

**GOVERNMENT OF THE KYRGYZ REPUBLIC  
UNITED NATIONS DEVELOPMENT PROGRAMME**

**PROJECT DOCUMENT**

**KYR/PHA/72/PRP/30 – Stage II HPMP Preparation (Overarching)**

<b>UNDAF Outcome/Indicator:</b>	Pillar c: Inclusive and Sustainable Job-Rich Growth for Poverty Reduction. Outcome 2: By end of 2016 sustainable management of energy, environment and natural resources practices operationalized.
<b>Expected Outcome/Indicator:</b>	% reduction in consumption of HCFCs- Hydro chlorofluorocarbons.
<b>Expected Output/Annual Targets:</b>	10% reduction by 2015.
<b>Expected CP Outcome(s):</b>	Sustainable development principles integrated into poverty reduction policies and programmes.
<b>Expected CPAP Output(s):</b>	Increased institutional capacity to implement international conventions and agreements.
<b>Implementing agency:</b>	UNDP in the Kyrgyz Republic
<b>Implementing partner:</b>	State Agency on Environment Protection and Forestry of the Kyrgyz Republic, National Ozone Center

**Brief description:**

The HCFC Phase-out Management Plan (TPMP) strategy contemplates phase out schedule in line with the Decision XIX/6 requirements. The first stage of HPMP which is presented will effectively target reaching the freeze by 2013 and 10% reduction of baseline phase out level by 2015.

This HCFC Phase out Management Plan (HPMP) documents the analysis and actions proposed by the government of the Republic of Kyrgyzstan in respect to meeting the obligations assumed under Decision XIX/6 of the Parties to the Montreal Protocol on the accelerated phase of HCFC's. It has been prepared by the National Ozone Unit with the support of UNDP acting as implementing agency. The project will be implemented by UNDP as a lead agency and UNEP as a cooperating agency. It is intended to serve as an integral component of the country's policy and commitment to meet its obligations under the Montreal Protocol.

The overall strategic objectives associated with the HPMP in Stage 1 and Stage 2 are:

Stage 1: To rapidly stabilize and initiate reduction in current HCFC consumption over a three year period to a projected baseline level forecast to be approximately 4.42 tons ODP (80.4 tons HCFCs-22) by 2013 and reduce this to 3.98 tons ODP (72.3 tons HCFCs-22) by 2015.

Stage 2: To sustain the progressive reduction in consumption reduction to a level of 2.87 ODP (52.2 tons HCFC-22) in 2020, 1.44 ODP tons (26.1 tons HCFC-22) in 2025 and effectively zero in 2030.

- To the maximum degree practical utilize technologies that minimize climate change impacts.

- To accomplish the above in such a way as to minimize economic and social impacts, particularly in vulnerable sectors and portions of the population.

**Programme Component:** Environment and Energy

**Project Title:** Preparation of HCFC Phase-out Management Plan (HPMP) – 2<sup>nd</sup> Stage

**Project ID:** 00092264

**Project Duration:** 2014-2015

**Management Arrangement:** NIM

**Budget :** 20,000 USD

**Total budget:** 20,000 USD

**Government:** N/A

**Regular:** N/A

**Donor – MLF:** 20,000 USD

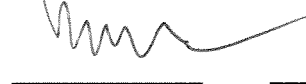
**In kind:** N/A

Signature:

Date:

Agreed by UNDP:

Mr. Pradeep Sharma, Deputy Resident Representative



27 OCT 2014

Agreed by Implementing Partner:

Mr. Mars Amanaliev, Head of NOU



28.10.14

## **PREPARATION OF HPMP-Stage II**

### **Proposed Institutional Arrangements and Budget**

#### **1. INTRODUCTION**

This document describes the proposed institutional arrangements and budgets for preparation of HPMP-Stage II for Kyrgyzstan, which has assigned to UNDP, as a lead, and UNEP, as a cooperating implementing agency, the responsibility of preparing the related documentation. Such arrangements would need:

- a) To reflect national context and priorities, national policies and country-drivenness and consequently would need the agreement of the State Agency for Environmental Protection and Forestry of the Government of Kyrgyzstan (SAEPF) and the National Ozone Center (NOC) to the proposals contained herein;
- b) To facilitate seamless application of the proposed arrangements to the next implementation stage of the HPMP to follow, once it is approved – HPMP-Stage II (2015-2020);
- c) To draw upon the lessons learnt from functioning of institutional arrangements and operational mechanisms employed in the implementation of HPMP-Stage I and to the extent possible ensure coordinated implementation existing MLF-funded initiatives;
- d) To be dynamic and evolving, and to be open for revisions and adaptation as necessary in response to evolving situations.

#### **2. BACKGROUND**

The XIXth Meeting of the Parties to the Montreal Protocol in September 2007, through its Decision XIX/6, adopted an accelerated phase-out schedule for HCFCs. The first control is the freeze on production and consumption of HCFCs would be from 01 January 2013, at the Baseline Levels (average of 2009 and 2010). The second control step is the reduction of 10% from the Baseline Levels in 2015. The decision also directed the Executive Committee (ExCom) of the Multilateral Fund to assist the Parties in preparation of HCFC phase-out Management Plans.

The 54<sup>th</sup> Meeting of ExCom in April 2008, through Decision 54/39, adopted guidelines for preparation of HCFC phase-out management plans. These guidelines provided indicative outline and contents of the HCFC phase-out management plans, which are essentially based on earlier guidelines developed and followed for the Terminal Phase-out Management Plan (TPMP) (RMPs/TPMPs/SPPs/NPPs). The decision featured the following key elements:

- a) Adoption of a staged approach to implementation of the HCFC phase-out management plans within the context of an overall national strategy. The first stage would focus on compliance with the 2013 freeze and 2015 reduction targets. The second stage would focus on HCFC phase-out in compliance with the future reduction control targets;
- b) Commitments to achieving the 2013 (freeze at the 2009/2010 baseline level) and 2015 (10% reduction) control milestones through performance-based agreements;

- c) In countries where there are multiple implementing agencies, a lead agency should be designated to coordinate the overall development of the HCFC phase-out management plans.

Acting through UNDP as HPMP formulation agency, Kyrgyzstan approached the MLF and the Executive Committee for a preparatory funding of US\$ 85,000 and at the 55<sup>th</sup> meeting of ExCom in July 2008, this request was approved.

While initial HPMP-Stage I formulation works were ongoing in that time, the 60<sup>th</sup> ExCom in April 2010 reviewed and approved HCFC phase-out funding criteria (decision 60/44). A year after, at the 63<sup>rd</sup> ExCom meeting in April 2011, the HPMP-Stage I for Kyrgyzstan was approved for implementation.

At the coming 72<sup>nd</sup> meeting of ExCom, Kyrgyzstan expects that its second and last tranche of HPMP-Stage I will receive approval, and that the national level activities to finalize implementation of this initial stage will be completed during 2014 to prepare the country to meet 2015 reporting obligations – 10% reduction in HCFC consumption from baseline situation.

With respect to preparation for HPMP-Stage II, the 71<sup>st</sup> ExCom agreed to related funding guidelines for Article 5 countries (decision 71/42). The current request has been prepared based on recommendations contained in this guidance document.

### 3. PROGRESS IN HPMP-STAGE I IMPLEMENTATION

(a) A description of the current progress in implementation of the overall stage I of the HPMP to demonstrate that substantial progress had been made, supported with both quantitative and qualitative data (two to three paragraphs)

HPMP-Stage I, outlining an action plan for meeting “freeze” and 10% reduction requirements by 2013 and 2015 respectively, for Kyrgyzstan was jointly prepared by UNDP/UNEP, as lead and cooperating agencies, and submitted to the 63<sup>rd</sup> meeting of the Executive Committee in 2011.

The project document was prepared to define the Government of the Republic of Kyrgyzstan’s commitment, plan and resource requirements to meet the obligations that it had assumed as a Party to the Montreal Protocol under Decision XIX/6<sup>1</sup> of the Meeting of Parties (MOP). HPMP-Stage I was developed in accordance with the guidance issued by Executive Committee (ExCom), specifically the document UNEP/OzL.Pro/ExCom/54/53<sup>2</sup> and ExCom Decision 54/39<sup>3</sup>.

HPMP-Stage I for Kyrgyzstan was approved in April 2011 at the 63<sup>rd</sup> meeting of the Executive Committee with two implementing agencies designated to support the Government of Kyrgyzstan in its implementation: UNDP, as lead, and UNEP, as cooperating.

The overall incremental cost as capped by decision 60/44 for this HPMP was US\$ 88,000, not counting agency fees associated. The details of this funding are summarized as follows. It should be noted that the Government had decided that the Institutional Strengthening programme would be funded and implanted outside of HPMP programme.

IA		Project	Total	Tranche 1	Tranche 2
1 & 2. Non-investment Components	UNEP	1. Legal and Regulatory Action	\$ 5,200	\$ 5,200	
	UNEP	2. Technical Capacity Strengthening			
		2.1. Customs/environmental training	\$ 12,500	\$ 12,500	
		2.2. Technician Training	\$ 12,500	\$ 12,500	
		2.3. Monitoring	\$ 5,000	\$ 1,480	\$ 3,520
Sub-Total for UNEP			\$ 35,200	\$ 31,680	\$ 3,520
3. Investment Component	UNDP	3.1 Initial development of HCFC Refrigerant Management Plan	\$ 52,800	\$ 47,520	\$ 5,280
		Sub-Total for UNDP	\$ 52,800	\$ 47,520	\$ 5,280
Sub-Total UNEP			\$ 35,200		
Sub-Total UNDP			\$ 52,800		
Support cost UNEP (13%)			\$ 4,576		
Support cost UNDP (9%)			\$ 4,752		
Grand Total UNEP			\$ 39,776		
Grand Total UNDP			\$ 57,552		

At the 63<sup>rd</sup> meeting, the Executive Committee approved the initial, first HPMP tranche “at the amount of US \$87,595 comprising US \$47,520, plus agency support costs of US \$4,277 for UNDP, and US \$31,680, plus agency support costs of US \$4,118 for UNEP”<sup>4</sup> by Decision 63/35.

<sup>1</sup> [http://ozone.unep.org/Meeting\\_Documents/mop/19mop/MOP-19-7E.pdf](http://ozone.unep.org/Meeting_Documents/mop/19mop/MOP-19-7E.pdf), Page 33

<sup>2</sup> <http://www.multilateralfund.org/files/54/5453.pdf>,

<sup>3</sup> <http://www.multilateralfund.org/files/54/5459.pdf>, Page 43, Annex XIX

<sup>4</sup> [http://www.multilateralfund.org/63/English/1/6360\\_c1.pdf](http://www.multilateralfund.org/63/English/1/6360_c1.pdf); paragraph 114.

Based on the scheduled submission of the 2<sup>nd</sup> and last tranche of HPMP-Stage I in 2014, Kyrgyzstan has made preparation of a progress report and request for the last tranche to the 72<sup>nd</sup> ExCom meeting.

Among main achievements under Tranche 1 of HPMP-Stage I are the following important elements:

#### Legislation (UNEP):

- The licensing system with the quota-based HCFC control has been firmly in place and fully in operation in Kyrgyzstan.
- A new edition of the State Programme on Phase-out of HCFC substances for 2012-2025 was prepared (Phase 3), and will be endorsed by a relevant draft governmental regulation/decre. The draft decree was reviewed and approved by concerned line ministries and state agencies as per established legal act clearance procedures, and then submitted to the Government for final adoption.
- A draft technical regulation on "Safety requirements for the operation of refrigeration equipment" has been formulated with current EU provisions concerning the training and certification of personnel directly built into the regulation.
- The draft technical regulation was discussed with leading refrigeration experts at a national workshop on HCFC alternatives. It was further harmonized with the principal national law "On normative legal acts" #241 dated July 20, 2009, and submitted to the Ministry of Economics for review and analysis.
- Complementary to these, NOU has drafted a specialized guidance document<sup>5</sup> describing essential elements of the HCFC quota system's operation - a methodology for interested parties/stakeholders, and it was submitted in 2013 to Ministry of Economics, the state-assigned licensing authority, for review and comments. NOU has received substantive comments and suggestions regarding the proposed mechanism of assigning HCFC import quotas.

#### Training of Customs and Refrigeration Technicians/Association (UNEP):

- During the reporting period, twelve (12) training workshops were held: six (6) for Customs (northern and southern regions) and six (6) for refrigeration specialists with a total of 400 participants attended;
- NOU presented to participants in Customs training a range of cross-cutting and synergistic issues on applicability of other MEAs (CITES, three chemical conventions, Kyoto protocol, Chemical weapons convention, UNODC and WCO) in the country. Aspects related to the role of Customs authorities in fulfilling their requirements such as controlled product import/export licensing and monitoring, and improving line agency coordination were in focus of these trainings;
- Approximately more than 1,500 copies of various publications (500 booklets, posters and leaflets, 1,000 quick summaries on HS nomenclature, and 50 copies of guidance materials) have been distributed during reporting period. Materials included Instructions to Customs Office on national ODS regulations, 2012 HS nomenclature (a Green Customs publication), Illegal Trade Cases (mislabelling options, common trade names), and other supporting visual aids;
- As a direct result of capacity building activities and other related initiatives, three (3) cases of unauthorized imports in ODS were prevented in the beginning of 2013: two (2) national air companies attempted at import halons without licenses, and one (1) non-registered company – at import of 40 MT of HCFCs from China;
- The main purpose of training workshops for technicians (185 people trained in total) has been HCFC use reduction through competent approach to equipment/appliance maintenance, and HCFC-22

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<sup>5</sup> A recent edition of UNEP document "Establishment of HCFC Import Quota System" served as a basis for the draft national guidance:  
[http://www.unep.fr/ozonaction/information/mmc/lib\\_detail.asp?r=5445](http://www.unep.fr/ozonaction/information/mmc/lib_detail.asp?r=5445)

reuse. This component has been considered as direct contribution to the implementation of the national HCFC phase-out programme in line with country's obligations under the Montreal Protocol;

- With respect to certification of refrigeration specialists, the Association in partnership with the National Technical University has been training 511 mechanics and 30 A/C mechanical engineers;
- In one of the professional schools in Bishkek (# 93) in 2013, NOU/Association organized a technician certification center where required training equipment, tools and technology stands were supplied to make the center operational. Ministry of Education and Science approved the training and certification programme prepared by the Association for this center, and a special license for such activities was received.
- In line with the existing contract between NOU, national RAC Association and Moscow State University (faculty of cooling technologies), fifty-four (54) students were received for admission at the University on a state budget scholarship at expense of the Russian Federation.

#### Initial Development of HCFC Refrigerant Management System/Demo-projects (UNDP):

- In the light of global discussions on HCFC replacement technologies, and NOU's attendance at CCAC technology forums during recent years that marked HPMP start, NOU decided to attempt at demonstration of newer low GWP technologies of small scale in the country to back spread of information on their market availability and performance in hot climatic areas of the Southern Central Asia.
- In this respect, an ITB (tender) for a two-stage demonstration installation running on carbon dioxide (CO<sub>2</sub>) was launched. Special preparatory work on selecting specifications/application needs for such demo-equipment was completed before ITB. The idea behind local assembly of equipment based on imported components and testing of such pilot installation running on HCFC-free/low GWP R744 refrigerant was to demonstrate to refrigeration technicians the new refrigerants and facilitate gaining practical experience in applying advanced technologies on the national level.
- During ITB, three (3) offers from one local and two foreign suppliers were obtained. After analyzing the results from financial stand-point, the proposed budgets exceeded the original estimate by 2.5-3 fold, and this result in dropping further tendering as well as work on the component with such budget limitations. Later on, NOU decided to go back to the original implementation approach and procure servicing tools for the country using the available budget. NOU and UNDP launched a separate new ITB process.
- Overall sixteen (16) sets of servicing tools/equipment were purchased and then distributed to technicians/service centers in the country. As an example, in October 2013, NOU held a workshop in the south and best performing technicians from the southern part of country were rewarded with quality-made R/R tools. Each set of R/R tools consisted of the following:

- plastic tool box;
- vacuum pump;
- set of flare tools for copper tubes;
- adapters for charging vehicle air conditioners;
- gauge manifold;
- multi-meters/thermometers; and
- propane-based welding equipment.

During implementation of Stage I of the HPMP, NOU has disbursed approximately US\$ 76,879.4 subject to slight correction after reconciliation of UNDP's 2013 financial reports in April 2014. This represents 97% delivery in the 1<sup>st</sup> Tranche, and 87% total delivery of the total Stage I (US\$ 88,000).

For more details on the progress achieved under Tranche 1 of HPMP-Stage I, please refer to a separately submitted Progress Report and Request for Tranche 2.

(b) For the overarching strategy (one page, plus a table):

(i) A brief overview of the current HCFC consumption by substance and distribution by sector/subsector, with a short analysis and explanation of the consumption trend (i.e. increasing or decreasing). The remaining consumption eligible for funding should also be provided (this information is available from Appendix 2-A: The Targets, and Funding, of the Agreement between the Executive Committee and the country when their stage I HPMP was approved);

Kyrgyzstan has provided Article 7 reports to the Ozone Secretariat and the summary of that information is provided below in ODP tons:

Chemical	2007	2008	2009	2010	2011	2012	2013	Baseline
CTC	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Halon	0.0	0.0	0.0	0.0	0.0	0.0		0.0
HCFC	1.6	7.4	4.4	3.7	3.0	2.9		4.1
MBR	0.0	0.0	0.6	0.6	0.0	0.0		14.2
TCA	0.0	0.0	0.0	0.0	0.0	0.0		0.0

In terms of its HCFC consumption, HCFC-22 has been the only chemical imported for use in 2011 and 2012 according to the following reports:

**2011 - Raw Data Reported : Date of Reporting - 27/06/2012**

**Kyrgyzstan**

Imported	Exported	Produced	Destroyed	Trade with Non-Parties	Annex/Group Reported in Full?										Remark
					AI	AII	BI	BII	BIII	CI	CII	CIII	EI		
Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

2011 Kyrgyzstan - Imports (Metric Tonnes)										
Substance Name	Annex Group	New Imports for all uses	Recovered Imports	New Imports for Feedstock Applications	New Imports for Process Agent Appl	New Imports for Approved Essential or Critical Uses	New Imports for Quarantine Applications	Remark		
HCFC-22	CI	53.800								
Methyl Bromide	EI	1.000					1.000			

**2012 - Raw Data Reported : Date of Reporting - 03/06/2013**

**Kyrgyzstan**

Imported	Exported	Produced	Destroyed	Trade with Non-Parties	Annex/Group Reported in Full?										Remark
					AI	AII	BI	BII	BIII	CI	CII	CIII	EI		
Yes	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

2012 Kyrgyzstan - Imports (Metric Tonnes)										
Substance Name	Annex Group	Exporting Party	New Imports for all uses	Recovered Imports	New Imports for Internal Feedstock Appl	New Imports for Process Agent Appl	New Imports for Essential or Critical Uses	New Imports for Internal QPS Appl	Remark	
HCFC-22	CI	Unspecified	52.900							
Methyl Bromide	EI	Unspecified	1.100					1.100		

Based on this information, it can be assumed that the HCFC import has been demonstrating a slow downward trend on a yearly basis. Methyl Bromide is used solely for QPS applications.

Remaining eligible HCFC-22 consumption is found in the servicing and equipment assembly sectors, and is contained imported appliances/refrigerated packages.

*(ii) A description of the information that needs to be gathered and updated, as well as an explanation of why this had not been undertaken during the preparation of stage I; and*

HCFC data collection and verification will follow those survey procedures developed and applied in the preparation of HPMP Stage-I, and will be directed to updating information in the field by deployment of a local expert team on in-country travel to principal territorial administrative units (regions, or oblasts), and main cities.

Direct discussions will be held with HCFC/HCFC equipment importers and distribution centers (companies), and assessments will be made on the future needs in HCFCs in servicing equipment fleet that has been already imported and installed in the country.

Appropriate consultations in the industry/private/public sectors will be arranged in regions on the Stage-II preparatory processes, expected information inputs, timeframes proposed for finalization of formulation works and future design of the Government's backed interventions on the national level to prepare the country to meet 2020 HCFC phase-out obligations.

NOC will make sure that stakeholders are well informed on future legislative measures that may cover selective bans on import of HCFC-based equipment and appliances.

*(iii) An indication of the activities that need to be undertaken for PRP. Each activity (e.g., surveys, consultation meetings) has to be described briefly, taking into account what had been completed in stage I, and why a new or similar activity is required to develop the strategy for stage II. The costs for undertaking such activities should also be provided in a table;*

As mentioned in the HPMP overarching strategy/Stage I document, it was recognized at the outset that a strictly "top down" approach of relying on reported import data may have limitations. As in any country, the accuracy and comprehensiveness of this type of data will be a function of the capacity of the responsible institutions to identify imported HCFCs and potentially HCFC containing equipment/products through the licensing system, Customs data, and its level of physical enforcement. It will also be a function of the degree to which importers, distributors and end users of such equipment voluntarily comply with reporting and control measures and what economic and structural factors may exist to discourage such compliance.

In view of the above limitations, a more comprehensive "bottom up" approach to estimating HCFC consumption was adopted during preparation of HPMP-Stage I. It relied on direct survey and supplemented by the use of statistically based data to estimate the bank of HCFC containing equipment in service. The survey based methodology involved data collected directly at the enterprise level, including import/distribution enterprises, end users of HCFCs and HCFC containing equipment, and refrigeration servicing organizations, along with statistical data related to the amount of HCFC containing equipment in the country.

This approach was facilitated by the extensive network of contacts maintained by the NOC generally and particularly in the refrigeration sector, including involvement of the developing refrigeration association. Additional contacts among end-users generally were obtained through relevant national and local government agencies, as was the statistical data related to estimated total inventory of operating HCFC containing equipment.



In the current proposed work to formulate HPMP-Stage II, the NOC with support from UNDP and UNEP will follow the same format of work and update required baseline information, backed by the outreach to the HCFC importers and end-users in commercial sector as well as industry (agriculture, product supply chain), and identify the priority next steps to be taken to meet 2020/35% HCFC reduction step. Approaches to implement this phase-out will be designed in discussions with stakeholders and presented in a format for HPMP-Stage II acceptable for the review by the MLF and ExCom.

The following presents the joint budget for UNDP and UNEP:

<b>Implementing agency</b>	<b>Budget in US\$</b>
UNDP (lead)	20,000
UNEP (cooperating)	10,000

And, activities planned by each implementing agency are described in detail below:

### **1. HPMP-Stage II formulation and proposal for investment components formulation (UNDP)**

UNDP will provide support to overall coordination HPMP-Stage II preparation activities and interact with partner UNEP agency during data collection and HPMP formulation.

On the national level, UNDP will help with recruitment of local expertise to enable local travel, stakeholder consultation on HCFC data collection and validation, assessment of HCFC consumption scenarios and development of draft action plan. Priority activities for investment components to meet next HCFC reduction milestone in 2020 will be presented to key stakeholders, consulted on and included in the action plan of HPMP-Stage II document.

The budget of US\$ 20,000 will cover national experts, local travel (DSA, tickets) and costs of national workshops in partnership with UNEP.

<b>UNDP Budget Lines</b>	<b>US\$</b>
National experts	7,000
Local travel (for experts, NOC staff)	5,000
Stakeholder workshops (co-shared with UNEP: total for workshops US\$ 10,000)	5,000
Printing/operational expense/translation	3,000
<b>Sub-total</b>	<b>20,000</b>

### **2. Non-investment component proposal (UNEP)**

UNEP will support information collection and analysis for the non-investment components, and cover the policy and legislation aspects and capacity building activities in HCFC import/export monitoring function and the servicing sector for technicians.

The specific details of plan of action for phase-out would be set-out in the HPMP Stage II strategy and implementation plan document which will be developed by UNDP/UNEP for submission to the MLF Secretariat.

A summary table containing the activities that are proposed by UNEP be undertaken as a part of HPMP non-investment components preparation along with costs for the same is given below:

<b>Activities</b>	<b>Details</b>	<b>Value in USD</b>
National Consultants	<p>Local expertise will be recruited to enable the following field work:</p> <ul style="list-style-type: none"> <li>- Consideration of the need for additional legislative measures (selective equipment bans, etc) to support the continued HCFC phase-out process</li> <li>- Consideration of the need for additional actions for introduction of low GWP alternatives to HCFCs into the country in terms of safety/application standards, training, economic incentives;</li> <li>- Consideration of the need for additional training of customs officials and service technicians</li> <li>- Consideration of relevant Customs &amp; ODS legislation in the Customs Union and evaluation of potential needs of the country in monitoring legal and preventing illegal ODS trade</li> <li>- Support consultations with national stakeholders including servicing sector for development of implementation plan for non-investment component.</li> <li>- Prepare and finalize UNEP non-investment component for Kyrgyzstan, Rep Stage-II HPMP, primarily covering policy, training and capacity building needs of the country.</li> </ul>	5,000
Stakeholder workshop	<ul style="list-style-type: none"> <li>- Consultative stakeholder workshop (inclusive DSA for participants, travel, printing, venue, operational expenses) to present and to obtain the endorsement of the strategy of UNEP non-investment component for Kyrgyzstan Stage-II HPMP. This will be held in an integrated manner with the workshop held under UNDP component (as a lead agency) during the Stage-II preparation phase</li> </ul>	5,000
<b>Total (UNEP component)</b>		<b>10,000</b>

## **4. ROLES AND RESPONSIBILITIES OF STAKEHOLDERS**

This section outlines the roles and responsibilities of respective stakeholders in the implementation of activities involved in the preparation of the HPMP.

### **3.1 State Agency for Environmental Protection and Forestry (SAEPF)**

The SAEPF is the designated ministry responsible for the Montreal Protocol in Kyrgyzstan and operates through several departments, institutions and organizations. The key responsibilities of SAEPF in context of the Montreal Protocol are as below:

- ❖ Developing basic national principles on global issues; administering international cooperation and exchanges; participating in and coordinating important international activities; administering foreign economic cooperation; coordinating and implementing relevant overseas funded projects; handling international affairs; and responsible for liaison with international development as well as environmental organizations;
- ❖ Acting as focal point of managing, organizing and coordinating implementation activities;
- ❖ Formulating general and specific policies, laws and regulations, and administrative rules and regulations and organizing their implementation;
- ❖ Organizing research and development, and technical demonstration projects;
- ❖ Administering information/management systems, labeling and certification programmes
- ❖ Responsible for monitoring, statistics and information; formulating monitoring systems and norms; guiding and coordinating promotion, education, and publishing work; and promoting the participation of the public and NGOs

### **3.2 National Ozone Center (NOC)**

The NOC's operations are associated with and carried out under SAEPF's overall mandate. It carries out all tasks mentioned in the previous section when they relate specifically to the Montreal Protocol. The NOC thus functions as the country's focal point for the coordination of the ODS phase-out projects.

### **3.3 Implementing Agencies for HPMP Preparation**

UNDP has been designated as the lead Implementing Agency and UNEP as the cooperating Implementing Agency for the preparation of the HPMP (Stage-II) for Kyrgyzstan. The draft HPMP will be prepared following the guidelines approved by ExCom in related decisions and this will be done in close cooperation with SAEPF. UNDP will submit the HPMP document to ExCom upon endorsement of the final draft HPMP by Government. The role of UNDP/UNEP, respectful of assigned mandates, sectors of work and types of future assistance, during the preparation of HPMP (Stage-II) would be as follows:

#### *With respect to SAEPF/NOC*

- ❖ Support SAEPF/NOC in ensuring an effective and smooth process in preparation of the HPMP;
- ❖ Support SAEPF/NOC in review and endorsement process on the draft HPMP, for timely finalization and submission to the ExCom;

- ❖ Provide assistance with policy, management and technical support to SAEPF/NOC when required.

*With respect to Industries/commercial sectors*

- ❖ Assist SAEPF/NOC in the process of consultations with industries, commercial sectors and other relevant stakeholders on the technical and logistical aspects of the preparation of the sectoral and integrated HPMP;
- ❖ Assist SAEPF/NOC in discussions with industries, commercial sectors and relevant stakeholders on identification and selection of alternative technologies and technology transfer.

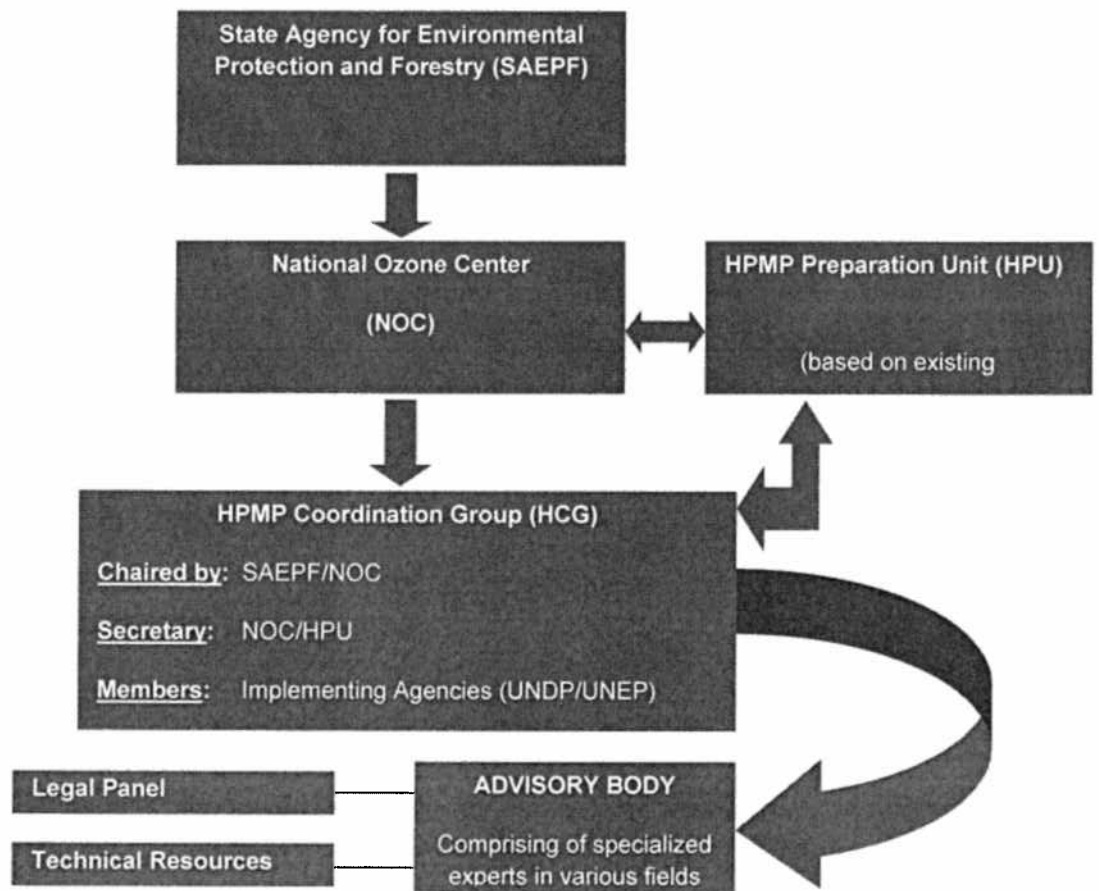
*With respect to MLF Secretariat and ExCom*

- ❖ Undertake consultations and clarifications with MLF Secretariat on HPMP guidelines and HPMP preparation process to facilitate effective preparation;
- ❖ Assist SAEPF/NOC in responding to comments on HPMP from MLF/ExCom.

#### 4. PROPOSED INSTITUTIONAL FRAMEWORK

It is proposed to establish the following institutional framework for preparation of the HPMP, which can be subsequently adapted for implementation of the HPMP.

**Figure-1: Proposed Institutional Framework**



### **a) HPMP Preparation Unit (HPU)**

The NOC is an existing infrastructure for day-to-day physical implementation of activities associated with the Montreal Protocol programmes.

The implementation structure for preparation of HPMP-Stage II will be linked to a direct supervision of the National Ozone Officer of NOC assisted by required national experts/ administrative staff. This structure (HPU) would have the following key responsibilities:

- ❖ Operational responsibility for implementation of activities under the HPMP-Stage II preparation with the assistance of the implementing agencies (work plans, etc);
- ❖ Act as a focal point for prospective recipient enterprises in various HCFC-consuming sectors;
- ❖ Manage enterprise participation and enterprise-level HCFC phase-out/conversion activities (during implementation).

### **b) HPMP Coordination Group (HCG)**

The HPMP Coordination Group will serve as an overall coordination body for activities related to the preparation and implementation of the HCFC phase-out management plan.

#### Members

- ❖ Representatives from SAEPF/NOC, the National Committee on Ozone Depleting Substances (NCOODS) and the Implementing Agencies (UNDP/UNEP) as core members;
- ❖ Representatives from the Technical Resources Panel and other advisory panels (see below) as invitees when required
- ❖ SAEPF/NOC representative acts as Chair
- ❖ The HPU representative acts as Secretary

#### Functions

- ❖ Overall coordination of implementation in collaboration with SAEPF/NOC
- ❖ Periodic review and monitoring/evaluation of progress of implementation
- ❖ Any corrective interventions as required
- ❖ Technical and policy advice to SAEPF/NOC on HCFCs as necessary

It is expected that the HCG would meet at least twice a year for review and coordination of HPMP preparation and future implementation activities.

### **c) Advisory Body**

The HCG, in consultation with the SAEPF/NOC, will establish an advisory body to provide specialized technical and other advice for implementation of various activities under the HPMP. The advisory body could cover technical, financial, legal and other aspects, pertaining to the preparation and implementation of the HCFC phase-out management plan. At a minimum, it is considered necessary to

establish a technical body proposed to be named as the Technical Resources Panel (TRP) for providing technical advice upon request, to the HCG on technologies related to HCFCs and HCFC alternatives.

## **5. HPMP PREPARATION**

The preparation of the national HPMP would involve the following broad activities:

- ❖ Initial consultation meetings for stakeholders
- ❖ Constituting the national team
- ❖ Information dissemination and industry interaction
- ❖ Data Collection
- ❖ Data Analysis
- ❖ Draft document preparation
- ❖ Stakeholder interactions/consultations
- ❖ Finalization of the HPMP-Stage II proposal

### **5.1 Initiation Meetings of/for Stakeholders/Industry**

The initial meeting(s) of/for stakeholder consultation would mark the commencement of activities involved in the preparation of the HPMP-Stage II.

The expected outcomes of these meetings would be to finalize the roles and responsibilities of the various stakeholders/industry, development and finalization of the terms of reference for activities and personnel, finalization of work plans for various activities and development of formats and templates for data collection and reporting.

### **5.2 Constituting the National Team**

This would include recruitment and/or nomination of national personnel and experts for fulfilling various positions as envisaged in the proposed institutional framework. Existing arrangements of NOC coordinating/managing/supervising such work will be employed by both UNDP and UNEP as implementing agencies.

NOC will decide on the needed national expertise support.

### **5.3 Information Dissemination and Industry Interaction**

The following sub-activities are envisaged:

- ❖ Preparation of information materials on HCFC phase-out
- ❖ Industry interaction workshops for various sectors (preferably by region to improve outreach)
- ❖ Consultations on existing HCFC alternatives and GWP implications: experience from global technology forums will be shared (MLF pilot technology projects, CCAC, TEAP, CAP Network meetings etc)
- ❖ Preparation of documentation/reports on findings

#### **5.4 Data Collection**

Data collection on industry profiles, baselines, consumption, etc. will be collected for various HCFC-consuming sectors, through nationally sub-contracted experts.

This would include the use of previously developed questionnaires and formats for reporting the information and data collected.

The data collected would be cross-checked and verified through NOC and Refrigeration Association in terms of legal eligibility as per local regulations.

#### **5.5 Data Analysis**

The data analysis would include but not necessarily be limited to classification of data based on present and historical HCFC consumption by enterprise, sector, sub-sector and application, list of HCFC users segregated by sector/sub-sector, data on first and second conversions by sector/sub-sector, historical (production where applicable) consumption and export data by sector/sub-sector, projected growth trends beyond 2013 and until 2020, and required reductions in HCFC consumption for meeting the 2020 reduction, by sector/sub-sector.

#### **5.6 Preparation of draft proposal**

Based on the data collected, sector-wise draft proposals for would be prepared in collaboration with SAEPF/NOC.

The draft HPMP-Stage II proposal will be prepared, based on data collected and stakeholder consultations, focusing on compliance with the 2020 reductions with respect to the established baseline (average of 2009 and 2010) level.

The draft HPMP-Stage II proposal would be discussed by the HCG and the final draft would be forwarded to SAEPF/NOU for further comments from national stakeholders.

#### **5.7 Stakeholder Consultations**

The draft HPMP (Second Stage) document will be circulated by SAEPF/NOC among the various national stakeholders for comments.

In addition, a national stakeholder consultation workshop will be arranged with participation from key national stakeholders, implementing agencies, national and international experts, key representatives of the national scientific and technical institutions and industry representatives. The comments and recommendations of the stakeholders shall be collected and collated by NOC and forwarded to the HCG.

In the view of global discussions on HCFC-free/low GWP alternatives and in light of ongoing consultations of Montreal Protocol Parties on HFCs, SAEPF/NOC will schedule national level discussions in this respect with appointed focal points for UNFCCC/Kyoto protocol, NAMAs, GEF,

and CCAC for purposes of assessing opportunities for complementary programmes from GEF/bilateral resources in the servicing sector

### 5.8 Finalization of the HPMP Proposal (Second stage)

The HCG will discuss the comments received from national stakeholders and the Implementing Agencies will finalize the HPMP (Stage-II) proposal in consultation with SAEPF/NOC, after incorporating comments and recommendations of the national stakeholders. The finalized proposal will be sent to government for endorsement and thereafter submitted to MLF by UNDP/UNEP.

## 6. TIME FRAME/MONITORING MILESTONES FOR HPMP PREPARATION

The approval of HPMP-Stage II preparation funding is expected at the 72<sup>nd</sup> Executive Committee meeting in May 2014. In order to complete the project formulation works, NOC estimates that 12 months will be required to have HPMP-Stage II document drafted and prepared for submission to the MLF.

MILESTONE/TIME FRAME (In months)	M1/3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Start-up of project activities	X									
Initiation meetings of/for stakeholders	X	X								
Constituting the national team	X	X								
Information dissemination/industry interaction			X	X						
Data collection			X	X	X	X				
Data analysis					X	X	X			
Preparation of draft proposal							X	X	X	
Stakeholder consultations									X	X
Finalization and submission									X	X

## 7. PROPOSED BUDGETS

The proposed budget and breakdown for HPMP preparation is attached as Annex-1 to this document.



## ANNEX 1

### Proposed Budget for HPMP-Stage II Preparation

Activity	Proposed Budget (US\$)
<b>UNDP/UNEP</b>	
<b>Initiation meetings of/for stakeholder consultation (Stakeholder/Industry Workshop)</b>	
Meeting arrangements including venue, etc (sub-contract):	2,000
Documentation/poster and information materials (sub-contract):	500
Local travel and expenses for key stakeholders (airfare, DSA, TA):	2,500
<b>Sub-total:</b>	<b>5,000</b>
<b>National Team (Personnel and Operational Costs)</b>	
<i>HPMP Preparation Unit</i>	
National experts: legislation, Customs, servicing and equipment assembly sectors (12 months)	12,000
Local travel for data collection/validation	5,000
Printing reporting/other documentation for NOC/working groups	1,000
Translation	2,000
<b>Sub-total:</b>	<b>20,000</b>
<b>Draft Proposal, Stakeholder consultations and Finalization (Stakeholder/Industry Workshop)</b>	
Meeting arrangements including venue, etc (sub-contract):	2,000
Documentation/poster and information materials (sub-contract):	500
Local travel and expenses for key stakeholders (airfare, DSA, TA):	2,500
<b>Sub-total:</b>	<b>5,000</b>
<b>GRAND TOTAL</b>	<b>30,000</b>

