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

PROJECT PROPOSAL: PLURINATIONAL STATE OF BOLIVIA

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

Phase-out

- HCFC phase-out management plan (stage I, fifth tranche)

UNIDO

¹ Due to coronavirus disease (COVID-19)

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Plurinational State of Bolivia

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (stage I)	UNIDO (lead)	64 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2019	1.98 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2019	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manu.	Servicing				
HCFC-22					1.91				1.91
HCFC-123					0.03				0.03
HCFC-141b					0.02				0.02
HCFC-141b in imported pre-blended polyol		0.03							0.03

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:		6.1	Starting point for sustained aggregate reductions:
			6.7
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:		2.13	Remaining:
			4.57

(V) BUSINESS PLAN		2020
UNIDO	ODS phase-out (ODP tonnes)	0.21
	Funding (US \$)	34,335

(VI) PROJECT DATA			2011	2012	2013*	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	n/a	6.10	6.10	5.49	5.49	5.49	5.49	5.49	3.97	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	6.10	6.10	5.49	5.49	5.49	5.49	5.49	3.97	n/a
Agreed Funding (US \$)	Germany	Project costs	94,500	0	0	0	0	0	0	0	0	0	94,500
		Support costs	12,285	0	0	0	0	0	0	0	0	0	12,285
	UNIDO	Project costs	0	0	94,500	0	64,500	0	0	30,000	0	31,500	220,500
		Support costs	0	0	8,505	0	5,805	0	0	2,700	0	2,835	19,845
Funds approved by ExCom (US \$)		Project costs	94,500	0	94,500	0	64,500	0	0	30,000	0		283,500
		Support costs	12,285	0	8,505	0	5,805	0	0	2,700	0		29,295
Total funds requested for approval at this meeting (US \$)		Project costs										31,500	31,500
		Support costs										2,835	2,835

*The project transfer from the Government of Germany to UNIDO was approved at the 74th meeting.

Secretariat's recommendation:	For blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Plurinational State of Bolivia, UNIDO as the designated implementing agency, has submitted a request for funding for the fifth and final tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$31,500, plus agency support costs of US \$2,835.² The submission includes a progress report on the implementation of the fourth tranche and the tranche implementation plan for 2020 to 2021.

Report on HCFC consumption

2. The Government of the Plurinational State of Bolivia reported a consumption of 1.96 ODP tonnes of HCFC in 2019, which is 68 per cent below the HCFC baseline for compliance. The 2015-2019 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in the Plurinational State of Bolivia (2015-2019 Article 7 data)

HCFC	2015	2016	2017	2018	2019*	Baseline
Metric tonnes						
HCFC-22	30.52	55.67	35.60	55.28	34.76	88.85
HCFC-123	0.00	0.00	0.00	0.00	1.45	0.20
HCFC-141b	0.23	0.00	0.94	0.62	0.14	8.85
Sub-total (mt)	31.31	55.67	36.54	55.90	36.35	102.15
HCFC-141b in imported pre-blended polyols*	2.42	1.03	0.99	0.18	0.23	5.5**
Total (mt)	33.73	56.7	37.53	56.08	36.58	107.7
ODP tonnes						
HCFC-22	1.68	3.06	1.96	3.04	1.91	4.89
HCFC-123	0.00	0.00	0.00	0.00	0.03	0.00
HCFC-141b	0.03	0	0.10	0.07	0.01	0.97
Sub-total (ODP tonnes)	1.74	3.06	2.06	3.11	1.96	6.1
HCFC-141b in imported pre-blended polyols*	0.27	0.11	0.11	0.02	0.03	0.61**
Total (ODP tonnes)	2.01	3.17	2.17	3.13	1.98	6.67

* Country programme (CP) data.

** Average consumption between 2007 and 2009.

3. HCFC-22 is used exclusively to service refrigeration and air-conditioning (RAC) equipment. While the levels of consumption have fluctuated based on imports of alternatives, possible stockpiling by importers, and a downturn in the economy in 2019, the consumption has shown a downward trend, as a result of the implementation of the activities under stage I of the HPMP and the introduction of non-HCFC-based RAC equipment. Bulk HCFC-141b is consumed intermittently to flush refrigeration circuits, while consumption of HCFC-141b contained in imported pre-blended polyols has decreased as manufacturers converted to unspecified alternatives. HCFC-123 is consumed intermittently by a single user (a thermoelectric plant) either to service fire-protection equipment or a chiller.

CP implementation report

4. The Government reported HCFC sector consumption data under the 2019 CP implementation report which is different from the data reported under Article 7 of the Montreal Protocol, as data reported under Article 7 inadvertently included both HCFC-141b in bulk and that contained in imported pre-blended

² As per the letter of 5 August 2020 from the Ministry of Environment and Water of the Plurinational State of Bolivia to UNIDO.

polyols. At the time of finalization of the present document the Government was in the process of requesting a correction of the reported data to the Ozone Secretariat.

Progress report on the implementation of the fourth tranche of the HPMP

Legal framework

5. The update to the decree to control ODS, which had been expected to be approved in March 2016 to *inter alia* incorporate the accelerated HCFC phase-out schedule, establish quotas per importer based on ODP tonne instead of substance, and limit the validity of licenses to 31 December of the year the license was issued, had not yet been approved; however, the decree in place has allowed the authorities to enforce control measures and limit ODS imports. The updated decree was expected to be approved concurrently with by-law number 1248 to ratify the Kigali Amendment by December 2020, though constraints imposed by the COVID-19 pandemic and presidential elections planned for October 2020 could result in further delays.

Refrigeration servicing sector

6. The following activities were implemented during the fourth tranche: video training for an unspecified number of customs officers on control of ODS; training for approximately 470 technicians through the national vocational centre, INFOCAL (La Fundación Nacional para la Formación y Capacitación Laboral) on good servicing practices, including refrigerant recovery and recycling, leakage control and proper handling of refrigerants, including flammable refrigerants; provision of tools (e.g., manifolds, pinch-off tool, leak detector, filter drier, flaring and swaging tools, tube cutter, vacuum pumps, refrigerant identifier) for a newly-identified national vocational training institute, Escuela Industrial Técnica Pedro Domingo Murillo; awareness-raising to end-users on a planned leak reduction programme; preliminary work for the preparation for a code of practice and certification programme for technicians; and an international one-week online training in May 2020, and two virtual training courses in August 2020 on good servicing practices, safe handling of flammable refrigerants and identification of counterfeit refrigerants for 22 trainers and 80 technicians. Additional tools (e.g., vacuum pumps, leak detectors, service manifolds, cylinders, recovery machines, electronic scales, filter drier and other tools) were purchased for two training centres (while those tools were shipped to the country, delivery to the training centres had been delayed to October 2020 given the COVID-19 pandemic).

Project implementation and monitoring

7. There have been four changes of the ozone focal point since the 81st meeting, including a new national ozone officer that was designated in September 2020 in the interim. Accordingly, of the US \$3,000 allocated for project implementation and monitoring under the fourth tranche, none has been disbursed. UNIDO has advised the Vice-ministry and other authorities on the importance on ensuring continuity on the implementation of the HCFC phase-out programme. On-going support and training is being provided to the current national ozone unit (NOU).

Level of fund disbursement

8. As of August 2020, of the US \$283,500 approved so far, US \$278,153 had been disbursed (US \$183,653 for UNIDO and US \$94,500 for the Government of Germany³) as shown in Table 2. The balance of US \$5,347 will be disbursed by December 2020.

³ At the 75th meeting, the Executive Committee noted *inter alia* that the Agreement between the Government of the Plurinational State of Bolivia and the Executive Committee had been updated based on transfer of lead implementing agency from the Government of Germany to UNIDO (decision 75/52).

Table 2. Financial report of stage I of the HPMP for the Plurinational State of Bolivia (US \$)

Tranche		UNIDO	Germany	Total	Disbursement rate (%)
First	Approved	0	94,500	94,500	100
	Disbursed	0	94,500	94,500	
Second *	Approved	94,500	0	94,500	100
	Disbursed	94,500	0	94,500	
Third **	Approved	64,500	0	64,500	100
	Disbursed	64,500	0	64,500	
Fourth	Approved	30,000	0	30,000	82
	Disbursed	24,653	0	24,653	
Total	Approved	189,000	94,500	283,500	98
	Disbursed	183,653	94,500	278,153	

* Including US \$156 that was returned to the Multilateral Fund in May 2018.

** Including US \$296 that was returned to the Multilateral Fund at the 85th meeting.

Implementation plan for the fifth and final tranche of the HPMP

9. The following activities will be implemented by December 2021:

- (a) A training programme at the newly identified training institute Escuela Industrial Técnica Pedro Domingo Murillo for approximately 40 technicians in good servicing practices and identification of counterfeit refrigerants, and training for customs officers on control of ODS and identification of counterfeit refrigerants (US \$17,000);
- (b) Preparation of the end-user leak reduction programme through a survey of large end-users, and information dissemination on the programme, which is planned to be continued under stage II (US \$5,000);
- (c) Public awareness programme on counterfeit refrigerants (US \$5,500); and
- (d) Project implementation and monitoring (US \$4,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on HCFC consumption

10. Given the COVID-19 pandemic it was not possible for the NOU to visit the sole user of HCFC-123 in the country to clarify whether that use is to service fire-protection equipment (as indicated in the 2019 CP report) or a chiller (as indicated in prior CP reports). It was agreed that UNIDO would clarify the use when stage II of the HPMP was submitted to the 87th meeting, at which time the NOU would correct the CP reports, as necessary.

Progress report on the implementation of the fourth tranche of the HPMP

Legal framework

11. The Government of the Plurinational State of Bolivia has already issued HCFC import quotas for 2020 at 3.66 ODP tonnes, which is lower than the Montreal Protocol control targets.

12. In line with decision 81/41(a)(ii), UNIDO reported that the recommendations in the verification report submitted to the 81st meeting, relating to strengthening of the licensing system, improvement of communication between the NOU and customs and additional training for customs, and strengthening of data-recording procedures, had been implemented. However, the Secretariat noted that recommendations, relating to establishing quotas per importer based on ODP tonne instead of substance, and limiting the validity of licenses to 31 December of the year the license was issued, are pending finalization of the update to the decree to control ODS (expected to be completed in 2021).

Refrigeration servicing sector

13. Notwithstanding the efforts by the Government to establish during stage I of the HPMP, a code of practice for technicians and a certification scheme, and national norms that would require certification for certain jobs, these schemes have not been completed. The reasons for the delays include the four changes of the ozone focal point since the 81st meeting (including a new interim ozone officer who was only appointed in September 2020) and, more recently, the planned presidential elections and the constraints imposed by the COVID-19 pandemic. Based on these facts, and to allow for the completion of the activities, the Secretariat suggested to UNIDO to consider requesting an extension of stage I; however, after further discussion with the Government, UNIDO indicated that an extension was not necessary, and confirmed that stage I will be completed on 31 December 2021 as established in paragraph 14 of the Agreement.

14. Noting that the NOU plays a major role in the implementation of the above mentioned schemes, and given the limited funding remaining under stage I, the Secretariat and UNIDO agreed that those activities would be undertaken under stage II of the HPMP (expected to be submitted to the 87th meeting); the Secretariat also noted that, UNEP through its Compliance Assistance Programme (CAP) continues to provide direct support to the NOU, in line with decision 75/52(b)(iv). With the funding available until the completion of stage I of the HPMP by 31 December 2021, UNIDO will continue assisting the Government in implementing the training programmes for customs officers and refrigeration technicians with emphasis on counterfeit refrigerants (as it is a major concern in the country), prepare the end-user leak reduction programme and public awareness activities.

Gender policy implementation⁴

15. Stage I of the HPMP was approved prior to the adoption of the gender policy of the Fund. While some women participated in trainings supported under the HPMP, and the participation of women would continue to be promoted under the fifth tranche, reliable gender disaggregated data is not available. UNIDO confirmed that indicators measuring the implementation of the Multilateral Fund's operational policy on gender mainstreaming will be identified and reported upon. Moreover, stage II of the HPMP will seek to identify entry points to promote gender equality and women's empowerment activities to be implemented under that stage.

Conclusion

16. Implementation of activities is challenged by continued turnover in the NOU; political unrest, forthcoming elections and the COVID-19 pandemic further add to the challenges faced by the country. Notwithstanding those challenges, the country remains in compliance with the Montreal Protocol and continues to report its consumption under the CP report and Article 7 of the Montreal Protocol. The country's 2019 consumption was already 68 per cent below its HCFC baseline for compliance, and 98 per cent of the funding approved to date has been disbursed. Technicians and customs officers continue to be trained, and the import licensing and quota system is operational and will enable the country's sustained compliance with the Montreal Protocol's phase-out schedule for HCFCs. Continued

⁴ Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

implementation of the HPMP, combined with continued assistance from UNEP CAP, will strengthen the country's national institutions related to the implementation of the Montreal Protocol. The establishment of a code of practice for technicians and a certification scheme, and national norms that would require certification for certain jobs, that requires the full participation and guidance from the NOU, will be completed during stage II of the HPMP.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the fourth tranche of stage I of the HCFC phase-out management plan (HPMP) for the Plurinational State of Bolivia; and further recommends blanket approval of the fifth and final tranche of stage I of the HPMP for the Plurinational State of Bolivia, and the corresponding 2020-2021 tranche implementation plan, at the funding level shown in the table below:

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fifth tranche)	31,500	2,835	UNIDO