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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 2021[1]

PROJECT PROPOSAL: JAMAICA

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

[1] Due to coronavirus disease (COVID-19)

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Jamaica

(I) PROJECT TITLE	**AGENCY**
HCFC phase-out plan (stage II)	UNDP

(II) LATEST ARTICLE 7 DATA (Annex C Group l)	Year: 2019	2.86 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)									**Year:** 2019
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					2.86				2.86

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	16.3	Starting point for sustained aggregate reductions:	10.58
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	8.10	Remaining:	2.48

(V) BUSINESS PLAN		**2020**	**2021**	**2022**	**Total**
UNDP	ODS phase-out (ODP tonnes)	0.00	5.16	0.00	5.16
	Funding (US $)	0	726,700	0	726,700

(VI) PROJECT DATA			**2020**	**2021-2023**	**2024**	**2025-2026**	**2027**	**2028-2029**	**2030**	**Total**
Montreal Protocol consumption limits			10.60	10.60	10.60	5.30	5.30	5.30	0.00	n/a
Maximum allowable consumption (ODP tonnes)			10.60	8.20	8.20	5.30	5.30	5.30	0.00	n/a
Projects costs requested in principle (US $)	UNDP	Project costs	117,000	0	156,000	0	78,000	0	39,000	390,000
		Support costs	8,190	0	10,920	0	5,460	0	2,730	27,300
Total project costs requested in principle (US $)			117,000	0	156,000	0	78,000	0	39,000	390,000
Total support costs requested in principle (US $)			8,190	0	10,920	0	5,460	0	2,730	27,300
Total funds requested in principle (US $)			125,190	0	166,920	0	83,460	0	41,730	417,300

(VII) Request for approval of funding for the first tranche (2020)		
Agency	**Funds requested (US $)**	**Support costs (US $)**
UNDP	117,000	8,190

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

1. On behalf of the Government of Jamaica, UNDP as the designated implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at the amount of US $390,000, plus agency support costs of US $27,300, 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 $156,000, plus agency support costs of US $10,920 for UNDP, as originally submitted.

Status of implementation of stage I of the HPMP

3. Stage I of the HPMP for Jamaica was approved at the 64th meeting[3] to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US $655,450, plus agency support costs, to phase out 8.1 ODP tonnes of HCFCs used in the polyurethane (PU) foam manufacturing sector and in the refrigeration and air-conditioning (RAC) servicing sector. The fourth and final tranche of stage I of the HPMP was approved under the intersessional approval process for the 85th meeting in May 2020; stage I will be completed by 31 December 2021.

<u>HCFC consumption</u>

4. The Government of Jamaica reported a consumption of 2.86 ODP tonnes of HCFC in 2019, which is 82.4 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

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

HCFC	2015	2016	2017	2018	2019	Baseline
Metric tonnes						
HCFC-22	138.38	145.53	149.83	181.29	51.97	230.60
HCFC-141b	0.00	0.00	0.00	0.00	0.00	33.00
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.09
HCFC-123	0.00	0.72	0.00	0.00	0.00	0.00
HCFC-124	0.28	0.00	0.00	0.00	0.00	0.00
Total (mt)	**138.66**	**146.24**	**149.83**	**181.29**	**51.97**	**263.69**
ODP tonnes						
HCFC-22	7.61	8.00	8.24	9.97	2.86	12.68
HCFC-141b	0.00	0.00	0.00	0.00	0.00	3.63
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.01
HCFC-123	0.00	0.01	0.00	0.00	0.00	0.00
HCFC-124	0.01	0.00	0.00	0.00	0.00	0.00
Total (ODP tonnes)	**7.62**	**8.02**	**8.24**	**9.97**	**2.86**	**16.32**

5. Despite the increasing trend during the period 2015 to 2018, the HCFC consumption remained at levels (ranging from 39 to 53 per cent) below the baseline for compliance due to implementation of HPMP activities including controls on HCFC imports, adoption of good servicing practices, and continued adoption of HCFC alternative technologies in the RAC sector. A sharp decrease in consumption was

[2] As per the letter of 21 August 2019 from the National Environment and Planning Agency (NEPA) of Jamaica to UNDP.
[3] UNEP/OzL.Pro/ExCom/64/35.

experienced in 2019 mainly due to local prevailing weather conditions, and the economic situation and commercial factors in the country.

Country programme (CP) implementation report

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

Revision of the starting point for aggregate reductions in HCFC consumption and funding eligibility

7. Stage II of the HPMP for Jamaica was originally submitted to the 85th meeting. During the review process, the Secretariat noted significant differences in the levels of HCFC consumption reported under Article 7 of the Montreal Protocol, CP implementation data, and the verification report submitted with the request for the fourth and final tranche of stage I. Based on the verification undertaken by the independent verifier, the Secretariat had detailed discussions with UNDP on: HCFC consumption trends; the potential need to review the levels of consumption reported for the period 2015 to 2019; and the need to adjust the starting point for aggregate reduction on HCFC consumption reflecting the actual use of HCFC-22 in 2009 and 2010. Subsequently, UNDP withdrew the submission of stage II of the HPMP, and only submitted the request for funding for the fourth and final tranche of stage I.[4]

8. In approving the fourth tranche request, the Executive Committee *inter alia* noted that stage II of the HPMP could only be considered once the data reporting issues identified in the verification report had been addressed and the recommendations by the verifier had been implemented; and that the starting point and associated funding levels would be reviewed upon submission of stage II of the HPMP.[5]

9. In line with the decision taken at the 85th meeting, stage II of the HPMP included an analysis of the actual amount of HCFCs used in 2009 and 2010 in Jamaica. Based on consultations with national experienced industry personnel, keeping in view socio-economic indicators (e.g., distribution of the urban/rural population, economic activities of the population, electrification rate), and a review of available data on HCFC consumption, the best estimates of the number of RAC equipment serviced and its associated HCFC-22 consumption are presented in Table 2. Also, an average of 3.60 ODP tonnes of HCFC-141b was consumed in that period.

Table 2. Revised HCFC-22 consumption for 2009 and 2010 for Jamaica

Particulars	2009		2010		Average
	RAC units serviced	HCFC-22 (mt)	RAC units serviced	HCFC-22 (mt)	
Residential air-conditioners	37,660	77.20	23,958	38.00	57.60
Commercial air-conditioning units	4,278	44.50	4,364	45.40	44.90
Other HCFC-based RAC equipment including industrial refrigeration, chillers, containers	1,979	25.40	1,194	23.40	24.40
Consumption (mt)		**147.10**		**106.80**	**126.95**
Consumption (ODP tonnes)		**8.09**		**5.87**	**6.98**

10. Based on the above best estimates, the starting point for aggregate reductions in HCFC consumption for Jamaica was revised from 16.30 ODP to 10.58 ODP tonnes, as shown in Table 3.

[4] Paragraphs 2-8, UNEP/OzL.Pro/ExCom/85/31.
[5] The fourth and final tranche of stage I of the HPMP was approved under the blanket approval list contained in Annex I of document UNEP/OzL.Pro/ExCom/85/13, Overview of issues identified during project review.

Table 3. Revised starting point for aggregate reductions in HCFC consumption for Jamaica

Substance	Starting point (ODP tonnes)	
	As approved	Revised
HCFC-22	12.70	6.98
HCFC-141b	3.60	3.60
Total	**16.30**	**10.58**

11. Taking into consideration the revised starting point and in line with decision 74/50(c)(xii), the associated maximum level of funding eligible for the complete phase-out of HCFCs in Jamaica would be US $950,000; after deducting the funding of US $560,000 approved for stage I, the maximum level of funding eligible for stage II would be US $390,000. Based on the revised starting point of 10.58 ODP tonnes and the HCFC phase-out of 8.10 ODP tonnes addressed in stage I, the remaining consumption eligible for funding is 2.48 ODP tonnes. The present request for stage II is based on the revised starting point and funding eligibility.

Status of progress and disbursement associated with stage I

Legal framework

12. A licensing system to monitor and control trade in ODS has been introduced since 1998. The system was revised through the Trade Order in 2014 to include control of the import and export of HCFCs. Importers of HCFCs are required to obtain an import permit from the Ministry of Health and Wellness and a license to import from the Trade Board/Ministry of Industry, Investment and Commerce. During the implementation of stage I of the HPMP, 68 customs and enforcement officers were trained on regulations relating to imports and exports of HCFCs and implementation of the licensing system.

13. The Government has issued an order prohibiting imports of HCFC-141b in bulk and contained in pre-blended polyols effective from 1 January 2016. The Government is planning to implement the regulations for prohibiting import of HCFC-based equipment after necessary consultations and approvals by 1 January 2026. Due to limited availability of resources for implementing stage II of the HPMP and in light of the RAC equipment servicing industry structure, activities relating to certification of servicing technicians and recovery and reuse of refrigerants would be considered in the future when HFC phase-down activities are implemented. The Government would also encourage responsible consumption and safe use of refrigerants as well as options to promote low-global-warming potential (GWP) energy-efficient alternatives in different RAC applications over the next eight to ten years through awareness and information outreach activities and closely monitoring availability of low-GWP-alternative-based RAC equipment.

PU foam

14. The conversion to methyl formate at Seal Sprayed Solutions Limited (the only foam manufacturing enterprise) was operationally completed in December 2015, resulting in the phase-out of 3.60 ODP tonnes of HCFC-141b.

Refrigeration servicing sector

15. Seven trainers and 177 servicing technicians were trained on good servicing practices in particular for HCFC-based RAC equipment and on adoption of low-GWP alternative technologies to HCFCs. Support was provided to vocational training centres and technical institutes through provision of technical assistance and equipment and servicing tools (e.g., recovery/recycling unit, recovery cylinder, electronic charging scale, electronic leak detector, vacuum pump) for ongoing training of servicing technicians.

Level of fund disbursement

16. As of July 2020, of the total funds of US $655,450 approved for stage I (US $578,450 for UNDP and US $77,000 for UNEP), US $505,374 had been disbursed (US $458,632 for UNDP and US $46,742 for UNEP). The balance of US $150,076, including US $66,000 approved for the fourth and final tranche of stage I, will be disbursed in 2020 and 2021.

Sector distribution of HCFCs

17. There are 700 RAC technicians working in the formal sector in 350 workshops servicing unitary and split systems; commercial refrigeration equipment; chillers; and air-conditioning and heat pumps as shown in Table 4. There are also technicians in the informal sector who service RAC equipment in the country. The percentage of HCFC-22 used as a refrigerant in the servicing sector is not available.

Table 4. Demand in 2019 for HCFC-22 in the RAC servicing sector in Jamaica

Sector/Applications	Number of units	Average charge per unit (kg)	Leakage rate (%)	Consumption (mt)	Sectoral consumption (%)
Residential air-conditioners	28,734	1.94	20	11.16	21
Commercial air-conditioners	3,300	10.40	20	6.86	13
Chillers and industrial units	2,969	78.73	10	23.38	44
Other refrigeration equipment	4,884	11.67	10-20	11.40	22
Total	**39,887**	**n/a**	**n/a**	**52.80**	**100**

* Best estimates of consumption by different end-user applications in 2019; the consumption is marginally different from imports of HCFC-22.

Phase-out strategy in stage II of the HPMP

18. Stage II of the HPMP has been designed based on the experience gained during implementation of stage I; it will focus on further strengthening of the implementation of the HCFC licensing and quota system taking into account the verification recommendations submitted to the 85th meeting; the continued implementation of customs and enforcement training; the capacity building and implementation of training activities in the servicing sector; awareness and outreach on HCFC phase-out and adoption of HCFC-free technologies; and project management and monitoring activities.

Proposed activities in stage II of the HPMP

19. Stage II proposes the following activities:

(a) *Strengthening of policies and legal frameworks to control HCFC consumption*: Updating the training programmes for enforcement agencies on HCFC licensing and quota system, monitoring and reporting of HCFC consumption, and preventing illegal trade; engagement of a national consultant for coordinating and implementing training of enforcement officers; implementation of 10 workshops, each for 40 customs officers, on monitoring and reporting of HCFC imports and prevention of illegal trade (US $110,000);

(b) *Strengthening of good practices in the RAC servicing sector*: Technical support for the development and updating of the training programme and training manual for technicians on good service practices and safe use of low-GWP alternatives during installation, servicing and maintenance of RAC equipment; engagement of a national consultant coordinating and conducting the training programme, and reporting on training activities; 10 workshops to train 320 technicians on good practices for servicing RAC equipment; and design and printing of a manual on good servicing practices (US $120,000); and

(c) *Awareness programme*: Engagement of a national consultant for planning and prioritising awareness and outreach activities on HPMP implementation; implementation of 10 awareness campaigns on HCFC alternative technologies for RAC technicians, users of RAC equipment, importers and dealers of RAC equipment, Government decision makers and general public; design, printing and distribution of awareness material on HPMP implementation, national regulations and technical options in the RAC sector (US $95,000).

Project implementation and monitoring

20. The monitoring mechanism established under stage I of the HPMP will continue into stage II, where the national ozone unit (NOU) will monitor activities, report on progress, and work with stakeholders to phase out HCFCs. The cost of those activities amounts to US $65,000, which includes national consultants/technical experts (US $50,000) and meetings and workshops (US $15,000).

Gender policy implementation

21. Stage II of the HPMP has been developed with women participation in line with decision 84/92(d).[6] During implementation of stage II, the Government would make efforts in maximizing the participation of female practitioners (e.g., consultants, supervisors, trainers and designers) in different activities at all levels. In addition, the NOU would monitor and report gender disaggregated data on project activities, introduce gender sensitive language in communication and recruitment process, and compare women involvement in different activities against the targets.

Total cost of stage II of the HPMP

22. The total cost of stage II of the HPMP for Jamaica amounts to US $390,000 (plus agency support costs), as originally submitted for achieving 100 per cent reduction from its HCFC baseline consumption by 2030, which is in accordance with decision 74/50(c)(xii). The proposed activities and cost breakdown are summarized in Table 5 below.

Table 5. Total cost of stage II of the HPMP for Jamaica as submitted

Activity	**Cost (US $)**
Strengthening of policies and legal frameworks to control HCFC consumption	110,000
Strengthening of good practices in the RAC servicing sector	120,000
Awareness programme	95,000
Monitoring and reporting	65,000
Total	**390,000**

Activities planned for the first tranche of stage II

23. The first funding tranche of stage II of the HPMP, at the total amount of US $156,000, will be implemented between January 2021 and December 2024 and will include the following activities:

(a) *Strengthening of policies and legal frameworks to control HCFC consumption*: Updating the training programmes for enforcement agencies on HCFC licensing and quota system, monitoring and reporting of HCFC consumption and preventing illegal trade; engagement of a national consultant for coordinating and implementing training programmes of enforcement officers; and implementation of four training workshops, each for 30 customs

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

officers, on HCFC import monitoring and reporting, and prevention of illegal trade (US $44,000);

(b) *Strengthening of good practices in the RAC servicing sector*: Technical support from the international consultant for the development and updating of the training information for technicians on good service practices and safe use of low-GWP alternatives during installation, servicing and maintenance of RAC equipment; engagement of a national consultant coordinating and conducting the training programme, and reporting on training activities; implementation of four workshops on good servicing practices for 100 RAC technicians; and design and printing of a manual on good servicing practices (US $48,000);

(c) *Awareness programme*: Engagement of a national consultant for planning and coordination of awareness activities in consultation with the NOU; implementation of four awareness campaigns on HCFC alternative technologies primarily for refrigerant and RAC equipment importers, large HCFC-based equipment installation and service technicians; and design, printing and distribution of awareness material on national regulations, HCFC-free technical options in RAC equipment and HPMP implementation (US $38,000); and

(d) *Project implementation and monitoring*: Project coordination, stakeholder engagement and implementation of planned HPMP activities (US $26,000), which includes budgets for consultants (US $20,000) and meeting and workshops (US $6,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

<u>Overarching strategy for stage II</u>

25. Upon a clarification on achieving zero consumption of HCFCs by 2030, UNDP confirmed that the Government of Jamaica proposes to meet the 100 per cent reduction by 2030, on the understanding that the consumption between 2030 and 2040 (i.e., the servicing tail) may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040 divided by 10, does not exceed 2.5 per cent of Jamaica's baseline, and provided that such consumption is restricted to the servicing of RAC equipment existing on 1 January 2030, as provided by the Montreal Protocol.[7] UNDP also confirmed that the Government would implement regulations to prohibit import of HCFCs by 1 January 2030 except for service tail-related consumption allowed by the Montreal Protocol, by 1 January 2026.

Legal framework

26. The Government of Jamaica has established HCFC import quotas for 2020 not exceeding 8.2 ODP tonnes in line with its national regulatory framework that requires setting the quotas equal to HCFC consumption targets.

27. Noting that earlier HCFC phase-out would reduce dependence on HCFCs in the country, the Secretariat requested clarifications on whether the Government could consider an earlier date for

[7] Article 5, paragraph 8 ter(e)(i) of the Montreal Protocol. Other applications where HCFCs can be used include the servicing of fire suppression and fire protection equipment existing on 1 January 2030; solvent applications in rocket engine manufacturing; and topical medical aerosol applications for the specialized treatment of burns.

implementing these regulations; after detailed consultations with the country, UNDP confirmed that 1 January 2026 would be a practical and realistic date noting the market structure and administrative processes requiring finalisation of these regulations.

28. With regard to the actions that have been taken following recommendations of the verification report submitted to the 85th meeting, UNDP informed that since June 2020, the Government has started implementing the following actions on high priority: consultations with importers on data reporting and data management of HCFCs and HCFC blends will take place as soon as restrictions on account of COVID-19 pandemic are removed; consultative groups are being established by the NOU among importers and import handling agencies/organisations for periodic communication on HCFC data reporting and data management issues; and the data reporting template for reconciliation of HCFC import data with customs data would be finalised after due consultations in 2020-2021; the revised Article 7 and CP data reports for 2015 to 2019 have been sent to the Ozone Secretariat and the Multilateral Fund Secretariat, respectively. The Secretariat agreed with UNDP that an update on the recommendations would be provided at the 87th meeting.

Reduction targets for stage II

29. The Secretariat discussed with UNDP the targets for stage II keeping in view that the 2019 consumption was only 2.86 ODP tonnes. UNDP explained that HCFC consumption in 2019 was exceptionally low considering the actual consumption of 7.62 ODP tonnes and 9.97 ODP tonnes between 2015 to 2018. Further to discussions, the Government agreed to the HCFC consumption targets of 8.2 ODP tonnes for the period 2021 to 2024; 5.3 ODP tonnes for the period 2025 to 2029; and zero ODP tonnes in 2030.

Technical and cost-related issues

30. The Secretariat discussed the project components with UNDP to see whether funds could be reallocated to maximise impact of training of servicing technicians and enforcement strengthening that are critical for achieving sustained phase-out. Subsequently, it was agreed to undertake a review and update of the regulations to strengthen the licensing system and other measures for ensuring sustainable HCFC phase-out; increase the number of enforcement officers to be trained from 400 to 500 and RAC technicians from 320 to 600; support the development of a database for trained RAC technicians; and implement outreach activities to maximise participation of RAC technicians in training and promote adoption of environment friendly alternatives to HCFCs. Table 6 presents the revised cost allocation for the different components.

Table 6. Revised cost allocation by activity of stage II of the HPMP for Jamaica (US $)

Activity	Original	Revised
Strengthening of policies and legal frameworks to control HCFC consumption	110,000	120,000
Strengthening of good practices in the RAC servicing sector	120,000	135,000
Awareness programme	95,000	70,000
Monitoring and reporting	65,000	65,000
Total	**390,000**	**390,000**

31. Keeping in view the revisions of activities and expected timelines for their implementation, the tranche distribution for stage II of the HPMP was adjusted as shown in Table 7 below.

Table 7. Original and revised tranche distribution for stage II of the HPMP for Jamaica

Funding (US $)	2020	2021-2023	2024	2025-2026	2027	2028-2029	2030	Total
As submitted	156,000	0	195,000	0	0	0	39,000	390,000
Revised	117,000	0	156,000	0	78,000	0	39,000	390,000

Activities planned for the first tranche

32. The funding for the first tranche was revised as per Table 7 above and would include training for 100 customs and enforcement officers and consultations for strengthening monitoring and reporting of HCFCs (US $37,000); training of 80 RAC technicians on good servicing practices (US $40,000); initiation of awareness activities on HPMP implementation and encouraging participation of servicing RAC technicians (US $21,000); and monitoring and reporting on implementation (US $19,000).

Impact of the COVID-19 pandemic on HPMP implementation

33. In 2020, the COVID-19 pandemic has affected overall pace of implementation of business and economic activities including HPMP activities in Jamaica. The Government proposes to initiate implementation of stage II after its approval, as part of post-COVID-19 recovery measures, in a phased manner taking into consideration constraints on implementation of activities that involve higher levels of personal contacts and interaction, noting that the situation is expected to improve by the second quarter/middle of 2021. The Government proposes to initiate the overall project planning for stage II, finalisation of quotas for HCFC imports for 2021, engaging consultants for training of enforcement officers and service sector, development of awareness and information outreach materials, formal consultations with relevant Government authorities on strengthening licensing system for HCFCs, while maintaining minimum levels of personal contacts following the guidelines of national health authorities. The plan for the first tranche of stage II has already taken into account the constraints for implementation of activities in a timely manner.

Impact on the climate

34. The proposed activities in the servicing sector, which include better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in savings of approximately 1.8 CO_2-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Jamaica, including its efforts to promote low-GWP alternative technologies, indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

Co-financing

35. UNDP explained that for the servicing sector activities, the Government of Jamaica and stakeholders will support implementation of projects and certain project logistics. The Government will provide co-financing in-kind through, *inter alia*, the provision of personnel, office and storage space, communication and internet, transportation, and administration.

2020-2022 draft business plan of the Multilateral Fund

36. UNDP is requesting US $390,000, plus agency support costs, for the implementation of stage II of the HPMP for Jamaica. The total requested value of US $125,190, including agency support costs for the period of 2020–2022, is US $601,510 below the amount in the business plan.

Draft Agreement

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

RECOMMENDATION

38. The Executive Committee may wish to consider:

(a) Noting that the revised starting point for sustained aggregate reduction in HCFC consumption for Jamaica was 10.58 ODP tonnes, based on the best estimates of consumption in the country in 2009 and 2010; and that the maximum remaining funding for which the country was eligible for the total phase-out of HCFCs was US $390,000, based on the difference between the maximum level of funding eligible for the complete phase-out of US $950,000 in line with decision 74/50(c)(xii) and the funding approved under stage I of US $560,000;

(b) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Jamaica for the period from 2020 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $390,000, plus agency support costs of US $27,300 for UNDP, on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of HCFCs;

(c) Noting the commitment of the Government of Jamaica:

(i) To completely phase out HCFCs by 1 January 2030, and that HCFCs would not be imported after that date, except for the allowance for a servicing tail between 2030-2040 where required, and consistent with the provisions of the Montreal Protocol;

(ii) To prohibit import of HCFC-based equipment by 1 January 2026;

(d) Deducting 2.48 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

(e) Requesting the Government of Jamaica and UNDP to provide, to the 87th meeting, an update on the status of implementation of the measures for strengthening the licensing and quota system and monitoring and reporting of HCFC consumption recommended in the verification report submitted to the 85th meeting;

(f) Approving the draft Agreement between the Government of Jamaica and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in Annex I to the present document; and

(g) Approving the first tranche of stage II of the HPMP for Jamaica, and the corresponding tranche implementation plan, in the amount of US $117,000, plus agency support costs of US $8,190 for UNDP.

Annex I

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

Purpose

1. This Agreement represents the understanding of the Government of Jamaica (the "Country") and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A ("The Substances") to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.

2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining consumption eligible for funding).

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").

4. The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved ("the Plan"). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

(a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;

(b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

(c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A ("Format of Tranche Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

(d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

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

Flexibility in the reallocation of funds

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

(a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in sub-paragraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:

(i) Issues potentially concerning the rules and policies of the Multilateral Fund;

(ii) Changes which would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;

(iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche; and

(v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

(b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

(c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

(a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and

(b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A ("Reductions in Funding for Failure to Comply") in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in

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

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

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

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	6.98
HCFC-141b	C	I	3.60
Total			10.58

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2020	2021-2023	2024	2025-2026	2027	2028-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	10.60	10.60	10.60	5.30	5.30	5.30	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	10.60	8.20	8.20	5.30	5.30	5.30	0.00	n/a
2.1	Lead IA (UNDP) agreed funding (US $)	117,000	0	156,000	0	78,000	0	39,000	390,000
2.2	Support costs for Lead IA (US $)	8,190	0	10,920	0	5,460	0	2,730	27,300
3.1	Total agreed funding (US $)	117,000	0	156,000	0	78,000	0	39,000	390,000
3.2	Total support costs (US $)	8,190	0	10,920	0	5,460	0	2,730	27,300
3.3	Total agreed costs (US $)	125,190	0	166,920	0	83,460	0	41,730	417,300
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								2.48
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								4.50
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)								3.60
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)								0.00

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

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval no later than the second meeting of the year specified in Appendix 2-A.

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

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

(a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;

(b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

(c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;

(d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

(e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the HPMP are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

(a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

(b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit (NOU), which is located within the National Environment and Planning Agency (NEPA), will be responsible for the day-to-day execution of project activities. In carrying out this function, the NOU will follow the supervision and reporting procedures and structures established by the Government to manage the NEPA. In this regard, the highest policy responsibility rests with the Minister responsible for the NEPA while at the technical level, responsibility resides with the Chief Executive Officer of the NEPA (head of the NEPA).

2. Periodically the Government, in collaboration with the Lead IA will convene monitoring missions to provide independent verification of project outputs, achievement of targets and financial management. The missions will also undertake an overall project evaluation and make recommendations, if necessary for further action to achieve target phase-out levels.

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

1. The Lead IA will be responsible for a range of activities, including at least the following:

(a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country’s HPMP;

(b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;

(c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;

(d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

(e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;

(f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;

(g) Ensuring that appropriate independent technical experts carry out the technical reviews;

(h) Carrying out required supervision missions;

(i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;

(j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country the allocation of the reductions to the different budget items and to the funding of the Lead IA;

(k) Ensuring that disbursements made to the Country are based on the use of the indicators;

(l) Providing assistance with policy, management and technical support when required; and

(m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

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