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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: SAINT KITTS AND NEVIS**

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**

**Saint Kitts and Nevis**

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNDP, UNEP (lead)	64 <sup>th</sup>	35 per cent by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2013	0.32 (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-22					0.3				0.3

(IV) CONSUMPTION DATA (ODP tonnes)				
2009 - 2010 baseline:		0.5	Starting point for sustained aggregate reductions:	0.5
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)				
Already approved:		0.18	Remaining:	0.32

(V) BUSINESS PLAN		2015	2016	2017	2018	2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	0.1					0.0	0.1
	Funding (US \$)	55,596					19,097	74,693

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	
Montreal Protocol consumption limits			n/a	n/a	0.5	0.5	0.45	0.45	0.45	0.45	0.45	0.32	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	n/a	0.5	0.5	0.45	0.45	0.45	0.45	0.45	0.32	n/a	
Agreed funding (US \$)	UNDP	Project costs	40,000	0	0	0	0	0	0	0	0	0	40,000	
		Support costs	3,600	0	0	0	0	0	0	0	0	0	3,600	
	UNEP	Project costs	58,400	0	0	0	49,200	0	0	0	0	0	16,900	124,500
		Support costs	7,592	0	0	0	6,396	0	0	0	0	0	2,197	16,185
Funds approved by ExCom (US \$)		Project costs	98,400	0	0	0	0	0	0	0	0	0	98,400	
		Support costs	11,192	0	0	0	0	0	0	0	0	0	0	11,192
Total funds requested for approval at this meeting (US \$)		Project costs					49,200						49,200	
		Support costs					6,396							6,396

<b>Secretariat's recommendation:</b>	For blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of Saint Kitts and Nevis, UNEP as the lead implementing agency, has submitted to the 74<sup>th</sup> meeting a request for funding for the second tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$49,200, plus agency support costs of US \$6,396 for UNEP only. The submission includes a progress report on the implementation of the first tranche and the tranche implementation plan for 2015 to 2020.

### Report on HCFC consumption

#### *HCFC consumption*

2. The Government of Saint Kitts and Nevis reported an estimated consumption of 0.44 ODP tonnes of HCFC in 2014. The 2010-2014 HCFC consumption is shown in Table 1.

**Table 1. HCFC-22 consumption in Saint Kitts and Nevis (2010-2014 Article 7 data)**

<b>HCFC-22</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014*</b>	<b>Baseline</b>
Metric tonnes	10.2	8.83	6.83	5.81	8.00	8.9
ODP tonnes	0.6	0.49	0.38	0.32	0.44	0.5

\*Preliminary data.

3. HCFC-22 consumption has been decreasing from 2010 to 2013 due to the implementation of the HPMP, as imports are based on assigned quotas. Furthermore, the refrigeration and air-conditioning (RAC) equipment supply in Saint Kitts and Nevis is mainly influenced by the market of United States of America which is moving away from HCFC-based equipment, resulting in the introduction of non-HCFC refrigerants, mostly HFCs. The increase in 2014 consumption could be caused by market reaction to the reduction measure in 2015.

#### *Country programme (CP) implementation report*

4. The Government of Saint Kitts and Nevis 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 in May 2015.

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

#### *Legal framework*

5. A licensing and quota system has been in place and HCFC quotas have been issued at levels below the control targets of the Montreal Protocol. The ODS regulations were revised in 2014 to include all refrigerants including HCFC blends into the import/export licensing system. A ban on the import of HCFC-based equipment is under discussion by the Ministry of Sustainable Development and the industry. An automated system for customs data (ASYCUD) was introduced for better identification of HCFCs. The alternative refrigerants introduced into the country are mainly HFCs and HFC blends.

6. A component addressing Montreal Protocol issues has been integrated into the basic training course for customs officers. So far, 62 officers have been trained. A specialized training was also organized for 15 frontline officers on trade control of ODS.

*Refrigeration servicing sector*

7. A regional workshop was conducted for RAC servicing technicians on the introduction of alternatives. It maximized the benefits through sharing information and experiences with counterparts from other countries. Twenty-six technicians from Saint Kitts and Nevis were trained on safe handling of hydrocarbon and retrofits equipment.

8. A five-day training course was conducted for 15 trainers on good servicing practices, safe handling of natural refrigerants, refrigerant recovery and retrofits to natural refrigerants. A component of servicing practices of RAC equipment has been incorporated into the curriculum of Clarence Fitzroy Bryant College (CFBC).

Level of fund disbursement

9. As of March 2015, of the US \$98,400 so far approved (US \$58,000 for UNEP and US \$40,000 for UNDP), US \$58,400 had been disbursed by UNEP (representing 60 per cent of the total funds approved). The balance of US \$40,000 will be disbursed by UNDP in 2015.

Implementation plan for the second tranche of the HPMP

10. During the second funding tranche of the HPMP, the Government of Saint Kitts and Nevis will implement the following activities:

- (a) Developing policies and regulations for the labelling of refrigerant containers and HCFC-based equipment; reviewing customs training manual and training of 50 enforcement personnel; and procurement of refrigerant identifiers and training on their use (UNEP) (US \$8,000);
- (b) Training of 50 technicians on good refrigeration servicing practices, recovery, reuse and retrofit, and safe handling of natural refrigerants; and provision of hydrocarbon conversion kits. The training will focus on hotel industry, yachts, fishing vessels and fisheries complexes (UNEP) (US \$15,000);
- (c) Purchasing basic service equipment and tools (leak detector; recovery machine; refrigerant identifier; tube piercing, lockers and cutters; welding and cold welding tools etc.) and training on their use; (UNDP) (funds from the first tranche);
- (d) Public awareness activities on emerging technologies, refrigerants with low global-warming-potential and safety related issues, and options for equipment using CFCs; and sensitization training for fisheries, yachting and hotel industry (UNEP) (US \$13,000); and
- (e) Continuing monitoring of project implementation, coordinating stakeholders and reporting progress (UNEP) (US \$13,200).

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

#### Report on HCFC consumption

11. Based on the consumption data reported under Article 7 of the Montreal Protocol in 2013 (0.32 ODP tonnes) and preliminary data for 2014 (0.44 ODP tonnes), Saint Kitts and Nevis has been in compliance with the maximum allowable consumption for 2013 and 2014 in the Agreement (0.5 ODP tonnes).

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

##### *Operational licensing system*

12. 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 0.45 ODP tonnes based on the consumption limit for 2015. For subsequent years, the annual quota will be set based on the levels allowed under the Montreal Protocol with a 5 per cent of the quota reserved for emergency use by the Government.

##### *Issue related to retrofitting to hydrocarbon refrigerants*

13. The Secretariat raised concerns on retrofitting HCFC-22-based equipment to hydrocarbon refrigerant and provision of conversion kits planned for the second tranche, which poses safety risk in the absence of established regulations and codes of practices for such undertaking. The Secretariat further advised that the activities in the servicing sector should focus on training of technicians on good service 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.

14. UNEP informed that training for technicians covers a wide range of skills; retrofitting and safe handling of hydrocarbon is only a small part of it. The objective is to provide knowledge and skills to technicians for servicing hydrocarbon-based equipment and for undertaking retrofitting when they are required to do so. Currently the supply of hydrocarbon refrigerants is limited in the country and is only sold to technicians who have completed the specialised training course. A draft code of practice for safe handling of flammable refrigerants has been developed and is planned to be implemented in 2015. The Government is aware of the safety risk associated with the use of hydrocarbons refrigerants and is not encouraging large scale retrofitting of RAC equipment. It aims at achieving HCFC reduction through a quota control and by providing training to technicians in better servicing practices. The Secretariat further advised that if the country 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 decisions 72/17 and 73/34. Based on the Secretariat's comments, the Government removed the component of provision of conversion kits and will focus on safe handling of hydrocarbons and provision of servicing tools.

##### *Delay of provision of equipment*

15. The provision of tools and equipment for technicians, originally planned to be undertaken during the first tranche, has been delayed. Since only limited funding (US \$40,000 for up to 2020) was projected for tools and equipment, it took a longer time to develop the list of equipment in order to optimise the

benefits of the resources available to address evolving issues for the entire duration of stage I of the HPMP. It is expected that this component will be completed by the end of 2015.

### Conclusion

16. Saint Kitts and Nevis has been in compliance with the Montreal Protocol control targets in 2013 and 2014, and the quota for 2015 is also below the control target. An enforceable national system of licensing and quotas for HCFC imports and exports has been put in place and is capable of ensuring compliance with the Montreal Protocol. Training for technicians had been provided to enable them to conduct better equipment servicing. Montreal Protocol issues have been incorporated into professional training institutions to ensure a long-term sustainability of capacity development for customs officers and servicing technicians. The Government is also considering issuing a ban on import of HCFC-based equipment. In view of the progress achieved in the implementation of the HPMP and the funding disbursement rate of 60 per cent, the Secretariat recommends approval of the funding for the second tranche.

### **RECOMMENDATION**

17. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan of (HPMP) for Saint Kitts and Nevis, and further recommends blanket approval of the second tranche of stage I of the HPMP for Saint Kitts and Nevis, and the corresponding 2015-2020 tranche implementation plan, at the funding level shown in the table below, on the understanding that if Saint Kitts and Nevis 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.

	<b>Project title</b>	<b>Project funding (US \$)</b>	<b>Support cost (US \$)</b>	<b>Implementing agency</b>
(a)	HCFC phase-out management plan (stage I, second tranche)	49,200	6,396	UNEP

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