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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-second Meeting
Montreal, 29 May to 2 June 2023
Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: HONDURAS

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, second tranche) UNIDO and UNEP

¹ UNEP/OzL.Pro/ExCom/92/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Honduras

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNIDO (lead), UNEP	86 th	100% phase-out by 2030

(II) LATEST ARTICLE-7 DATA (Annex C Group I)	Year: 2021	3.37 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					7.01				7.01

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	19.90	Starting point for sustained aggregate reductions:	20.70
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	20.70	Remaining:	0.0

(V) ENDORSED BUSINESS PLAN		2023	2024	2025	Total
UNIDO	ODS phase-out (ODP tonnes)	1.65	0.0	2.99	4.64
	Funding (US \$)	*265,895	0	319,395	585,290
UNEP	ODS phase-out (ODP tonnes)	0.37	0.0	0.37	0.74
	Funding (US \$)	*81,925	0	41,245	123,170

*Including US \$89,880 for UNIDO and US \$40,680 for UNEP for additional activities to maintain energy efficiency

(VI) PROJECT DATA			2020	2021	2022	2023*	2024	2025	2026	2027	2028 2029	2030	Total
Montreal Protocol consumption limits (ODP tonnes)			12.94	12.94	12.94	12.94	12.94	6.47	6.47	6.47	6.47	0	n/a
Maximum allowable consumption (ODP tonnes)			12.94	12.94	9.91	9.91	9.91	6.47	6.47	6.47	2.70	0	n/a
Funding agreed in principle (US \$)	UNIDO	Project costs	197,000	0	0	244,500	0	298,500	0	157,000	0	177,500	1,074,500
		Support costs	13,790	0	0	17,115	0	20,895	0	10,990	0	12,425	75,215
	UNEP	Project costs	26,500	0	0	76,500	0	36,500	0	43,000	0	33,000	215,500
		Support costs	3,445	0	0	9,945	0	4,745	0	5,590	0	4,290	28,015
Funds approved by ExCom (US \$)		Project costs	223,500	0	0		0	0	0	0	0	0	223,500
		Support costs	17,235	0	0		0	0	0	0	0	0	17,235
Total funds recommended for approval at this meeting (US \$)		Project costs				321,000							321,000
		Support costs				27,060							27,060

*Funding for 2023 includes US \$80,000 plus agency support cost of US \$5,600 for UNIDO and US \$40,000 plus agency support cost of US \$5,200 for UNEP for energy efficiency activities (decision 89/6)

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Honduras, UNIDO as the lead implementing agency has submitted a request for funding for the second tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$348,060, consisting of US \$244,500, plus agency support costs of US \$17,115 for UNIDO, and US \$76,500, plus agency support costs of US \$9,945 for UNEP.² The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2020 to 2022, a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector,³ and the tranche implementation plan for 2023 to 2025.

Report on HCFC consumption

2. The Government of Honduras reported under the country programme (CP) implementation report a consumption of 7.01 ODP tonnes of HCFCs in 2022, which is 64.7 per cent below the HCFC baseline for compliance. The Article 7 data for 2022 has not been reported yet. The 2018-2022 HCFC consumption is shown in table 1.

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

HCFC-22	2018	2019	2020*	2021*	2022**	Baseline
Metric tonnes	170.32	164.36	134.46	61.21	127.47	327.40
ODP tonnes	9.37	9.04	7.40	3.37	7.01	19.9

* Article 7 data previously reported for this year was corrected based on the verification report

**CP data

3. The only HCFC presently imported into Honduras is HCFC-22, used for servicing refrigeration and air-conditioning (RAC) equipment. The consumption of HCFC-22 has gradually decreased due to the enforcement of the licensing and quota system; the adoption of regulations on the management of ozone-depleting substances (ODS); the implementation of training programmes for customs officers and refrigeration technicians under stage I; and an increased use of RAC equipment based on non-HCFC-22 refrigerants, including HFC-134a, R-404A, R-410A, and R-507A. Additional reductions in HCFC-22 consumption in 2020 and 2021 were due to the impact of COVID-19. Imports of HCFC-141b both pure and contained in pre-blended polyols were banned as of 1 January 2017.

Country programme implementation report

4. The Government of Honduras had previously reported HCFC sector consumption data under the 2020 and 2021 CP implementation reports that was consistent with the data reported under Article 7 of the Montreal Protocol; however, both reports have been corrected based on the results of the HCFC consumption verification, as explained in paragraph 5 below.

Verification report

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports. The verification also concluded that during the years 2020 to 2022 HCFC consumption in Honduras was below the targets defined in the Montreal Protocol and the Agreement between the Government and the Executive Committee. However, while still in compliance, the verified HCFC consumption of 7.40 ODP tonnes and 3.37 ODP tonnes for 2020 and 2021, respectively, differed

² As per the letter of 15 March 2023 from the Secretariat of Natural Resources and the Environment of Honduras to UNIDO.

³ In line with decision 89/6, low-volume-consuming countries can include in their HPMPs additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.

from the 7.17 ODP tonnes and 6.63 ODP tonnes reported under the CP report and the Article 7 of the Montreal Protocol for the same years.

6. The differences between the reported and the verified consumption were due to the digitization of information (i.e., typing errors and duplication of data) and a 300 per cent increase in the issuance of permits and licenses to import HCFCs during that period, which generated an additional burden for the national ozone unit (NOU) in the verification and processing of data. Based on the verified consumption, the Government of Honduras submitted the corrected CP and Article 7 reports for the years 2020 and 2021 to the Fund Secretariat and the Ozone Secretariat, respectively.

7. The verification report reiterated the recommendations made following the previous verification for the years 2016-2019, indicating that they had been only partially addressed. They included, *inter alia*, applying continued efforts, including relevant training, to ensure that the customs declarations were accurate, especially regarding the net weight of controlled substances; mandating export authorizations (licenses) for HCFCs and other ODSs, without exception; ensuring that the numerical identification of every issued import authorization was unique; and ensuring the accuracy of consumption reports.

Status of implementation of stage I of the HCFC phase-out management plan

8. Stage I of the HPMP was completed on 30 September 2022, in line with the extension approved by the Executive Committee in decision 88/14(b). The project completion report was submitted on 28 March 2023.

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

Legal framework

9. The Government of Honduras ratified the Kigali Amendment to the Montreal Protocol on 29 January 2019. The General Regulation on the use of ODS (Executive Agreement 006-2012) makes it mandatory to obtain import/export licenses for substances controlled by the Montreal Protocol, including HFCs, and to report the information on the imports and sales of HCFCs, HFCs and their alternatives.

10. The following activities were implemented with the assistance of UNEP to strengthen the national capacity to control trade in HCFCs and HCFC-based equipment:

- (a) Ten online workshops were held for 610 customs officers and law enforcement officers (including 301 women) on Montreal Protocol control targets and HCFC reduction schedules, import controls and the monitoring of HCFCs and HCFC-based equipment, licensing systems, skills and tools required to control ODS imports and prevent illegal trade, and the Kigali Amendment;
- (b) Monitoring visits were organized to refrigerant sales points across the country to analyze and verify the purity of commercialized refrigerants, with positive results; and annual meetings were held with the Customs Authority and other stakeholders to coordinate confiscations and monitor information on the imports and exports of HCFCs and HCFC-based equipment; and
- (c) A technical committee was established for the adoption of standard ISO 5149 on the safety and environmental requirements for refrigeration systems and heat pumps; a work plan was agreed to adopt the applicable parts of the standard by the end of 2023; and six outreach meetings were held to promote the new regulations and technician certification with the participation of 61 (including 8 women) RAC technicians and industry representatives.

Refrigeration servicing sector

11. The following activities have been implemented in the refrigeration servicing sector since January 2021 with assistance from UNIDO:

Capacity building and technician training and certification

- (a) A curriculum for a standard training programme for the certification of technicians in "Good practices in refrigeration and air-conditioning" was developed and shared with instructors across the 15 vocational training institutes and basic schools nationwide; 47 trainers and 208 technicians received training on good refrigeration practices, certification in labor competences, energy efficiency, and the safe handling of flammable refrigerants; and pamphlets on Executive Agreement 006-2012, the certification programme, safety criteria for flammable refrigerants, and operation of the refrigerant recovery, recycling and reclaiming (RRR) centres were printed and distributed to 1,000 RAC technicians and end-users;
- (b) In 2022, the National Institute for Vocational Training (INFOP) restored the implementation of the certification programme for RAC technicians, previously approved in September 2019 but suspended over 2020-2021 due to the COVID-19 pandemic. INFOP trained the evaluators and instructors regarding the implementation of the certification programme; adjusted and validated evaluation instruments; started the training of pilot groups; and added a mandatory standardized course on the safe handling of flammable refrigerants to the curriculum of the standard RAC technician training programme;

Adoption of safety codes and technical procedures for flammable refrigerants

- (c) The location for a planned hydrocarbon (HC) training centre was agreed; 15 instructors and 340 RAC technicians were trained in handling flammable refrigerants; an additional 100 technicians attended online workshops on the same subject; and one seminar was held to provide up-to-date information on the safe handling of natural refrigerants (i.e., ammonia (NH₃), carbon dioxide (CO₂) and HCs), to 95 engineers and other representatives of several RAC subsectors;
- (d) The guide on the safe handling of flammable refrigerants, based on international technical standard EN-378 was updated, and a draft on safety measures for the installation and servicing of RAC equipment charged with flammable and toxic refrigerants was prepared for inclusion in the "Good Refrigeration Practices Manual";

Improving the refrigerant recovery, recycling and reclaiming network

- (e) Based on Executive Agreement 006-2012, end-users and technicians have been requested to service RAC equipment in accordance with the "Good Refrigeration Practices Manual," which includes the obligation to have equipment and tools for the recovery and reuse of refrigerants or to take recovered refrigerants to the nearest refrigerant stockpiling or reclaiming centre;
- (f) The Secretariat of Natural Resources and the Environment and INFOP signed a cooperation agreement to establish two reclaiming centers; one reclaiming unit was delivered to INFOP in Tegucigalpa; the NOU visited the four refrigerant stockpiling

centres in the country and confirmed the collection of 631 kg of refrigerant;⁴ and the NOU is assisting in the establishment of an association of refrigeration technicians in San Pedro Sula that will support training activities and the creation of a local RRR centre. A mission to Mexico was carried out by the NOU coordinator and a technical assistant to exchange experiences on issues related to the operation of the refrigerant RRR centres, as well as the management and environmental disposal of RAC equipment at the end of its useful life, and to visit a supermarket using CO₂-based RAC systems;

Technical assistance to end-users in the refrigeration and air-conditioning sector

- (g) In the pilot phase of a project to monitor large refrigerant users, 10 large users of NH₃ (who are also users of HCFC-22) have registered to obtain permits to procure refrigerants; the project is planned to be expanded to other large HCFC-22 users;
- (h) A “Zero Leaks” project at an agro-industrial enterprise was completed, resulting in the reduction of HCFC-22 consumption,⁵ and the NOU initiated cooperation with the hotel sector on a pilot project to demonstrate energy-efficiency benefits obtained with good refrigerant containment practices in 426 air-conditioning (AC) units operating in 19 small and medium-sized hotels. A report presenting the cost-benefit analysis of applying refrigerant containment and associated savings in energy consumption was drafted, and a workshop to disseminate the results of the project was held; and

Dissemination and raising awareness

- (i) Visits to 200 large end-users, including hospitals, hotels and supermarkets, were held to monitor their environmental management strategies for refrigerant use; 500 brochures on the certification system for RAC technicians, the safe handling of flammable refrigerants and the operation of RRR centres were printed and distributed; and information related to the HCFC phase-out and HPMP activities was disseminated through the Government’s social media channels and several press releases published in national newspapers.

Project implementation and monitoring

12. The NOU continued meeting with both public institutions and private stakeholders. Missions to follow up on project implementation were conducted, and annual implementation reports were prepared and presented to UNIDO and UNEP. A total of US \$21,748 was disbursed under this component, including US \$11,502 for staff and local consultants and US \$10,246 for monitoring visits.

Level of fund disbursement

13. As of February 2023, of the US \$223,500 approved so far (US \$197,000 for UNIDO and US \$26,500 for UNEP), US \$151,058 (68 per cent) had been disbursed (US \$128,558 for UNIDO and US \$22,500 for UNEP). The balance of US \$72,442 will be disbursed in 2023.

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

14. The following activities will be implemented between July 2023 and September 2025:

⁴ HCFC-22 and HFC-134a collected are subject to reclaiming and reuse, and a stock of 6.57 mt of CFC collected and maintained since 2008 was exported to France for incineration.

⁵ As a side benefit of this project, following UNIDO’s advice, the enterprise has replaced with its own funds refrigeration equipment using R-507A by a new system operating with NH₃, with R-507A recovered for future reclaiming or destruction.

- (a) *Strengthening the regulatory framework*: formulate measures for handling HCFC-based equipment/products and substances during their import, use, and final disposal; hold four awareness-raising meetings with public agencies, industry associations, and other stakeholders on the new regulations; hold consultation meetings with stakeholders (UNEP) (US \$14,000);
- (b) *Strengthening the national capacity of customs and trade controls*: conduct an updated training on ODS import control for 120 customs and enforcement officers, brokers and importers; update the online training modules for customs officers; hold periodic meetings with law enforcement institutions; carry out annual monitoring visits to all refrigerant sales points in the country (UNEP) (US \$22,500);
- (c) *Capacity building through technician training and certification*: provide hands-on training on good servicing practices in refrigeration; certify and issue licences⁶ to 200 RAC technicians; validate and promote the labor competency standard on the safe handling of flammable refrigerants; hold three awareness-building meetings on the certification programme with technicians and end-users; organize at least one study mission for trainers to deepen their knowledge of good refrigeration practices and alternative refrigerants and to share experiences with trainers from other countries (UNIDO) (US \$28,000);
- (d) *Adoption of safety codes and technical procedures for flammable and low-GWP refrigerants*: train an additional 150 RAC technicians in the safe handling of flammable refrigerants and good servicing practices with HC; complete the establishment of the HC training centre; upgrade the RAC training laboratories in 10 vocational institutes and technical schools with toolkits⁷ for the safe handling of HC refrigerants (UNIDO) (US \$87,500);
- (e) *Improvements to the refrigerant RRR network*: continue supporting the RRR network by holding two awareness-raising meetings to promote RRR practices and one annual meeting to follow up on the implementation of activities (UNIDO) (US \$2,000);
- (f) *Technical assistance to RAC end-users*: carry out one “Zero Leaks” pilot project at a large refrigerant user; develop and enforce a leak-control guide; create an online consultation centre for large end-users, including *inter alia* guidance on selecting technologies with zero ozone-depleting potential (ODP), low GWP and high energy efficiency, as well as information on “Zero Leaks” projects, safety protocols for alternative refrigerants, and phase-out schedules (UNIDO) (US \$22,000);
- (g) *Raising awareness*: design and implement an awareness-raising campaign on responsible refrigerant consumption among RAC servicing technicians and end-users; participate in two thematic events such as seminars, trade fairs, guilds events, conferences, or exhibitions; participate in and organize regional seminars for end-users on HCFC phase-out, good refrigeration practices, technician certification programme, servicing the RRR network, and low-GWP alternatives (UNIDO) (US \$7,000);
- (h) *Activities to maintain energy efficiency*: these activities are described in detail in table 2 below, and include capacity building and cooperation between policy makers and industry stakeholders (US \$20,000) (UNEP); awareness and outreach programmes to promote standards and labels on energy efficiency (US \$20,000) (UNEP); and updates to the

⁶ After obtaining a labor competency certificate from INFOP, the technician receives a license to work with refrigeration and/or AC equipment.

⁷ The tools include, among others, leak detectors, service manifolds for R-600a and R-290, electronic vacuum gauge kits, scales, digital ampere meters, and cylinders.

training material on energy efficiency in the servicing of RAC equipment (US \$80,000) (UNIDO); and

- (i) *Project monitoring*: hire consultants to implement HPMP activities; monitor trends in the use of HCFCs and substitutes; report on project progress; and organize regular monitoring visits to stakeholders and partner institutions to ensure compliance and the sustainability of implemented activities (UNIDO) (US \$18,000, including US \$8,000 for staff costs and US \$10,000 for monitoring visits).

Activities to maintain energy efficiency in the refrigeration servicing sector

15. The project related to energy efficiency, submitted in line with decision 89/6, is designed to enhance coordination in promoting low-GWP alternatives and energy-efficient RAC equipment among key national stakeholders. It is expected to help the country sustain its HCFC phase-out and strengthen the RAC servicing sector. The description and proposed cost breakdown of activities to maintain energy efficiency in the sector are presented in table 2.

Table 2. Additional activities proposed to maintain energy efficiency in the servicing sector

Activity	Performance indicators	Cost (US \$)
Capacity building and cooperation between policy makers and industry stakeholders (UNEP)		
Draft a desk study to identify and assess best practices, lessons learned, and opportunities for maintaining/improving energy efficiency in the servicing sector	Report issued on the findings and recommendations of the desk study	6,000
Conduct information sessions for policymakers on refrigerant GWP values in the labelling programme and how to further promote RAC equipment charged with low-GWP refrigerants	Two information sessions held for 40 stakeholders	3,000
Define strategies, with the support of policymakers, to improve Energy Efficiency Labelling and Minimum Energy Performance Standards (MEPS) in RAC equipment	Report issued on findings and recommendations to improve energy-efficiency policies	6,000
Conduct training workshops for importers on the registration, application, and inspection of products based on low-GWP refrigerants and their energy-efficiency classification	Two workshops held for 30 importers	2,000
Conduct training workshops for customs and trade authorities on the monitoring and inspection of imports of labelled products using low-GWP refrigerants and their energy-efficiency classification	Two workshops held for 60 customs and trade officials	3,000
Subtotal		20,000
Awareness and outreach programmes to promote standards and labels on energy efficiency (UNEP)		
Develop a communications campaign for RAC technicians, distributors, retailers and end-users on the importance and advantages of offering, maintaining and using highly efficient RAC equipment charged with low-GWP refrigerants: <ul style="list-style-type: none"> Encourage consumers to choose labelled appliances with information on the GWP of refrigerants; provide information on the labelling programme and the benefits of choosing labelled appliances and equipment based on low-GWP refrigerants, including the related savings Instruct the RAC technicians, importers, and end-users on reading energy-efficiency labels, understanding the ODP and GWP values of refrigerants, and the cost and environmental benefits of alternative refrigerants 	<ul style="list-style-type: none"> One awareness-building video produced for consumers Two infographics developed for RAC technicians, importers, and end-users (3,000 copies distributed) 	15,000
Conduct training programmes for importers, distributors, retail staff and end-users on reading energy-efficiency labels, understanding the ODP and GWP values of refrigerants, and the cost and environmental benefits of alternative refrigerants	Four workshops held for 80 importers, distributors, retail staff and end-users	5,000

Activity	Performance indicators	Cost (US \$)
Subtotal		20,000
Updates to the training material on energy efficiency in the servicing of RAC equipment (UNIDO)		
Review the curricula of the RAC vocational training institutes nationwide and revise concepts related to energy efficiency in the sector, specifying criteria for improvement and proposing a new training curriculum	Report issued on findings and recommendations New training curriculum drafted to include energy efficiency	8,000
Formulate a guide for technicians to check the performance of RAC systems, including diagnosing and correcting the system's functions to improve energy efficiency	One guide for technicians drafted	6,000
Support the vocational training institutes and basic schools in training technicians to determine the performance and energy efficiency of RAC systems	10 toolkits delivered to selected vocational training institutes and basic schools	60,000
Conduct training workshops for trainers and technicians on procedures to check the performance of RAC systems, including diagnosing and correcting the systems' functions to improve energy efficiency	Four workshops held for 80 trainers and technicians	6,000
Subtotal		80,000
Total		120,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HCFC consumption and verification

16. The Secretariat noted that the reasons for data reporting mistakes in 2020 and 2021 were identified, and that the CP data and Article 7 reports were already corrected. UNIDO affirmed that applying recommendations contained in the verification reports would prevent future reporting errors and explained that the national licensing system had a legal reserve of 20 per cent of unassigned quotas to mitigate the risk of inadvertent non-compliance.

17. Regarding the recommendations made in the previous verification report and reiterated in the new report, UNIDO recalled partial progress, including improvements to the electronic system for recording imports, being reported at the 88th meeting.⁸ UNIDO explained that the process of addressing the recommendations was interrupted due to the limitations associated with the COVID 19 pandemic and staff changes, both in the Government and in the Customs Authority. A meeting between the NOU, the Customs Authority and an international advisor will be held to stress the importance of addressing these recommendations, and to plan their adoption as soon as possible to ensure accuracy in the recording and reporting of imports and exports.

18. The Secretariat considers that while the licensing and quota system in Honduras is operating, addressing the recommendations from the verification will assist the Government in having a more accurate recording of data and reducing errors in reporting. The Secretariat recommends that during the implementation of the second tranche of stage II, UNIDO continue to assist the Government of Honduras in fully addressing the recommendations in the verification reports, and that it report to the 94th meeting on the progress made.

⁸ In approving the fifth tranche of stage I of the HPMP, UNIDO was requested to submit to the 88th meeting an update on the progress towards implementing the recommendations in the verification report, including actions taken by Honduras to ensure the accuracy of CP and Article 7 data submitted to the Multilateral Fund and Ozone Secretariats, respectively (paragraphs 25-32 of document UNEP/OzL.Pro/ExCom/88/18).

Progress report on the implementation of the first tranche of stage II

Legal framework

19. The Government of Honduras has already issued HCFC import quotas for 2023 at 7.37 ODP tonnes, which is lower than the Montreal Protocol control targets.

Refrigeration servicing sector

20. Regarding the certification of technicians, UNIDO confirmed that following a delay caused by the COVID-19 pandemic, conditions were currently in place to start the technician certification process in June 2023 and to achieve the goal of certifying 500 technicians under the first two tranches by June 2025. Since it is mandatory that all RAC technicians in the country be certified, it is expected that additional technicians undergo the process in the coming years.

21. UNIDO also explained that training centres were now mandated to adopt the "Good practices in refrigeration and air-conditioning" standard training programme for the certification of technicians, and that interested technicians must attend the 32-hour course before undergoing the labor competency assessment. The standard training programme will be included in the curricula of the training centres as of June 2023.

22. In discussing the business model to operationalize a sustainable RRR network, UNIDO clarified that the reclaiming centre at INFOP in Tegucigalpa was intended for training activities and reclaiming its own refrigerant, while the one currently being established in San Pedro Sula with the Association of Refrigeration Technicians would mostly serve technicians. The latter centre disposes of a mobile reclaiming unit, which facilitates the servicing of large stationary RAC systems and transporting the recovered refrigerant to the Association for reclamation. Revenue obtained from the reclaiming services will be used to support the centre and to cover the Association's administrative costs.

23. On the project to regularize large refrigerant users, UNIDO explained that it focused on ensuring that these enterprises made the necessary investments to comply with the requirements of Executive Agreement 006-2012, such as purchasing basic equipment and tools to carry out good refrigeration practices; creating manuals on internal procedures for the proper handling of refrigerants and RAC equipment; and drafting manuals for waste management and final disposal of controlled substances and RAC equipment.

Activities to maintain energy efficiency in the refrigeration servicing sector

24. In line with decision 89/6(d), UNIDO and UNEP have included in the tranche implementation plan the specific actions, performance indicators and funding associated with additional activities to maintain energy efficiency. UNIDO has also provided a timeline for these activities, and has confirmed that it will report on the progress in their implementation at the time of the submission of the next tranche request.

25. UNIDO provided the following information regarding the contribution of proposed activities to promoting low-GWP alternatives and maintaining energy efficiency in the refrigeration servicing sector:

- (a) Regarding the MEPS, proposed activities will provide support to the Honduran Standardization Organization (OHN) and policymakers in updating the 10 voluntary OHN standards, in the process of making them mandatory through the necessary regulatory and legislative updates, and in harmonizing the national legislation with the Central American Technical Regulations being developed to establish the minimum levels of energy efficiency or maximum electricity consumption for RAC equipment manufactured, imported, and sold in the region;

- (b) The curricula of the RAC vocational training institutes will be reviewed in coordination with the ongoing HPMP activities, and the guide for technicians to check the performance of RAC systems, including diagnosing and correcting the system's functions to improve energy efficiency, will be harmonized with the existing manuals and codes of good practice prepared under the HPMP; and
- (c) The tools to be provided to the vocational training institutes are intended to assist both the instructors and technicians in determining the energy performance of RAC equipment, and in verifying the gains in energy efficiency obtained from using alternative refrigerants. Each toolkit will consist of two multimeters, two wattmeters or network analyzers, two laser thermometers, and two contact thermometers. These tools have not been provided under the HPMP.

Gender policy implementation⁹

26. During the implementation of the first tranche of stage II of the HPMP, UNIDO and the Government of Honduras focused on fostering the incorporation of gender perspective into the implemented activities. Women were given priority in training courses to strengthen their capacity and help increase their access to better opportunities and working conditions. The project requires the collection of sex-disaggregated data, where applicable, and qualitative information to analyze and track gender issues. This approach will continue during the implementation of the next tranche.

Updated Agreement

27. In view of the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the accordingly revised funding schedule, the Agreement between the Government of Honduras and the Executive Committee has been updated. Specifically, Appendix 2-A has been revised and paragraph 17 has been added to indicate that the updated Agreement supersedes that reached at the 86th meeting, as contained in Annex I to the present document. The full updated Agreement will be appended to the final report of the 92nd meeting.

Sustainability of the HCFC phase-out and assessment of risks

28. In addition to the licensing and quota system, Executive Agreement 006-2012 includes the obligation to report information on ODS sales and imports, the ban on imports of second-hand HCFC-based refrigeration equipment, the ban on the establishment of factories or assemblers of AC, refrigeration and foam factories that use ODSs, and the ban on the imports of HCFC-141b for use as a cleaning agent and HCFC-141b in pre-blended polyols (1 January 2017). The HFC licensing system in place has been operational since January 2020.

29. The sustainability of the technician training programme in Honduras is also being ensured by Executive Agreement 006-2012, which requires everyone who had graduated from a refrigeration training centre before 2001 to be trained in the recovery and recycling of refrigerants at INFOP or another accredited institution, and to obtain the certification in good refrigeration practices. The regulation also requires that INFOP and higher education centres with programmes on refrigeration include topics such as damage to the ozone layer, recovery and recycling techniques for refrigerants, and alternatives to ODSs in their curricula.

⁹ 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.

30. Noting the robust regulatory framework and the active involvement of the NOU, which has ensured the engagement of the Government, training institutes and the private sector, the risk of delays in the implementation of stage II of the HPMP appears low. The Secretariat considers that following the recommendations contained in the verification reports will help reduce the risk of errors in the recording of imports and reporting of consumption.

Conclusion

31. The verified HCFC consumption in 2020, 2021 and 2022 was, for all years, more than 60 per cent below the HCFC baseline, and in 2022 it was 29 per cent below the maximum allowable consumption under the Agreement with the Executive Committee for that year. The Government of Honduras, with the assistance of UNIDO and UNEP, implemented an extensive set of activities to strengthen the national capacity to control trade in HCFCs and HCFC-based equipment, provide training to technicians, re-start the certification of RAC technicians after the COVID-19 pandemic, adopt safety codes and technical procedures to handle flammable refrigerants, improve the refrigerants RRR network, and promote refrigerant containment and leakage reduction among large end-users. The overall disbursement rate stands at 68 per cent of the approved funding. The activities proposed to maintain energy efficiency in the refrigeration servicing sector are also consistent with the Executive Committee's decision on the matter.

32. As the Government could not fully address all the recommendations made by the verification report on HCFC consumption under the fifth tranche of stage I (86th meeting), the Secretariat recommends that UNIDO continue providing assistance on this issue and report to the 94th meeting with an update on progress toward implementing the recommendations in the verification report, including actions taken by the Government of Honduras to ensure the accuracy of CP implementation and Article 7 data submitted to the Multilateral Fund and Ozone Secretariats, respectively.

RECOMMENDATION

33. The Fund Secretariat recommends that the Executive Committee:

(a) Note:

- (i) The progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Honduras;
- (ii) The submission of additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$130,800, consisting of US \$80,000, plus agency support costs of US \$5,600 for UNIDO and US \$40,000, plus agency support costs of US \$5,200 for UNEP;
- (iii) That the Fund Secretariat has updated the Agreement between the Government of Honduras and the Executive Committee, as contained in Annex I to the present document, specifically Appendix 2-A, based on the revised funding level due to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector referred to in subparagraph (a)(ii) above; and paragraph 17 that has been added to indicate that the updated Agreement supersedes that reached at the 86th meeting; and

(b) Request UNIDO to submit to the 94th meeting an update on the progress toward implementing the recommendations in the verification report, including actions taken by the Government of Honduras to ensure the accuracy of country programme implementation and Article 7 data submitted to the Multilateral Fund and Ozone Secretariats, respectively.

34. The Fund Secretariat further recommends blanket approval of the second tranche of stage II of the HPMP for Honduras, and the corresponding 2023-2025 tranche implementation plan, at the funding levels shown in the table below:

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage II, second tranche)	244,500	17,115	UNIDO
(b)	HCFC phase-out management plan (stage II, second tranche)	76,500	9,945	UNEP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF HONDURAS 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

17. This updated Agreement supersedes the Agreement reached between the Government of Honduras and the Executive Committee at the 86th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2020	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)	12.94	12.94	12.94	12.94	12.94	6.47	6.47	6.47	6.47		0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	12.94	12.94	9.91	9.91	9.91	6.47	6.47	6.47	2.70		0	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	197,000	0	0	244,500	0	298,500	0	57,000	0		177,500	1,074,500
2.2	Support costs for Lead IA (US \$)	13,790	0	0	17,115	0	20,895	0	10,990	0		12,425	75,215
2.3	Cooperating IA (UNEP) agreed funding (US \$)	26,500	0	0	76,500	0	36,500	0	43,000	0		33,000	215,500
2.4	Support costs for Cooperating IA (US \$)	3,445	0	0	9,945	0	4,745	0	5,590	0		4,290	28,015
3.1	Total agreed funding (US \$)	223,500	0	0	321,000	0	335,000	0	100,000	0		210,500	1,290,000
3.2	Total support costs (US \$)	17,235	0	0	27,060	0	25,640	0	16,580	0		16,715	103,230
3.3	Total agreed costs (US \$)	240,735	0	0	348,060	0	360,640	0	16,580	0		227,215	1,393,230
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)												11.71
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)												6.30
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)												1.90
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)												0.00
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)												0.00

Row	Particulars	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)												0.80
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)												0.00

*Date of completion of stage I as per **decision 88/14: 30/09/2022**