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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-sixth Meeting
Montreal, 2-6 November 2020
Postponed to 8-12 March 2021¹

PROJECT PROPOSAL: SRI LANKA

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, first tranche) UNDP and UNEP

¹ 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

SRI LANKA

(I) PROJECT TITLE	AGENCY
HCFC phase-out plan (stage II)	UNDP (lead), UNEP

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2019	9.91 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2019	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use
				Manufacturing	Servicing			
HCFC-22					9.91			9.91

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:		13.9	Starting point for sustained aggregate reductions:
			13.9
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:		4.76	Remaining:
			9.14

(V) BUSINESS PLAN		2020	2021	2022	Total
UNDP	ODS phase-out (ODP tonnes)	1.26	0	0	1.26
	Funding (US \$)	146,875	0	0	146,875
UNEP	ODS phase-out (ODP tonnes)	0.54	0.06	0	0.6
	Funding (US \$)	66,585	66,193	0	132,778

(VI) PROJECT DATA			2020	2021-2022	2023	2024	2025	2026	2027-2029	2030	Total
Montreal Protocol consumption limits			9.04	9.04	9.04	9.04	4.52	4.52	4.52	0.00	n/a
Maximum allowable consumption (ODP tonnes)			9.04	9.04	9.04	9.04	4.52	4.52	4.52	0.00	
Projects costs requested in principle (US \$)	UNDP	Project costs	216,200		293,200			53,200		62,400	625,000
		Support costs	15,134		20,524			3,724		4,368	43,750
	UNEP	Project costs	200,800		85,800			86,800		41,600	415,000
		Support costs	26,104		11,154			11,284		5,408	53,950
Total project costs requested in principle (US \$)			417,000		379,000			140,000		104,000	1,040,000
Total support costs requested in principle (US \$)			41,238		31,678			15,008		9,776	97,700
Total funds requested in principle (US \$)			458,238		410,678			155,008		113,776	1,137,700

(VII) Request for approval of funding for the first tranche (2020)		
Agency	Funds requested (US \$)	Support costs (US \$)
UNDP	216,200	15,134
UNEP	200,800	26,104
Total	417,000	41,238

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

Background

1. On behalf of the Government of Sri Lanka, UNDP 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 \$1,137,700, consisting of US \$625,000, plus agency support costs of US \$43,750 for UNDP, and US \$415,000, plus agency support costs of US \$53,950 for UNEP, as originally submitted.² The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US \$458,238, consisting of US \$216,200 plus agency support costs of US \$15,134 for UNDP, and US \$200,800 plus agency support costs of US \$26,104 for UNEP, as originally submitted.

Status of implementation of stage I of the HPMP

3. Stage I of the HPMP for Sri Lanka was initially approved at the 62nd meeting³ and revised at the 70th meeting⁴ to achieve the 35 per cent reduction from the baseline by 2020, at a total cost of US \$647,866, plus agency support costs, to phase out 4.76 ODP tonnes of HCFCs used in the foam and refrigeration and air-conditioning (RAC) servicing sectors. The fourth and final tranche of stage I was approved under the intersessional approval process (IAP) for the 85th meeting in May 2020, on the condition that the verification report for HCFC consumption for 2016-2019 be submitted no later than 12 weeks prior to the 86th meeting. The verification report has been submitted to the 86th meeting. Stage I of the HPMP will be completed by 31 December 2021.

HCFC consumption

4. The Government of Sri Lanka reported consumption of 9.91 ODP tonnes of HCFC in 2019, which is 29 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Sri Lanka (2015-2019 Article 7 data)

HCFC	2015	2016	2017	2018	2019	Baseline
Metric tonnes						
HCFC-22	187.45	191.68	164.97	187.46	180.18	218.40
HCFC-123	0.00	0.00	1.98	0.00	0.00	0.00
HCFC-141b	0.00	0.00	0.00	0.00	0.00	16.80
Total (mt)	187.45	191.68	166.95	187.46	180.18	235.20
ODP tonnes						
HCFC-22	10.31	10.54	9.07	10.31	9.91	12.00
HCFC-123	0.00	0.00	0.04	0.00	0.00	0.00
HCFC-141b	0.00	0.00	0.00	0.00	0.00	1.90
Total (ODP tonnes)	10.31	10.54	9.11	10.31	9.91	13.90

5. The decreasing trend of HCFC consumption is due to the implementation of HPMP activities *inter alia* enforcement of the licensing and quota system, technical assistance in the refrigeration assembly sector, the conversion of the foam manufacturing sector, training of customs officers, technical assistance in the RAC sector including training of technicians, and raising awareness activities. The reduction in consumption is also due to the introduction of non-HCFC-22 based RAC equipment.

² As per the letter of 7 July 2020 from the Ministry of Environment and Wildlife Resources of Sri Lanka to UNDP.

³ UNEP/OzL.Pro/ExCom/62/48 and Annex XIX of document UNEP/OzL.Pro/ExCom/62/62.

⁴ Annex XX of document UNEP/OzL.Pro/ExCom/70/59.

CP implementation report

6. The Government of Sri Lanka reported HCFC sector consumption data under the 2019 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

7. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2019 was correct (as shown in Table 1 above). However, the verification noted additional consumption for 2016 (40.77 mt) and 2017 (2.15 mt) as compared to the consumption reported under Article 7; and that 22.9 mt, with an import license issued in 2017 and arrived into the country in January 2018, were reported as consumption in 2017 under Article 7 and the CP data. The verifier indicated that an analysis of the physical records in Customs and other sources to determine the actual consumption for those years could not be done prior to the submission of the project because of the lockdowns caused by the COVID-19 pandemic.

8. The verification report recommended strengthening coordination and information exchange between the National Ozone Unit (NOU), Department of Import and Export Control (DIEC) and Sri Lanka Customs (SLC) for more effective implementation of the licensing and quota system; changes in the format and/or procedure for the application for and authorization of ODS imports; more vigilance on possible illegitimate supplies of HCFCs camouflaged through false labelling of controlled substances and false customs code declarations; and improving the risk analysis criteria for illegal trade. UNDP confirmed that all the recommendations in the report will be addressed during implementation of stage II of the HPMP and highlighted the development of an online license system, stronger coordination among different organizations and the improvement of ODS risk profiling for detecting potential illegal trade.

Status of progress and disbursement

Legal framework

9. In addition to the operation of the licensing and quota system for HCFC imports/exports, the Government has implemented the following:

- (a) A ban on the import of HCFC-141b since 1 January 2015 and a ban on the import of HCFC-141b in pre-blended polyols since 1 January 2016;
- (b) Updated the methodology for allocating HCFC quotas to importers in 2017 and since then is being used;⁵
- (c) A ban on the import of used HCFC-based equipment since 1 January 2018, and a proposal to ban the import of new HCFC-based equipment by 1 January 2021 is under discussion; and
- (d) The use of a refrigerant recovery machine became mandatory for all RAC service workshops as of 1 January 2019, as a condition for obtaining an Environment Protection Licence.

10. The Government of Sri Lanka confirmed that the 2004 regulation banning the import of controlled substances already phased out is in force and that the Customs department continues to monitor all

⁵ Ninety-five per cent of the quota is allocated to RAC enterprises that can prove consumption of HCFCs higher than 680 kg/year during the last five years; the remaining 5 per cent is reserved for emergency purposes.

controlled ODS. No cases of illegal trade of phased-out ODS have been identified and the Government is not aware of any use or any stockpiles of those substances in the country.

11. A total of 243 customs officers have received training on the latest methods for monitoring and preventing illegal trade of controlled substances, especially HCFCs. The NOU has published a guide on the Harmonized System (HS)⁶ codes and nomenclature of controlled substances under the Montreal Protocol, the HCFC phase-out schedule and related regulations for enforcement officers and importers. Two multiple refrigerant identifiers were provided to Customs authorities.

12. The Government of Sri Lanka ratified the Kigali Amendment in September 2019.

Manufacturing sector

13. Stage I of the HPMP included funding for an investment project to phase out 0.45 ODP tonnes (4.1 mt) of HCFC-141b through the conversion of one foam manufacturer, (Regnis PLC) to cyclopentane, which was completed in March 2014. Another company that was not eligible for funding completed a conversion from HCFC-141b to cyclopentane on its own. Sri Lanka, therefore, completely phased out the use of HCFC-141b in the foam sector on 1 December 2015.

Refrigeration servicing sector

14. As a result of the stage I of the HPMP, nine reclamation centres have been established to cover entire geographical area of Sri Lanka; a reclamation machine and seven recovery sets were procured and distributed to training centers; and stakeholder meetings were conducted to promote the recovery and reclamation of refrigerants. UNDP estimated that the reclamation activities save approximately one tonne of HCFC per year.

15. During the first three tranches of stage I, a total of 1,261 technicians and trainers were trained. Training centres received four sets of training equipment, including a toolbox, portable recovery machine, and service accessories. A voluntary certification system for RAC servicing technicians was implemented through the Tertiary Vocation Education Commission. Good servicing practices, including recovery, recycling, and reclamation technologies and safe use of alternative refrigerants, were incorporated into the Technical and Vocational Education and Training (TVET) syllabus. A total of 70 technical colleges and vocational training institutes have trained over 1,000 technicians a year in good servicing practices, and those technicians have been certified under the National Vocational Qualification system.

16. The initial retrofitting incentive scheme had targeted residential air-conditioners and commercial/industrial RAC applications. Since 2018, this was replaced by a pilot replacement incentive scheme to promote faster adoption of zero-ODP and low-global warming potential (GWP) alternatives. Over 80 percent of the cost of equipment was co-financed by the beneficiaries. A total of 199 residential air-conditioning units with a total charge of 520 kg of HCFC-22, were replaced by new HFC-32-based air-conditioners with a cooling capacity varying from 9,000 to 24,000 Btu/h;⁷ most of the HCFC-22 was recovered and reclaimed by the service contractor, as a pre-condition for granting the incentive was to recover the refrigerant and dismantle and discard old equipment in the presence of an NOU officer.

17. The NOU has been actively coordinating awareness activities and outreach programmes to promote the Montreal Protocol, and has regularly conducted awareness and outreach activities targeting to main stakeholders.

⁶ Harmonized Commodity Description and Coding System.

⁷ British thermal units per hour.

Project management, coordination and monitoring

18. The following project management activities were conducted under stage I: support through the development of strategies under each sub-component of the HPMP; coordinating with stakeholders and enforcement agencies in the implementation of activities; developing and maintaining a database of HCFC suppliers and users; and working closely with technical experts and implementing agencies on implementation matters. The budget approved for the third tranche (US \$27,766) was disbursed for staff and consultants (US \$16,000); monitoring-related travel, workshops and meetings (US \$5,500); and office expenses (US \$6,266).

Level of fund disbursement

19. As of June 2020, of the US \$647,866 funds approved so far, US \$591,866 (91 per cent) had been disbursed. With regard to the fourth tranche approved through the IAP, UNDP received the transfer of funds on 23 June 2020 and UNEP on 30 June 2020. The first disbursement of the fourth tranche was expected by the end of August 2020.

Stage II of the HPMPRemaining consumption eligible for funding

20. After deducting 4.76 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding amounts to 9.14 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

21. There are approximately 6,500 formal technicians and 2,500 informal technicians, and 3,043 workshops in the servicing sector, with HCFC-22 mostly used to service unitary and split AC systems, commercial and industrial refrigeration and chillers, as shown in Table 2.

Table 2. Estimation of demand for HCFC-22 in the RAC servicing sector in Sri Lanka in 2019

Sector/Applications using HCFC-22 (2019)	Equipment inventory	Average charge (kg)	Leakage rate (%)	Consumption* (mt)
Room AC (unitary and split)	538,940	1.7	10	91.62
Commercial AC (roof top, multi-split)	20,450	10	10	20.45
Chillers	126	300	15	5.67
Commercial refrigeration (medium condensing units)	2,475	60	15	22.27
Industrial refrigeration (medium to large condensing units, centralized systems)	565	225	20	25.43
Transport refrigeration	27	40	40	0.43
Total	562,583	n/a	n/a	165.87

(*) The field survey did not find new installations of HCFC-22 equipment. Therefore, total consumption was for service.

22. In 2019, HCFC-22 represented almost the 33 per cent of the refrigerants used in the servicing sector, followed by HFCs (51 percent), ammonia (11 percent), and hydrocarbons (5 percent).

Phase-out strategy in stage II of the HPMP

23. The Government of Sri Lanka proposes to meet the 100 percent reduction of its HCFC baseline consumption by 2030 in accordance with the Montreal Protocol provisions. The licensing and quota system will be strictly monitored; a ban on the importation, production, and assembling of new HCFC-based equipment will be issued by 1 January 2021; monitoring and technical assistance to the reclamation centres will support the recovery and reclamation of refrigerants. and awareness-raising, training activities,

certification, and the provision of tools will facilitate the adoption of low-GWP technology by the service sector, and will limit refrigerant emissions into the atmosphere.

Proposed activities in stage II of the HPMP

24. Stage II proposes the following activities:

- (a) *ODS policy and regulations*: three consultation meetings with policymakers and five annual meetings with importers to improve existing control measures for HCFCs as per the recommendations of the verification report; development of an online licensing and quota system; development and implementation of a reporting system for importers; and review of the public procurement policy to encourage the acquisition of low-GWP technologies (UNDP) (US \$24,000);
- (b) *Training for customs and enforcement officers on new regulations*: two train-the-trainer workshops in 2021 and 2026 for 30 master trainers on new regulations and revised procedures for ODS imports; 12 training workshops for 180 customs officers at cargo clearing points on revised procedures to release consignments of refrigerants and practical trials to identify the cylinders of refrigerants and RAC equipment, including the handling of flammable refrigerants; matters related to compliance with the obligations of Montreal Protocol such as control of imports to HCFCs/HFCs will be included in three induction workshops for 45 new customs officers; five training workshops for 125 importers and customs brokers on HS codes; development of a curriculum to integrate the ODS control into regular customs training with a corresponding handbook for trainers; and a pocket-sized booklet for customs officers (UNEP) (US \$49,500);
- (c) *Customs and enforcement operations*: procurement of five refrigerant identifiers and technical support (UNDP) (US \$25,000); and technical assistance for strengthening ODS risk profiling (UNEP) (US \$10,000);
- (d) *Training of RAC technicians and trainers*: two train-the-trainers refresher workshops for 60 master trainers on the latest developments of RAC equipment; two workshops on flammable and toxic refrigerants integrated into the training syllabus of formal education for 60 resource persons from TVET; 60 two-day training workshops for 2,400 RAC technicians on good servicing practices including flammable refrigerants; 20 one-day training workshops on commercial and industrial refrigeration and chillers; an update of the training manual on good servicing practices to include flammable/toxic refrigerants; and development of an online public database of certified technicians (UNEP) (US \$147,000);
- (e) *Integration of good servicing practices and certification*: updated code of good servicing practices to include flammable/toxic refrigerants; four consultation meetings with the Ministry of Skills Development on the national qualification framework; 8 masters and 240 assessors trained to implement the certification of 500 informal technicians; and support to TVET colleges to implement the Recognition of Prior Learning (RPL) certificates (UNEP) (US \$104,000);
- (f) *RAC equipment and technical assistance*: meetings with stakeholders to assess their needs and the tools⁸ required to implement good servicing practices, and development of the criteria for the selection of servicing workshops to receive tools; and preparation of the

⁸ Equipment items includes recovery machine, two-stage vacuum pump, electronic weighing scale, digital multi-meter refrigerant gauge manifold, electronic leak detector, refrigeration piping and measurement tools.

technical specifications, procurement and distribution of tools for 100 servicing workshops; (UNDP) (US \$240,000);

- (g) *Procurement of training equipment for RAC training centers*: equipment for six training centres including demonstration equipment, evacuation, refrigeration charging and recovery tools, refrigeration piping tools, measurement tools and related servicing tools and accessories (UNDP) (US \$150,000);
- (h) *Technical assistance*: strengthening of existing reclamation centres through monitoring and technical support⁹ (UNDP); development of a feasibility study on HCFC-based chillers to prove the inefficiency of using old chillers; guidance on alternate technologies and work with relevant authorities to formulate appropriate strategies for technology replacement¹⁰ (UNDP) (US \$24,000); and consultation meetings and legal support for the constitution of the RAC Association¹¹ (UNEP) (US \$4,500); and
- (i) *Awareness*: dissemination of informative and educational materials; development of sector-specific outreach material for stakeholders (UNEP) (US \$100,000).

Project implementation and monitoring

25. The system established under the first stage of the HPMP will continue into stage II. The national ozone unit (NOU), with the assistance from UNDP, will monitor activities, report progress, and work with stakeholders to phase out HCFCs. Project staff and consultants: US \$132,000; monitoring-related travels: US \$10,000; office equipment and supply: US \$10,000; and, communications, meetings and other costs: US \$10,000. The total cost of the project implementation and monitoring activities amounts to US \$162,000 for UNDP for stage II.

Gender policy implementation

26. In line with the gender mainstreaming policy and decision 84/92(d),¹² the Government of Sri Lanka, when implementing stage II of the HPMP, will encourage the engagement of women in various project levels. The NOU will develop staff competency on gender mainstreaming, support the collection of sex-disaggregated data, engage stakeholders in discussing gender issues, and seek their input to identify barriers, define specific indicators, and design effective responses. Target indicators will be established as soon as baseline data is collected.

Total cost of stage II of the HPMP

27. The total cost of stage II of the HPMP for Sri Lanka has been estimated at US \$1,040,000 (plus agency support costs), as originally submitted to achieve 100 per cent reduction from its HCFC baseline consumption by 2030, which is in accordance with decision 74/50(c)(xii).

⁹ This activity will include monitoring of practices, reclaimed refrigerants, technical assistance if necessary and support to ensure effective operation of the reclamation equipment.

¹⁰ Results of the study on chillers will be shared through the regional network of UNEP OzonAction.

¹¹ The association will be helpful in coordinating with the technicians and end-users. This includes promoting the adoption of ozone-friendly, low-GWP technology; online e-learning; adapting and distributing materials on the use of new refrigerants; supporting the certification of technicians and performing outreach to the servicing sector on policy and technical developments.

¹² Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

Activities planned for the first tranche of stage II

28. The first funding tranche of stage II of the HPMP, at the total amount of US \$417,000, plus agency support costs will be implemented between December 2020 and December 2023, and includes the following activities:

- (a) *ODS policy and regulations*: three workshops for policymakers and an annual meeting with stakeholders to identify improvements to the existing control measures for HCFCs; development of an online system for the licensing and quota system (UNDP) (US \$11,200);
- (b) *Training of customs and enforcement officers*: one train-the-trainers workshop for 15 customs officers on new regulations and revised procedures for ODS imports; seven training workshops for 105 customs officers at cargo clearing points on revised procedures to release consignments of refrigerants and practical trials to identify the cylinders of refrigerants and RAC equipment, including the handling of flammable gases; two workshops for 50 importers and customs brokers on HS codes; development of a curriculum to integrate the ODS control into regular customs training with a corresponding handbook for trainers; and development of a pocket-sized booklet for customs officers (UNEP) (US\$26,500);
- (c) *Customs and enforcement operations*: technical assistance to strengthen ODS risk profiling (UNEP) (US \$10,000);
- (d) *RAC technician training*: one train-the-trainers workshop for 30 master trainers on latest developments of RAC equipment; two workshops on flammable refrigerants integrated into the formal education training syllabus for 60 resource persons from TVET; 18 training workshops for 720 RAC technicians; six training workshops on commercial and industrial refrigeration and chillers; updating of training manuals to include flammable and toxic refrigerants; and development of an online database of technicians (UNEP) (US \$55,800);
- (e) *Certification of technicians*: training of masters and assessors to implement the certification scheme for technicians; pilot examination for RPL certification to 500 informal technicians; and two meetings on the integration of good servicing practices into the National Qualification Framework (UNEP) (US \$79,000);
- (f) *RAC equipment and technical assistance*: procurement of training equipment for training centers¹³ (UNDP) (US \$150,000);
- (g) *Technical assistance*: strengthening of existing reclamation centres through monitoring and technical support and development of a feasibility study for promoting the replacement of HCFC-based chillers (UNDP) (US \$16,000); and consultation meetings and legal support for the constitution of the RAC Association (UNEP) (US \$4,500);
- (h) *Awareness*: development of awareness and education materials; and development of sector-specific outreach material to be circulated to stakeholders (UNEP) (US \$25,000); and
- (i) *Project implementation and monitoring*: (UNDP) (US \$39,000) allocated as follows: project staff and consultants (US\$30,000); monitoring-related travel (US \$3,000); communications (US \$3,000); and office supplies and equipment (US \$3,000).

¹³The tentative list of equipment was introduced in the footnote to paragraph 23 (g) above.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

29. The Secretariat reviewed stage II of the HPMP in light of stage I, the Multilateral Fund's policies and guidelines, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2020-2022 business plan of the Multilateral Fund.

Verification report

30. During the review of the verification report, the Secretariat held extensive discussions with UNDP on data discrepancies apparently caused by HCFC that were imported without due licenses or were other substances erroneously reported as HCFCs. UNDP explained that it was not possible to further analyze and verify the data as the verifier was unable to review the original invoices accompanying the HCFC consignments due to the COVID-19 pandemic. The Government of Sri Lanka through the Bureau of Customs is presently examining the reported data to understand various aspects of the case; based on the outcomes of the review, the Government would revise the reports submitted under Article 7 and the CP data. In order allow the Government of Sri Lanka and UNDP to complete this review, the Secretariat requested that an updated verification report be submitted no later than 15 January 2021 to enable its consideration at the 86th meeting scheduled in March 2021, on the understanding that if the updated verification report is not submitted, the submission of stage II of the HPMP would be deferred until this report is received and the data discrepancies are explained.

Technical and cost-related issues

31. The Secretariat asked for the sustainability and the impact of the certification programme for technicians. UNDP explained that it was decided that the certification process will be on a voluntary basis since it is the most effective way to reach the technicians in the informal sector in the country; the initial costs of establishing the framework for the certification programme will be covered by the HPMP; once established it will be implemented through the national TVET system with the support by the Government of Sri Lanka.

32. With regard to the recovery of refrigerants, UNDP clarified that this is mandatory only for large-scale workshops; it would be challenging to extend the requirement to small workshops due to the high upfront cost of recovery equipment vis-à-vis the small quantities of refrigerants that may be recovered. However, efforts are being made to support these small workshops and promote refrigerants' recovery at the end of the equipment lifetime.

33. The Secretariat discussed with UNDP the proposed tranche allocation for stage II, noting the importance of ensuring balanced funding to cover activities up to 2030. UNDP clarified that the distribution as originally submitted was discussed with the Government and was consistent with the planning of activities. UNDP further indicated that some activities like policy set-up and procurement of equipment and tools for training institutes and servicing were needed as early as possible. Therefore, there were no changes from the original proposal.

Impact of the COVID-19 pandemic on HPMP implementation

34. The COVID-19 pandemic seriously affected the implementation of stage I of the HPMP, mostly training programmes and stakeholder meetings. During the few months of lockdown, online meetings were conducted, and specific work was carried out from home as much as possible. However, due to connectivity issues, there was a general delay in the implementation of training related activities of the HPMP.

35. The Government of Sri Lanka appreciates the support of the HPMP for the country's post-pandemic recovery, particularly its contribution to food security and the population's health. The activities under the HPMP have co-benefits in terms of developing technical capacities, providing new tools and equipment to the servicing sector, enabling the adoption of alternative and more efficient technologies. This will also help improving technicians' skills so to secure their job with possible better incomes.

Impact on the climate

36. 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 refrigeration servicing. Each kilogramme of HCFC-22 not emitted due to better refrigeration practices results in a savings of approximately 1.8 CO₂-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Sri Lanka, including its efforts to promote 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

37. The Secretariat noted that the co-financing of stage I of the HPMP for Sri Lanka has been in the form of in-kind contribution from the Government of Sri Lanka for the human resources and oversight of the NOU. In-kind contributions valued at US \$300,000 will be provided for administration procedures, office space, telecommunication, and transportation.

2020-2022 draft business plan of the Multilateral Fund

38. UNDP and UNEP are requesting US \$1,137,700, plus agency support costs, to implement stage II of the HPMP for Sri Lanka. The total requested amount of US \$458,238, including agency support costs for the period from 2020 to 2022, is US \$178,585 above the amount in the business plan.

Draft Agreement

39. A draft Agreement between the Government of Sri Lanka and the Executive Committee for the phase-out of HCFCs in stage II of the HPMP was submitted by UNDP.

RECOMMENDATION

40. The Executive Committee may wish:

- (a) To note that the Government of Sri Lanka and UNDP are currently analysing the discrepancy in the data reported under Article 7 of the Montreal Protocol and the data in the verification report for 2016 and 2017, as the analysis could not be undertaken due to the constraints imposed by the COVID-19 pandemic
- (b) To request that an updated verification report be submitted to the Secretariat no later than 15 January 2021 to enable consideration of stage II of the HPMP at the 86th meeting to be held in March 2021, on the understanding that if the updated verification report is not submitted, the submission of stage II would be deferred to a future meeting until the verification report is submitted and the data discrepancies are explained.