

<p>FUNDING REQUEST FOR THE IMPLEMENTATION OF ENABLING ACTIVITIES FOR THE EARLY RATIFICATION OF THE KIGALI AMENDMENT</p>
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COUNTRY: Panama

PROJECT TITLE: Implementing Enabling Activities for the ratification of the Kigali Amendment

LEAD IMPLEMENTING AGENCY: UNDP

COOPERATING AGENCY: Canada

NATIONAL COORDINATION AGENCY: Ministry of Health of Panama

PROJECT INCLUDED IN CURRENT BUSSINESS PLAN: Yes (2018-2020)

ELIGIBLE CONSUMPTION: n/a (HFCs)

PROJECT DURATION:	18 months (extended now to 30 months)
STARTING DATE:	July 2018

Project Summary

This document describes the proposed arrangements, implementation strategy and budgets for the enabling activities project that will support Panama to undertake the early ratification and prepare the country for the implementation of the Kigali Amendment to the Montreal Protocol.

Such arrangements would be implemented taking into consideration:

- a) The need to reflect national context and priorities, national policies and country-drivenness, and consequently, the consultations with the national stakeholders to the ratification process;
- b) To identify the challenges and opportunities that present the implementation of the Kigali Amendment;
- c) To draw upon the lessons learnt from the ratification process;
- d) To be dynamic and evolving, and to be open for revisions and adaptation as necessary in response to evolving situations during the ratification process.

A. Introduction

1. The Parties to the Montreal Protocol have adopted the Decision XXVIII/2 related to the Kigali Amendment to phase down HFCs. The Decision requests, in its paragraph 20, the Executive Committee to include the enabling activities to be funded in order to support the Article 5 countries in the process of ratification of the Kigali Amendment.
2. Therefore, at its 79th Meeting, the Executive Committee for the Implementation of the Montreal Protocol (ExCom), under the Decision 79/46, further specified the types of enabling activities to be funded, and the level of funding to be provided from the Multilateral Fund.
3. Moreover, Decision 79/46 provides Article 5 countries with the flexibility to undertake a range of enabling activities to help their national ozone units to fulfil their initial obligations with regard to HFC phase-down in line with the Kigali Amendment.
4. During its 80th Meeting, the Executive Committee approved enabling activities projects for the ratification of the Kigali Amendment for 59 countries.

B. Country Background

5. The Government of Panama acceded to the Vienna Convention for the Protection of the Ozone Layer and its Montreal Protocol on Substances that deplete the Ozone Layer, and has ratified all the previous Amendments to the Montreal Protocol. Currently, the country is taking significant steps towards the ratification of the Kigali Amendment.
6. Panama has successfully phased out CFCs in RAC and has established enforceable Quota and Licensing regulations to control consumption of Methyl Bromide, Methyl Chloroform and the HCFCs. The National Ozone Unit implements the quota system in coordination with the Customs Office.
7. Panama is implementing the Stage II of its HCFCs Phase-out Management Plan (HPMP) and has achieved the following activities:
 - Inception workshop to discuss with stakeholders the scope and outcomes of the project. 40 stakeholders from key public and private entities participated in the meeting.
 - Update of consumption and status of the beneficiary companies in the polyurethane foam sector. Visits were made by the project team to each company.
 - Workshop on alternatives to HCFC in the foam sector conducted by UNDP's international expert.
 - Meeting with the Ministry of Education, INADEH and the Technological University of Panama to review training and refrigeration classrooms needs. Train-the-trainer workshops designed and scheduled.

- Draft ToR prepared for a consultancy for review and support the certification programme of refrigeration technicians.
 - 87 refrigeration technicians trained on good refrigeration practices.
8. Although Panama has a well-established legal and institutional framework to implement the Montreal Protocol commitments ratified so far, the new Kigali Amendment will bring additional challenges to determine the national requirements and needs for the fulfilment of this amendment, with a view to establishing a sound foundation for undertaking future work towards its implementation.
 9. The Government of Panama has issued the Law 87 of December 19, 2017, which approves the Kigali amendment.

C. Objective

10. The objective of this document is to request funding for the implementation of the enabling activities to bring to light the early ratification of the Kigali Amendment, assess the challenges and opportunities involved, while helping the National Ozone Unit to fulfil Panama's initial obligations with regard to HFC phase-down under the Kigali Amendment, in line with the ExCom Decision 79/46.

D. Activities to be implemented:

11. Component No. 1: Enable the Legal Framework for the ratification/implementation (UNDP).

The project will provide technical support to the National Ozone Unit to review the legal framework and to liaise with the national institutions involved in the ratification/implementation process of the Kigali Amendment (Ministry of External Affairs, Ministry of Health, Ministry of Environment, Ministry of Economy and Finance, among others public and private organizations) in order to speed up the process and assure that the correct information and legal support is delivered to the decision makers.

12. Component No.2: Assess legislation and policies for the implementation of the Amendment (UNDP).

This policy and legislative assessment will be undertaken through a review of existing legislation on related to identification, management and control of the substances controlled by the Montreal Protocol (such as the HCFC quota system, environmental licenses, refrigeration certification scheme, manufacture-related bans, energy efficiency norms, etc.), as well as to identify gaps in this framework that can prevent the future implementation of the Kigali Amendment;

13. Component No.3: Assess coordination mechanisms needed to implement the Amendment (Canada).

Mechanisms used to coordinate among the NOU, other governmental institutions and stakeholders (private and public sectors) will be assessed to determine the capacity needs and gaps that exist for the implementation of the Kigali Amendment, and propose interventions too better integrate these stakeholders, undertake sound consultation processes and strengthen the ratification process.

14. Component No.4: Review the licensing and data reporting systems on HFC (UNDP).

Assess the current Licensing and Quota Systems applied to ODS in order to determine the actions that will be required to expand the control over the HFCs and develop roadmaps for new methodologies for collecting, analyzing, verifying, and reporting consumption and production of HFCs;

15. Component No.5: Assess technical capabilities and requirements to implement the Amendment (UNDP): this activity will analyze the current local capabilities and expertise for the introduction of HFC-free technologies, the existing barriers and needs for their removal. It will evaluate the consumption of HFC in the different sectors and improve the information of those non-sufficiently characterized; To review the required alliances with the energy sector to reduce GHG in the HFC user sectors;

It will also include an assessment of the needs of the refrigeration servicing sector to determine the training, capacity-building, standards and regulatory support required for technicians and end users to safely use the range of alternative refrigerants to high-GWP HFCs available in the country and expected to become available in the future, analyze the certification process of technicians in the services sector in RAC, in order to identify the options to include the technologies based on HFCs and its alternatives.

16. Component No.6: National strategy for phasing down HFCs (Canada).

The Project will support the preparation of a national strategy for the implementation of the Kigali Amendment and the phase-down of HFCs. Development of the strategy will include the collection, analysis and synthesizing of data and information on HFC consumption and sector profiles (taking into account information already available through MLF survey), the development of an estimated HFC baseline, and projections of HFC consumption growth across the relevant sectors.

The strategy itself will provide the information needed for the future development of the policy, institutional and management framework for controlling HFCs and complying with the Kigali Amendment, outline the approach to be taken to address HFCs in the relevant sectors, including the refrigeration servicing sector, identify alternative technologies when possible, outline potential linkages with the HCFC phase-out, and identify potential priority areas for phasing down HFCs.

17. Component No.7: Raise Awareness on the ratification and implementation processes of the Kigali Amendment (Canada).

Information awareness activities will be supported targeting groups and stakeholders involved in the ratification and future implementation processes of the Kigali Amendment. This may include (but are not limited to) awareness for critical industry

sectors (through associations for example), involvement of different government officials (such as climate change officers), business owners and SMEs, being related to the national obligations under the Kigali Amendment. Moreover, it will “re-engage” sectors not targeted in the HPMPs, such as the MAC and aerosol/MDI sectors.

E. Outputs

- a) Roadmap prepared on the Legal and Policy framework that contains the needs and actions required to allow the proper ratification and/or implementation of the Kigali Amendment;
- b) Coordination Mechanism/Committee put in place to allow the proper consultation processes for the ratification and implementation of the Kigali Amendment;
- c) Harmonized Customs Codes assessed in line with the new series of pure and blended HFCs for future action (dependent on the review to be undertaken by the World Customs Organization);
- d) New data reporting system (for Article 7 and Country Programme) on HFCs established;
- e) Montreal Protocol’s Controlled Substances Licensing System expanded to allow control of HFCs;
- f) Preliminary National strategy for phasing down HFCs developed;
- g) Assessment of the needs of the servicing sector to determine the training, capacity-building, standards and regulatory support needed to enable the safe use of alternative refrigerants to high-GWP HFCs;
- h) Comprehensive Awareness Campaign on the Kigali Amendment ratification process delivered.

F. Institutional Arrangements

- (a) National Ozone Unit: The NOU is housed by the Ministry of Health and will act as Implementation Partner of the project, being the main beneficiary of the projects activities. Its roles are: (i) Undertake the implementation of the projects activities in the field, with assistance from Implementing Agencies; (ii) collect and organize information generated by the project; (iii) facilitate all legal and policy procedures required for the successful implementation; (iv) Coordinate activities with the stakeholders; and (v) carry out necessary awareness for the Project’s implementation.
- (b) United Nations Development Programme: UNDP is the Lead Agency in the implementation of the project being responsible for: (i) Deliver technical and administrative support to the NOU; (ii) Facilitate disbursement of funds and verify the implementation performance; (iii) Undertake the oversight and monitor the implementation; (iv) Prepare guidelines and templates required for the implementation of the activities; (v) Guide the Government in procurement processes, recruit experts and service providers required to assure the good implementation of the Project; (vi) Participate in the Project Steering Committee and coordinate all work on behalf of other IA’s; (vii) Assure that the funding

guidelines are effectively implemented; (viii) Deliver training to the implementation team (when required); and (ix) Recollect project information, organize findings and report back to the donors.

- (c) Canada: Canada, represented by Environment and Climate Change Canada (ECCC), will be the Cooperating Agency responsible for the implementation of this project. In particular, Canada will be responsible for the implementation of the components related to the development of a National Strategy, including the assessment of the needs of the servicing sector, assessing the relevant coordination mechanisms related to ratification of the Kigali Amendment, and raising awareness. Canada will provide an additional contribution to complement these activities by undertaking targeted activities in the refrigeration servicing sector to be identified upon a further assessment of the needs for this sector (this contribution is not included in the funding requested from the MLF from Canada's bilateral allocation). At the operation level, the components under Canada's responsibility will be implemented by UNDP, with Canada providing advice, support and guidance as required.
- (d) Other Stakeholders include: Ministry of Foreign Affairs, Ministry of Environment , Ministry of Economy and Finance, Ministry of Commerce and Industry, Ministry of Social Development, General Directorate of Customs, Technological University of Panama, National Institute of Vocational Training and Human Development (INADEH), Panamanian Society of Engineers and Architects (SPIA), Civil society organizations. These stakeholders will interact with the NOU in the collection of information, review of existing legal and institutional framework, assessment of training needs and gaps, raise awareness, among others activities needed for the ratification and implementation of the Kigali Amendment.

G. Budget Description

18. Following the Paragraph 152(c) of the Decision 79/46, based on the HCFCs baseline level of 24.77 ODP t., Panama requests to the 81st Meeting of the Executive Committee the amount of [REDACTED] for the implementation of the above mentioned enabling activities, per the detailed budget below.

Table 1. Budget description.

Budget description	Budget (USD \$)	Comments
International Experts		To support NOU on activities such as: Internalize Best Practices and Strategies for the initial implementation of the Kigali Amendment, strengthen the A-5 knowledge on potential alternatives to HFCs, deliver high-level technical guidance and advisory on the preparation of the technological roadmaps.
National Consultants		To support NOU in the field implementation of the EAs.
Legal Advisor		The Legal Advisor is expected to provide support for one or both activities "A" (<u>Enable the Legal Framework for the ratification</u>) and

Budget description	Budget (USD \$)	Comments
		<u>“B” (Assess legislation and policies for the implementation of the Amendment).</u>
Information collection, consolidation and analysis		This specific budget line will serve the contract specialized companies (legal entities) that may be required to perform specific one-time tasks as: statisticians and specialists on data collection, consolidation and analysis, as well as formatting and publishing of reports required as inputs to parliaments in the decision-making process of ratification and implementation of the Kigali Amendment
Consultation meetings, workshops		This budget line will cover the local costs of logistics that will allow the Ozone Officers, Consultants and UNDP to carry on all relevant consultation meetings in order to obtain the “buy in” of stakeholders that will be impacted by the Kigali Amendment
Travel		Fund shall be used to cover the costs (air tickets and DSAs) of the travel to participate in meetings, visit stakeholder, companies, etc.
Awareness Campaign		Fund shall be used to cover the cost of awareness material, printing, media releases and any other activity to spread the national efforts related to the Kigali Amendment.
Total		