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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Ninety-third Meeting  
Montreal, 15-19 December 2023  
Item 9(c) of the provisional agenda<sup>1</sup>

**PROJECT PROPOSAL: VENEZUELA (BOLIVARIAN REPUBLIC OF)**

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

Phase-out

- HCFC phase-out management plan (stage II, third tranche)

UNIDO

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<sup>1</sup> UNEP/OzL.Pro/ExCom/93/1

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

## Venezuela (the Bolivarian Republic of)

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNIDO (lead)	76 <sup>th</sup>	88.8% by 2023 and 100% phase-out by 2027

(II) LATEST ARTICLE-7 DATA (Annex C Group I)	Year: 2022	6.60 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2022	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22				0.56	10.66				11.22
HCFC-141b		4.40							4.40

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	207.00	Starting point for sustained aggregate reductions:	208.86
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	208.86	Remaining:	0.00

(V) ENDORSED BUSINESS PLAN		2023	2024	2025	Total
UNIDO	ODS phase-out (ODP tonnes)	44.98	0.00	46.46	91.44
	Funding (US \$)	509,855	0	526,654	1,036,509

(VI) PROJECT DATA			2016	2017-2019	2020-2021	2022	2023	2024	2025	2026	2027	Total
Montreal Protocol consumption limits (ODP tonnes)			186.25	186.25	134.55	134.55	134.55	134.55	67.28	67.28	67.28	n/a
Maximum allowable consumption (ODP tonnes)			186.25	186.25	120.03	23.10	23.10	23.10	23.10	23.10	0	n/a
Funding agreed in principle (US \$)	UNIDO	Project costs	600,000	0	0	261,444	476,500	0	492,200	0	137,000	1,967,144
		Support costs	42,000	0	0	18,301	33,355	0	34,454	0	9,590	137,700
Funds approved by the ExCom (US \$)		Project costs	600,000	0	0	261,444		0	0	0	0	861,444
		Support costs	42,000	0	0	18,301		0	0	0	0	60,301
Total funds recommended for approval at this meeting (US \$)		Project costs					476,500					476,500
		Support costs					33,355					33,355

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

1. On behalf of the Government of the Bolivarian Republic of Venezuela, UNIDO as the designated implementing agency has submitted a request for funding for the third tranche of stage II of the HCFC phase-out management plan (HPMP), in the amount of US \$476,500, plus agency support costs of US \$33,355.<sup>2</sup> The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption for 2022, and the tranche implementation plan for 2024 to 2025.

### Report on HCFC consumption

2. The Government of the Bolivarian Republic of Venezuela reported a consumption of 6.60 ODP tonnes of HCFCs in 2022, which is 97 per cent below the HCFC baseline for compliance. The 2018–2022 HCFC consumption is shown in table 1.

**Table 1. HCFC consumption in the Bolivarian Republic of Venezuela (2018-2022 Article 7 data)**

HCFC	2018	2019	2020	2021	2022	Baseline
<b>Metric tonnes (mt)</b>						
HCFC-22	34.1	0.8	0.0	0.0	0.0	2,938.7
HCFC-141b	0.0	0.0	0.0	0.0	60.0	359.6
<b>Total (mt)</b>	<b>34.1</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>60.0</b>	<b>*3,389.0</b>
<b>ODP tonnes</b>						
HCFC-22	1.88	0.05	0.0	0.0	0.0	161.36
HCFC-141b	0.0	0.0	0.0	0.0	6.60	39.56
<b>Total (ODP tonnes)</b>	<b>1.88</b>	<b>0.05</b>	<b>0.0</b>	<b>0.0</b>	<b>6.60</b>	<b>*206.94</b>

\*Including 5.68 ODP tonnes (86.9 mt) of HCFC-142b and 0.07 ODP tonnes (3.5 mt) of HCFC-123.

3. HCFC consumption in the country decreased substantially between 2018 and 2021, temporarily ceasing in 2020 and 2021 due to the COVID-19 pandemic and the ongoing economic crisis. Imports of HCFC-22 were banned in 2016 and its local production closed down in 2020. Imports of HCFC-141b for the formulation of polyurethane (PU) foam systems stopped over 2018–2021 but resumed in 2022. The lingering demand for HCFCs has continued to be met through stockpiling and non-sanctioned means.

### *Country programme implementation report*

4. The Government of the Bolivarian Republic of Venezuela reported HCFC sector consumption data under the 2022 country programme (CP) implementation report that differs from the data reported under Article 7 of the Montreal Protocol. The CP report provides an estimate of HCFC use in the relevant sectors in the country of 15.62 ODP tonnes (11.22 ODP tonnes of HCFC-22 and 4.40 ODP tonnes of HCFC-141b), while consumption reported under Article 7 amounted to 6.60 ODP tonnes of HCFC-141b only, which corresponds to the recorded imports. As in the previous years, because of the prematurely imposed 2016 ban on imports of HCFC-22 combined with the unexpected stop of production, part of the HCFC-22 use was covered by stocks and non-recorded imports. This issue is being addressed in the revised plan of action of stage II of the HPMP approved at the 91<sup>st</sup> meeting,<sup>3</sup> which includes *inter alia* the temporary allowance of HCFC-22 imports between 2023 and 2026 and the strengthening of HCFC trade controls.

### *Verification report*

5. The verification report concluded that a 2022 consumption of 15.62 ODP tonnes initially reported by the country under Article 7 (based on the use of HCFCs reported under the CP report) did not reflect the actual recorded imports. The verification determined that the official HCFC consumption in 2022 was

<sup>2</sup> As per the letter of 22 August 2023 from the Ministry of Industries and National Production of the Bolivarian Republic of Venezuela to UNIDO.

<sup>3</sup> UNEP/OzL.Pro/ExCom/91/56

6.60 ODP tonnes, based on official imports, and accordingly, the Government of the Bolivarian Republic of Venezuela corrected the Article 7 data to this amount. The verification report concluded that the reported consumption is below the country's obligations under the Montreal Protocol and the Agreement with the Executive Committee and recommended continued monitoring and control of HCFC consumption and trade, emphasizing the need to prevent and penalize illicit traffic.

Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan

*Legal framework*

6. The Government of the Bolivarian Republic of Venezuela ratified the Kigali Amendment on 5 December 2022.

7. As part of the revised plan of action for stage II of the HPMP to achieve total HCFC phase-out in 2027, and in line with decision 91/56(b)(i),<sup>4</sup> the Government, through UNIDO, reported having completed the following regulatory measures and related activities since the approval of the second tranche:

- (a) A ban was imposed on the local production of HCFC-22 pure and contained in blends, effective from 10 April 2023 (initially scheduled for 1 January 2027);
- (b) A ban was imposed on the manufacturing of new refrigeration and air-conditioning (RAC) equipment installations using HCFC-22, as well as on the import of equipment, appliances and devices containing it, effective from 10 April 2023 (initially scheduled for 1 January 2025);
- (c) Imports of HCFC-22 have been temporarily allowed between 2023 and 2026, at a maximum level of 300 mt (16.5 ODP tonnes) per year, to meet local demand, and import quotas were issued for 60 mt (6.60 ODP tonnes) of HCFC-141b, to meet the demand in the PU foam sector;
- (d) Several meetings were held with importers to clarify the scope of adjustments made to the licensing system and the HCFC-22 import quotas, and to present the registration procedure required to obtain authorization for the handling of hazardous substances, materials or waste, as a mandatory step before requesting an import license;
- (e) The following technical standards of the Venezuelan Industrial Norm Commission (COVENIN) were made mandatory: on the safety and environmental requirements for the installation, operation, maintenance, and repair of refrigeration systems and for the recovery, reuse and elimination of refrigerant fluids (5006:2018);<sup>5</sup> on the detection and control of refrigerant leaks in RAC systems (5014:2021); and on the requirements for substances used as refrigerants (5015:2021), developed in collaboration with the Industrial and Technological Reconversion Fund (FONDOIN)<sup>6</sup> as a basis for the formal certification system for RAC technicians; and

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<sup>4</sup> To include in the progress report associated with the third tranche request an update on the progress achieved in the re-establishment and application of the licensing and quota system, and the results of the visits to importers, distributors, and users to monitor the local HCFC market, including proposed sanctions or measures to address identified irregular imports and possession of HCFCs.

<sup>5</sup> COVENIN standard 5006:2018 is based on parts 1, 3 and 4 of the UNE-EN 378 standard published by the European Committee for Standardization, and applies to systems and equipment containing more than 3 kg of any halogenated refrigerant, in addition to those containing more than 1.5 kg of any flammable refrigerant.

<sup>6</sup> Embedded within the Ministry of Industries and National Production, FONDOIN is responsible for the implementation of the HPMP.

- (f) Five monitoring visits were carried out to refrigerant retailers across the country, revealing unauthorized sales of HCFC-22, currently under investigation for the application of possible penalties; one seminar was held for 22 customs agents (10 of them women) on the control and monitoring of imports of substances controlled under the Montreal Protocol and related products and equipment; and one training course was conducted on import regulations related to the Montreal Protocol for importers, customs agents, and sellers of fluorinated refrigerants.

#### *Refrigeration servicing sector*

8. The following activities have been carried out so far under the second tranche:

- (a) *Technician training*: The good refrigeration practices curriculum was updated to include *inter alia* the safe handling of hydrocarbon (HC) refrigerants; 349 RAC technicians (including 18 women) were trained based on the updated curriculum; a course on leak prevention and good practices in the handling of refrigerant containers was developed for drivers and transport workers; training centres across the country were inspected to assess their readiness to deliver the updated technician training; equipment and tool kits<sup>7</sup> were procured and delivered to 11 industrial technical schools;
- (b) *Technician certification programme*: Further to the ongoing licensing programme in good refrigeration practices in which 329 RAC technicians (11 of them women) have participated so far, FONDOIN has continued to develop the certification scheme for RAC technicians based on labor competencies, with the option of obtaining a professional technician degree by taking additional university courses;
- (c) *Refrigerant recovery, recycling, and reclaiming (RRR)*: Based on the completed diagnosis of the current RRR capacity and a business model to ensure self-sustaining RRR operations, a mobile machine to reclaim HCFC-22 from commercial refrigeration units requiring servicing was locally built and deployed, with 171 kg of HCFC-22 reclaimed so far; and an agreement with a refrigerant wholesaler disposing of a large refrigerant recovery and storage infrastructure (INDUGAS) is being formulated for the establishment of a refrigerant RRR centre;
- (d) *Promotion of alternatives with low global-warming potential (GWP)*: In collaboration with vocational training centres and with the participation of Industrial Technical School students and instructors, eight split-type air conditioners charged with R-290<sup>8</sup> were installed at one hospital to demonstrate the safe use of HC as a refrigerant, resulting in energy-efficiency gains of 27 to 29 per cent; and
- (e) *Awareness raising*: Ten seminars and lectures were held on topics including the future of the RAC sector, good refrigeration practices, the safe handling of HCs, and HCFC-related regulations, for over 935 attendees including technicians, students, and the general public (218 of them women); and FONDOIN continued to use social media to promote good refrigeration practices and all activities carried out under the HPMP.

#### *Project implementation and monitoring*

9. The implementation and monitoring unit, located in FONDOIN, manages the day-to-day implementation of all activities under the HPMP, including data collection and analysis, monitoring,

<sup>7</sup> Recovery units, cylinders, vacuum pumps, refrigerant manifolds, vacuum gauge kit, electronic load scale, clamp meters, amperemeters and pinch-off pliers.

<sup>8</sup> Capacity of 18,000 BTU, with a 320 g charge of R-290 and a 5.2 energy-efficiency ratio.

reporting, designing corrective measures and technical assistance activities, and organizing monitoring review meetings with relevant stakeholders.

Level of fund disbursement

10. As of August 2023, of the US \$861,444 approved so far, US \$723,051 (83.9 per cent) had been disbursed by UNIDO, as shown in table 2. The balance of US \$138,393 will be disbursed in 2023 and 2024.

**Table 2. Financial report of stage II of the HPMP for the Bolivarian Republic of Venezuela (US \$)**

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)	Fund balance
First	600,000	599,351	99.9	649
Second	261,444	123,700	47.3	137,744
<b>Total</b>	<b>861,444</b>	<b>723,051</b>	<b>83.9</b>	<b>138,393</b>

Implementation plan for the third tranche of stage II of the HCFC phase-out management plan

11. The activities to be implemented by UNIDO between January 2024 and December 2025 include:

- (a) *Strengthening of the regulatory framework:* Formulation of policies to eliminate technical and economic barriers to adopting energy-efficient RAC technologies with zero ozone-depleting potential (ODP) and low GWP; and organization of at least one consultation meeting with government entities and at least one outreach meeting on the proposed regulations with *inter alia* government agencies, associations, importers, consumers, and RAC servicing enterprises (US \$15,000);
- (b) *Strengthening of the HCFC trade controls:* Organization of at least five annual visits to refrigerant distributors and retailers across the country to monitor the amounts of HCFC-22 in the market; organization of updated training sessions for at least 60 customs and enforcement officers, brokers and importers on the legislative aspects of trade in substances controlled under the Montreal Protocol and the equipment that contains them; and provision of four refrigerant identifiers to customs entry points (US \$40,500);
- (c) *Foam manufacturing sector:* Provision of technical assistance and raw material to two eligible systems houses for the development of formulations based on low-GWP alternatives to be supplied to small foam users (US \$35,000);
- (d) *Refrigeration servicing sector:*
  - (i) Training of at least 200 technicians in good refrigeration practices; delivery of 10 tool kits<sup>9</sup> to selected training centres and organization of related training workshops on good refrigeration practices with the received tool kits; and organization of one follow-up meeting on the implementation of the training programme (US \$50,000);
  - (ii) Certification of at least 100 RAC technicians and organization of one follow-up meeting on the implementation of the certification programme (US \$20,000);
  - (iii) Monitoring and strengthening of the existing reclaiming centres, provision of tools and equipment<sup>10</sup> for at least 100 RAC technicians and servicing enterprises from

<sup>9</sup> Recovery units, cylinders, vacuum pumps, refrigerant manifolds, vacuum gauge kit, electronic load scale, clamp meters, amperemeters, and pinch-off pliers.

<sup>10</sup> Recovery units, cylinders, vacuum pump for use of HC, leak detectors, manifolds, pliers, thermometers, wrenches, clamp meter flaring tools, Lokring, tube cutter, tube bender, recovery scale, and refrigerant identifier.

the sector; and organization of at least three awareness meeting on the RRR network for technicians and end users (US \$190,000);

- (iv) Carrying out two demonstration projects to replace HCFCs with zero-ODP, low-GWP, energy-efficient technologies; and implementation of a marketing strategy to promote the use of locally produced R-290 refrigerant and encourage its widespread use in compatible appliances (US \$96,000);
- (e) *Awareness raising:* Design and implementation of an awareness-raising campaign to promote HCFC phase-out; continued implementation of various awareness-raising activities; and participation in at least two seminars, trade fairs, guild events, conferences, or exhibitions (US \$15,000); and
- (f) *Project monitoring and evaluation:* Continued implementation through FONDOIN, including the hiring of local consultants; organization of monitoring visits; carrying out a gender analysis of the RAC servicing sector and reporting on the results (total of US \$15,000 to be used for monitoring and visits, with the remaining activities to be funded with PMU fund balance from the second tranche).

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

#### Report on HCFC consumption and verification

12. One of the main issues discussed during the consideration of the second tranche of stage II at the 91<sup>st</sup> meeting was the need to ensure that the existing servicing demand for HCFC-22 is properly satisfied by recorded imports entering the country through legal channels. The Secretariat notes that in 2022 there was still a difference between the estimated HCFC use in the local market<sup>11</sup> and the zero imports recorded. This is because the temporary allowance of imports of HCFC-22 to supply local needs was only issued in April 2023, after the approval of the second tranche of stage II. UNIDO expects that the difference between HCFC use and imports will start decreasing from 2023.

#### Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan

##### *Strengthening of the legal framework and the HCFC trade controls*

13. The Secretariat notes that the Government is in line with or ahead of the commitments acquired by decision 92/56(a)(ii), by maintaining national consumption below the agreed levels and by issuing in advance of the planned dates the bans on the local production of HCFC-22 and on the manufacturing of new installations of RAC equipment using HCFC-22, as well as the imports of equipment, appliances, and devices containing it.

14. Furthermore, in line with decision 91/56(b)(i), the Government reported on the progress achieved in re-establishing and applying the licensing and quota system, and on the results of the visits to importers, distributors, and users to monitor and control the local HCFC market (as described in paragraph 7). UNIDO further explained that traditional importers of ozone-depleting substances and HCFCs had been the main source of information in identifying potential products coming from the black market and in combatting illegal trade. In addition to the weekly contact and quarterly visits to exchange information, the Ministry of Popular Power for Ecosocialism (MINEC) has carried out inspections of the different links in the refrigerant

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<sup>11</sup> The HCFCs used come from stocks and non-recorded imports, due to the 2016 import ban on HCFC-22, combined with an unexpected closure of a HCFC-22 production plant a few years later, caused by the economic slowdown.

marketing chain. Between 2022 and 2023, MINEC has opened four files and transferred them to relevant authorities for assessment and sentencing involving economic or penal sanctions, depending on the severity of the findings.

15. Activities planned for the third tranche to ensure that imports of HCFC-22 enter through regular channels include the strengthening of the implementation of the quota and license system and its dissemination among potential importers; an awareness campaign among stakeholders on the existing legal framework related to refrigerants; monitoring the local market of refrigerants by visiting distributors and retailers around the country; provision of refrigerant identifiers to facilitate control of imports and domestic trade in HCFCs by the customs and taxes department (SENIAT) and MINEC; and training officers from SENIAT, MINEC and the Bolivarian National Guard Environmental Wardenship on the updated legislation and aspects related to the trade of refrigerants and equipment that contain them.

16. The Secretariat considers that these activities will help normalize the situation of HCFC imports into the country, and recommends including in the progress report associated with the fourth tranche request an update on the progress achieved in the application of the licensing and quota system, as well as the results of the visits to importers, distributors, and users to monitor the local HCFC market, including the proposed sanctions or measures to address the identified irregular imports and possession of HCFCs.

#### *Foam sector*

17. The Secretariat notes that, in line with decision 91/65(a)(iii),<sup>12</sup> a total of US \$35,000 from the refrigeration servicing sector was proposed to be allocated to provide technical assistance to eligible systems houses to develop formulations based on alternatives with low GWP that are accessible and affordable in the local market, in line with the flexibility clause in the Agreement between the Government and the Executive Committee.

18. Upon discussion with UNIDO, noting the high price and lack of availability of the selected technology (HFO) as well as the difficulty in obtaining a commitment from the enterprises not to introduce HFC-based formulations, which would make the project unsustainable, UNIDO decided to postpone the reallocation of this funding (listed in subparagraph 11(c) above) to a future meeting, subject to more favorable conditions. The funding will be used for the procurement of additional 50 tool kits for good servicing practices for technicians, for a total of 150 tool kits under this tranche; the budget for this activity is therefore adjusted from US \$190,000 to US \$225,000 (refer to paragraph 11(d)(iii)).

#### *Refrigeration servicing sector*

19. The Secretariat notes substantial progress achieved in all servicing sector activities planned for the second tranche. At the 91<sup>st</sup> meeting, it was agreed that additional funding for the reclaiming infrastructure would be subject to the results of the business model developed in the second tranche and to the confirmation that the two RRR centres funded under stage I had obtained all necessary permits and were fully operational. Accordingly, UNIDO reported that one of the centres was about to obtain its permit to operate, while the second one did not obtain a permit and returned the equipment. This equipment is being reassigned to the enterprise INDUGAS, identified during the second tranche, which inaugurated a refrigerant collection centre in Caracas on 16 September 2023 and has all permits to operate. No additional funding has been used on reclaiming units. During the third tranche, activities will focus on the provision of tools and equipment to technicians, while new reclaiming centres will only be considered once the existing ones are fully operational.

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<sup>12</sup> To note that the Government would have flexibility to allocate up to US \$70,000, if required during the time of implementation of stage II, to provide technical assistance to eligible systems houses to develop formulations based on alternatives with low GWP that were accessible and affordable on the local market, in line with the flexibility clause in the Agreement between the Government and the Executive Committee.



20. Regarding the two demonstration projects proposed for the third tranche, UNIDO explained that the enterprises to be selected to install an R-290-based refrigeration system are in the dairy and meat sectors and will provide co-financing. A thermodynamic and electrical analysis will be carried out before and after refrigerant change, and related savings in energy and refrigerant consumption will be determined. The demonstration will be followed by a workshop for technicians on the safe handling of R-290 refrigerant during installation and servicing. The results of the demonstration, including the cost-efficiency assessment of implementing a project with R-290 and of the importance of improving energy efficiency, will also be disseminated to decision-makers, managers, supervisors, and other representatives from selected sectors. The project will be completed within 12 months.

#### Gender policy implementation

21. To date, approximately 250 women and men have received information on the gender-mainstreaming aspects of the HPMP. Women account for approximately 10 per cent of all project participants and constitute 5 per cent of trainees. Female technicians are provided with tools and actively encouraged to choose technical careers and participate in training workshops on good refrigeration practices and alternative refrigerants. Recruitment procedures are undertaken in a gender-responsive manner and strive for gender balance among the contracted consultants and staff. Where applicable, data is collected and reported in a sex-disaggregated format. All training initiatives include targeted sessions on gender and present data disaggregated by sex.

#### Sustainability of the HCFC phase-out and assessment of risks

22. The implementation of the first tranche of stage II of the HPMP suffered major delays due to an extended period of severe economic recession and hyperinflation, lack of foreign currency for the imports of raw material, equipment and tools, institutional changes, and constraints imposed by the COVID-19 pandemic. The second tranche was approved in 2022 amid gradual economic recovery, decreased inflation, and lessened COVID-19 restrictions. Regarding the risks posed by external factors, UNIDO indicated that the conditions for the implementation of HPMP activities continued to be better than prior to 2022, and that no institutional changes had occurred recently that could disrupt implementation.

23. The risk of illegal trade continues to be mitigated by the temporary allowance for imports of HCFC-22 to supply local needs, combined with the Government's monitoring and sanctions.

24. The long-term sustainability of the HCFC phase-out and implemented activities will be ensured through the already established regulatory measures (i.e., bans on HCFC-22 production and on the manufacturing and imports of HCFC-based equipment), application of the HCFC import/export licensing and quota system, updates to the curricula and strengthening of training institutes to provide training on good servicing practices and the safe handling of alternative refrigerants, and the formulation and adoption of new norms and standards for the safe handling of alternative refrigerants.

#### Conclusion

25. The Bolivarian Republic of Venezuela remains in compliance with its HCFC consumption targets under the Montreal Protocol and the Agreement for stage II of its HPMP. The external economic circumstances that had delayed the implementation of the first tranche and caused a drop in the demand for HCFCs have shown signs of recovery over time, allowing for the implementation of activities. With UNIDO's assistance, an extensive set of activities has been implemented, including *inter alia* the temporary allowance of imports of HCFC-22, bans imposed on the local production of HCFC-22 and on the manufacturing of new RAC installations using HCFC-22, monitoring visits to retailers to identify and sanction illegal trade in HCFC-22, training provided to 22 customs officers and 349 technicians, selection of a new RRR centre, construction of a mobile reclaiming unit, and the installation of eight split AC units charged with R-290 in a hospital for demonstration purposes. The level of disbursement from the second

tranche is 47.3 per cent. The Secretariat recommends the approval of the present tranche request to allow for the continuation of activities.

## RECOMMENDATION

26. The Fund Secretariat recommends that the Executive Committee note the progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for the Bolivarian Republic of Venezuela, and further recommends blanket approval of the third tranche of stage II of the HPMP and the corresponding 2024–2025 tranche implementation plan for the Bolivarian Republic of Venezuela at the funding level shown in the table below, on the understanding that:

- (a) The Government of the Bolivarian Republic of Venezuela and UNIDO will include in the progress report associated with the fourth tranche request an update on the progress achieved in the application of the licensing and quota system, and the results of the visits to importers, distributors, and users to monitor the local HCFC market, including the proposed sanctions or measures to address the identified irregular imports and possession of HCFCs; and
- (b) Upon completion of the demonstration project for end users included in stage II of the HPMP, UNIDO will submit a final report on the implementation of this project, including the HCFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g).

	<b>Project title</b>	<b>Project funding (US \$)</b>	<b>Support costs (US \$)</b>	<b>Implementing agency</b>
(a)	HCFC phase-out management plan (stage II, third tranche)	476,500	33,355	UNIDO