Government of Belize and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex II to the present document;
- (e) That, to allow for consideration of the final tranche of its HPMP, the Government of Belize should submit,:
  - (i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030-2040;
  - (ii) The expected annual HCFC consumption in Belize for the period 2030-2040; and
- (f) Approving the first tranche of stage II of the HPMP for Belize, and the corresponding tranche implementation plan, in the amount of US \$188,247, consisting of US \$95,350, plus agency support costs of US \$12,396 for UNEP, and US \$73,854, plus agency support costs of US \$6,647 for UNDP.

Annex I

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

16. This updated Agreement supersedes the Agreement reached between the Government of Belize and the Executive Committee at the 79<sup>th</sup> meeting of the Executive Committee.

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		2010	2011-2012	2013-2014	2015	2016	2017-2019	2020	2021	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	2.8	2.52	2.52	2.52	1.82	<b>1.82</b>	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	2.8	2.52	2.52	2.52	1.82	<b>1.82</b>	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	80,000	0	0	0	96,000	0	<b>0</b>	<b>37,500</b>	213,500
2.2	Support costs for Lead IA (US \$)	10,400	0	0	0	12,480	0	<b>0</b>	<b>4,875</b>	27,755
2.3	Cooperating IA (UNDP) agreed funding (US \$)	60,000	0	0	0	6,500	0	<b>0</b>	<b>0</b>	66,500
2.4	Support costs for Cooperating IA (US \$)	5,400	0	0	0	585	0	<b>0</b>	<b>0</b>	5,985
3.1	Total agreed funding (US \$)	140,000	0	0	0	102,500	0	<b>0</b>	<b>37,500</b>	280,000
3.2	Total support costs (US \$)	15,800	0	0	0	13,065	0	<b>0</b>	<b>4,875</b>	33,740
3.3	Total agreed costs (US \$)	155,800	0	0	0	115,565	0	<b>0</b>	<b>43,375</b>	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 HCFC-22 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)									<b>0.12</b>
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)									<b>0.00</b>



## Annex II

### **DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BELIZE AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN**

#### **Purpose**

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 zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
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 that exceeds the level defined in row 1.2 of Appendix 2-A 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 that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).
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 to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

#### **Conditions for funding release**

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) 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 a Tranche Implementation Plan in the form of Appendix 4-A 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.

### **Monitoring**

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

### **Flexibility in the reallocation of funds**

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
  - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and
  - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) 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 subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

### **Considerations for the refrigeration servicing sector**

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, 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 relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

### **Bilateral and implementing agencies**

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 the cooperating implementing agency/agencies (the “Cooperating IA”) under the lead of UNEP 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 the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. 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.

### **Non-compliance with the Agreement**

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 amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg 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 decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions 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, and 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 the information necessary to verify compliance with this Agreement.

### Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

### Validity

15. All of the conditions 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.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

## APPENDICES

### 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
Total	C	I	2.80

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022- 2023	2024	2025- 2026	2027	2028- 2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	1.82	1.82	1.82	0.91	0.91	0.91	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.82	1.74	1.74	0.91	0.91	0.91	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	95,350	0	88,250	0	151,490	0	52,910	388,000
2.2	Support costs for Lead IA (US \$)	12,396	0	11,473	0	19,694	0	6,878	50,441
2.3	Cooperating IA (UNDP) agreed funding (US \$)	73,854	0	58,146	0	0	0	0	132,000
2.4	Support costs for Cooperating IA (US \$)	6,647	0	5,233	0	0	0	0	11,880
3.1	Total agreed funding (US \$)	169,204	0	146,396	0	151,490	0	52,910	520,000
3.2	Total support costs (US \$)	19,043	0	16,705	0	19,694	0	6,878	62,321
3.3	Total agreed costs (US \$)	188,247	0	163,101	0	171,184	0	59,788	582,321

Row	Particulars	2021	2022-2023	2024	2025-2026	2027	2028-2029	2030	Total
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								1.74
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								0.94
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0.00
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)								0.12
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)								0.00

\*Date of completion of stage I as per stage I Agreement: 31 December 2021

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

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

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting 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 include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), 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;
- (b) An independent verification report of the Plan results and the consumption of the Substances, 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 during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).
2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:
  - (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
  - (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The National Ozone Unit (NOU), which is located within the Department of Environment in the Ministry of Sustainable Development, Climate Change and Disaster Risk Management will be responsible for the day-to-day execution of project activities. In carrying out this function, the NOU will follow the supervision and reporting procedures established by the Ministry. The head of the NOU (the National Ozone Officer) is also a chief environment officer and head of the Department of the Environment and has executive functions, i.e., ensures that the Multilateral Fund's and the Ministry's policies and procedures for project management, including procurement guidelines and reporting requirements, are adhered to.
2. Periodically the Government, in collaboration with the Lead IA, will convene monitoring missions to provide independent verification of project outputs, achievement of targets and financial management.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (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 HPMP;
  - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche 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 Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
  - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption

targets had been met;

- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) 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 Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity 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 THE COOPERATING IMPLEMENTING AGENCIES**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

- (a) Providing assistance for policy development 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;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

#### **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 US \$180 per ODP kg 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, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested.

Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the HPMP being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.

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