



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/88/37
19 October 2021

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-eighth Meeting
Montreal, 15-19 November 2021¹

PROJECT PROPOSAL: BAHAMAS (THE)

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, fourth tranche) UNEP/UNIDO

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

Bahamas (the)

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	65 th	35% by 2020

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2020	2.62 (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					2.62				2.62

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	4.81	Starting point for sustained aggregate reductions:	4.81
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	1.68	Remaining:	3.13

(V) BUSINESS PLAN		2021	Total
UNEP	ODS phase-out (ODP tonnes)	0.17	0.17
	Funding (US \$)	35,001	35,001
UNIDO	ODS phase-out (ODP tonnes)	0	0
	Funding (US \$)	0	0

(VI) PROJECT DATA			2011	2013	2015	2016	2017	2018	2019	2020	2021*	Total	
Montreal Protocol consumption limits			n/a	4.81	4.33	4.33	4.33	4.33	4.33	3.13	3.13	n/a	
Maximum allowable consumption (ODP tonnes)			n/a	4.81	4.33	4.33	4.33	4.33	4.33	3.13	3.13	n/a	
Agreed funding (US \$)	UNEP	Project costs	18,200	49,550	0	58,175	0	0	0	30,975	0	156,900	
		Support costs	2,366	6,442	0	7,563	0	0	0	4,026	0	20,397	
	UNIDO	Project costs	105,128	10,464	0	35,828	0	0	0	0	0	0	151,420
		Support costs	9,462	942	0	3,224	0	0	0	0	0	0	13,628
Funds approved by ExCom (US \$)	Project costs		123,328	60,014	0	0	94,003	0	0	0	0	277,345	
	Support costs		11,828	7,384	0	0	10,787	0	0	0	0	29,999	
Total funds requested for approval at this meeting (US \$)	Project costs		0	0	0	0	0	0	0	0	30,975	30,975	
	Support costs		0	0	0	0	0	0	0	0	4,026	4,026	

*The fourth tranche should have been submitted in 2020

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of the Bahamas, UNEP as the lead implementing agency, has submitted a request for funding for the fourth tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$30,975, plus agency support costs of US \$4,026 for UNEP only.² The submission includes a progress report on the implementation of the third tranche, the verification report on HCFC consumption for 2017 to 2020 and the tranche implementation plan for 2022 to 2023.

Report on HCFC consumption

2. The Government of the Bahamas reported a consumption of 2.62 ODP tonnes of HCFC in 2020, which is 45.5 per cent below the HCFC baseline for compliance. The 2016-2020 HCFC consumption is shown in Table 1.

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

HCFC-22	2016	2017	2018	2019	2020	Baseline
Metric tonnes (mt)	68.00	50.00	49.40	48.82	47.70	87.54
ODP tonnes	3.74	2.75	2.72	2.69	2.62	4.81

3. Part of the HCFCs imported in 2016 was stockpiled, resulting in a higher consumption in that year. Since then reduction in the consumption has been achieved mainly on account of implementation of the activities relating to enforcement of quotas for HCFCs and training of refrigeration service technicians, under the HPMP, and the replacement of HCFC-based equipment with equipment based mainly on high-global-warming potential (GWP) refrigerants.

Country programme (CP) implementation report

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

Verification report

5. The verification report confirmed that the Government of the Bahamas is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2017 to 2020 was correct (as shown in Table 1 above). The verification report also includes recommendations for strengthening the national regulations of the Bahamas *inter alia* by: maintaining a log-book of sales and periodic reporting of HCFC sales to authorised users by retailers and distributors; encouraging equipment owners service their equipment by trained technicians and adopt recovery and reuse of refrigerants where feasible, through information outreach programmes and consultations; and revise the regulations providing authority to the National Ozone Unit (NOU) to issue and monitor HCFC quotas to HCFC importers and verify HCFC import quotas in coordination with Customs against reports submitted by the importers. These activities will be initiated in the present tranche of stage I of the HPMP and will continue during implementation of stage II.

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

Legal framework

6. HCFCs trade is controlled by the Montreal Protocol (Import/Export Licensing System of Controlled Substances) Regulations (Cap. 216A) and the Customs Management (Amendment) Act of 2013.

² As per the letter of 3 August 2021 from the Ministry of Housing and the Environment to the Secretariat.

The Bahamas Customs and Excise Department enforces the regulations and submits consumption data to the NOU.

7. The Bahamas has an enforceable licensing and quota system in place that ensures the country's compliance with the HCFC phase-out schedule. The NOU, located within Department of Environmental Health Services (DEHS) in the Ministry of Environment and Housing, establishes and monitors HCFC import quotas per substance based on authorisation of the Minister, distributes them to registered importers based on their historic market share and on consumption limits established in the HPMP Agreement with the Executive Committee, and issues licenses for the imports. At the end of 2021, the Government will transition from its electronic single window system to a fully integrated and automated system which will enable communication with all stakeholders including HCFC importers and the NOU; this will strengthen the monitoring and reporting of HCFC imports and exports.

8. The Government of the Bahamas is planning to prohibit import of HCFC-based equipment from 1 January 2023.

Refrigeration servicing sector

9. The following activities have been implemented:

- (a) Two refrigeration and air-conditioning (RAC) trainers were trained on servicing equipment using HCFC-free alternatives including R-410A and 10 RAC technicians were trained on safe handling of and servicing using alternatives including R-410A and flammable low- GWP refrigerants; information workshops were held for refrigeration service technicians and importers on HCFC phase-out and linkages to the Kigali Amendment;
- (b) A desk study was undertaken for evaluating the best options for retrofitting of appliances using HCFC-22, and concluded that some high-GWP refrigerants that were commercially available (e.g., R-407C, R-427A, R-422D, R-438A, R-453A) could be used as retrofit options; however, sourcing low-GWP refrigerants that could also be used to retrofit was challenging. Based on the study, UNEP confirmed that the Government of the Bahamas will not undertake any retrofit of HCFC-22 refrigeration equipment as originally proposed in stage I of the HPMP. The report³ of this desk study was submitted to the 84th meeting;
- (c) Additional tools and equipment (e.g., refrigerant recovery and recycling machine, refrigerant identifier, digital manifold gauge) were procured and distributed to the Bahamas Technical and Vocational Institute (BTVI) and the Refrigeration Service Engineers Society (RSES); training on good servicing practices was provided to 21 RAC technicians; and
- (d) The Government developed and distributed technical public service announcements (PSAs) for the print and electronic media on various topics including transition to low-GWP alternatives; and implemented public awareness activities such as promotional runs, walks to raise awareness of the HCFC phase-out.

Project implementation and monitoring

10. Project implementation, monitoring and reporting was conducted through a consultant under the supervision of the NOU. The total expenditure under this component is so far US \$42,500 in stage I which is higher than the total budget of US \$36,300, mainly on account of higher costs for consultants and travel-related expenses compared to the budgeted amounts when stage I of the HPMP was approved.

³ UNEP/OzL.Pro/ExCom/84/22, paragraphs 30 to 34.

Level of fund disbursement

11. As of September 2021, of the US \$277,345 approved so far, US \$240,500 had been disbursed (US \$109,675 for UNEP and US \$130,825 for UNIDO as shown in Table 2. The balance of US \$36,845 will be disbursed in 2022.

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

Tranche		UNEP	UNIDO	Total	Disbursement rate (%)
First tranche	Approved	18,200	105,128	123,328	100
	Disbursed	18,200	105,128*	123,328	
Second tranche	Approved	49,550	10,464	60,014	73
	Disbursed	33,300	10,464*	43,764	
Third tranche	Approved	58,175	35,828	94,003	78
	Disbursed	58,175	15,528	73,703	
Total	Approved	125,925	151,420	277,345	87
	Disbursed	109,675	131,120	240,795	

*Of which, US \$40 from the first tranche and US \$255 from the second tranche were returned to the Fund by UNIDO.

Implementation plan for the fourth tranche of the HPMP

12. The following activities will be implemented between January 2022 and December 2023:
- (a) Training of at least 100 RAC technicians on good service practices and safe use of HCFC-free alternatives; information workshops for RAC technicians, importers and other relevant stakeholders on introduction of low-GWP alternatives and implication of their use in the country (UNEP) (US \$38,250)⁴;
 - (b) Development of articles in media, promotional items (e.g., t-shirts, posters, fact-sheets and banners) and public awareness activities (e.g., a walk or run for protecting ozone layer) (UNEP) (US \$5,475); and
 - (c) Project monitoring and reporting of HPMP activities, through the NOU (UNEP) (US \$3,500).

SECRETARIAT'S COMMENTS AND RECOMMENDATION**COMMENTS**Delay in submission of the fourth tranche

13. UNEP explained that the main reasons for the delay in submitting the present tranche request were due to the devastating impact caused by hurricane Dorian in 2019 and the COVID-19 pandemic since 2020 which posed implementation challenges, such as holding consultations, organizing training activities and performing regular work by the NOU and service agencies; During the recovery from the COVID-19 pandemic foreseen in the near future, the Government would take all steps to expeditiously implement the remaining activities and those planned under the fourth tranche.

⁴ Includes the balance of US \$16,250 from the second tranche that would be used for training of technicians.

Verification report

14. The Government proposes to implement the recommendations relating to information outreach and awareness activities, strengthening relevant regulations and coordination with customs authorities and importers on HCFC import monitoring and reporting during the fourth tranche of stage I and will continue to implement these in stage II of the HPMP.

Progress report on the implementation of the third tranche of the HPMP*Legal framework*

15. The Government of the Bahamas has already issued HCFC import quotas for 2021 at 2.86 ODP tonnes, which is lower than the Montreal Protocol control target.

Refrigeration servicing sector

16. The Secretariat noted that the implementation plan submitted for the fourth tranche that includes activities relating to the servicing sector, awareness and outreach programme and project monitoring and management, was in line with decision 84/31(b).⁵ UNEP also confirmed that the Government would take steps to discourage the use of R-22A (an HC-refrigerant blend that has been used as drop-in for HCFC-22-based equipment) in collaboration with customs, and promote safe use of flammable refrigerants during their training and awareness programmes.

17. UNEP indicated that the Government discourages retrofit of equipment with flammable refrigerants; that no retrofit of equipment with such refrigerants is reported in the country; and that RAC technicians are provided training on safe use of low-GWP flammable refrigerants. The Government is also considering to establish a national certification system for service technicians during stage II of the HPMP.

Expenditures above budgets

18. The Secretariat noted that the expenditures relating to awareness activities and project management and monitoring were higher than the budgeted amounts as shown in Table 3.

Table 3: Budgets and expenditures for awareness and project management (US \$)

Particulars	Budget for stage I	Expenditure up to the third tranche	Budget for the fourth tranche
Awareness activities	12,000	22,000	5,475
Project management and monitoring	39,900	42,500	3,500

19. UNEP explained that the budgets originally proposed for awareness activities were underestimated; the costs for consultant support for development of awareness activities and for publication and distribution of promotion materials resulted in higher expenditures. Regarding project management and monitoring, the expenditures for consultants and travel were also higher than those budgeted for as a result of rising cost of these services. UNEP also clarified that the Government considered that awareness and outreach activities are essential for ensuring service technicians, end-users and general public are aware of the HPMP activities and the availability and adoption of low-GWP alternatives, and that adequate budgets for project monitoring and management are essential for satisfactory implementation of the HPMP; therefore, the Government has reprioritized and reallocated funds from capacity building activities to awareness activities and project management and monitoring. The Secretariat reviewed these changes in line with the relevant policies and guidelines applicable for low-volume-consuming countries and considers that this revision is in line with the

⁵ To request UNEP to submit, together with the request for the fourth funding tranche of stage I of the HPMP, a revised plan of action for stage I, noting that the retrofit component that had originally been approved as part of that stage would not be implemented.

relevant policies and guidelines and would help the Government to satisfactorily complete implementation of HPMP stage I activities and achieve compliance with the Agreement targets. The revised budget for stage I is given in Table 4.

Table 4: Original and revised budgets for stage I of the HPMP for the Bahamas (US \$)

Particulars	Agency	Approved budget	Revised budget
Capacity building (Training of training of customs, trainers and technicians)	UNEP	105,000	83,425
Technical assistance (Wide range refrigerant identifiers, equipment, tools and spares)	UNIDO	151,420	151,420
Public awareness	UNEP	12,000	27,475
Project management and monitoring	UNEP	39,900	46,000*
Total		308,320	308,320

*This amounts to 14.9 per cent of the total funds approved in stage I.

Completion of stage I

20. The completion date for stage I of the HPMP was originally planned for 31 December 2021. However, due to the aforementioned implementation delays, the Government of the Bahamas has requested to extend the implementation of stage I until 30 June 2023 and has agreed to financially complete the project by 31 December 2023. This extension would help the Government to complete the remaining activities of stage I and continue achieving and sustaining the country's compliance targets. UNEP also indicated that the Government is considering submitting stage II of the HPMP by the 90th meeting

Gender policy implementation

21. The Government, UNEP and UNIDO are fully committed to implementing the gender policy of the Multilateral Fund in line with decision 84/92(d).⁶ The Government would continue to provide equal opportunities for men and women to participate in HPMP activities; the Government and the implementing agencies would continue to provide gender-disaggregated data as part of progress reports. Stage II of the HPMP will be developed with women participation.

Sustainability of the HCFC phase-out

22. Implementation of the licensing and quota system ensures that the imports of HCFCs are controlled and monitored; additional measures in strengthening regulations recommended in the verification report will be implemented during the fourth tranche and stage II of the HPMP. Ozone-related issues are in the curriculum of the ongoing Customs Department's training programme; this helps in continuous and sustained training of relevant staff on monitoring and control of HCFCs. Equipment and tools for training service technicians on good service practices were distributed to the BTVI and the RSES; additional equipment support is planned in stage II of the HPMP for training more service technicians on handling of and servicing equipment using flammable low-GWP refrigerants. Through a combination of enforcement of HCFC licensing and quota system and continued training of service technicians and enforcement officers, the Government would achieve sustainable phase-out of HCFCs.

Conclusion

23. The Bahamas was in compliance with the Montreal Protocol control targets set out for 2017 to 2020, as verified. The HCFC consumption in 2020 was 45.5 per cent below the baseline for compliance and 39.4 per cent below the maximum allowable consumption in the Agreement with the Executive

⁶ Decision 84/92(d) requested bilateral and implementing agencies to apply the operational policy on gender mainstreaming throughout the project cycle.

Committee for 2020. The licensing and quota system is operational and the quota issued for 2021 was 2.86 ODP tonnes below the Montreal Protocol control targets. Recommendations of the verification report will be implemented during the fourth tranche and stage II. The extension of stage I to 30 June 2023 will allow the country to complete the remaining activities of stage I and achieve sustainable HCFC phase-out. Disbursement up to the third tranche amounts to 87 per cent of the funds approved.

RECOMMENDATION

24. The Fund Secretariat recommends that the Executive Committee:

- (a) Takes note of the progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan (HPMP) for the Bahamas;
- (b) Approves, on an exceptional basis, the extension of the date of completion of stage I of the HPMP for the Bahamas to 30 June 2023, given delay in implementing phase-out activities due to the COVID-19 pandemic, and noting that no further extension of project implementation would be requested; and
- (c) Requests the Government of the Bahamas, UNEP and UNIDO to submit the project completion report to the second meeting of the Executive Committee in 2023, and return the remaining balances by 31 December 2023.

25. The Fund Secretariat further recommends blanket approval of the fourth and final tranche of stage I of the HPMP for the Bahamas, and the corresponding 2022-2023 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, fourth tranche)	30,975	4,026	UNEP