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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-fourth Meeting
Montreal, 18-22 May 2015

PROJECT PROPOSAL: GUYANA

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, second tranche) UNEP and UNDP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Guyana

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNDP, UNEP (lead)	63 rd	10 per cent by 2015

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2013	0.96 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2013	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-123									
HCFC-124									
HCFC-141b									
HCFC-142b									
HCFC-22					0.96				0.96

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	1.80	Starting point for sustained aggregate reductions:	1.80
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	0.18	Remaining:	1.62

(V) BUSINESS PLAN		2014	2015	Total
UNEP	ODS phase-out (ODP tonnes)		0.0	0.0
	Funding (US \$)		7,910	7,910

(VI) PROJECT DATA			2011	2012	2013	2014	2015	Total
Montreal Protocol consumption limits (ODP tonnes)			n/a	n/a	1.80	1.80	1.62	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	1.80	1.80	1.62	n/a
Agreed funding (US\$)	UNDP	Project costs	48,000	0	0	0	0	48,000
		Support costs	4,320	0	0	0	0	4,320
	UNEP	Project costs	11,000	0	0	0	7,000	18,000
		Support costs	1,430	0	0	0	910	2,340
Funds approved by ExCom (US\$)	Project costs	59,000	0	0	0	0	59,000	
	Support costs	5,750	0	0	0	0	5,750	
Total funds requested for approval at this meeting (US\$)	Project costs	0	0	0	0	7,000	7,000	
	Support costs	0	0	0	0	910	910	

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Guyana, UNEP as the lead implementing agency, has submitted to the 74th meeting a request for funding for the second and final tranche of stage I of the HCFC phase-out management plan (HPMP) at the amount of US \$7,000, plus agency support costs of US \$910 for UNEP only. The submission includes a progress report on the implementation of the first tranche and the tranche implementation plan for 2015.

Report on HCFC consumption

HCFC consumption

2. The Government of Guyana reported an estimated consumption of 0.8 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

Table 1. HCFC-22 consumption in Guyana (2010-2014 Article 7 data)

HCFC-22	2010	2011	2012	2013	2014*	Baseline
Metric tonnes	42.8	43.90	24.69	17.42	14.5	31.0
ODP tonnes	2.4	2.41	1.36	0.96	0.80	1.8

*Preliminary data provided by the Government of Guyana.

3. The HCFC consumption for Guyana in 2013 of 0.96 ODP tonnes was much lower than the baseline, as the quota for 2013 was based on the estimated baseline of 0.97 ODP tonnes. The reduction on HCFC consumption from 2012 onwards is due to the implementation of quota control on HCFC imports, the ban on imports of HCFC-based equipment since 2010 and the training of refrigeration technicians on good practices and awareness activities.

Country programme (CP) implementation report

4. The Government of Guyana reported sector HCFC consumption data for 2013 under CP implementation report which is consistent with the data reported under Article 7. The 2014 CP data report will be submitted by 1 May 2015.

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

Institutional and Legal framework

5. The Government of Guyana has developed regulations to support the implementation of a licensing and quota system. The licensing system covered both HCFCs and HCFC-based equipment. The Government revised the labelling standards in 2014 to include HCFCs. Development of a national standard for handling, transport and storage of flammable refrigerants is currently being discussed by the National Bureau of Standards and is expected to be fully developed in stage II of the HPMP.

6. A component on Montreal Protocol issues has been included in the customs training curriculum. Two workshops were organized for 30 customs officers on licensing system, HCFC import control and the use of refrigerant identifiers. Ten refrigerant identifiers were provided to customs department assisting in monitoring ODS imports at various ports.

Refrigeration servicing sector

7. Training of refrigeration and air-conditioning (RAC) technicians is being institutionalized. A component of servicing and installation of RAC equipment has been introduced into the training curriculum of two training centres which will provide continuous training to technicians. Three training

modules have been developed to support the introduction of the Caribbean Vocational Qualification standard.

8. Eight training workshops were conducted for 99 technicians on good refrigeration servicing practices, safe handling of natural refrigerants and retrofit of equipment. Training was also conducted for 34 technicians on the introduction of alternative refrigerants and technologies, working with capacitors and inverters, and conversion to hydrocarbons. Equipment and servicing tools were purchased and will be distributed to training centres and selected technicians. Establishment of an association for RAC technicians and certification of technicians are ongoing.

Project monitoring and coordination

9. Monitoring of HPMP implementation was conducted by the national ozone unit (NOU). Progress was monitored through field visits, inspections and collection of data. Progress reports were prepared and submitted to implementing agencies.

Level of fund disbursement

10. As of February 2015, of the US \$59,000 so far approved (US \$48,000 for UNDP and US \$11,000 for UNEP), US \$56,680 (US \$48,000 for UNDP and US \$8,680 for UNEP) has been disbursed. The balance of US \$2,320 (UNEP) will be disbursed in 2015.

Implementation plan for the second tranche of the HPMP

11. The objective of the second tranche will focus on promoting training of technicians in technical institutions. The funds of US \$7,000 for the second tranche will be used for the development and implementation of a training module for the electrical and occupational components under the Caribbean Vocational Qualification standard. The stage II of HPMP for Guyana will be submitted to the 75th meeting.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Report on consumption

12. Based on the consumption data reported under Article 7 of the Montreal Protocol for 2013 (0.96 ODP tonnes) and the preliminary data for 2014 (0.80 ODP tonnes), Guyana has been in compliance with the maximum allowable consumption in the Agreement for both years (1.8 ODP tonnes).

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

Operational licensing and quota system

13. In line with decision 63/17, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and exports is in place and that the system is capable of ensuring compliance with the Montreal Protocol. The HCFC import quota for 2015 has been established at 1.62 ODP tonnes in accordance with the Agreement with the Executive Committee. For subsequent years, the annual quota will be based on the levels allowed under the Montreal Protocol.

Issue related to retrofitting to hydrocarbons

14. The Secretariat raised concerns on the safety issues related to the potential retrofitting of RAC equipment to hydrocarbons, as this has been the focus of the training programme conducted for

technicians. Viewing that regulations and standards for the safe use of flammable refrigerants have not been established in the country as yet, and that an institutional framework that ensures the safe conversion and the subsequent servicing and monitoring of hydrocarbon-based equipment is not in place, the Secretariat urged the Government to prioritize the development of standards and advised that activities in servicing sector should focus on training of technicians on good practices, the safe handling of refrigerants, containment, recovery, and recycling and reuse of recovered refrigerants, rather than retrofitting as guided by the Executive Committee in decision 72/41 and 73/34. UNEP informed the Secretariat that the Government realized there have been increased interests from the RAC industry in this new technology. The Government felt that introductory training on the use of this alternative technology would serve as an interim measure to mitigate any potential risks posed by the use of flammable refrigerants in the absence of the requisite policies on safe handling and storage of refrigerants. The Government is aware of the safety risk and is not encouraging the industry to undertake such conversions. Discussion with the Nation Bureau of Standards on the development of a national standard for safe handling, transportation and storage of refrigerants is currently ongoing and is expected to be fully implemented in the second stage of the HPMP. In view of the potential retrofits that could occur in Guyana, the Secretariat added a condition in the recommendation that if Guyana were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in RAC equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols in accordance with decision 72/17 and decision 73/34.

Revision to the Agreement of the HPMP

15. In approving stage I of the HPMP, the Executive Committee requested the Secretariat to, *inter alia*, update Appendix 2-A (“The targets, and funding”) to the Agreement with the figures for the maximum allowable consumption, and to notify the Executive Committee of the resulting levels accordingly (decision 63/33(d)). Based on the established HCFC baseline (1.8 ODP tonnes, calculated using actual consumption of 1.1 ODP tonnes and 2.4 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol), the relevant paragraph of the Agreement has been updated, and a new paragraph 16 has been added to indicate that the updated Agreement supersedes that reached at the 63rd meeting, as shown in Annex I to the present document. The adjustment of the baseline will not affect the level of funding approved for Guyana. The full revised Agreement will be appended to the final report of the 74th meeting.

Conclusion

16. An enforceable licensing system for HCFC imports has been established and is operational. A ban on HCFC-based equipment has been implemented since 2010. The country has been in compliance with the Montreal Protocol control targets in 2013 and 2014. The quota issued for 2015 is below the target in the Agreement. Training on monitoring of ODS imports and provision of refrigerant identifiers facilitated customs officers undertaking better control of ODS trade. Training of servicing technicians has been incorporated into the curriculum of two training centres to sustain capacity development to enable servicing technicians addressing evolving issues. Training was conducted for technicians on good practice, refrigerant recovery, reuse and containment, safe handling hydrocarbons and servicing equipment with alternative technologies. In view of the progress achieved in the implementation of the HPMP and the funding disbursement rate of nearly 90 per cent, the Secretariat recommends approval of the funding for the second tranche.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Guyana;

- (b) Notes that the Fund Secretariat had updated paragraph 1, Appendices 1-A and 2-A of the Agreement between the Government of Guyana and the Executive Committee, based on the established HCFC baseline for compliance, and that a new paragraph 16 had been added to indicate that the updated Agreement superseded that reached at the 63rd meeting, as contained in Annex I to the present document;
- (c) Further notes that the revised starting point for sustained aggregate reduction in HCFC consumption was 1.8 ODP tonnes, calculated using actual consumption of 1.1 ODP tonnes and 2.4 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol; and
- (d) Requests the Government of Guyana, UNEP and UNDP to submit the project completion report to the second meeting of the Executive Committee in 2017.

18. The Fund Secretariat further recommends blanket approval of the second tranche of stage I of the HPMP for Guyana, and the corresponding 2015 tranche implementation plan at the funding level shown in the table below, on the understanding that if Guyana were to decide to proceed with retrofits and associated servicing to flammable and toxic refrigerants in refrigeration and air-conditioning equipment originally designed for non-flammable substances, it would do so assuming all associated responsibilities and risks and only in accordance with the relevant standards and protocols.

	Project title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, second tranche)	7,000	910	UNEP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF GUYANA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

1. This Agreement represents the understanding between the Government of Guyana (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 **1.62** ODP tonnes prior to 1 January 2015 in compliance with Montreal Protocol schedules.

16. This updated Agreement supersedes the Agreement reached between the Government of Guyana and the Executive Committee at the 63rd meeting of the Executive Committee.

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.80

APPENDIX 2-A: THE TARGETS AND FUNDING*

		2011	2012	2013	2014	2015	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.80	1.80	1.62	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.80	1.80	1.62	n/a
2.1	Lead IA UNEP agreed funding (US \$)	11,000			7,000		18,000
2.2	Support costs for Lead IA (US \$)	1,430			910		2,340
2.3	Cooperating IA UNDP agreed funding (US \$)	48,000					48,000
2.4	Support costs for Cooperating IA (US \$)	4,320					4,320
3.1	Total agreed funding (US \$)	59,000			7,000		66,000
3.2	Total support cost (US \$)	5,750			910		6,660
3.3	Total agreed costs (US \$)	64,750			7,910		72,660
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)						0.18
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						1.62
