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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-eighth Meeting
Montreal, 15-19 November 2021[1]

PROJECT PROPOSAL: OMAN

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

Phase-out

- HCFC phase-out management plan (stage III, first tranche) — UNIDO and UNEP

[1] Online meetings and an intersessional approval process will be held in November and December 2021 due to coronavirus disease (COVID-19)

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

OMAN

(I) PROJECT TITLE	**AGENCY**
HCFC phase-out plan (stage III)	UNIDO (lead), UNEP

(II) LATEST ARTICLE 7 DATA (Annex C Group l)	Year: 2020	15.96 (ODP tonnes)

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)									**Year:** 2020
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					15.96				15.96

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	31.5	Starting point for sustained aggregate reductions:	32.57
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	12.11	Remaining:	20.46

(V) BUSINESS PLAN		**2021**	**2022**	**2023**	**Total**
UNIDO	ODS phase-out (ODP tonnes)	0.00	3.00	0.00	3.00
	Funding (US $)	0	280,145	0	280,145
UNEP	ODS phase-out (ODP tonnes)	0.00	1.50	0.00	1.50
	Funding (US $)	0	130,909	0	130,909

(VI) PROJECT DATA			**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Montreal Protocol consumption limits			20.46	20.46	20.46	20.46	10.23	10.23	10.23	10.23	10.23	0	n/a
Maximum allowable consumption (ODP tonnes)			16.12	16.12	16.12	16.12	10.23	10.23	10.23	10.23	10.23	0	n/a
Project costs requested in principle (US $)	UNIDO	Project costs	340,344	0	117,094	0	141,094	0	107,094	0	0	74,846	780,472
		Support costs	23,824	0	8,197	0	9,877	0	7,496	0	0	5,239	54,633
	UNEP	Project costs	182,864	0	116,000	0	116,000	0	122,000	0	0	89,500	626,364
		Support costs	23,034	0	14,612	0	14,612	0	15,368	0	0	11,274	78,900
Total project costs requested in principle (US $)			523,208	0	233,094	0	257,094	0	229,094	0	0	164,346	1,406,836
Total support costs requested in principle (US $)			46,858	0	22,809	0	24,489	0	22,864	0	0	16,513	133,533
Total funds requested in principle (US $)			570,066	0	255,903	0	281,583	0	251,958	0	0	180,859	1,540,369

(VII) Request for approval of funding for the first tranche (2021)		
Agency	**Funds requested (US $)**	**Support costs (US $)**
UNIDO	340,444	23,824
UNEP	182,864	23,034
Total	523,208	46,858

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

1. On behalf of the Government of Oman, UNIDO as the lead implementing agency, has submitted a request for stage III of the HCFC phase-out management plan (HPMP), at a total cost of US $2,017,728, consisting of US $990,600, plus agency support costs of US $128,778 for UNIDO, and US $795,000, plus agency support costs of US $103,350 for UNEP, as originally submitted.[2] The implementation of stage III of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage III of the HPMP being requested at this meeting is US $750,908, consisting of US $445,520, plus agency support costs of US $57,918 for UNIDO, and US $219,000, plus agency support costs of US $28,470 for UNEP, as originally submitted.

Status of implementation of stages I and II of the HPMP

3. Stage I of the HPMP for Oman was approved at the 65th meeting[3] to meet the 10 per cent reduction from the baseline by 2015, at a total cost of US $434,120, plus agency support costs to phase out 6.79 ODP tonnes of HCFCs used in the foam manufacturing and the refrigeration and air-conditioning (RAC) servicing sector sectors. Stage I of the HPMP was completed in December 2016.

4. Stage II of the HPMP for Oman was approved at the 75th meeting[4] to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US $485,000, plus agency support costs to phase out 5.32 ODP tonnes of HCFCs used in the RAC servicing sector. The third and final tranche was approved at the 86th meeting. Stage II of the HPMP will be completed by December 2021.

<u>HCFC consumption</u>

5. The Government of Oman reported a consumption of 15.96 ODP tonnes of HCFC in 2020, which is 48 per cent below the HCFC baseline for compliance. The 2016-2020 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Oman (2016-2020 Article 7 data)

HCFC	2016	2017	2018	2019	2020	Baseline
Metric tonnes (mt)						
HCFC-22	347.18	316.96	348.60	325.23	290.16	537.57
HCFC-123	0.00	0.00	0.00	0.73	0.00	0.00
HCFC-141b	9.25	0.00	0.00	0.00	0.00	10.15
HCFC-142b	0.00	0.00	0.00	0.00	0.00	12.05
Total HCFCs (mt)	**356.43**	**316.96**	**348.60**	**325.96**	**290.16**	**559.77**
HCFC-141b in imported pre-blended polyols*	43.20	0.00	0.00	0.00	0.00	10.00**
ODP tonnes						
HCFC-22	19.09	17.43	19.17	17.89	15.96	29.57
HCFC-123	0.00	0.00	0.00	0.01	0.00	0.00
HCFC-141b	1.02	0.00	0.00	0.00	0.00	1.12
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.78
Total HCFCs (ODP tonnes)	**20.11**	**17.43**	**19.17**	**17.90**	**15.96**	**31.47**
HCFC-141b in imported pre-blended polyols*	4.75	0.00	0.00	0.00	0.00	1.10**

* Country programme (CP) data.
** Average consumption between 2007 and 2009.

[2] As per the letter of 14 July 2021 from the Ministry of Meteorology of Oman to UNIDO.
[3] UNEP/OzL.Pro/ExCom/65/44
[4] UNEP/OzL.Pro/ExCom/75/85

6. Consumption continues to decline in light of the implementation of the HPMP; the use of HCFC-22 and HCFC-142b to produce extruded polystyrene (XPS) foam and bulk HCFC-141b in the polyurethane (PU) foam manufacturing sector has been fully phased out, as well as imports of HCFC-141b contained in imported pre-blended polyols. Training of refrigeration technicians and technical assistance activities in the servicing sector and strict control on the imports of HCFCs through the e-licensing and quota system reduced consumption of HCFC-22. HCFC-22-based air-conditioning (AC) units are being replaced by R-410A-based units because of its price and higher energy efficiency.

CP implementation report

7. The Government of Oman reported HCFC sector consumption data under the 2020 CP implementation report, consistent with the data reported under Article 7 of the Montreal Protocol.

<u>Status of progress and disbursement</u>

Legal framework

8. After Government restructuring at the end of 2020, climate affairs responsibilities including compliance with the Montreal Protocol was transferred to the Civil Aviation Authority, which is currently the authority responsible for reviewing and authorizing HCFCs import and export licenses, quotas, and permits.

9. The licensing system for the import and export of HCFCs was in place and effective since 2001, and done through the e-licensing system (BAYAN) since 2016. By regulation, permits for the import of HCFC-142b, and HCFC-141b in bulk and contained in pre-blended polyols are no longer issued since 1 January 2015 and 1 January 2017, respectively. On 21 November 2019, the Government issued a decree banning the venting of refrigerants into the atmosphere during servicing, installation, operation and decommissioning of RAC equipment; establishing mandatory refrigerant recovery and recycling; mandatory quarterly reporting on recovered, recycled and reused refrigerants and stock of unusable refrigerants; mandatory leak detection of all controlled substances in RAC systems with a charge greater than 3 kg; and requiring the licensing of all entities (i.e., importers, distributors, retailers, and service workshops) handling ODS in the RAC sector.

10. The ban on the use and import of refrigerants in disposable cylinders, that was expected to be issued by 1 January 2020, has not yet been implemented as consultations with stakeholders are still ongoing; this is expected to be considered as part of stage III.

11. The country is implementing the enabling activities for HFC phase-down that are expected to lead to the ratification of the Kigali Amendment during 2021.

12. During the implementation of stage II of the HPMP, 40 custom and enforcement officers received training to identify different types of refrigerants and to enforce ODS regulations. Inspectors from the Environment Authority received training to identify and handle different types of ODS and their waste.

Refrigeration servicing sector

13. During the first two tranches, approximately 200 technicians were trained on good servicing practices, including the safe handling of flammable refrigerants; ongoing training of an additional 1,000 technicians has been delayed due to the pandemic and will be completed by December 2021. Additional centres for recovery, recycling and reclamation (RRR) were identified and in 2020, this network recovered and reused 2.3 mt of HCFC-22 and 4.1 mt of HFCs. Additional equipment was supplied to two laboratories (e.g., four refrigerant identifiers, 13 refrigerant recovery/recycling units, 100 cylinders, two digital weighing scales) which supported the technician training.

14. The launch of the RAC technician certification system, originally planned as part of stage II of the HPMP was delayed because of Government restructuring. The Ministry of Labour is responsible for the certification programme, which is expected to be in place by 1 January 2022.

Project implementation and monitoring

15. The Ministry of Environment and Climate Affairs has been replaced by the Environment Authority; the National Ozone Unit (NOU) is now located within the Civil Aviation Authority, Directorate General of Meteorology. Monitoring and evaluation of the activities of the HPMP were coordinated by the NOU, which also coordinates the work of the National Ozone Committee (NOC) consisting of all government ministries and stakeholders involved in the implementation of the Montreal Protocol. All of the US $10,000 allocated for this activity under the third tranche was budgeted for staff and the preparation of verification reports.

Status of disbursement

16. As of August 2021, of the US $485,000 approved for stage II, US $484,200 had been disbursed (i.e., US $284,200 for UNIDO and US $200,000 for UNEP) as shown in Table 2. The balance of US $800 will be disbursed by the end of 2021.

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

Agency	First tranche		Second tranche		Third tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNIDO	215,000	215,000	50,000	50,000	20,000	19,200	285,000	284,200
UNEP	83,500	83,500*	59,500	59,500	57,000	57,000	200,000	200,000
Total	298,500	298,500	109,500	109,500	77,000	76,200	485,000	484,200
Disbursement rate (%)	100		100		98.96		99.83	

*Including the return of US $7,846, plus agency support costs, to the 84th meeting.

Stage III of the HPMP

Remaining consumption eligible for funding

17. After deducting 6.79 ODP tonnes of HCFCs associated with stage I of the HPMP and 5.32 ODP tonnes associated with stage II, the remaining consumption eligible for funding for complete phase-out amounts to 20.46 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

18. There are approximately 6,700 technicians and 3,590 workshops consuming HCFC-22 to service domestic AC (92.0 per cent (267 mt) of the total consumption in 2020), industrial refrigeration (6.7 per cent (19.5 mt)), and commercial refrigeration and chillers (1.3 per cent (3.7 mt)).

19. In 2020, HCFC-22 represents 20 per cent of the refrigerants used in the servicing sector; other refrigerants used include: HFC-134a (46 per cent), R-410A (12 per cent), and HFC-32, HFC-152a, R-404A, R-407C and R-407A (22 per cent).

Phase-out strategy in stage III of the HPMP

20. Stage III of the HPMP proposes to achieve 67.5 per cent reduction from its HCFC baseline consumption by 2025 and 100 per cent reduction by 2030, with a servicing tail between 2030 and 2040 consistent with the Montreal Protocol provision. Stage III will focus on controlling HCFC demand through regulation and enforcement by strengthening the capacity of customs for HCFC trade control, providing

training and certification of RAC service technicians, establishing countrywide RRR network, and monitoring the implementation of the final stage of the HPMP linking it to future activities to control HFCs. The lessons learned and infrastructure established during the implementation of stage II of the HPMP will be utilized in stage III.

Proposed activities in stage III of the HPMP

21. Stage III proposes the following activities:

(a) *Strengthening institutional capacity, regulation and awareness*: Provide technical support to the NOC; review the legal framework and preparation of additional legal instruments to support HCFC phase-out to be consistent with the unified Gulf Cooperation Council (GCC) regulations currently under revision; review and update the BAYAN e-licensing system; develop policy for mandatory leak detection; establish a ban on the imports of second-hand HCFC-based equipment; establish guidelines for labeling of containers for controlled substances; build capacity of 60 customs and enforcement officers through training, and provision of equipment (12 refrigerant identifiers) to customs ports; and conduct public awareness campaigns on regulations relating to the Montreal Protocol, its implementation, and the quota and licensing system and best practices in the management of refrigerants while servicing equipment; outreach for emerging technologies in the fisheries sector; (UNEP) (US $140,000), (UNIDO) (US $48,000);

(b) *Assistance for service technicians for good refrigeration practices and end-users for minimum-leakage of equipment:* Revise and update the training curricula for training service technicians; develop specifications for use and installation of equipment containing flammable refrigerants; establish the RAC training network through provision of six sets of equipment[5] to six vocational training centres and train 1,600 technicians on good refrigeration practices; implement the technician certification programme and provide leak detectors to 700 certified technicians; conduct a study to promote the "minimum-leakage" programme including a multi-language manual for installation of equipment and a specialized website for the updated national codes of service practice; and conduct a study on energy efficiency and economic benefits of the minimum-leakage initiative to promote the concept of refrigerant containment and management (UNEP) (US $635,000), (UNIDO) (US $495,000);

(c) *Support to the RRR network:* Develop guidelines for the RRR of refrigerants for technicians and end-users and translate them into local languages; conduct a study on various business models to establish a sustainable infrastructure for refrigerant RRR and provision of equipment[6] (total of four centres in operation); awareness raising on the RRR network (UNIDO) (US $170,000); and

(d) *Gender mainstreaming*. One workshop to develop indicator gender indicators for 20 participants; hiring one gender expert to support the gender mainstreaming activities (UNEP) (US $20,000).

Project implementation and monitoring unit (PMU)

22. The monitoring mechanism established under stage II of the HPMP will continue into stage III, where the NOU monitors activities, report on progress, and work with stakeholders to phase out HCFCs.

[5] Each set of equipment includes recovery units, cylinders, manifold gauges, toolboxes, leak detectors, scales, vacuum gauges, estimated at US $11,700/set.
[6] Reclamation units, refrigerant identifiers, recovery cylinders, manifold gauges and hoses, and brazing kits.

The cost of those activities amounts to US $277,600 (UNIDO) for staff and consultants, and preparation of verification reports, calculated at US $4.80/kg.

Gender policy implementation[7]

23. The NOU will work closely with stakeholders in order to enable integration of the gender policy of the Multilateral Fund when implementing the training and capacity building activities under stage III of the HPMP, including reporting on these initiatives. A workshop will be held to identify gender specific indicators in planning, implementation, and reporting on each component. Activities will be targeted to support gender balanced participation in training and capacity building activities; UNIDO's Guide on Gender Mainstreaming for Multilateral Fund projects will be used as a reference.

Total cost of stage III of the HPMP

24. The total cost of stage III of the HPMP for Oman has been estimated at US $1,785,600 (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.

Activities planned for the first tranche of stage III

25. The first funding tranche of stage III of the HPMP at the total amount of US $664,520 will be implemented between January 2022 and December 2023 and will include the following activities:

(a) *Strengthening institutional capacity, regulation and awareness*: Provide technical support to the NOC, legal and technical task forces to review and update the national regulations relating to the national ODS regulatory framework to be consistent with the unified GCC regulations, and standards for mandatory leak detection and RRR; review and update the BAYAN e-licensing system; train 20 customs and environmental inspectors on enhancing national capacities to enforce the regulations in cooperation with all relevant authorities; provide six refrigerant identifiers for customs and environment inspectors; and develop and implement public awareness campaigns to promote the RRR network and the minimum leakage initiative through brochures, newspapers articles, an Ozone website, television interviews and internet movies (UNEP) (US $39,000), (UNIDO) (US $24,000);

(b) *Assistance for service technicians for good refrigeration practices and end-users for minimum-leakage of equipment:* Revise and update the training curricula for good practices in servicing; develop specifications for use and installation of equipment containing flammable refrigerants; establish the training network (six sets of training equipment to be provided to vocational training centres); train 400 service technicians on good refrigeration practices; certify 175 service technicians and provide them with service tools (leak-detection devices) as incentive; conduct an awareness workshop on emerging technologies for 20 end-users, and a study to promote the minimum-leakage programme including development of a multi-language manual for installation of equipment and a specialized website for the updated national codes of service practice (UNEP) (US $160,000), (UNIDO) (US $216,000);

(c) *Support to the RRR network:* Development of guidelines for the RRR of refrigerants; conduct a study on the business models to enhance the network of established reclamation centres; establishment of the RRR network (with four centres in operation); awareness raising on the RRR network (UNIDO) (US $146,000);

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

(d) *Gender mainstreaming*. One workshop to develop indicator gender indicators for 20 participants; hiring one gender expert to support the gender mainstreaming activities (UNEP) (US $20,000); and

(e) *Project implementation and monitoring:* Operation of the project management unit; and monitoring and verification of the HPMP (UNIDO) (US $59,520).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

26. 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 2021-2023 business plan of the Multilateral Fund.

Overarching strategy

27. The Government of Oman proposes to meet the 100 per cent reduction of its HCFC baseline consumption by 2030, and to maintain a maximum annual consumption of HCFC in the period of 2030 to 2040 consistent with Article 5, paragraph 8 ter(e)(i) of the Montreal Protocol.[8] The country is committed to the sustainability of the phase-out and to progressive regulations in line with Montreal Protocol targets. Actions such as strengthening of the training and certification system, continued support to the RRR network, and strengthening the regulatory system to control ODS imports will add value to the advanced commitments of stage II already in place. The country's licensing and quota system will continue to be enforced.

28. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Oman agrees to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the 2030-2040 period, and if Oman intends to have consumption during the period of 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee.

29. The Secretariat noted that stage III of the HPMP has been designed through extensive consultations by the Government with relevant stakeholders; implementation of the strategy includes the formalization of the technician certification programme which will enhance the servicing practices of RAC equipment.

HCFC phase-out and duration of stage III

30. During the project review process, it was noted that the remaining consumption of HCFC-22 eligible for funding for Oman after stage II was 20.46 ODP tonnes used in the refrigeration servicing sector; the annual consumption from 2016 to 2020 has been lower than that amount with a reported consumption of 15.96 ODP tonnes in 2020; and the quota issued for 2021 was 16.12 ODP tonnes. It was also noted that the estimated servicing demand based on the number of RAC units installed in the country was similar to the consumption reported in 2020. Given these facts and after discussion with UNIDO, the Government of Oman agreed to use 16.12 ODP tonnes as the remaining eligible HCFC consumption for stage III of the HPMP.

[8] HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040 divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

Regulations to support HCFC phase-out

31. The Secretariat queried the timing of issuing the ban on the use and import of refrigerants in disposable cylinders; UNIDO explained that the ban was initially considered as part of stage II but due to technical and financial issues associated with imposing the ban especially for small users, changes are required in refrigerant filling facilities and the related supply chain to ensure its efficient implementation; the Government is expecting that the ban will be in place by 2026-2027. It is expected that the ban will be considered not only for HCFCs but also for other controlled gases which may be imported in disposable cylinders. At present, the Government is closely monitoring the entry of these substances in disposal cylinders to ensure that they comply with import restrictions consistent with bulk substances imports.

Technical and cost-related issues

Refrigeration servicing sector

32. Noting the progress on the implementation of the technician certification programme, the approach of which was already completed in stage II, the Secretariat asked further details about the additional assistance required in stage III. UNIDO acknowledged that the design of the technician certification programme had been completed; however, there are challenges related to its full implementation. In stage III, the activities will focus on ensuring high level support for the scheme particularly in light of the recent Government restructuring and change of responsibilities, the development of labour/skills competencies, and determining how this will be sustainable over time. Once the technical requirements and guidelines for the certification are finalized, the Government is proposing to provide a small financial incentive[9] to qualified technicians to operationalize the certification system, and an approach for making the certification process affordable and sustainable for technicians will be developed based on this experience. This will be supported by the establishment of standards on the environmental management of refrigerants to be used as the reference for technician certification, training of certification assessors, technical support to the institutions (i.e., Ministry of Labour) in charge, and the network of training institutions.

33. With regard to the RRR network activities proposed in stage III and the related activities already completed in stage II, UNIDO clarified that while Oman had recovered a small amount of HCFCs and HFCs, their reuse has been quite limited because of inadequate volume recovered, and the current low price of HCFC-22. It is expected that as supplies for HCFC-22 continue to decline resulting from the control measures, the use of recycled refrigerant is likely to increase. Thus the Government believes that strengthening these networks will support this potential future demand. UNIDO acknowledges that the study on the various business models that will be prepared will ensure the sustainability of the network; the full establishment will be done in future tranches. In addition, this scheme is supported by a ban on the venting of refrigerants into the atmosphere, and policies on mandatory refrigerant recovery and recycling and mandatory quarterly reporting on recovered, recycled and reused refrigerants, which are already in place.

34. The Secretariat further noted that UNIDO had included US $20,000 for activities to implement the Multilateral Fund operational gender policy, and that this is calculated within the eligible funding of the country at US $4.80/kg.

Agreed cost of stage II of the HPMP

35. The Secretariat noted that the activities included in stage III of the HPMP were eligible within the US $4.80/kg for activities in the servicing sector, and on the basis of the agreement with the Government of Oman on the remaining consumption of 16.12 ODP tonnes (293 mt) eligible for funding, the total cost

[9] Stage III includes the provision for US $100 per technician as an incentive to enable the certification of 1000 technicians.

for stage III of the HPMP amounts to US $1,406,836, plus agency support costs including costs associated with the PMU. The funding levels of the activities were adjusted as shown in Table 3.

Table 3. Agreed cost of stage III of the HPMP for Oman (US $)

Activity	UNEP	UNIDO
Strengthening institutional capacity, regulation and awareness	165,000	78,000
Assistance for service technicians for good refrigeration practices and end-users for minimum-leakage of equipment	440,000	450,000
Assistance for the RRR network	0	112,000
Gender mainstreaming activities*	21,364	0
Project implementation management and monitoring*	0	140,472
Total	**626,364**	**780,472**

* Calculated at US $4.80/kg.

Revised activities for the first tranche

36. After discussion with UNIDO, the funding for the first funding tranche was adjusted to US $523,208 (US $182,864 for UNEP and US $340,344 for UNIDO), plus agency support costs and activities were revised as follows:

(a) *Strengthening institutional capacity, regulation and awareness*: Provide technical support to the NOC, legal and technical task forces to review and update national regulations relating to the national ODS regulatory framework to be consistent with the unified GCC regulations, and standards for mandatory leak detection and RRR; review and update the BAYAN e-licensing system; train 20 customs and environmental inspectors on enhancing national capacities to enforce the regulations in cooperation with all relevant authorities; provide six refrigerant identifiers for customs and environment inspectors; and develop and implement public awareness campaigns to promote the RRR network and the minimum leakage initiative through brochures, newspapers articles, and television interviews (UNEP) (US $44,000), (UNIDO) (US $30,000);

(b) *Assistance for service technicians for good refrigeration practices and end-users for minimum-leakage:* Revise and update of training curricula for good practices in servicing; develop specifications for use and installation of equipment containing flammable refrigerants; establish the training network (six sets of training equipment provided to vocational training institutes); train 400 service technicians on good refrigeration practices; certify 175 service technicians and provide them with service tools (leak-detection devices) as incentive; conduct an awareness workshop on emerging technologies for 50 end-users; and a study to promote the minimum-leakage programme including development of a multi-language manual for installation of equipment and a specialized website for the updated national codes of service practice (UNEP) (US $117,500), (UNIDO) (US $170,250);

(c) *Support to the RRR network:* Development of guidelines for the RRR of refrigerants; conduct a study on the business models to enhance the network of established reclamation centres; establishment of RRR network (with four centres in operation); awareness raising on the RRR network (UNIDO) (US $112,000);

(d) *Gender mainstreaming*. One workshop to develop indicator gender indicators for 20 participants; hiring one gender expert to support the gender mainstreaming activities (UNEP) (US $21,364); and

(e) *Project implementation and monitoring:* Operation of the project management unit; monitoring and verification of HCFC consumption (UNIDO) (US $28,094).

Impact on the climate

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

Co-financing

38. The Government of Oman will provide in-kind contribution such as office space, internet and communications, transportation, support from the Legal and Communication Departments to further develop the project's activities. In addition, the Government will also support the implementation of regulatory instruments to ensure the country's compliance with the goals of the Montreal Protocol and its Agreement with the Executive Committee.

2021-2023 draft business plan of the Multilateral Fund

39. UNIDO and UNEP are requesting US $1,406,836, plus agency support costs, for the implementation of stage III of the HPMP for Oman. The total requested value of US $825,969, including agency support costs for the period of 2021–2023, is US $414,915 above the amount in the business plan.

Draft Agreement

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

RECOMMENDATION

41. The Executive Committee may wish to consider:

(a) Approving, in principle, stage III of the HCFC phase-out management plan (HPMP) for Oman for the period from 2022 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $1,540,369, consisting of US $780,472, plus agency support costs of US $54,633 for UNIDO, and US $626,364, plus agency support costs of US $78,900 for UNEP, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs;

(b) Noting the commitment of the Government of Oman to completely phase out HCFCs by 1 January 2030 except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;

(c) Deducting 20.46 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

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

(e) That, to allow for consideration of the final tranche of its HPMP, the Government of Oman should submit:

(i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the 2030-2040 period;

(ii) If Oman were intending to have consumption during the 2030–2040 period, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, the proposed modifications to the Agreement between the Oman and the Executive Committee covering the period beyond 2030;

(f) Reiterating decision 86/53(a) that the Government of Oman would submit the 2020-2021 verification report as part of the submission for the second tranche of the stage III of the HPMP, on the understanding that if the 2020-2021 verification report indicated that the country was not in compliance with the targets specified in its Agreement with the Executive Committee, the Executive Committee would consider applying the penalty clause against stage III of the HPMP; and

(g) Approving the first tranche of stage III of the HPMP for Oman, and the corresponding tranche implementation plans, in the amount of US $570,066, consisting of US $340,344, plus agency support costs of US $23,824 for UNIDO, and US $182,864, plus agency support costs of US $23,034 for UNEP.

Annex I

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

Purpose

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

2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A ("The Targets, and Funding") in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, and 4.4.3 (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. UNIDO has agreed to be the lead implementing agency (the "Lead IA") and UNEP 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, and 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 (ODP tonnes)
HCFC-22	C	I	29.57
HCFC-141b	C	I	1.11
HCFC-142b	C	I	0.79
Sub-total			31.47
HCFC-141b contained in imported pre-blended polyols	C	I	1.1
Total			32.57

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022	2023	2024	2025-	2026	2027	2028-2029	2030	TOTAL
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	20.46	20.46	20.46	20.46	10.23	10.23	10.23	10.23	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	16.12	16.12	16.12	16.12	10.23	10.23	10.23	10.23	0	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)	340,344	0	117,094	0	141,094	0	107,094	0	74,846	780,472
2.2	Support costs for Lead IA (US $)	23,824	0	8,197	0	9,877	0	7,497	0	5,239	54,633
2.3	Cooperating IA (UNEP) agreed funding (US $)	182,864	0	116,000	0	116,000	0	122,000	0	89,500	626,364
2.4	Support costs for Cooperating IA (US $)	23,034	0	14,612	0	14,612	0	15,368	0	11,274	78,900
3.1	Total agreed funding (US $)	523,208	0	233,094	0	257,094	0	229,094	0	164,346	1,406,836
3.2	Total support costs (US $)	46,858	0	22,809	0	24,489	0	22,864	0	16,513	133,533
3.3	Total agreed costs (US $)	570,066	0	255,903	0	281,583	0	251,958	0	180,859	1,540,369
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										20.46
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)										9.11
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										0.00
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)										0.00
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)										1.11
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)										0.00
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)										0.00
4.3.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)										0.79
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)										0.00
4.4.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)										0.00
4.4.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)										1.10
4.4.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)										0.00

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

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

18. 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).

19. 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

20. The National Ozone Unit of Oman (NOU), located within the Civil Aviation Authority , Directorate General of Meteorology, is responsible for the co-ordination of the Country's overall actions and activities related to the protection of the ozone layer, overall supervision of the implementation of the Montreal

Protocol, and facilitation of the Plan implementation. Implementation of the planned project activities in the Plan will be co-ordinated by the NOU in cooperation with the Lead IA and the Cooperating IA.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

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

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

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

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

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

22. 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

23. 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

24. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $134 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.

25. 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.