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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: GUYANA

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

Phase-out

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

¹ UNEP/OzL.Pro/ExCom/92/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Guyana

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNEP (lead), UNDP	75 th	100% phase-out by 2030

(II) LATEST ARTICLE-7 DATA (Annex C Group I)	Year: 2022	0.62 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2022	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.55				0.55
HCFC-141b					0.07				0.07

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	1.80	Starting point for sustained aggregate reductions:	1.80
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	1.80	Remaining:	0

(V) ENDORSED BUSINESS PLAN		2023	2024	2025	Total
UNEP	ODS phase-out (ODP tonnes)	0.22	0	0	0.22
	Funding (US \$)	102,830	0	0	102,830
UNDP	ODS phase-out (ODP tonnes)	0.40	0	0	0
	Funding (US \$)	171,200	0	0	171,200

(VI) PROJECT DATA			2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024	2025	2026	2027-2029	2030	Total
Montreal Protocol consumption limits (ODP tonnes)			1.62	1.62	1.62	1.62	1.62	1.17	1.17	1.17	1.17	1.17	0.59	0.59	0.59	0.05	n/a
Maximum allowable consumption (ODP tonnes)			1.62	1.52	1.42	1.32	1.22	1.12	0.91	0.69	0.48	0.26	0.05	0.05	0.05	0	n/a
Funding agreed in principle (US\$)	UNEP (lead)	Project costs	55,500	0	0	65,500	0	0	45,500	0	45,500	0	0	30,500	0	0	242,500
		Support costs	7,215	0	0	8,515	0	0	5,915	0	5,915	0	0	3,965	0	0	31,525
	UNDP	Project costs	159,750	0	0	66,750	0	0	125,000	0	35,000	0	0	55,000	0	0	441,500
		Support costs	11,183	0	0	4,673	0	0	8,750	0	2,450	0	0	3,850	0	0	30,905
Funds approved by ExCom (US\$)	Project costs	215,250	0	0	0	132,250	0	0	0	0	0	0	0	0	0	0	347,500
	Support costs	18,398	0	0	0	13,188	0	0	0	0	0	0	0	0	0	0	31,586
Total funds recommended for approval at this meeting (US\$)	Project costs										170,500						170,500
	Support costs										14,665						14,665

*The third tranche was due for submission in 2021.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Guyana, UNEP as the lead implementing agency has submitted a request for funding for the third tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$185,165, consisting of US \$45,500, plus agency support costs of US \$5,915 for UNEP, and US \$125,000, plus agency support costs of US \$8,750 for UNDP.² The submission includes a progress report on the implementation of the second tranche and the tranche implementation plan for 2023 to 2025.

Report on HCFC consumption

2. The Government of Guyana reported a consumption of 0.62 ODP tonnes of HCFC in 2022, which is 65.55 per cent below the HCFC baseline for compliance. The 2018-2022 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Guyana (2018-2022 Article 7 data)

HCFC	2018	2019	2020	2021	2022	Baseline
Metric tonnes (mt)						
HCFC-22	19.63	17.94	16.34	9.05	9.93	31.02
HCFC-141b	0	0	0	0	0.68	0
(Total) (mt)	19.63	17.94	16.34	9.05	10.65	31.02
ODP tonnes						
HCFC-22	1.08	0.99	0.90	0.50	0.55	1.80
HCFC-141b	0	0	0	0	0.07	0
(Total) (ODP tonnes)	1.08	0.99	0.90	0.50	0.62	1.80

3. HCFC-22 is used in the servicing and maintenance of refrigeration and air-conditioning (RAC) equipment. The reduction of HCFC consumption since 2018 is due to the implementation of the HPMP, including a ban on imports of HCFC-based equipment since 2010, quota controls on HCFC imports, the introduction of alternative technologies, and market forces. In 2022, there was a slight increase in HCFC-22 consumption, and 0.07 ODP tonnes of HCFC-141b were imported to meet the service needs. There is no ban in the country to import HCFC-141b, and the volume imported fell under the quota assigned to the importer.

Country programme implementation report

4. The Government of Guyana reported HCFC sector consumption data under the 2022 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. At the moment of issuance of this document the verification of the country's HCFC consumption for 2019 to 2022 had not been received. UNEP expects that the verification report will be submitted by June 2023, and at the latest, no later than 12 weeks before the 93rd meeting.

² As per the letter of 20 March 2023 from the Ministry of Agriculture of Guyana to the Secretariat.

Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan

Legal framework

6. The Trade Order No. 19 of 2007 and its 2010 Amendment were implemented under the Guyana Trade Act (Cap. 91:01) to restrict the import of ozone-depleting substances (ODS) and equipment containing ODS. The Order requires licensing of all importers prior to importation of ODSs.

7. The Guyana Standard GYS 9-10: 2002 on the specification for labelling of ODS and the Guyana Standard GYS 556: 2019 on the safe use and handling of refrigerants, provide specifications for labelling of ODSs and dependent technologies and handling of refrigerants respectively.

8. All importers of HCFCs register annually with the National Ozone Unit (NOU) to obtain an import quota permit. The permit is issued to importers by the Ministry of Agriculture, as advised by the NOU. The quotas are enforced by the Guyana Revenue Authority (Customs and Trade Administration), who ensures that importers are in possession of the permit to import controlled ODSs and that the substances are labelled in accordance with the Guyana Standard GYS 9-10: 2002.

Refrigeration servicing sector

9. The following activities were implemented:

- (a) A revised customs training handbook, and posters, on harmonized system (HS) code classification and HCFCs import procedures were developed and distributed to 20 customs officers. Ten members of the Brokers Association received online training on codes classification;
- (b) Twenty RAC technicians received training on good practices and alternative technologies over eight weekends, and five trainers from technical institutes and the Guyana Air-conditioning, Refrigeration and Ventilation Association (GARVA) were trained on good practices and alternative technologies. Additionally, technicians are being trained for six months through the Board of Industrial Training's programmes and successful candidates are certified by the NOU. Fifteen technicians from the informal refrigeration servicing sector were certified under the CVQ-based Certification³;
- (c) Three sets of recovery and recycling equipment and personnel protective equipment were procured, including refillable cylinders, tools and spare parts. The equipment was distributed to two technical schools; and
- (d) Public awareness initiatives included the production, in collaboration with GARVA, of training and awareness raising material on the application of the licensing and quota system and the introduction of non-ODS and low-GWP technologies. Brochures on HCFC phase-out guidelines for importers and on low-GWP alternatives were prepared and distributed.

³ The Caribbean Vocational Qualification (CVQ) is based on a competency-based approach to training, assessment and certification.

Project implementation and monitoring

10. The NOU coordinated and monitored the implementation of the second tranche and carried out relevant reporting activities (US \$11,845).

Level of fund disbursement

11. As of March 2023, of the US \$347,500 approved so far, US \$231,178 had been disbursed (US \$77,420 for UNEP and US \$153,758 for UNDP), as shown in table 2. The balance of US \$116,322 will be disbursed in 2023 and 2024.

Table 2. Financial report of stage II of the HPMP for Guyana (US \$)

Agency	First tranche		Second tranche		Total		
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Balance
UNEP	55,500	55,500	65,500	21,920	121,000	77,420	43,580
UNDP	159,750	128,355	66,750	25,403	226,500	153,758	72,742
Total	215,250	183,855	132,250	47,323	347,500	231,178	116,322
Disbursement rate (%)	86		36		67		

Implementation plan for the third tranche of stage II of the HCFC phase-out management plan

12. The following activities will be implemented between June 2023 and December 2025:
- (a) Train 150 customs officers and brokers on HS code classification; reporting HCFCs, refrigerants and HCFC-based equipment; data collection; cross-referencing with the NOU and monitoring of imports. Training material and supporting equipment will be made available. Meetings between the NOU and Customs will be organized towards enhancing cooperation on data verification and reporting (UNEP) (US \$9,500 and balance from the previous tranche);
 - (b) Train nine refrigerant importers and nine retailers on the import process for HCFCs, the national licensing and quota system, record keeping on the import of all refrigerants, preparation of biannual reports to the NOU, and the implications of violating the licensing and quota system (UNEP) (US \$4,000);
 - (c) Train 130 RAC technicians and instructors on good servicing practices and alternative technologies. Certify and license 15 technicians (UNEP) (US \$8,000 and balance from the previous tranche);
 - (d) Provide support to the GARVA through the provision of technical manuals and tools (UNEP) (US \$2,000);
 - (e) Procure at least three sets of equipment for HCFC recovery and recycling that works with oil separation and filtration, compressors, refrigerant system analyser (R-600, R-290), an electronic refrigerant scales, vacuum cleaners, fire extinguishers, thermometers, manifolds, hoses, and other tools (UNDP) (US \$125,000 and balance from previous tranches);
 - (f) Organise public awareness activities, including sensitization sessions on the RAC servicing sector to strengthen compliance with the licensing and quota system; media appearances, including talk-shows; development and distribution of public awareness and educational material on alternative technologies; utilization of social media platforms to share information and increase visibility (UNEP) (US \$10,000 and balance from the previous tranche); and

- (g) Undertake and coordinate project monitoring and reporting activities. The NOU will hire a consultant to provide project monitoring and reporting services that will include preparation of workplans, reports, monitoring of activities to ensure HPMP activities meet the agreed time frames, and to support the NOU with data analysis, verification and reporting (UNEP) (US \$12,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Delay in submission of the present tranche request

13. UNEP clarified that the delay in the implementation of the activities under the second tranche, and therefore in the submission of the third tranche was mainly due to constraints related to the COVID-19 pandemic, as well as changes in the administrative structure that resulted in the absence of a substantive Ozone Officer. A new Ozone Officer was appointed in January 2021. UNEP explained that with the resolution of this issue, all activities planned under the third tranche, and the remaining activities under the second tranche of stage II of the HPMP would be implemented in a timely manner.

Update on progress towards implementing the recommendations in the previous verification report

14. At the 83rd meeting, the second tranche of stage II was approved on the understanding that UNEP would include an update on progress towards implementing the recommendations in the verification report submitted to the 83rd meeting, including the process of calculating and allocating annual import quotas; and addressing the shortcomings of the custom-made statistical software (TRIPS) in providing detailed ODS consumption data, when submitting the request for the third tranche of the HPMP. Although the new verification report has not yet been received, the Secretariat notes the following progress, as reported by UNEP.

15. On the calculation and allocation of annual import quotas, it was reported that the NOU allows for open applications for permits to import, requesting importers to indicate the quantities they require. Once requests are made, the NOU distributes the quotas (Grandfathered quotas: 85 per cent of the total allowable import, and Non-grandfathered quotas: 15 per cent of the total allowable imports⁴) and submits the distribution list to the Chief Hydrometeorological Officer for agreement and approval. With the Ministry's concurrence the quotas are published in the National Gazette before 15 January of the following year.

16. On the issue of addressing the shortcomings of the custom-made statistical software, the TRIPS has been updated to the Automated System for Customs Data (ASYCUDA), resulting in an improved and more advanced system. For the controlled substances, the system allows imports to be routed to the NOU, who has now access to the customs database through ASYCUDA, to view importer invoices submitted to Customs. The NOU examines and certifies the imports in ASYCUDA, and Customs then examines and clears the imported goods.

⁴ Grandfathered importers are the earlier or historical importers of HCFCs during the baseline years (2009-2011) and non-grandfathered importers are importers who are non-baseline year importers.

Report on HCFC consumption*Verification report*

17. The request for the third tranche of stage II of the HPMP for Guyana required the submission of a verification report of HCFC consumption in the country for the years 2019-2022. As the tranche request is being submitted to the first Executive Committee meeting of the year, and noting that the HCFC consumption reported between 2019 and 2022 under the CP implementation and Article 7 reports is below the country's maximum eligible consumption under its Agreement with the Executive Committee, the Secretariat recommends approval of this funding tranche request in line with decision 72/19(b)⁵ on the understanding that:

- (a) The Treasurer will be requested to transfer the approved funds to UNEP and UNDP only after receipt by the Secretariat of the verification report confirming that the country is in compliance;
- (b) UNEP has committed to submitting the verification report by June 2023, and no later than 12 weeks prior to the 93rd meeting;
- (c) The recommendations included in the verification report will be addressed during the implementation of the third tranche and the actions implemented towards that end will be included in the progress report of the third tranche of stage II of the HPMP to be submitted with the country's fourth tranche request; and
- (d) In the unlikely event of non-compliance by the Government of Guyana with its Agreement with the Executive Committee, relevant actions will be taken by the Executive Committee.

Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan*Legal framework*

18. The Government of Guyana has already issued HCFC import quotas for 2023 in accordance with the Montreal Protocol control targets.

Refrigeration servicing sector

19. The Secretariat requested clarifications on the reasons for the delays in the implementation of training programmes. UNEP explained that under the COVID-19 pandemic Guyana experienced very strict curfews and controls on public gatherings, which impacted the organization of meetings, training and public awareness and education activities. Despite the government's introduction, well advanced into the pandemic status, of a hybrid mode of implementation, which included virtual meetings, consultations, training and greater use of social media platforms, the impacts from the pandemic were unfortunately substantial. UNEP explained that the remaining activities planned under the second tranche will be implemented during the first years of the third tranche. The hybrid mode, which continues in place, will benefit the third tranche's implementation. The use of social media and online platforms will be integrated into the entire tranche, reengaging stakeholders in various and new formats and having new and wider

⁵ Decision 72/19(b) states that, should the verification reports not be ready in time for the first meeting of the year, transfer of approved funds to the agencies would occur only after receipt by the Secretariat of the verification report confirming that the country was in compliance with the Montreal Protocol and the Agreement between its Government and the Executive Committee.

outreach and impact, especially considering the challenges of communication and wide geographic spread of the 10 regions of Guyana.

Gender policy implementation⁶

20. The NOU, in its efforts to mainstream gender, seeks to ensure that its activities under the HPMP are in line with the Gender and Social Inclusion Policy of Guyana and the Fund's gender mainstreaming policy. During the implementation of the second tranche, the gender policy was promoted through the design and implementation of training and other national capacity building activities and selection of consultants contracted nationally. UNEP's Agreements (SSFAs) with the government were also designed to capture gender-based performance indicators.

21. All consultations available under the HPMP have encouraged women participation. Under the customs training programme 50 per cent of participants were females. There is currently only one known female technician in the refrigeration servicing sector in Guyana, and two females were trained at the Essequibo Technical Institute. Current training under the second tranche includes three females. The NOU plans to apply the gender and social inclusion policy towards achieving an increase in the number of women participating in the refrigeration servicing sector.

Sustainability of the HCFC phase-out and assessment of risks

22. The risks relating to implementation due to administrative challenges resulting from vacancies in the NOU have been addressed and the planned activities in the third tranche are expected to be implemented in a timely manner. The NOU is in an enhanced position, with built capacity, to implement the third and future tranches. With the recent improved cooperation between the Customs Department and the NOU, and the transition from TRIPs to ASYCUDA, the sustainability of the HCFC phase-out is well positioned to ensure the achievement of targets and completion of activities. The NOU has been given access to the customs database through ASYCUDA, which allows them to directly view importer invoices submitted to customs and retrieve detailed ODS consumption data.

23. The Customs Department will integrate the training activities under the project into its regular training programme, ensuring continuity. The Government holds train-the-trainers activities on good practices and alternative technologies to train trainers of technical institutes and GARVA on an ongoing basis. This will support the independent core training of RAC technicians. Training modules were developed under stage I of the HPMP, introducing CVQ, which allows for the free movement of certified technicians within the Caribbean Community. Training modules are reviewed and updated regularly to include new technologies.

24. The certification of technicians is a standardized administrative process and will therefore continue being implemented. The training of importers and retailers will be part of the NOU's annual training programme, managed and led by the NOU owing to its critical and direct link to the implementation of the licensing and quota system, and it will ensure that all importers and retailers are informed and trained. Regular updates will be provided through the public awareness initiatives to maintain engagement and share any changes to the licensing and quota system.

⁶ In line with decision 84/92(d), decision 90/48(c) encouraged bilateral and implementing agencies to continue ensuring that the operational gender mainstreaming policy was applied to all projects, taking into consideration the specific activities presented in table 2 of document UNEP/OzL.Pro/ExCom/90/37.

Conclusion

25. Guyana continues to be in compliance with the Montreal Protocol and with its Agreement with the Executive Committee. The licensing and quota system is operational and training is provided on a continuous basis for its appropriate implementation. The HPMP is being implemented on an accelerated phase-out of HCFCs by promoting the introduction of non ODS-based and low-GWP alternatives. The HPMP includes the introduction of better servicing practices and enforcement of HCFC import controls, which will continue to reduce the amount of HCFCs consumed in the refrigeration servicing sector. The progress report on activities undertaken and the planned activities under the third tranche suggest that Guyana will meet its HCFC phase-out targets despite initial delays in the implementation of the second tranche. The disbursement rate of the second tranche has reached 36 per cent. UNEP has committed to submitting the verification report for the period 2019-2022 by June 2023 at the latest; the Secretariat recommends *inter alia* that the Treasurer transfer the approved funds to UNEP and UNDP only after receipt by the Secretariat of the verification report and confirmation that the country was in compliance for that period.

RECOMMENDATION

26. The Fund Secretariat recommends that the Executive Committee note the progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Guyana, and further recommends blanket approval of the third tranche of stage II of the HPMP and the corresponding 2023-2025 tranche implementation plan for Guyana at the funding levels shown in the table below, on the understanding that:

- (a) The Treasurer will be requested to transfer the approved funds to UNEP and UNDP only after the Secretariat has received the verification report and confirmed that the country was in compliance;
- (b) UNEP has committed to submitting the verification report by June 2023 and no later than twelve weeks prior to the 93rd meeting;
- (c) The recommendations included in the verification report will be addressed during the implementation of the third tranche and that the actions implemented towards that end will be included in the progress report of the third tranche of stage II of the HPMP to be submitted with the country's fourth tranche request; and
- (d) In the unlikely event of non-compliance by the Government of Guyana with its Agreement with the Executive Committee, relevant actions would be taken by the Executive Committee.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage II, third tranche)	45,500	5,915	UNEP
(b)	HCFC phase-out management plan (stage II, third tranche)	125,000	8,750	UNDP