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EXECUTIVE COMMITTEE OF
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IMPLEMENTATION OF THE MONTREAL PROTOCOL
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Item 9(d) of the provisional agenda¹

PROJECT PROPOSAL: SURINAME

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 and UNIDO

¹ UNEP/OzL.Pro/ExCom/92/1

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

Suriname

(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: 2021	0.00 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2021	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22									0.00
HCFC-142b									0.00

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	2.0	Starting point for sustained aggregate reductions:	1.98
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	0.69	Remaining:	1.29

(V) ENDORSED BUSINESS PLAN		2023
UNEP	ODS phase-out (ODP tonnes)	0.0
	Funding (US \$)	15,255
UNIDO	ODS phase-out (ODP tonnes)	0.0
	Funding (US \$)	9,810

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2023	Total
Montreal Protocol consumption limits (ODP tonnes)			n/a	n/a	1.98	1.98	1.78	1.78	1.78	1.78	1.78	1.29	1.29	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	1.98	1.98	1.78	1.78	1.78	1.78	1.78	1.29	1.29	n/a
Agreed funding (US \$)	UNEP	Project costs	27,000	0	28,500	0	0	35,000	0	0	0	13,500	0	104,000
		Support costs	3,510	0	3,705	0	0	4,550	0	0	0	1,755	0	13,520
	UNIDO	Project costs	68,000	0	0	0	0	29,000	0	0	0	9,000	0	106,000
		Support costs	6,120	0	0	0	0	2,610	0	0	0	810	0	9,540
Funds approved by ExCom (US \$)	Project costs		95,000	0	0	0	28,500*	0	0	64,000*	0	0	0	187,500
	Support costs		9,630	0	0	0	3,705*	0	0	7,160*	0	0	0	20,495
Total funds requested for approval at this meeting (US \$)	Project costs		0	0	0	0	0	0	0	0	0	0	22,500*	22,500
	Support costs		0	0	0	0	0	0	0	0	0	0	2,565*	2,565

*The second, third and fourth (final) tranches should have been submitted in 2013, 2016 and 2020, respectively.

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Suriname, UNEP as the lead implementing agency has submitted a request for funding for the fourth and final tranche of stage I of the HCFC phase-out management plan (HPMP), at a total cost of US \$25,065, consisting of US \$13,500, plus agency support costs of US \$1,755 for UNEP, and US \$9,000, plus agency support costs of US \$810 for UNIDO.² The submission includes a progress report on the implementation of the third tranche, the verification report on HCFC consumption for 2018 to 2022, and the tranche implementation plan for 2023 to 2025.

Report on HCFC consumption

2. The Government of Suriname reported under country programme (CP) implementation report a consumption of 0.10 ODP tonnes of HCFC in 2022, which is 95 per cent below the HCFC baseline for compliance. The Article 7 data for 2022 has not been reported yet. The 2018-2022 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Suriname (2018-2021 Article 7 data)

HCFC	2018	2019	2020	2021	2022*	Baseline
Metric tonnes (mt)						
HCFC-22	13.60	10.50	5.00	0.00	1.77	35.30
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.60
Total (mt)	13.60	10.50	5.00	0.00	1.77	35.90
ODP tonnes						
HCFC-22	0.75	0.58	0.28	0.00	0.10	2.00
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.00
Total (ODP tonnes)	0.75	0.58	0.28	0.00	0.10	2.00

* CP data report and data from the verification report on HCFC consumption.

3. The consumption of HCFCs has been decreasing since the implementation of the activities of the HPMP including controls on HCFC imports through the licensing system and training on good service practices. The significant decrease during the years 2019 to 2022 was mainly due to the restrictions related to the COVID-19 pandemic resulting in lower demand of HCFCs for servicing and the use of HCFCs stockpiled from previous years.

Country programme implementation report

4. The Government of Suriname reported HCFC sector consumption data under the 2021 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government 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 2018 to 2021 was correct (as shown in table 1 above), except for 2020, where the consumption should be 0.34 ODP tonnes instead of 0.28 ODP tonnes reported under Article 7 and country programme. The verification concluded that Suriname is in compliance with the Montreal Protocol and with its Agreement with the Executive Committee for the years 2018 to 2022 and identified several actions to be implemented to strengthen the implementation of the licensing and quota system for HCFCs as detailed in paragraph 15 below.

² As per the letter of 8 March 2023 from the National Institute for Environment and Development of Suriname to the Secretariat.

Progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan*Legal framework*

6. The Government of Suriname has established a licensing and quota system for HCFC imports and exports. The system is operational and is being implemented by the Ministry of Trade and Industry and operates on a 'first come, first served' basis with the preference given to annual regular importers. The Government is also developing an online electronic licensing (e-licensing) system for processing import permit applications and would consider a ban on import of HCFC-based equipment in future.

7. The legislation on the control of import and export of refrigerants and associated/auxiliary equipment was amended to include HFCs, alternative refrigerants, and associated refrigeration and air-conditioning (RAC) equipment.

Refrigeration servicing sector

8. The following activities were implemented:

- (a) Training of 20 customs and enforcement officers on the use of Automated System for Customs Data (ASYCUDA) and accurate data reporting of HCFCs;
- (b) Virtual training of 20 RAC technicians on good refrigeration management practices, recovery, recycling and reclamation of refrigerants and safe use of alternative technologies;
- (c) Four online awareness programmes for the local technicians via Air-conditioning, Refrigeration and Ventilation Association of Suriname (ARVAS) and technical schools on the use of alternative refrigerants and the Kigali Amendment; and
- (d) Distribution of refrigerant identifiers and portable charging units for ARVAS and the two technical schools.

Project implementation and monitoring

9. The national ozone unit (NOU) managed the project activities including planning, monitoring and reporting relating to the third tranche; the funds were spent on travel expenses (US \$2,500) and operational expenses for data collection and monitoring (US \$5,000).

Level of fund disbursement

10. As of March 2023, of the US \$187,500 approved so far, US \$172,379 had been disbursed (US \$85,500 for UNEP and US \$86,879 for UNIDO), as shown in table 2. Of the balance of US \$15,121, US \$758 was returned and the remaining funds would be spent by the end of December 2023.

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

Tranche		UNEP	UNIDO	Total	Disburse rate (%)
First	Approved	27,000	68,000	95,000	99
	Disbursed	27,000	67,242	94,242	
Second	Approved	28,500	0	28,500	100
	Disbursed	28,500	0	28,500	
Third	Approved	35,000	29,000	64,000	77.6
	Disbursed	30,000	19,637	49,637	

Tranche		UNEP	UNIDO	Total	Disburse rate (%)
Total	Approved	90,500	97,000	187,500	91.9
	Disbursed	85,500	86,879	172,379	
	Balance*	5,000	10,121	15,121	

* Balance amounting to US \$758 from the first tranche was returned by UNIDO.

Implementation plan for the fourth and final tranche of stage I of the HCFC phase-out management plan

11. The following activities will be implemented between July 2023 and December 2025:
- (a) Continue the development and implementation of an online e-licensing system for processing import permit applications (in collaboration with the Ministry of Economic Affairs); NOU training on the use of ASYCUDA towards independent verification of reported import of refrigerants (UNEP) (no funds being requested);
 - (b) Training of 15 customs officers, five officers from the Bureau of Standards, and NOU staff, through two workshops each, on data collection, ODS import requirements, data monitoring of imports and exports in ASYCUDA, e-licensing system, proper use of product description and correct Harmonized System (HS) codes, and illegal trade of prohibited substances (UNEP) (US \$1,500);
 - (c) Training of 10 customs brokers in two workshops on the proper identification of ODS and ODS-based equipment and data entry in ASYCUDA, including use of correct and latest HS codes (2012 and 2022 once adopted by the Caribbean Community (CARICOM)) (UNEP) (US \$2,000);
 - (d) Training of refrigerant importers and retailers on the import process for HCFCs, national quota system, record keeping regarding the import of all refrigerants, the preparation of appropriate reports to the NOU, and the implications of violating the licensing and quota system (UNEP) (US \$1,000);
 - (e) Training of 30 RAC technicians in two workshops on good service practices and the use of new alternative refrigerants (UNEP) (US \$2,000);
 - (f) Safety assessment and upgrade of training centres/private workshops selected by the NOU as beneficiaries; purchase of a few sets of recycling machines for A2L, charging stations for hydrocarbons (HCs), leak detectors for HCs, and lockring kits (UNIDO) (US \$9,000 plus balance from previous tranche);
 - (g) Sensitization sessions on the refrigeration servicing sector to encourage compliance with the provisions of the licensing and quota system; stakeholder sensitization sessions on the implications of violating the licensing and quota system through various media; reprinting of public awareness and education material to include alternative refrigerants (UNEP) (US \$3,000);
 - (h) Sensitization meetings with the head of the permit issuing unit within the Ministry of Economic Affairs to provide detailed information on the permit issuance procedures (no funds being requested); and
 - (i) Project monitoring (UNEP) (US \$4,000). Coordination and management of the HPMP including project monitoring and reporting; maintenance of the current structure whereby the NOU within the National Institute for Environment and Development (NIMOS)

maintains responsibility for the day-to-day execution of ozone layer protection programme, including implementation of the HPMP.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Delay in submission of the present tranche request

12. UNEP clarified that the delay in the submission of the fourth tranche was mainly due to constraints related to the COVID-19 pandemic, as well as changes in the administrative structure that resulted in the transition of the NOU operations from NIMOS to the National Environment Authority (NEA) from the third quarter of 2022 and expected to be completed by the second quarter of 2023. UNEP explained that with the resolution of these administrative issues, all activities planned under the fourth tranche of stage I of the HPMP would be implemented in a timely manner.

Consideration of the present tranche request

13. The Secretariat had consultations with UNEP on whether the activities identified in paragraph 155 of document UNEP/OzL.Pro/ExCom/83/11³ that relate to strengthening the licensing and quota system of Suriname have been implemented. UNEP explained that the NOU has taken steps relating to training and consultations on the mandatory requirement of no-objection letters from the NOU for submitting the application for imports of HCFCs to the Ministry of Economic Affairs, training of customs brokers and officers on correct product description of HCFCs and their HS codes and sharing of data between Customs and the Ministry of Trade, Industry and Tourism; the NOU is also working on implementing an online system for clearing import permits for refrigerants including confirmation of accurate HS codes for refrigerants prior to issuance of import permits. UNEP also explained that due to change in staff in the Ministry of Economic Affairs, additional consultations are needed to ensure that the Ministry is fully aware of the requirement of the no-objection letter; and additional training is needed for customs and enforcement officers and customs brokers on import procedures for refrigerants and use of correct HS codes. These activities will be implemented on priority while implementing the fourth tranche of stage I of the HPMP. The Secretariat notes that while there is progress in implementation of the identified measures that would strengthen the licensing and quota system of HCFCs in Suriname, additional activities as identified in the verification report need to be implemented.

Report on HCFC consumption

14. On the difference in HCFC-22 consumption reported for 2020 identified in the verification report, UNEP explained that actual imports for that year, as confirmed by the verification report, were 6.20 mt (0.34 ODP tonnes) instead of 5.00 mt reported under Article 7. UNEP also confirmed that the revised consumption would be reported to the Ozone and the Fund Secretariats.

Verification report

15. The Secretariat had detailed discussions on the observations made in the verification report relating to the implementation of the licensing and quota system in the country *inter alia* implementation of recommendations made in the previous verification report relating to the need for no-objection letters for import of HCFCs, training of customs and enforcement officers and customs brokers on use of correct HS codes and product descriptions, and sharing of information on HCFC import quotas between the NOU and the customs department. UNEP explained that the Government has taken different steps that would

³ Status reports and reports on projects with specific reporting requirements.

strengthen their national licensing and quota system; and the Government will implement the activities identified below when implementing the fourth and final tranche of stage I of the HPMP (also reflected in paragraph 11 as relevant) and report on the status of the implementation of these activities to each meeting of the Executive Committee. It was also agreed that stage II would be considered only after satisfactory implementation of these activities:

- (a) Training of the Ministry of Economic Affairs and its new head of the Import, Export and Foreign Exchange Control Department on the provisions of the licensing and quota system to ensure that there is a full awareness of the requirement for the “no-objection” letter to come from the NIMOS;
- (b) NOU sharing quotas with the Ministry of Economic Affairs and the Customs Department;
- (c) Training of importers of refrigerants and refrigerant-based equipment on accurate data reporting in a timely manner including the use of correct HS codes;
- (d) Training of customs brokers on correct use of HS codes and information submission to ASYCUDA;
- (e) Inclusion of HS codes in the “no-objection” letters to be sent to the Ministry of Economic Affairs; and
- (f) Revision of data reported under Article 7 and country programme for 2020 to 6.20 mt or 0.34 ODP tonnes.

Progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan

Legal framework

16. The Government of Suriname has already issued HCFC import quotas for 2023 at 1.28 ODP tonnes, which is in accordance with the Montreal Protocol control targets.

Refrigeration servicing sector

17. The Secretariat requested clarifications on the reasons for the delays in the implementation of training programmes. UNEP explained that the small-scale funding agreement for the third tranche, approved in 2018 was signed in June 2020 due to administrative delays in approval and changes in the Government; challenges related to the COVID-19 pandemic affected implementation of different activities in 2020 and up to August 2021. More recently, the restructuring and transition of NOU operations from NIMOs to the NEA further impacted implementation. UNEP further indicated that the remaining activities planned under stage I of the HPMP will be implemented no later than 30 June 2024.

18. UNEP confirmed that no retrofit of equipment using flammable refrigerants is undertaken in the country and that the Government is aware of the relevant Executive Committee decisions;⁴ the training programmes include information on the safe use of flammable refrigerants while servicing RAC equipment.

⁴ Decisions 72/17 and 73/34.

Gender policy implementation⁵

19. The Government, UNEP and UNIDO are fully committed to implementing the gender policy of the Multilateral Fund. The Government would continue to work with the Ministry of Economic Affairs, Women's Associations, the technicians' association, technical schools, and others, to obtain insights on how to encourage women to participate in HPMP activities. Through a combination of different interventions, the Government is expecting an increase in the participation of women in HPMP activities including a larger number of women working as RAC technicians.

Completion of stage I of the HCFC phase-out management plan

20. The completion date for stage I of the HPMP for Suriname was originally planned for 31 December 2021. At the 90th meeting, the Executive Committee allowed the country, on an exceptional basis, to continue implementation of the outstanding activities related to stage I and requested that a detailed implementation plan, with the request for the remaining tranche be submitted to the 91st meeting (decision 90/23). In view of the delays in submitting the fourth tranche, the Secretariat noted that extending the Agreement of stage I to 30 June 2024 would allow the country to complete the remaining activities as contained in the revised action plan.

Sustainability of the HCFC phase-out and assessment of risks

21. The Government of Suriname has established the train-the-trainers programme for training customs officers on an ongoing basis and would prioritise and implement the different recommendations on strengthening the licensing and quota system for HCFCs. The curriculum and training programmes for technicians are used by the new members in their new refresher courses; the teachers in the technical institutions are regularly participating in the training programmes on good service practices. The risks relating to implementation due to administrative challenges resulting from restructuring of the NOU have been addressed and the planned activities in the fourth tranche are expected to be implemented in a timely manner. The Government is planning to submit stage II of the HPMP in 2024.

Conclusion

22. The Government of the Suriname has reduced its consumption of HCFCs to 0.10 ODP tonnes in 2022 which is 95 per cent below the HCFC baseline for compliance and 92.2 per cent below the consumption target for that year. Due to organisation restructuring of the NOU and challenges related to the COVID-19 pandemic, the activities relating to the third tranche were delayed; currently, the NOU under the new structure is implementing HPMP activities. Of the total funds approved up to the third tranche, 91.9 per cent has been disbursed. While actions for strengthening the licensing and quota system for HCFCs were initiated while implementing the third tranche, they were not fully implemented; and due to challenges related to the COVID-19 pandemic, in-person consultations and training required for these activities were affected. The verification report identified actions to be taken for strengthening the licensing and quota system and the Government has agreed to implement these activities on priority and report to the Executive Committee on the status of their implementation at each meeting. The training activities for customs and enforcement officers and service sector and awareness and information outreach activities would continue to be implemented during the fourth tranche. In light of the delay in the implementation of the third tranche and submission of the fourth tranche, the Government has requested an extension of the completion date of stage I of the HPMP to 30 June 2024 with an understanding that no further extension would be requested. Stage II of the HPMP is under preparation and is expected to be submitted by the last meeting of 2024 on

⁵ In line with decision 84/92(d), decision 90/48(c) encouraged bilateral and implementing agencies to continue ensuring that the operational gender mainstreaming policy was applied to all projects, taking into consideration the specific activities presented in table 2 of document UNEP/OzL.Pro/ExCom/90/37.

the condition that activities identified in paragraph 15 relating to the strengthening of the licensing and quota system would be fully implemented.

RECOMMENDATION

23. The Executive Committee may wish to consider:

- (a) Noting the progress report on the implementation of the third tranche of stage I of the HCFC phase-out management plan (HPMP) for Suriname;
 - (b) Approving, on an exceptional basis, given delay in implementing phase-out activities, and noting that no further extension of project implementation would be requested, the extension of the date of completion of stage I of the HPMP for Suriname to 30 June 2024;
 - (c) Requesting the Government of Suriname, UNEP and UNIDO to submit a progress report on the implementation of the work programme associated with the final tranche to the last meeting of the Executive Committee in 2024 and project completion report to the first meeting of 2025; and
 - (d) Approving the fourth and final tranche of stage I of the HPMP for Suriname and the corresponding 2023-2024 tranche implementation plan, in the amount of US \$25,065 consisting of US \$13,500, plus agency support costs of US \$1,755 for UNEP and US \$9,000, plus agency support costs of US \$810 for UNIDO, on the understanding that the Government of Suriname, UNEP and UNIDO would submit a status report on the implementation of the recommendations from the verification report to strengthen the licensing and quota system, as identified in paragraph 15 of the present document to each meeting of the Executive Committee starting from the 93rd meeting and that stage II of the HPMP for Suriname would be considered only after satisfactory implementation of the above recommendations.
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