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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<sup>1</sup>

**PROJECT PROPOSAL: PACIFIC ISLAND COUNTRIES**

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

Phase-out

- Regional HCFC phase-out management plan for 12 Pacific Island Countries (PIC) (stage II, first tranche) UNEP, Australia

<sup>1</sup> 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

## Pacific Island Countries

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

|                                              |            |                   |
|----------------------------------------------|------------|-------------------|
| (II) LATEST ARTICLE 7 DATA (Annex C Group I) | Year: 2019 | 0.23 (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                                                   |         |      |               | 0.00          | 0.23      |         |               |            | 0.23                     |

| (IV) CONSUMPTION DATA (ODP tonnes)            |  |      |                                                    |
|-----------------------------------------------|--|------|----------------------------------------------------|
| 2009 - 2010 baseline:                         |  | 3.33 | Starting point for sustained aggregate reductions: |
|                                               |  |      | 3.33                                               |
| CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes) |  |      |                                                    |
| Already approved:                             |  | 1.17 | Remaining:                                         |
|                                               |  |      | 2.17                                               |

| (V) BUSINESS PLAN |                            | 2020      | 2021 | 2022 | Total     |
|-------------------|----------------------------|-----------|------|------|-----------|
| UNEP              | ODS phase-out (ODP tonnes) | 0.86      | 0    | 0    | 0.86      |
|                   | Funding (US \$)            | 2,267,458 | 0    | 0    | 2,267,458 |
| Australia         | ODS phase-out (ODP tonnes) | 0         | 0    | 0    | 0         |
|                   | Funding (US \$)            | 0         | 0    | 0    | 0         |

| (VI) PROJECT DATA                                  |           |               | 2020      | 2021-2024 | 2025      | 2026-2029 | 2030    | Total     |
|----------------------------------------------------|-----------|---------------|-----------|-----------|-----------|-----------|---------|-----------|
| Montreal Protocol consumption limits               |           |               | 2.17      | 2.17      | 1.08      | 1.08      | 0.00    | n/a       |
| Maximum allowable consumption (ODP tonnes)         |           |               | 2.17      | 0.57      | 0.28      | 0.28      | 0.00    | n/a       |
| Projects costs requested in principle (US \$)      | UNEP      | Project costs | 2,165,400 | 0         | 1,819,000 | 0         | 294,000 | 4,278,400 |
|                                                    |           | Support costs | 279,469   | 0         | 233,348   | 0         | 37,675  | 550,492   |
|                                                    | Australia | Project costs | 375,000   | 0         | 135,000   | 0         | 0       | 510,000   |
|                                                    |           | Support costs | 48,603    | 0         | 17,497    | 0         | 0       | 66,100    |
| Total project costs requested in principle (US \$) |           |               | 2,540,400 | 0         | 1,954,000 | 0         | 294,000 | 4,788,400 |
| Total support costs requested in principle (US \$) |           |               | 328,072   | 0         | 250,845   | 0         | 37,675  | 616,592   |
| Total funds requested in principle (US \$)         |           |               | 2,868,472 | 0         | 2,204,845 | 0         | 331,675 | 5,404,992 |

| (VII) Request for approval of funding for the first tranche (2020) |                         |                       |
|--------------------------------------------------------------------|-------------------------|-----------------------|
| Agency                                                             | Funds requested (US \$) | Support costs (US \$) |
| UNEP                                                               | 2,165,400               | 279,469               |
| Australia                                                          | 375,000                 | 48,603                |
| Total                                                              | 2,540,000               | 328,072               |

|                               |                          |
|-------------------------------|--------------------------|
| Secretariat's recommendation: | Individual consideration |
|-------------------------------|--------------------------|

## PROJECT DESCRIPTION

### Background

1. On behalf of the Governments of the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu (hereinafter referred to as the Pacific Island Countries (PICs)), UNEP as the lead implementing agency, has submitted a request for stage II of their HCFC phase-out management plan (HPMP), at a total cost of US \$5,717,314, consisting of US \$4,558,950, plus agency support costs of US \$582,264 for UNEP, and US \$510,000, plus agency support costs of US \$66,100 for the Government of Australia, as originally submitted.<sup>2</sup> 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 \$3,390,399, consisting of US \$2,629,950, plus agency support costs of US \$336,846 for UNEP, and US \$375,000, plus agency support costs of US \$48,603 for the Government Australia, as originally submitted.

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

3. Stage I of the HPMP for the PICs was originally approved at the 63<sup>rd</sup> meeting<sup>3</sup> and revised at the 74<sup>th</sup> meeting,<sup>4</sup> to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US \$1,696,000, plus agency support costs, to phase out 1.17 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing sector. The third and final tranche of stage I was approved under the intersessional approval process for the 85<sup>th</sup> meeting in May 2020; stage I will be completed by 31 December 2021.

### HCFC consumption

4. The Governments of the PICs reported a total consumption of 0.23 ODP tonnes of HCFC in 2019, which is 93 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

**Table 1. HCFC consumption in the PICs (2015-2019 Article 7 data)**

| HCFC-22                          | 2015        | 2016        | 2017              | 2018        | 2019              | Baseline           |
|----------------------------------|-------------|-------------|-------------------|-------------|-------------------|--------------------|
| <b>Metric tonnes (mt)</b>        |             |             |                   |             |                   |                    |
| Cook Islands                     | 0.00        | 0.00        | 0.00              | 0.00        | 0.00              | 0.86               |
| Kiribati                         | 0.51        | 0.44        | 0.39 <sup>a</sup> | 0.22        | 0.45              | 0.97               |
| Marshall Islands                 | 1.49        | 0.00        | 0.00              | 0.00        | 0.00              | 3.99               |
| Micronesia (Federated States of) | 0.08        | 0.73        | 0.07              | 0.00        | 1.82              | 2.55               |
| Nauru                            | 0.30        | 0.15        | 0.00              | 0.00        | 0.00              | 0.18               |
| Niue                             | 0.00        | 0.00        | 0.00              | 0.00        | 0.00              | 0.15               |
| Palau                            | 2.09        | 2.11        | 1.80              | 1.20        | 0.13              | 2.97 <sup>c</sup>  |
| Samoa                            | 1.27        | 1.05        | 1.35              | 0.23        | 0.19              | 4.60               |
| Solomon Islands                  | 1.29        | 2.17        | 4.20              | 3.63        | 1.49              | 35.05 <sup>c</sup> |
| Tonga                            | 0.05        | 0.04        | 0.10              | 0.09        | 0.02              | 2.55 <sup>c</sup>  |
| Tuvalu                           | 0.30        | 0.12        | 0.20              | 0.03        | 0.00              | 1.64               |
| Vanuatu                          | 0.35        | 0.00        | 0.22              | 0.29        | 0.22 <sup>b</sup> | 5.11 <sup>c</sup>  |
| <b>Total (mt)</b>                | <b>7.72</b> | <b>6.81</b> | <b>8.33</b>       | <b>5.68</b> | <b>4.32</b>       | <b>60.62</b>       |

<sup>2</sup> As per the letters dated June and July 2020 from the Ministry the Governments of the Cook Islands, Kiribati, the Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu to UNEP.

<sup>3</sup> UNEP/OzL.Pro/ExCom/63/46 and Annex XXI of document UNEP/OzL.Pro/ExCom/63/60.

<sup>4</sup> Annex VIII of document UNEP/OzL.Pro/ExCom/74/56.

| HCFC-22                          | 2015        | 2016        | 2017              | 2018        | 2019              | Baseline          |
|----------------------------------|-------------|-------------|-------------------|-------------|-------------------|-------------------|
| <b>ODP tonnes</b>                |             |             |                   |             |                   |                   |
| Cook Islands                     | 0.00        | 0.00        | 0.00              | 0.00        | 0.00              | 0.10              |
| Kiribati                         | 0.03        | 0.02        | 0.02 <sup>a</sup> | 0.01        | 0.02              | 0.10              |
| Marshall Islands                 | 0.08        | 0.00        | 0.00              | 0.00        | 0.00              | 0.20              |
| Micronesia (Federated States of) | 0.00        | 0.04        | 0.00              | 0.00        | 0.10              | 0.20              |
| Nauru                            | 0.02        | 0.01        | 0.00              | 0.00        | 0.00              | 0.00 <sup>d</sup> |
| Niue                             | 0.00        | 0.00        | 0.00              | 0.00        | 0.00              | 0.00 <sup>d</sup> |
| Palau                            | 0.11        | 0.12        | 0.10              | 0.07        | 0.01              | 0.20 <sup>c</sup> |
| Samoa                            | 0.07        | 0.06        | 0.07              | 0.01        | 0.01              | 0.30              |
| Solomon Islands                  | 0.07        | 0.12        | 0.23              | 0.20        | 0.08              | 2.00 <sup>c</sup> |
| Tonga                            | 0.00        | 0.00        | 0.01              | 0.00        | 0.00              | 0.10 <sup>c</sup> |
| Tuvalu                           | 0.02        | 0.01        | 0.01              | 0.00        | 0.00              | 0.10              |
| Vanuatu                          | 0.02        | 0.00        | 0.01              | 0.02        | 0.01 <sup>b</sup> | 0.30 <sup>c</sup> |
| <b>Total (ODP tonnes)</b>        | <b>0.42</b> | <b>0.38</b> | <b>0.45</b>       | <b>0.31</b> | <b>0.23</b>       | <b>3.60</b>       |

<sup>a</sup> Including 0.13 mt (0.003 ODP tonnes) of HCFC-124.

<sup>b</sup> Including 0.002 mt (0.0001 ODP tonnes) of HCFC-142b and 0.003 mt (0.0001 ODP tonnes) of HCFC-124.

<sup>c</sup> HCFC consumption for 2009 was revised as per decision XXIII/29 of the Meeting of the Parties.

<sup>d</sup> Very low consumption; rounding of figures to two digits shows zero consumption.

5. The overall HCFC-22 consumption has been decreasing in all 12 PICs; five countries reported zero consumption in 2019 (in metric tonnes). The sustained decrease in HCFC consumption is attributed to the implementation of the HPMP *inter alia* enforcement of control measures including licensing and quota systems, activities in the refrigeration servicing sector and public awareness that have resulted in a lower demand for HCFCs for servicing. In addition, an increased import of non-HCFC-22-based equipment has contributed to the reduction of consumption.

#### CP implementation report

6. All the Governments of the PICs reported HCFC sector consumption data under the 2019 CP implementation report and under Article 7 of the Montreal Protocol. For most countries the CP data is consistent with the data reported under Article 7 except for Federated States of Micronesia which reported 0.06 ODP tonnes under the CP report and 0.10 ODP tonnes under Article 7 reporting. UNEP indicated that Federated States of Micronesia revised its CP data to be consistent with that submitted under Article 7.

#### Verification reports

7. Eight of the 12 PICs (the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Tuvalu and Vanuatu) required a verification of HCFC consumption for the years 2015-2019 to be submitted to the 86<sup>th</sup> meeting. The verification reports confirmed that each 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 these years for these countries (as shown in Table 1 above) was in compliance with the Montreal Protocol targets. Except for Niue, the other seven countries showed minor discrepancies in the data between Article 7 and the verification reports, attributed to rounding of figures and errors in recording very small quantities of imports. A comparison of the reported and verified data is provided in Table 2.

**Table 2. Article 7 (A7) versus verified data for countries with discrepancies (in metric tonnes)**

| HCFC-22                 | 2015 |          | 2016  |          | 2017 |          | 2018 |          | 2019 |          |
|-------------------------|------|----------|-------|----------|------|----------|------|----------|------|----------|
|                         | A7   | Verified | A7    | Verified | A7   | Verified | A7   | Verified | A7   | Verified |
| <b>Cook Islands</b>     | 0.00 | 0.00     | 0.00  | 0.00     | 0.00 | 0.19     | 0.00 | 0.00     | 0.00 | 0.00     |
| <b>Kiribati</b>         | 0.51 | 0.51     | 0.437 | 0.442    | 0.39 | 0.39     | 0.22 | 0.21     | 0.45 | 0.45     |
| <b>Marshall Islands</b> | 1.49 | 1.38     | 0.00  | 0.00     | 0.00 | 0.00     | 0.00 | 0.00     | 0.00 | 0.00     |

| HCFC-22                                 | 2015  |          | 2016  |          | 2017 |          | 2018 |          | 2019 |          |
|-----------------------------------------|-------|----------|-------|----------|------|----------|------|----------|------|----------|
|                                         | A7    | Verified | A7    | Verified | A7   | Verified | A7   | Verified | A7   | Verified |
| <b>Micronesia (Federated States of)</b> | 0.082 | 0.080    | 0.73  | 0.65     | 0.07 | 0.16     | 0.00 | 0.00     | 1.82 | 0.31     |
| <b>Nauru</b>                            | 0.30  | 0.0      | 0.15  | 0.07     | 0.00 | 0.00     | 0.00 | 0.00     | 0.00 | 0.00     |
| <b>Tuvalu</b>                           | 0.30  | 0.30     | 0.118 | 0.322    | 0.20 | 0.20     | 0.03 | 0.03     | 0.00 | 0.00     |
| <b>Vanuatu</b>                          | 0.35  | 0.35     | 0.00  | 0.00     | 0.22 | 0.18     | 0.29 | 0.04     | 0.22 | 0.48     |

8. The verification reports recommended that each of the eight countries further strengthen the monitoring of their licensing and quota systems in order to avoid errors in reporting in future. In the case of the Federated States of Micronesia, the verifier recommended to put in place a system that would distinguish between the license issued for local-flagged vessels and foreign-flagged vessels and to include close monitoring of HCFC imports for foreign-flagged vessels. UNEP has indicated that activities to take into account these recommendations will be carried out as part of the last tranche of the HPMP and during implementation of stage II.

#### Progress report on the implementation of stage I of the regional HPMP

##### *Regional component*

9. Through the regional component of stage I of the HPMP, UNEP supported the PICs to strengthen legislation, regulations and enforcement mechanisms related to control of HCFCs, with the following achievements:

- (a) Establishment of bans or controls over the import of HCFC-based equipment (as shown in Table 3 below); in the Marshall Islands, the Customs department records and tracks manually the trade of HCFC through its licensing system; consultation are being held between the NOU and the Customs department to finalize the adoption of the harmonized system (HS) codes and to implement a computerized system in close collaboration with the Oceania Customs Organisation (OCO);
- (b) The use of UNEP's informal Prior-Informed Consent (iPIC) process by all PICs to validate the import and export of controlled substances;
- (c) The application of the Pacific Harmonized Commodity Description and Coding System 2017 (PACHS17)<sup>5</sup> as of 31 January 2020 by all PICs except for the Marshall Islands, to assign specific HS codes for HCFCs and HFCs in accordance with the World Customs Organization (WCO) recommendation;
- (d) Implementation of the Pacific Appliance Labelling Standards (PALS)<sup>6</sup> by all PICs, based on policy and legislative measures prohibiting the import of refrigeration and air-conditioning (RAC) products that are non-compliant with energy efficiency rating.
- (e) Application by all PICs of the new form to improve the management of new registrations of fishing vessels (which includes information on the type of refrigerants used and cooling capacity) in close collaboration with Pacific Islands Forum Fisheries Agency (FFA);

<sup>5</sup> PACHS17 is a multipurpose goods nomenclature that forms the basis for Customs Tariffs and International Merchandise Trade Statistics, meant to assist the Oceania Customs Organisation (OCO) members who are not members of the World Customs Organization to adopt the HS codes 2017.

<sup>6</sup> <http://www.spc.int/edd/fr/section-01/energy-overview/energy/202-pacific-island-countries-commit-to-appliance-labelling-and-standards>.

- (f) Integration of certification systems for RAC technicians into the existing Technical and Vocational Education and Training (TVET) in all PICs, to certify RAC technicians that have completed training to handle ODS-based equipment; and
- (g) Through the ratification of the Kigali Amendment, the PICs are amending their national laws to include licensing systems to control the import and export of HFCs. A risk profiling system for ODS control was promoted with their customs authorities to strengthen trade control; enforcement and prosecution of violators of ODS regulations was strengthened through the amendment of legislation related to prosecution and penalties; and discussions on standard operating procedures for the handling of confiscated controlled substances were initiated.

**Table 3: Status of HCFC legislative and regulatory measures in the 12 PICs**

| PICs                                                                                                                          | Legislative measures (status)                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Licensing and quota system</b>                                                                                             |                                                                                                                                                                                                                 |
| All                                                                                                                           | Establishment and operation of the licensing and quota system for import/export of all HCFCs                                                                                                                    |
| <b>Adoption of WCO's harmonized code for HCFCs</b>                                                                            |                                                                                                                                                                                                                 |
| Cook Islands, Kiribati, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Island, Tonga, Tuvalu, and Vanuatu | Adoption of the 2017 HS codes                                                                                                                                                                                   |
| Marshall Islands                                                                                                              | No HS coding system in place, all entries are recorded manually and uploaded on excel datasheet                                                                                                                 |
| <b>Control of/ban on the import and export of HCFC-based equipment</b>                                                        |                                                                                                                                                                                                                 |
| Cook Islands, Kiribati, Federated States of Micronesia, Niue, Solomon Islands and Tuvalu                                      | In the process of putting in place a regulation to ban the import of HCFC-based equipment; the Cook Islands, Federated States of Micronesia and Niue no longer import HCFC-based equipment on a voluntary basis |
| Marshall Islands                                                                                                              | Prohibited the import of HCFC-based equipment since 2013                                                                                                                                                        |
| Nauru                                                                                                                         | Customs (Prohibited Imports) Regulations 2016 has incorporated the control of air-conditioning (AC) units (AC units that have no English labels have been banned for trade and use )                            |
| Palau                                                                                                                         | Prohibited the import of HCFC-based equipment since 1 January 2017                                                                                                                                              |
| Samoa                                                                                                                         | Import controls for HCFC-based equipment under Ozone Layer Protection Regulation (2016) and Samoa Energy Efficiency Act 2017                                                                                    |
| Tonga                                                                                                                         | Prohibited the import of HCFC-based equipment since 1 January 2016                                                                                                                                              |
| Vanuatu                                                                                                                       | Prohibited the import of HCFC-based equipment since May 2020                                                                                                                                                    |
| <b>Permit/license requirement for handling, storage and sale of HCFC</b>                                                      |                                                                                                                                                                                                                 |
| Cook Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Palau, Samoa, Solomon Islands, Tonga and Vanuatu    | Requirement in place                                                                                                                                                                                            |
| Nauru, Niue and Tuvalu                                                                                                        | In the process of putting in place a regulation to require permit/license requirement for handling, storage and sale of HCFCs                                                                                   |
| <b>Manufacturing facility</b>                                                                                                 |                                                                                                                                                                                                                 |
| All                                                                                                                           | Do not have existing facilities for manufacturing HCFC-based equipment or foam using HCFCs                                                                                                                      |
| <b>Pre-blended polyols</b>                                                                                                    |                                                                                                                                                                                                                 |
| All                                                                                                                           | Banned import of pre-blended polyols containing HCFCs                                                                                                                                                           |

*National component*

10. A total of 1,441 customs and enforcement officers have so far been trained on prevention of illegal trade of ODS and ODS-based equipment, fire and safety hazards from refrigerants, and on the use of tools for enforcement of ODS trade control developed by UNEP (e.g., customs quick tool, risk assessment for illegal trade); all 12 PICs acquired refrigerant identifiers for customs operation and training. Each PIC conducted training workshops on good servicing practices with 1,505 RAC technicians trained; a quick guide on good practices for RAC technicians (i.e., good servicing practices for flammable refrigerants) was finalised. A summary of the customs and refrigeration servicing training is summarized in Table 4.

**Table 4. Summary of training workshops for customs officers and RAC technicians**

| PIC                              | Customs training |              | Refrigeration training |              |
|----------------------------------|------------------|--------------|------------------------|--------------|
|                                  | Workshops        | Participants | Workshops              | Participants |
| Cook Islands                     | 5                | 69           | 6                      | 91           |
| Kiribati                         | 6                | 100          | 6                      | 177          |
| Marshall Islands                 | 4                | 51           | 4                      | 60           |
| Micronesia (Federated States of) | 8                | 150          | 7                      | 129          |
| Nauru                            | 4                | 49           | 5                      | 60           |
| Niue                             | 4                | 76           | 4                      | 77           |
| Palau                            | 4                | 38           | 2                      | 65           |
| Samoa                            | 5                | 164          | 3                      | 167          |
| Solomon Islands                  | 9                | 125          | 8                      | 251          |
| Tonga                            | 8                | 411          | 6                      | 180          |
| Tuvalu                           | 6                | 96           | 4                      | 111          |
| Vanuatu                          | 12               | 112          | 7                      | 137          |
| Total                            | 75               | 1,441        | 62                     | 1,505        |

11. RAC servicing equipment/tools (e.g., recovery machines, recovery cylinders, refrigerant recovery kits and vacuum pumps) were distributed to each PIC based on the number of technicians and the needs of each country.

12. Seven countries (Cook Islands, Kiribati, Federated States of Micronesia, Palau, Samoa, Solomon Islands and Tonga) have established their RAC associations, which have been providing technical advice to national ozone units (NOUs) and assisting with the HPMP implementation. In three other countries (Marshall Islands, Nauru and Niue), where a RAC association is not feasible due to the low number of technicians, the NOUs have been conducting visits to individual RAC companies to discuss the activities included in their HPMPs; the RAC associations in two countries (Tuvalu and Vanuatu) are no longer in operation and the NOUs are working with the RAC stakeholders to revive the associations.

13. All PICs have implemented awareness and information dissemination activities, focused on importers, distributors of refrigerants and RAC equipment, RAC technicians, customs and enforcement officers and educational institutes, as well as firefighting and energy efficiency authorities and a focal point for PALS, to increase awareness and synergize HPMP activities with their on-going activities.

#### Project implementation and monitoring unit (PMU)

14. The regional HPMP component is managed by UNEP while the NOU of each country continues to be responsible for the coordination, management, and implementation and monitoring of activities under their HPMP. These responsibilities are different from the tasks under the institutional strengthening (IS) projects, and involved collaboration with Government departments/agencies on the review and amendment of regulations including initiatives to link HPMP activities with those related to maximizing climate co-benefits, preparation of reports related to the HPMP, coordination with Customs department, RAC association where available, technicians and other stakeholders, and awareness raising. The cumulative total funding allocated for project monitoring to each country from the second tranche was US \$107,200 out of which US \$72,323 was disbursed for experts, travel between islands, communication and outreach, and consultation meetings.

Status of disbursements

15. As of July 2020, of the total funds of US \$1,696,000 approved, US \$1,284,602 had been disbursed as shown in Table 5. The balance of US \$411,398 will be disbursed in 2020 and 2021. UNEP confirmed that the first advance for the third and final tranche (11 per cent) was released to the PICs in September 2020.

**Table 5. Financial report of stage I of the HPMP for the PICs (US \$)**

| Countries                        | First tranche  |                | Second tranche |                | Third tranche  |           | Total            |                  |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|-----------|------------------|------------------|
|                                  | Approved       | Disbursed      | Approved       | Disbursed      | Approved       | Disbursed | Approved         | Disbursed        |
| Cook Islands                     | 49,250         | 49,250         | 39,850         | 15,500         | 9,900          | 0         | 99,000           | 64,750           |
| Kiribati                         | 53,250         | 53,250         | 44,850         | 24,249         | 10,900         | 0         | 109,000          | 77,499           |
| Marshall Islands                 | 54,000         | 54,000         | 47,700         | 23,317         | 11,300         | 0         | 113,000          | 77,317           |
| Micronesia (Federated States of) | 53,875         | 53,875         | 46,925         | 25,353         | 11,200         | 0         | 112,000          | 79,228           |
| Nauru                            | 45,625         | 45,625         | 20,975         | 4,220          | 7,400          | 0         | 74,000           | 49,845           |
| Niue                             | 45,625         | 45,625         | 20,075         | 11,630         | 7,300          | 0         | 73,000           | 57,255           |
| Palau                            | 62,375         | 62,375         | 45,625         | 40,625         | 12,000         | 0         | 120,000          | 103,000          |
| Samoa                            | 76,250         | 76,250         | 57,400         | 52,000         | 14,850         | 0         | 148,500          | 128,250          |
| Solomon Islands                  | 110,250        | 110,250        | 65,250         | 35,322         | 19,500         | 0         | 195,000          | 145,572          |
| Tonga                            | 64,750         | 64,750         | 49,550         | 30,087         | 12,700         | 0         | 127,000          | 94,837           |
| Tuvalu                           | 47,875         | 47,875         | 34,925         | 18,831         | 9,200          | 0         | 92,000           | 66,706           |
| Vanuatu                          | 76,250         | 76,250         | 57,400         | 24,093         | 14,850         | 0         | 148,500          | 100,343          |
| <b>Sub-total</b>                 | <b>739,375</b> | <b>739,375</b> | <b>530,525</b> | <b>305,227</b> | <b>141,100</b> | <b>0</b>  | <b>1,411,00</b>  | <b>1,044,602</b> |
| Regional                         | 134,000        | 134,000        | 106,000        | 106,000        | 45,000         | 0         | 285,000          | 240,000          |
| <b>Total</b>                     | <b>873,375</b> | <b>873,375</b> | <b>636,525</b> | <b>411,227</b> | <b>186,100</b> | <b>0</b>  | <b>1,696,000</b> | <b>1,284,602</b> |
| <b>Disbursement rate (%)</b>     | <b>100</b>     |                | <b>65</b>      |                | <b>0</b>       |           | <b>76</b>        |                  |

**Stage II of the HPMP**Remaining consumption eligible for funding

16. After deducting 1.17 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding for complete phase-out amounts to 2.17 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

17. There are 511 technicians and 179 workshops servicing mini-split units, portable and window AC systems, commercial cold stores and chillers as shown in Table 6.

**Table 6. Number of RAC technicians and workshops per country**

| Country                          | Technicians | Servicing workshops |
|----------------------------------|-------------|---------------------|
| Cook Islands                     | 42          | 18                  |
| Kiribati                         | 37          | 17                  |
| Marshall Islands                 | 2           | 2                   |
| Micronesia (Federated States of) | 57          | 7                   |
| Nauru                            | 14          | 6                   |
| Niue                             | 1           | 1                   |
| Palau                            | 57          | 46                  |
| Samoa                            | 82          | 20                  |
| Solomon Islands                  | 110         | 20                  |

| Country      | Technicians | Servicing workshops |
|--------------|-------------|---------------------|
| Tonga        | 35          | 19                  |
| Tuvalu       | 20          | 6                   |
| Vanuatu      | 54          | 17                  |
| <b>Total</b> | <b>511</b>  | <b>179</b>          |

18. Table 7 shows the inventory of HCFC-based equipment installed in the 12 PICs.

**Table 7. Sectoral distribution of HCFC-22 in the 12 PICs in 2019**

| Sector/Applications         | Equipment inventory | Average charge (kg) | Leakage rate (%) | Consumption (mt) |
|-----------------------------|---------------------|---------------------|------------------|------------------|
| Room AC (unitary and split) | 16,774              | 1.00                | 12.3             | 2.065            |
| Commercial refrigeration    | 168                 | 1.50                | 11.1             | 0.028            |
| Cold storage                | 46                  | 30.00               | 30.4             | 0.419            |
| <b>Total</b>                | <b>16,988</b>       | <b>n/a</b>          | <b>n/a</b>       | <b>2.512*</b>    |

\* Based on a bottom-up approach in national surveys while Article 7 data was based on actual import figures from Customs and the NOUs. The difference could be considered as stockpiles in the countries concerned.

#### Phase-out strategy in stage II of the HPMP

19. Stage II of the HPMP will build upon the experience gained during the implementation of stage I and enable the 12 PICs to completely phase out HCFC consumption by 1 January 2030, with the understanding that consumption between 2030 and 2040 (i.e., the servicing tail) may exceed zero in any year as long as the average calculated level of consumption over the ten-year period from 1 January 2030 to 1 January 2040 does not exceed 2.5 per cent of the country baseline consumption, in line with the Montreal Protocol.<sup>7</sup>

20. The overarching strategic approach in stage II is designed to address those countries that still have HCFC consumption post-2020, and to sustain the phase-out of HCFCs in those countries that have achieved complete phase-out, and includes the following six components: institutional capacity and legislation; customs entry and training; RAC technician training and certification; management of the fisheries sector; communications and awareness raising; and implementation, coordination and monitoring.

21. Stage II of the HPMP will also raise high-level political awareness of the importance of HCFC phase-out at a ministerial level through regional meetings, and will support regulations that encourage the use of ODS-free and climate-friendly technologies in the PICs.

#### Proposed activities in stage II of the HPMP

22. The overarching strategies will be implemented through regional and national activities, with specific national activities identified per country, as summarized in Table 8. The regional activities will be led by UNEP as lead implementing agency, and the Government of Australia as cooperating bilateral agency, which will focus on developing approaches and tools to facilitate the implementation of national activities.

<sup>7</sup> 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.

**Table 8. Main activities under stage II of the HPMP for the PICs**

| <b>Strategic component</b>             | <b>Regional activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>National activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Institutional capacity and legislation | Eight annual thematic workshops <sup>8</sup> back to back with PIC-network meetings on institutional capacity and legislation to identify, review and update on emerging issues, and discuss concrete actions to support PICs in implementation of their HPMP<br><b>(UNEP) (US \$680,000)</b>                                                                                                                                                                                                                                                                  | Legislate and/or update regulations to facilitate the establishment of a ban on the import of all HCFC-based equipment including HCFCs sold in canisters, with priority activities (Kiribati, Federated States of Micronesia, Nauru, Samoa, Solomon Islands and Tuvalu); and develop a mandatory labelling requirement for HCFC cylinders (Kiribati, Federated States of Micronesia, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu)<br><b>(UNEP) (US \$146,000)</b>                                                         |
| Customs entry and training             | Two three-day train-the-trainer workshops from all 12 PICs (one in 2021 and one in 2026); develop presentation materials and a simplified training manual to be used in the delivery of national training programmes<br><b>(UNEP) (US \$160,000)</b>                                                                                                                                                                                                                                                                                                           | Continue training for customs and enforcement officers for all 12 PICs on regulatory measures on control of HCFCs and HCFC-based equipment import at entry points, data collection and reporting requirements and the use of appropriate tools and equipment; develop and implement specific training for customs brokers/importers of HCFCs, other refrigerants and RAC equipment every two years; purchase and distribute 47 refrigerant identifiers based on the number of entry points in each PIC<br><b>(UNEP) (US \$575,000)</b> |
| RAC training and certification         | Support the RAC industry associations through RAC experts from Australia; strengthen the capacity of RAC training centres through upgrading of training courses to include good servicing practice using best practice examples or case studies in the Pacific region; develop a basic certification process; two training workshops in good servicing practices for master trainers who will in turn coordinate and manage national trainings; study tour to Australia to learn from RAC experts on servicing strategies<br><b>(Australia) (US \$510,000)</b> | Provide training tools to RAC training centres and conduct training workshops in good servicing practices for RAC technicians (Cook Islands, Kiribati, Federated States of Micronesia, Palau, Samoa, Solomon Islands, Tonga and Vanuatu); overseas training of RAC technicians in good servicing practices for countries with very few technicians (Marshall Islands, Nauru, Niue, Tuvalu); consultations to develop and establish a national certification programme for RAC technicians<br><b>(UNEP) (US \$1,397,950)</b>            |
| Communications and awareness           | Develop communication strategies and material to be used by each PIC; biennial technology and servicing roadshows to be coordinated with regional events<br><b>(UNEP) (US \$75,000)</b>                                                                                                                                                                                                                                                                                                                                                                        | Annual media campaigns targeting importers, service workshops, technicians, and end-users; and translate materials into local languages, specifically to support the implementation of stage II<br><b>(UNEP) (US \$420,000)</b>                                                                                                                                                                                                                                                                                                        |

<sup>8</sup> Initial thematic areas include *inter alia* the integrated approach to strengthening monitoring, reporting, verification and enforcement (MRVE) system; how to enforce bans of HCFC-based equipment; permitting/licensing systems for handling refrigerants for RAC technicians; collaboration with Customs departments through memorandum of understanding and standard operating procedures; preparation for the adoption of a HS code through the Pacific Harmonized Commodity Description and Coding System 2022 (PACHS22).

| Strategic component                | Regional activities                                                                                                                                                                                                                                         | National activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management of the fisheries sector | Surveys to assess policy and technical options to replace HCFC-22 technologies for the fisheries sector; consultation workshop to discuss policy and technical options for the fisheries sector with relevant stakeholders<br><b>(UNEP) (US \$105, 000)</b> | Assist Solomon Islands and Vanuatu to consider options to replace land-based HCFC-22 cold storage rooms for fish processing plants to climate-friendly technology and to provide training on good practices for industrial refrigeration system for technicians involved in the maintenance of fisheries-based cold storage rooms; identify specific activities for PICs requiring assistance in this sector (Kiribati, Marshall Islands, Federated States of Micronesia and Tuvalu)<br><b>(UNEP) (US \$80,000)</b> |

### *Project implementation and monitoring*

23. The system established under stage I will continue into stage II, where the regional HPMP component is managed by UNEP while the NOU of each country continues to be responsible for the coordination, implementation and monitoring of national activities. The cost of those activities amounts to US \$920,000 which will be used for domestic travel to support implementation for 10 of the PICs, except for Nauru and Niue, for stage II.

### *Gender policy implementation<sup>9</sup>*

24. The Governments of the PICs have committed that during the implementation of stage II of the HPMP gender mainstreaming and equity will be considered to encourage full engagement of women in various steps such as planning, policy and decision-making, advising, monitoring and evaluation. Each of the PICs will also collect gender-disaggregated data, where possible, and report on these achievements under the HPMP.

### Total cost of stage II of the HPMP

25. The total cost of stage II of the HPMP for the PICs has been estimated at US \$5,068,950 (plus agency support costs), as originally submitted for achieving 67.5 per cent reduction from its HCFC baseline consumption by 2025 and 100 per cent reduction by 2030. The total cost consists of the regional activities for all PICs and specific activities for each PIC (estimated according to standard costs based on consumption, number of technicians and customs officers to be trained). A breakdown of the proposed budget by PIC is provided in Table 9.

**Table 9. Total cost of stage II of the HPMP for the PICs as submitted (US\$)**

| Country                          | Institutional capacity and legislation | Customs training | RAC training and certification | Communications and awareness | Fisheries sector | Implementation and monitoring | Total   |
|----------------------------------|----------------------------------------|------------------|--------------------------------|------------------------------|------------------|-------------------------------|---------|
| <b>National activities</b>       |                                        |                  |                                |                              |                  |                               |         |
| Cook Islands                     | 0                                      | 45,000           | 125,300                        | 35,000                       | 0                | 80,000                        | 285,300 |
| Kiribati                         | 20,000                                 | 45,000           | 127,850                        | 35,000                       | 0                | 160,000                       | 387,850 |
| Marshall Islands                 | 0                                      | 45,000           | 26,900                         | 35,000                       | 0                | 80,000                        | 186,900 |
| Micronesia (Federated States of) | 20,000                                 | 75,000           | 133,350                        | 35,000                       | 0                | 160,000                       | 423,350 |
| Nauru                            | 7,000                                  | 25,000           | 40,700                         | 35,000                       | 0                | 0                             | 107,700 |

<sup>9</sup> Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

| Country                    | Institutional capacity and legislation | Customs training | RAC training and certification | Communications and awareness | Fisheries sector | Implementation and monitoring | Total            |
|----------------------------|----------------------------------------|------------------|--------------------------------|------------------------------|------------------|-------------------------------|------------------|
| Niue                       | 0                                      | 25,000           | 23,450                         | 35,000                       | 0                | 0                             | 83,450           |
| Palau                      | 13,000                                 | 35,000           | 221,900                        | 35,000                       | 0                | 20,000                        | 324,900          |
| Samoa                      | 20,000                                 | 45,000           | 154,200                        | 35,000                       | 0                | 80,000                        | 334,200          |
| Solomon Islands            | 20,000                                 | 85,000           | 197,000                        | 35,000                       | 40,000           | 120,000                       | 497,000          |
| Tonga                      | 13,000                                 | 75,000           | 138,750                        | 35,000                       | 0                | 80,000                        | 341,750          |
| Tuvalu                     | 20,000                                 | 25,000           | 40,700                         | 35,000                       | 0                | 20,000                        | 140,700          |
| Vanuatu                    | 13,000                                 | 50,000           | 167,850                        | 35,000                       | 40,000           | 120,000                       | 425,850          |
| <b>Sub-total</b>           | <b>146,000</b>                         | <b>575,000</b>   | <b>1,397,950</b>               | <b>420,000</b>               | <b>80,000</b>    | <b>920,000</b>                | <b>3,538,950</b> |
| <b>Regional activities</b> | <b>680,000</b>                         | <b>160,000</b>   | <b>510,000</b>                 | <b>105,000</b>               | <b>75,000</b>    | <b>0</b>                      | <b>1,530,000</b> |
| <b>Total</b>               | <b>826,000</b>                         | <b>735,000</b>   | <b>1,907,950</b>               | <b>525,000</b>               | <b>155,000</b>   | <b>920,000</b>                | <b>5,068,950</b> |
| <b>UNEP</b>                | <b>826,000</b>                         | <b>735,000</b>   | <b>1,397,950</b>               | <b>525,000</b>               | <b>155,000</b>   | <b>920,000</b>                | <b>4,558,950</b> |
| <b>Australia</b>           | <b>0</b>                               | <b>0</b>         | <b>510,000</b>                 | <b>0</b>                     | <b>0</b>         | <b>0</b>                      | <b>510,000</b>   |

#### Activities planned for the first tranche of stage II

26. The first funding tranche of stage II of the HPMP at the total amount of US \$3,004,950 (plus agency support costs), will be implemented between December 2020 and December 2025, and will include the activities listed in Table 10.

**Table 10. Activities to be implemented during the first tranche of stage II of the HPMP for the PICs**

| Strategic component                    | Regional activities                                                                                                                                                                                                                                                                                                                                                                                                                        | National activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Institutional capacity and legislation | Annual thematic workshops on institutional capacity and legislation (UNEP) (US \$255,000)                                                                                                                                                                                                                                                                                                                                                  | Two consultation workshops, and review and draft regulation related to banning HCFC-based equipment (Kiribati, Federated States of Micronesia, Nauru, Samoa, Solomon Islands, Tuvalu); consultations on mandatory labelling of HCFC refrigerant cylinders (Kiribati, Federated States of Micronesia, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu); development and production of stickers for refrigerant containers (UNEP) (US \$90,000)                                                                                                                                                                        |
| Customs entry and training             | One train-the-trainer workshop to refresh knowledge on the Montreal Protocol, enforcement of national policies and to provide update on emerging issues to the national trainers; and development of presentation materials and simplified training manual (UNEP) (US \$90,000)                                                                                                                                                            | Acquisition of refrigerant identifiers, and organization of workshops for customs brokers/importers on government policy and regulation related to licensing and quota system, proper use of HS codes during the customs clearance process, mandatory reporting of actual import to NOU, mandatory labelling requirement, and OCO PACHS22 that will be adopted by the PICs during implementation of stage II (UNEP) (US \$377,000)                                                                                                                                                                                         |
| RAC training and certification         | One thematic workshop for national ozone officers (NOOs) and RAC associations on the benefits of a RAC association and strengthening networking between NOO and the RAC association; upgrading of RAC training curriculum to include good practices; development of a basic certification scheme; development of presentation materials and simplified training manual; one regional master train-the-trainer workshop; regional expert to | Acquisition of training equipment and refrigerant identifiers for training centres and RAC technician training on good servicing practices and HCFC alternatives (Cook Islands, Kiribati, Federated States of Micronesia, Palau, Samoa, Solomon Islands, Tonga, Vanuatu); consultation workshops with stakeholders on upgrading training courses (Federated States of Micronesia, Samoa, Solomon Islands, Tonga, Vanuatu); overseas training of RAC technicians and expert-trainer visits (Marshall Islands, Nauru, Niue and Tuvalu); acquisition of RAC servicing tools; consultation on certification of RAC technicians |

| Strategic component                   | Regional activities                                                                                                                                                                                                                          | National activities                                                                                                                                                                                                       |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | mentor the trainers in eight countries; one thematic networking workshop for NOOs, RAC master trainers and TVET authorities on the integration of good servicing practices into the national certification scheme (Australia) (US \$375,000) | (Federated States of Micronesia, Samoa, Solomon Islands, Tonga, and Vanuatu) (UNEP) (US \$1,116,950)                                                                                                                      |
| Communications and awareness          | Development of communications and awareness materials for stage II of the HPMP; technology and servicing displays at regional events (UNEP) (US \$45,000)                                                                                    | Annual media campaign that will target all stakeholders including importers, service workshops, technicians, and end-users; adoption and production of materials and translation to local languages (UNEP) (US \$168,000) |
| Management of the fisheries sector    | Assessment of policy and technical options for management of HCFC-22 in the fisheries sector for PICs; one regional consultation to identify specific activities in managing HCFC-22 for the fisheries sector (UNEP) (US \$105,000)          | Training on good practices for industrial refrigeration system (Solomon Islands and Vanuatu) (UNEP) (US \$15,000)                                                                                                         |
| Project implementation and monitoring |                                                                                                                                                                                                                                              | Travel to support implementation and monitoring (10 PICs, excluding Nauru and Niue) (UNEP) (US \$368,000)                                                                                                                 |

27. The total cost for each PIC and for the regional programme is summarized in Table 11.

**Table 11. Total cost of the first tranche for each PIC and for the regional programme, as submitted (US \$)**

| Country                    | Institutional capacity and legislation | Customs training | RAC training and certification | Communications and awareness | Fisheries sector | Implementation and monitoring | Total            |
|----------------------------|----------------------------------------|------------------|--------------------------------|------------------------------|------------------|-------------------------------|------------------|
| <b>National activities</b> |                                        |                  |                                |                              |                  |                               |                  |
| Cook Islands               | 0                                      | 30,000           | 107,300                        | 14,000                       | 0                | 32,000                        | 183,300          |
| Kiribati                   | 13,000                                 | 30,000           | 106,850                        | 14,000                       | 0                | 64,000                        | 227,850          |
| Marshall Islands           | 0                                      | 30,000           | 16,900                         | 14,000                       | 0                | 32,000                        | 92,900           |
| Micronesia                 | 13,000                                 | 48,000           | 89,350                         | 14,000                       | 0                | 64,000                        | 228,350          |
| Nauru                      | 7,000                                  | 16,000           | 30,700                         | 14,000                       | 0                | 0                             | 67,700           |
| Niue                       | 0                                      | 16,000           | 13,450                         | 14,000                       | 0                | 0                             | 43,450           |
| Palau                      | 6,000                                  | 20,000           | 203,900                        | 14,000                       | 0                | 8,000                         | 251,900          |
| Samoa                      | 13,000                                 | 30,000           | 125,200                        | 14,000                       | 0                | 32,000                        | 214,200          |
| Solomon Islands            | 13,000                                 | 58,000           | 153,000                        | 14,000                       | 7,500            | 48,000                        | 293,500          |
| Tonga                      | 6,000                                  | 48,000           | 115,750                        | 14,000                       | 0                | 32,000                        | 215,750          |
| Tuvalu                     | 13,000                                 | 16,000           | 30,700                         | 14,000                       | 0                | 8,000                         | 81,700           |
| Vanuatu                    | 6,000                                  | 35,000           | 123,850                        | 14,000                       | 7,500            | 48,000                        | 234,350          |
| <b>Sub-total</b>           | <b>90,000</b>                          | <b>377,000</b>   | <b>1,116,950</b>               | <b>168,000</b>               | <b>15,000</b>    | <b>368,000</b>                | <b>2,134,950</b> |
| <b>Regional</b>            | <b>255,000</b>                         | <b>90,000</b>    | <b>375,000</b>                 | <b>45,000</b>                | <b>105,000</b>   | <b>0</b>                      | <b>870,000</b>   |
| <b>Total</b>               | <b>345,000</b>                         | <b>467,000</b>   | <b>1,491,950</b>               | <b>213,000</b>               | <b>120,000</b>   | <b>368,000</b>                | <b>3,004,950</b> |
| <b>UNEP</b>                | <b>345,000</b>                         | <b>467,000</b>   | <b>1,116,950</b>               | <b>213,000</b>               | <b>120,000</b>   | <b>368,000</b>                | <b>2,629,950</b> |
| <b>Australia</b>           | <b>0</b>                               | <b>0</b>         | <b>375,000</b>                 | <b>0</b>                     | <b>0</b>         | <b>0</b>                      | <b>375,000</b>   |

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

28. 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.

#### Regulations to support HCFC phase-out

29. At the 85<sup>th</sup> meeting, during the review of the last tranche for stage I, UNEP had indicated that the outstanding permitting/licensing systems for the handling of HCFCs in the Marshall Islands, Nauru, Niue, and Tuvalu will be in place by the fourth quarter of 2020; an update from UNEP has indicated that the systems will be in place by the end of the year, except for delays that could be imposed by the COVID-19 pandemic.

#### Issues related to HCFC consumption

30. The Secretariat noted discrepancies in the data reported under Article 7 of the Protocol, CP data report, and the verification reports of some of the PICs. While the PICs are in compliance with the control measures of the Montreal Protocol, a concern was raised at the need to strictly monitor consumption to avoid these inconsistencies. UNEP indicated that all PICs have an enforceable and operational licensing and quota system; however, the discrepancies are difficult to avoid because of the very small levels of HCFC consumption. Through the institutional and regulatory component included in stage II, the reporting and monitoring systems in place will be further strengthened. UNEP also confirmed that the PICs with data discrepancies have initiated actions to revise both their Article 7 and CP data.

#### Technical issues

31. Given that for most PICs, HCFC consumption is already 95 per cent below their baselines, and that the number of RAC equipment in operation using HCFCs is relatively low, the Secretariat queried whether an integrated approach had been considered to phase out the remaining HCFCs and initiate activities for HFC phase-down. In responding, UNEP categorically stated that the PICs, while cognizant of the need to take both group of substances into account during implementation, stage II will only address the phase-out of HCFCs. However, it was also acknowledged that the different components under stage II are expected to continue strengthening the existing infrastructure for the implementation of HFC phase-down activities in the future; furthermore, the PICs will apply good servicing practices to all RAC equipment irrespective of their operating refrigerant, and that any updates to legislation or regulation related to HCFCs will backstop criteria for HFC-based equipment, potentially supporting the uptake of low-GWP alternatives.

32. UNEP further mentioned that the PIC countries have agreed to use their actual 2019 consumption of HCFCs even if it is lower than the Montreal Protocol control targets, as the basis for their future years' maximum allowable consumption in their Agreement (from 2021) to ensure that no new HCFC consumption above that recorded in 2019 will be allowed into the countries. This will ensure the sustainable phase-out of HCFCs in the country.

33. Regarding the proposed activities to build the capacity of importers/customs brokers, UNEP explained that the PICs identified this gap during the implementation of stage I. Building the capacity of these stakeholders, especially customs brokers, is important as they are the link between the importers and the customs officers, and will ensure accuracy in the use of HS codes and minimize errors during the customs clearance process.

34. UNEP and the Secretariat discussed a number of issues related to the implementation of regional and national activities, ensuring that there would not be overlaps between them. UNEP explained that during project preparation, consultations were held with stakeholders of the PICs, where it was agreed that activities would not overlap with those that had already been funded; As Australia is an economic partner to many PICs, citizens from these countries study technical and engineering courses related to the RAC sector in Australia. Thus, the technical support that will be provided by the Government of Australia (as bilateral cooperating agency) will ensure a more effective and sustainable implementation of the proposed activities.

#### Cost of stage II of the HPMP

35. UNEP explained that the activities (and their associated costs) at the regional and the country levels included in stage II were carefully considered following the experiences in stage I. Close consultations were held between the PICs, UNEP, and the Government of Australia to discuss the best way to reflect the actual costs of implementing activities in very small countries where their geographic location and scattered nature were important elements to consider. One main challenge during stage I implementation, was the insufficient funding that was allocated to travel and training across and within each PIC.

36. The Secretariat also noted that the total funds requested for stage II of the HPMP for the PICs (i.e., US \$5,068,950 as originally submitted) are within the funding eligibility under decision 74/50(c)(xii) (i.e., US \$5,516,500 remaining after deducting what had been approved in stage I) to assist these countries to achieve both the 67.5 per cent and 100 per cent phase-out targets. Nevertheless, the Secretariat proposed opportunities for cost consolidation for some activities, which UNEP took into account, resulting in a total agreed cost at US \$4,788,400, plus agency support costs of US \$616,592. The agreed distribution of funds for stage II by country and by tranche are shown in Table 12.

**Table 12: Original and revised tranche distribution for stage II of the HPMP for the PICs (US \$)**

| Components                       | 2020      |                  | 2025      |                  | 2030      |                | Total     |                  |
|----------------------------------|-----------|------------------|-----------|------------------|-----------|----------------|-----------|------------------|
|                                  | Submitted | Revised          | Submitted | Revised          | Submitted | Revised        | Submitted | Revised          |
| <b>Regional</b>                  |           |                  |           |                  |           |                |           |                  |
| UNEP                             | 495,000   | <b>280,000</b>   | 435,000   | <b>430,000</b>   | 88,000    | <b>75,000</b>  | 1,020,000 | <b>785,000</b>   |
| Australia                        | 375,000   | <b>375,000</b>   | 135,000   | <b>135,000</b>   | 0         | <b>0</b>       | 510,000   | <b>510,000</b>   |
| <b>Total</b>                     | 870,000   | <b>655,000</b>   | 570,000   | <b>565,000</b>   | 88,000    | <b>75,000</b>  | 1,530,000 | <b>1,295,000</b> |
| <b>National</b>                  |           |                  |           |                  |           |                |           |                  |
| Cook Islands                     | 183,300   | <b>165,050</b>   | 86,750    | <b>105,000</b>   | 15,250    | <b>15,250</b>  | 285,300   | <b>285,300</b>   |
| Kiribati                         | 227,850   | <b>201,600</b>   | 134,750   | <b>161,000</b>   | 25,250    | <b>25,250</b>  | 387,850   | <b>387,850</b>   |
| Marshall Islands (the)           | 92,900    | <b>74,200</b>    | 81,750    | <b>97,000</b>    | 12,250    | <b>12,250</b>  | 186,900   | <b>183,450</b>   |
| Micronesia (Federated States of) | 228,350   | <b>202,100</b>   | 161,750   | <b>188,000</b>   | 33,250    | <b>33,250</b>  | 423,350   | <b>423,350</b>   |
| Nauru                            | 67,700    | <b>65,450</b>    | 35,750    | <b>47,000</b>    | 4,250     | <b>5,250</b>   | 107,700   | <b>117,700</b>   |
| Niue                             | 43,450    | <b>41,200</b>    | 35,750    | <b>47,000</b>    | 4,250     | <b>5,250</b>   | 83,450    | <b>93,450</b>    |
| Palau                            | 251,900   | <b>183,000</b>   | 59,750    | <b>70,000</b>    | 13,250    | <b>13,250</b>  | 324,900   | <b>266,250</b>   |
| Samoa                            | 214,200   | <b>195,950</b>   | 99,750    | <b>118,000</b>   | 20,250    | <b>20,250</b>  | 334,200   | <b>334,200</b>   |
| Solomon Islands                  | 293,500   | <b>271,250</b>   | 174,250   | <b>196,500</b>   | 29,250    | <b>29,250</b>  | 497,000   | <b>497,000</b>   |
| Tonga                            | 215,750   | <b>197,050</b>   | 103,750   | <b>119,000</b>   | 22,250    | <b>22,250</b>  | 341,750   | <b>338,300</b>   |
| Tuvalu                           | 81,700    | <b>76,450</b>    | 48,750    | <b>54,000</b>    | 10,250    | <b>10,250</b>  | 140,700   | <b>140,700</b>   |
| Vanuatu                          | 234,350   | <b>212,100</b>   | 164,250   | <b>186,500</b>   | 27,250    | <b>27,250</b>  | 425,850   | <b>425,850</b>   |
| <b>Total</b>                     | 2,134,950 | <b>1,885,400</b> | 1,187,000 | <b>1,389,000</b> | 217,000   | <b>219,000</b> | 3,538,950 | <b>3,493,400</b> |

| Components         | 2020      |                  | 2025      |                  | 2030      |                | Total     |                  |
|--------------------|-----------|------------------|-----------|------------------|-----------|----------------|-----------|------------------|
|                    | Submitted | Revised          | Submitted | Revised          | Submitted | Revised        | Submitted | Revised          |
| <b>Grand total</b> | 3,004,950 | <b>2,540,400</b> | 1,575,000 | <b>1,954,000</b> | 307,000   | <b>294,000</b> | 5,068,950 | <b>4,788,400</b> |

#### Activities planned for the first tranche

37. Following the revision of the tranche distribution, the funding for the first tranche of stage II was adjusted to US \$2,540,400 as shown in Table 13 below.

**Table 13: Original and revised costs per activity for the first tranche for the PICs (US \$)**

| Strategic components                   | Regional       |                | National         |                  | Total            |                  |
|----------------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|
|                                        | Submitted      | Revised        | Submitted        | Revised          | Submitted        | Revised          |
| Institutional capacity and legislation | 255,000        | 140,000        | 90,000           | 90,000           | 345,000          | 230,000          |
| Customs entry and training             | 90,000         | 80,000         | 377,000          | 359,000          | 467,000          | 439,000          |
| RAC training and certification         | 375,000        | 375,000        | 1,116,950        | 1,030,400        | 1,491,950        | 1,405,400        |
| Communications and awareness           | 45,000         | 40,000         | 168,000          | 105,000          | 213,000          | 145,000          |
| Management of the fisheries sector     | 105,000        | 20,000         | 15,000           | 15,000           | 120,000          | 35,000           |
| Project implementation and monitoring  | n/a            | n/a            | 368,000          | 286,000          | 368,000          | 286,000          |
| <b>Total</b>                           | <b>870,000</b> | <b>655,000</b> | <b>2,134,950</b> | <b>1,885,400</b> | <b>3,004,950</b> | <b>2,540,400</b> |
| <b>UNEP</b>                            | <b>495,000</b> | <b>280,000</b> | <b>2,134,950</b> | <b>1,885,400</b> | <b>2,629,950</b> | <b>2,165,400</b> |
| <b>Australia</b>                       | <b>375,000</b> | <b>375,000</b> | <b>0</b>         | <b>0</b>         | <b>375,000</b>   | <b>375,000</b>   |

#### Impact of the COVID-19 pandemic on HPMP implementation

38. As of August 2020, although the PICs were still under a state of emergency, public gatherings were allowed with social distancing as per the Government procedures specific to each country. Activities to be implemented under the last tranche of stage I (e.g., training of customs and enforcement officers and technicians, meetings with stakeholders, and awareness and outreach activities) will be conducted by each PIC, mainly in the capital cities to reduce travel. The funding for the implementation of stage II of the HPMP would contribute to the post-COVID-19 economic recovery in the PICs by providing continued training to technicians so they can continue their livelihood, and would ensure that mislabelled/contaminated refrigerants are not sold, which causes problem for consumers in the repair/replacement of their RAC equipment. The activities would also prevent illegal trade of controlled substances and support the collection of Government revenue (e.g., import duty, value added tax); the provision of RAC servicing tools for servicing workshops and the increased capabilities of RAC technicians will allow them to operate their businesses, and the promotion of alternative technology will support market transformation.

#### Impact on the climate

39. The proposed activities in the servicing sector, which includes better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in savings of approximately 1.8 CO<sub>2</sub>-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by the PICs, including efforts to promote low-GWP alternatives, the optimization of performance of RAC equipment through good servicing practices and the selection of energy efficient technologies indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

## Co-financing

40. There are a number of initiatives in the PICs that are funded from sources outside the Multilateral Fund and contribute to the objective of phasing out HCFCs and promoting sustainable cooling. These may be considered as co-financing to support the implementation of stage II such as:

- (a) Established infrastructure of the Minimum Energy Performance Standards (MEPS) under the PALS to promote energy efficient equipment to support HCFC phase-out in the RAC sector;
- (b) On-going project funded under the Kigali Cooling Efficiency Programme (K-CEP) in Solomon Islands and Vanuatu and under the European Union Pacific technical and vocational education and training on sustainable energy and climate change adaptation project (EU-PacTVET) in Solomon Islands;
- (c) On-going collaboration between the PICs and Oceania Customs Organization (OCO) to enhance the operation of the customs to strengthen monitoring and enforcement of licensing system and to accurately maintain statistics of HCFC trade;
- (d) Regional forums such as meetings on trade and environment to obtain attention from high-level government officials to consider the Montreal Protocol and the Kigali Amendment in regional trade.

41. In-kind contribution provided from the Governments of the PICs during stage I of the HPMP is expected to continue in stage II including contributions from other Government agencies involved in policy and legislation, enforcement and the National Steering Committee. The Governments of the PICs have provided office space and other support services as well as salaries of officers supervising the NOOs.

## 2020-2022 draft business plan of the Multilateral Fund

42. UNEP and the Government of Australia are requesting US \$4,788,400, plus agency support costs of US \$616,592 for the implementation of stage II of the HPMP for the PICs. The total requested value of US \$2,868,472 including agency support costs for the period of 2020–2022, is US \$601,014 above the amount in the business plan.

## Draft Agreement

43. A draft Agreement between the Governments of the PICs 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

44. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for the Pacific Island Countries (PICs) for the period from 2020 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$5,404,992, consisting of US \$4,278,400, plus agency support costs of US \$550,492 for UNEP, and US \$510,000, plus agency support costs of US \$66,100 for the Government of Australia, on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of HCFCs;
- (b) Noting the commitment of each of the Governments of the 12 PICs 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;

- (c) Deducting 2.17 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) Approving the draft Agreement between the Government of the PICs 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
- (e) Approving the first tranche of stage II of the HPMP for the PICs, and the corresponding tranche implementation plans, in the amount of US \$2,868,472, consisting of US \$2,165,400, plus agency support costs of US \$279,469 for UNEP, and US \$375,000, plus agency support costs of US \$48,603 for the Government of Australia.

## **Annex I**

### **DRAFT AGREEMENT BETWEEN THE GOVERNMENTS OF THE PACIFIC ISLAND COUNTRIES (THE COOK ISLANDS, KIRIBATI, THE MARSHALL ISLANDS, THE FEDERATED STATES OF MICRONESIA, NAURU, NIUE, PALAU, SAMOA, SOLOMON ISLANDS, TONGA, TUVALU, VANUATU) 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 Governments of the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu (each of them will be referred as 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 row 4.1.3 (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;

- (c) The Country agrees, in cases where HFC technologies have been chosen as an alternative to HCFCs, and taking into account national circumstances related to health and safety: to monitor the availability of substitutes and alternatives that further minimize impacts on the climate; to consider, in the review of regulations standards and incentives adequate provisions that encourage introduction of such alternatives; and to consider the potential for adoption of cost-effective alternatives that minimize the climate impact in the implementation of the HPMP, as appropriate, and inform the Executive Committee on the progress accordingly in tranche implementation reports; and
- (d) 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. United Nations Environment Programme (UNEP) has agreed to be the lead implementing agency (the “Lead IA”) and the Government of Australia has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of 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 and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall co-ordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

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

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding

Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

### **Date of completion**

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

### **Validity**

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

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

## **APPENDICES**

### **APPENDIX 1-A: THE SUBSTANCES**

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 60.62                                                                  |

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

| Row   | Particulars                                                                           | 2020      | 2021-2024 | 2025      | 2026-2029 | 2030    | Total     |
|-------|---------------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|---------|-----------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 39.40     | 39.40     | 19.70     | 19.70     | 0.00    | n/a       |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 39.40     | 10.32     | 5.19      | 5.19      | 0.00    | n/a       |
| 2.1   | Lead IA (UNEP) agreed funding (US \$)                                                 | 2,165,400 | 0         | 1,819,000 | 0         | 294,000 | 4,278,400 |
| 2.2   | Support costs for Lead IA (US \$)                                                     | 279,469   | 0         | 233,348   | 0         | 37,675  | 550,492   |
| 2.3   | Cooperating IA (Australia) agreed funding (US \$)                                     | 375,000   | 0         | 135,000   | 0         | 0       | 510,000   |
| 2.4   | Support costs for Cooperating IA (US \$)                                              | 48,603    | 0         | 17,497    | 0         | 0       | 66,100    |
| 3.1   | Total agreed funding (US \$)                                                          | 2,540,400 | 0         | 1,954,000 | 0         | 294,000 | 4,788,400 |
| 3.2   | Total support cost (US \$)                                                            | 328,072   | 0         | 250,845   | 0         | 37,675  | 616,592   |
| 3.3   | Total agreed costs (US \$)                                                            | 2,868,472 | 0         | 2,204,845 | 0         | 331,675 | 5,404,992 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this Agreement (metric tonnes) |           |           |           |           |         | 39.40     |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in the previous stage (metric tonnes)             |           |           |           |           |         | 21.22     |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |           |           |           |           |         | 0.00      |

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

## THE COOK ISLANDS

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 0.86                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 0.56    | 0.56      | 0.28    | 0.28      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 0.56    | 0.00      | 0.00    | 0.00      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 165,050 | 0         | 105,000 | 0         | 15,250 | 285,300 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 21,457  | 0         | 13,650  | 0         | 1,982  | 37,089  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 165,050 | 0         | 105,000 | 0         | 15,250 | 285,300 |
| 3.2   | Total support cost (US \$)                                                            | 21,457  | 0         | 13,650  | 0         | 1,982  | 37,089  |
| 3.3   | Total agreed costs (US \$)                                                            | 186,507 | 0         | 118,650 | 0         | 17,232 | 322,389 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 0.56    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 0.30    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

## KIRIBATI

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 0.97                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 0.63    | 0.63      | 0.32    | 0.32      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 0.63    | 0.45      | 0.23    | 0.23      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 201,600 | 0         | 161,000 | 0         | 25,250 | 387,850 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 26,208  | 0         | 20,930  | 0         | 3,283  | 50,421  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 201,600 | 0         | 161,000 | 0         | 25,250 | 387,850 |
| 3.2   | Total support cost (US \$)                                                            | 26,208  | 0         | 20,930  | 0         | 3,283  | 50,421  |
| 3.3   | Total agreed costs (US \$)                                                            | 227,808 | 0         | 181,930 | 0         | 28,533 | 438,271 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 0.63    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 0.34    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

## THE MARSHALL ISLANDS

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 3.99                                                                   |

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

| Row   | Particulars                                                                           | 2020   | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|--------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 2.59   | 2.59      | 1.30    | 1.30      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 2.59   | 0.00      | 0.00    | 0.00      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 74,200 | 0         | 97,000  | 0         | 12,250 | 183,450 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 9,646  | 0         | 12,610  | 0         | 1,593  | 23,849  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0      | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0      | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 74,200 | 0         | 97,000  | 0         | 12,250 | 183,450 |
| 3.2   | Total support cost (US \$)                                                            | 9,646  | 0         | 12,610  | 0         | 1,593  | 23,849  |
| 3.3   | Total agreed costs (US \$)                                                            | 83,846 | 0         | 109,610 | 0         | 13,843 | 207,299 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |        |           |         |           |        | 2.59    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |        |           |         |           |        | 1.40    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |        |           |         |           |        | 0.00    |

## THE FEDERATED STATES OF MICRONESIA

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 2.55                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 1.66    | 1.66      | 0.83    | 0.83      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 1.66    | 1.66      | 0.83    | 0.83      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 202,100 | 0         | 188,000 | 0         | 33,250 | 423,350 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 26,273  | 0         | 24,440  | 0         | 4,323  | 55,036  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 202,100 | 0         | 188,000 | 0         | 33,250 | 423,350 |
| 3.2   | Total support cost (US \$)                                                            | 26,273  | 0         | 24,440  | 0         | 4,323  | 55,036  |
| 3.3   | Total agreed costs (US \$)                                                            | 228,373 | 0         | 212,440 | 0         | 37,573 | 478,386 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 1.66    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 0.89    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

## NAURU

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 0.18                                                                   |

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

| Row   | Particulars                                                                           | 2020   | 2021-2024 | 2025   | 2026-2029 | 2030  | Total   |
|-------|---------------------------------------------------------------------------------------|--------|-----------|--------|-----------|-------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 0.12   | 0.12      | 0.06   | 0.06      | 0.00  | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 0.12   | 0.00      | 0.00   | 0.00      | 0.00  | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 65,450 | 0         | 47,000 | 0         | 5,250 | 117,700 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 8,509  | 0         | 6,110  | 0         | 683   | 15,301  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0      | 0         | 0      | 0         | 0     | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0      | 0         | 0      | 0         | 0     | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 65,450 | 0         | 47,000 | 0         | 5,250 | 117,700 |
| 3.2   | Total support cost (US \$)                                                            | 8,509  | 0         | 6,110  | 0         | 683   | 15,301  |
| 3.3   | Total agreed costs (US \$)                                                            | 73,959 | 0         | 53,110 | 0         | 5,933 | 133,001 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |        |           |        |           |       | 0.12    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |        |           |        |           |       | 0.06    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |        |           |        |           |       | 0.00    |

NIUE

**APPENDIX 1-A: THE SUBSTANCES**

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 0.15                                                                   |

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

| Row   | Particulars                                                                           | 2020   | 2021-2024 | 2025   | 2026-2029 | 2030  | Total   |
|-------|---------------------------------------------------------------------------------------|--------|-----------|--------|-----------|-------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 0.10   | 0.10      | 0.05   | 0.05      | 0.00  | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 0.10   | 0.00      | 0.00   | 0.00      | 0.00  | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 41,200 | 0         | 47,000 | 0         | 5,250 | 93,450  |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 5,356  | 0         | 6,110  | 0         | 683   | 12,149  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0      | 0         | 0      | 0         | 0     | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0      | 0         | 0      | 0         | 0     | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 41,200 | 0         | 47,000 | 0         | 5,250 | 93,450  |
| 3.2   | Total support cost (US \$)                                                            | 5,356  | 0         | 6,110  | 0         | 683   | 12,149  |
| 3.3   | Total agreed costs (US \$)                                                            | 46,556 | 0         | 53,110 | 0         | 5,933 | 105,599 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |        |           |        |           |       | 0.10    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |        |           |        |           |       | 0.05    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |        |           |        |           |       | 0.00    |

**PALAU**

**APPENDIX 1-A: THE SUBSTANCES**

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 2.97                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025   | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|--------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 1.93    | 1.93      | 0.97   | 0.97      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 1.93    | 1.93      | 0.97   | 0.97      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 183,000 | 0         | 70,000 | 0         | 13,250 | 266,250 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 23,790  | 0         | 9,100  | 0         | 1,723  | 34,613  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0      | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0      | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 183,000 | 0         | 70,000 | 0         | 13,250 | 266,250 |
| 3.2   | Total support cost (US \$)                                                            | 23,790  | 0         | 9,100  | 0         | 1,723  | 34,613  |
| 3.3   | Total agreed costs (US \$)                                                            | 206,790 | 0         | 79,100 | 0         | 14,973 | 300,863 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |        |           |        | 1.93    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |        |           |        | 1.04    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |        |           |        | 0.00    |

## SAMOA

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 4.60                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 2.99    | 2.99      | 1.50    | 1.50      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 2.99    | 1.35      | 0.68    | 0.68      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 195,950 | 0         | 118,000 | 0         | 20,250 | 334,200 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 25,474  | 0         | 15,340  | 0         | 2,633  | 43,446  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 195,950 | 0         | 118,000 | 0         | 20,250 | 334,200 |
| 3.2   | Total support cost (US \$)                                                            | 25,474  | 0         | 15,340  | 0         | 2,633  | 43,446  |
| 3.3   | Total agreed costs (US \$)                                                            | 221,424 | 0         | 133,340 | 0         | 22,883 | 377,646 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 2.99    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 1.61    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

## SOLOMON ISLANDS

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 35.05                                                                  |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 22.78   | 22.78     | 11.39   | 11.39     | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 22.78   | 4.29      | 2.15    | 2.15      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 271,250 | 0         | 196,500 | 0         | 29,250 | 497,000 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 35,263  | 0         | 25,545  | 0         | 3,803  | 64,610  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 271,250 | 0         | 196,500 | 0         | 29,250 | 497,000 |
| 3.2   | Total support cost (US \$)                                                            | 35,263  | 0         | 25,545  | 0         | 3,803  | 64,610  |
| 3.3   | Total agreed costs (US \$)                                                            | 306,513 | 0         | 222,045 | 0         | 33,053 | 561,610 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 22.78   |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 12.27   |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

## TONGA

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 2.55                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 1.66    | 1.66      | 0.83    | 0.83      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 1.66    | 0.15      | 0.08    | 0.08      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 197,050 | 0         | 119,000 | 0         | 22,250 | 338,300 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 25,617  | 0         | 15,470  | 0         | 2,893  | 43,979  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 197,050 | 0         | 119,000 | 0         | 22,250 | 338,300 |
| 3.2   | Total support cost (US \$)                                                            | 25,617  | 0         | 15,470  | 0         | 2,893  | 43,979  |
| 3.3   | Total agreed costs (US \$)                                                            | 222,667 | 0         | 134,470 | 0         | 25,143 | 382,279 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 1.66    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 0.89    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

## TUVALU

### APPENDIX 1-A: THE SUBSTANCES

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 1.64                                                                   |

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

| Row   | Particulars                                                                           | 2020   | 2021-2024 | 2025   | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|--------|-----------|--------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 1.07   | 1.07      | 0.53   | 0.53      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 1.07   | 0.20      | 0.10   | 0.10      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 76,450 | 0         | 54,000 | 0         | 10,250 | 140,700 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 9,939  | 0         | 7,020  | 0         | 1,332  | 18,291  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0      | 0         | 0      | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0      | 0         | 0      | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 76,450 | 0         | 54,000 | 0         | 10,250 | 140,700 |
| 3.2   | Total support cost (US \$)                                                            | 9,939  | 0         | 7,020  | 0         | 1,332  | 18,291  |
| 3.3   | Total agreed costs (US \$)                                                            | 86,389 | 0         | 61,020 | 0         | 11,582 | 158,991 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |        |           |        |           |        | 1.07    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |        |           |        |           |        | 0.57    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |        |           |        |           |        | 0.00    |

**VANUATU**

**APPENDIX 1-A: THE SUBSTANCES**

| Substance | Annex | Group | Starting point for aggregate reductions in consumption (metric tonnes) |
|-----------|-------|-------|------------------------------------------------------------------------|
| HCFC-22   | C     | I     | 5.11                                                                   |

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

| Row   | Particulars                                                                           | 2020    | 2021-2024 | 2025    | 2026-2029 | 2030   | Total   |
|-------|---------------------------------------------------------------------------------------|---------|-----------|---------|-----------|--------|---------|
| 1.1   | Montreal Protocol reduction schedule of Annex C, Group I substances (metric tonnes)   | 3.32    | 3.32      | 1.66    | 1.66      | 0.00   | n/a     |
| 1.2   | Maximum allowable total consumption of Annex C, Group I substances (metric tonnes)    | 3.32    | 0.29      | 0.15    | 0.15      | 0.00   | n/a     |
| 2.1   | Lead IA -UNEP agreed funding (US \$)                                                  | 212,100 | 0         | 186,500 | 0         | 27,250 | 425,850 |
| 2.2   | Support costs for Lead IA - UNEP (US \$)                                              | 27,573  | 0         | 24,245  | 0         | 3,543  | 55,361  |
| 2.3   | Cooperating IA - Australia agreed funding (US \$)                                     | 0       | 0         | 0       | 0         | 0      | 0       |
| 2.4   | Support costs for Cooperating IA - Australia (US \$)                                  | 0       | 0         | 0       | 0         | 0      | 0       |
| 3.1   | Total agreed funding (US \$)                                                          | 212,100 | 0         | 186,500 | 0         | 27,250 | 425,850 |
| 3.2   | Total support cost (US \$)                                                            | 27,573  | 0         | 24,245  | 0         | 3,543  | 55,361  |
| 3.3   | Total agreed costs (US \$)                                                            | 239,673 | 0         | 210,745 | 0         | 30,793 | 481,211 |
| 4.1.1 | Total phase-out of HCFC-22 agreed to be achieved under this agreement (metric tonnes) |         |           |         |           |        | 3.32    |
| 4.1.2 | Phase-out of HCFC-22 to be achieved in previously approved projects (metric tonnes)   |         |           |         |           |        | 1.79    |
| 4.1.3 | Remaining eligible consumption for HCFC-22 (metric tonnes)                            |         |           |         |           |        | 0.00    |

### **APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

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

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

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

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

1. The National Ozone Unit (NOU) of each Country will be responsible for the overall project monitoring of all activities under the Plan. The NOU will be responsible for the planning, coordination, implementation of daily work of the project implementation. It will also assist the Government and non-Government offices and organizations, to streamline their activities for smooth implementation of the projects. The NOU will submit annual progress reports on the status of the implementation to the Lead IA and the Cooperating IA to monitor implementation progress of the Plan.
2. Annual consumption of HCFCs and other ODSs will be monitored through the NOU of each Country with collaboration from the Customs Authority of each Country. The NOU of each Country will also liaise with importers of HCFCs and other ODSs to obtain necessary data for reconciliation of statistics on the periodically basis.
3. The NOU of each Country will undertake regular inspection to refrigeration and air-conditioning (RAC) training centres and RAC servicing workshops to monitor conditions of RAC servicing tools distributed under the Plan as well as compliance with requirement for handling refrigerants. The NOU will also undertake market survey to gauge the penetration of non-HCFC substitutes and alternative technologies in the RAC sector. The NOU will monitor the implementation of capacity building activities with relevant agencies, e.g., RAC technician training and customs and enforcement officers training.

#### **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 4A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include the activities implemented by the Cooperating IA;
  - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;

- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (j) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and Cooperating IA;
- (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
- (m) Providing assistance with policy, management and technical support when required;
- (n) Reaching consensus with the Cooperating IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan; and
- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

#### **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES**

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

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, co-ordination and reporting arrangements required to facilitate the implementation of the Plan.

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

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

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

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