

United Nations Development Programme

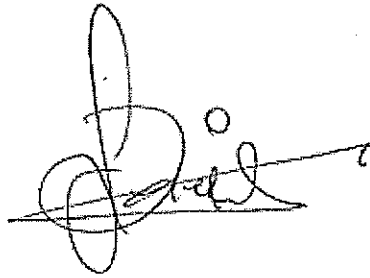
Country: Fiji

Project Document

<b>Project Title</b>	Hydrochlorofluorocarbon (HCFC) Phase-out Management Plan for Fiji – First Tranche: [FIJ/PHA/65/INV/23]
<b>UNDAF Outcome(s):</b>	<p><b>Outcome --:</b></p> <p><b>Pacific UNDAF Programme Outcome 4.1</b> Environmental sustainability are mainstreamed into regional and national policies, planning frameworks and programmes.</p> <p><b>Pacific UNDAF Programme Outcome 4.2</b> Pacific communities effectively manage and sustainably use their environment, as well as natural and cultural resources</p>
<b>Expected CP Outcome(s):</b> <i>(Those linked to the project and extracted from the CPAP/UNDAF Action Plan)</i>	<p><u>Fiji MCO Service Lines:</u></p> <p><b>Outcome 42:</b> Environmental sustainability mainstreamed into national policy frameworks</p> <p><b>Outcome 43:</b> Effective and sustainable management of environment and natural resources</p>
<b>Expected Output(s):</b> <i>(Those that will result from the project and extracted from the CPAP)</i>	Achievement of HCFC consumption control targets in Fiji for the period 2013 to 2020 through implementation of HCFC Phase-Out Management Plan (HPMP) for Fiji.
<b>Executing Entity:</b>	National Ozone Unit, Ministry of Local Government, Urban Development, Housing and Environment, Fiji
<b>Implementing Agency:</b>	United Nations Development Programme
<b>Project Summary</b>	
<p>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 from 01 January 2013, at the Baseline Level (average of 2009 and 2010 consumption levels). The other control steps are reduction of 10% by 2015, reduction of 35% by 2020, reduction of 67.5% by 2025, reduction of 100% by 2030, allowance of 2.5% of baseline (annual equivalent) for period 2030-2040 and complete phase out by 2040. Fiji is a party to the Montreal Protocol and needs to comply with the above targets.</p> <p>During the 65<sup>th</sup> Meeting of the Executive Committee held in November 2011, HCFC Phase-out Management Plan of Fiji for achieving targets was approved by the Executive Committee of the Multilateral Fund. Total funding approved, in principle, was US \$ 332,500, of which US \$ 199,500 was approved for UNDP and US \$ 133,000 for UNEP. For achieving HPMP targets, a multi-year Performance Based Agreement between Government of Fiji and the Executive Committee (“HPMP Agreement of Fiji”) was approved by the Executive Committee for the Multilateral Fund to the Montreal Protocol in its 65<sup>th</sup> Meeting held in November 2011. This project document provides details of UNDP component of the HPMP. Implementation of the project will assist Government of Fiji in reducing their HCFC consumption from its baseline level of 8.44 ODP tons by 2013 to 5.49 ODP tons by 2020 in line with the schedule specified in the HPMP Agreement of Fiji.</p>	
<p><b>Programme Period:</b> 2012 – 2020</p> <p>Key Result Area (Strategic Plan):</p> <p>Atlas Award ID: _____</p> <p>Start date: 1 May 2012</p> <p>End Date: 31 December 2020</p> <p>Management Arrangements: NIM</p>	<p>Total resources required: 199,500 US\$</p> <p>Total allocated resources: _____</p> <ul style="list-style-type: none"> <li>• Regular: _____</li> <li>• Other: _____             <ul style="list-style-type: none"> <li>○ MLF: 199,500 US\$</li> </ul> </li> </ul> <p>Unfunded budget: -</p> <p>In-kind Contributions from Fiji: - 20,000</p>

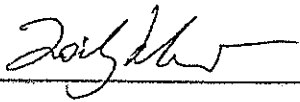
Agreed by Government:

Jope Davetanivalu  
Director of Environment  
15<sup>th</sup> of May, 2012

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Agreed by UNDP:

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## **I. SITUATION ANALYSIS**

### **1. OBJECTIVE**

The objective of this project is to assist Government of Fiji implement projects under UNDP component of HPMP in line with overall strategy and implementation plan outlined in the HPMP document approved by the 65<sup>th</sup> Meeting of the Executive Committee. The extract of the agreement approved in the 65<sup>th</sup> Meeting of the Executive Committee between Government of Fiji and the Executive Committee is attached in Annex-II to this document.

### **2. BACKGROUND**

#### **2.1 Country Profile**

Fiji is located in Oceania, island group in the South Pacific Ocean, it has a land area of 18,270 sq km with a population of 849,218 (2009 est.). Fiji is situated 2100 km north of Auckland, New Zealand, between Vanuatu to the west, Tonga to the south-east and Samoa to the north-east. Because of its central location in the South Pacific and relatively well-developed economy and infrastructure, Fiji has become a major crossroad for both shipping and air travel across the Pacific. There are seven key areas – Nadi/Denarau, Nadi Offshore, Lautoka/Rakiraki, Coral Coast, Pacific Harbour and Suva, the Northern Group and the Outer Islands, including the Yasawas Group. The country's capital, Suva, is located on Viti Levu's eastern side, and is Fiji's largest city and major port. Lautoka is the second largest city in Fiji and is located on the western side of Viti Levu. Vanua Levu is the country's second largest island.

Fiji, endowed with forest, mineral, and fish resources, is one of the most developed of the Pacific island economies, though still with a large subsistence sector. Sugar exports and a growing tourist industry - with 300,000 to 400,000 tourists annually - are the major sources of foreign exchange. Sugar processing makes up one-third of industrial activity, but is inefficient. Long-term problems include low investment for industrial activities in the country, uncertain land ownership rights, and the pressures on budget management. In spite of these constraints, the short-run economic prospects for Fiji are expected to be good, provided there is a stable governance and social infrastructure.

The political crisis of 2000 saw the Fiji economy decline by 2.8 per cent in that year. This contraction was accompanied by substantial job losses, and migration of skilled and professional workers, the latter trend declining but persisting to the present. Since 2000, business confidence and private investment have picked up, but not to a point sufficient to drive sustained growth. Skills shortages affect most sectors of the economy, notably the construction industry. The economy recorded reasonable growth in the period 2001-04, driven by a resurgent tourism industry. Over the last five years, growth in the country has been fluctuating due to uncertain political situation in the country.

## 2.2 ODS Phase Out in Fiji

The Fijian Government acceded to the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol for the Phase-out of Ozone Depleting Substances (ODS) in 1989. Fiji operates under Article V paragraph 1 of the Montreal Protocol (MP). Fiji was the first developing country among the Pacific Island Countries to become a party to this Multilateral Environmental Agreement.

**Table: Status of Ratification of Montreal Protocol and its Amendments by Fiji**

Particulars	Ratified
Vienna Convention (1985)	23.10.1989 (Ac)
Montreal Protocol (1987)	23.10.1989 (Ac)
London Amendment (1990)	09.12.1994 (Ac)
Copenhagen Amendment (1992)	17.05.2000 (Ac)
Montreal Amendment (1997)	19/02/2007 (Ac)
Beijing Amendment (1999)	19/02/2007 (Ac)

*Source: Ozone Secretariat.*

As mentioned earlier, Fiji ratified the Montreal Protocol on 23 October 1989 and is classified as a Party operating under paragraph 1 of Article 5 of the Protocol. Country programme of Fiji was approved by the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol in June 1993. Since then, the Executive Committee of the Multilateral Fund has approved funds aggregating US \$ 1,023,455 to enable the country's compliance with its obligations under the Montreal Protocol for different projects as given in the table below.

Summary of projects approved for Fiji for phasing out ODSs by the Multilateral Fund (MLF) till March 2011 is given in the table below.

**Table: Summary of projects approved under the MLF till March 2011**

Project category	Funds approved (US\$)	Time frame	Implementing Agencies
Institutional Strengthening (IS) (Seven Phases)	406,820	March 1994 – June 2012	UNEP
Project preparation for CP/RMP/TPMP	86,870	NA	UNDP/UNEP
RMP	209,755	Dec 1999 – Dec 2003	UNDP/UNEP
TPMP including MB phase-out in fumigation	235,000	Nov 2005 to date	UNDP/UNEP
HPMP preparation	85,000	July 2008 to date	UNDP/UNEP
<b>Total</b>	<b>1,023,455</b>		

*Source: MLF Secretariat database updated as of March 2011.*

An overview of the main activities undertaken under the above projects and their impact is presented below.

IS project is being implemented in Fiji since March 1994. Under the IS project, NOU has been established. NOU has been overseeing Montreal Protocol implementation in Fiji over the last 16 years. During the initial phase, IS project activities facilitated compliance of Fiji with their Montreal Protocol control targets through a combination of policy measures and capacity building activities. Specifically, through IS project, policies to eliminate use of ODSs and adopt alternatives expeditiously and in a cost-effective manner, were put in place. A salient feature of ODS use elimination by Fiji was ban of imports of CFCs as early as 2000. In addition, IS project identified key supportive measures that needed to be addressed and this paved way for development and implementation of other projects – namely RMP and TPMP.

In November 1999, Fiji submitted its Refrigerant Management Plan (RMP) with assistance of UNEP and UNDP to the 29th Meeting of Executive Committee. RMP of Fiji was approved at the same meeting. The RMP was successfully implemented and all activities under RMP were completed by December 2003. RMP primarily focused on equipping Refrigeration and Air-conditioning (RAC) service sector on adopting “good RAC equipment servicing practices” and training and enforcement of regulatory authorities, primarily customs, in controlling and monitoring ODS supply and use in Fiji.

Fiji has achieved advance CFC phase-out since 2003 through strong enforcement of its ODS regulation and technical assistance from projects under the RMP. However, the phase-out effort met many difficult challenges including the prosecution of the first case involving violation to its ODS regulation. The case exposed shortcomings of the current government infrastructure to achieve and sustain compliance with ODS phase-out targets.

One of the most significant challenges faced by Fiji was in its compliance with Methyl Bromide control measures. Fiji was not able to meet its compliance on methyl bromide for the year 2003 and 2004. With assistance from UNEP CAP and in consultation with relevant national stakeholders (i.e., Methyl Bromide importers and fumigators), the NOU prepared the draft plan of actions for Fiji to return to compliance. This plan was approved by the Meeting of Parties through their decision XVII/33. The plan is successfully implemented by Fiji over the last 5 years and the country has achieved its compliance targets.

Fiji prepared its Terminal Phase-out Management Plan (TPMP) with assistance from UNEP and UNDP in the year 2006. The main objectives of TPMP were to maintain zero consumption of CFC and facilitate compliance with other ODS phase-out targets (except HCFCs). The TPMP was approved by the 47<sup>th</sup> Meeting of the Executive Committee. The activities were primarily aimed at sustaining zero CFC consumption in RAC service sector through training and other capacity building initiatives and reducing Methyl Bromide consumption in fumigation application – particularly, ensuring compliance with Decision XVII/33 commitments of Fiji. As of date, most of the activities under TPMP are complete. Implementation of Methyl Bromide technical assistance project is expected to be completed by December 2011. It must be noted that Fiji continues to closely monitor Methyl Bromide use for Quarantine Pre-Shipment (QPS) applications to comply with Montreal Protocol control measures.

### **2.3 Evolution of HCFC Phase-out Management Plans**

HCFCs, which have Ozone Depleting Potential (ODP) up to 15% of that of CFCs, are also classified as controlled substances under Annex-C, Group-I of the Montreal Protocol. HCFCs, therefore, have use restrictions and would eventually have to be phased-out. Initially, for developing countries, the scheduled phase-out date for HCFCs was 1 January 2040 with an interim control measure of freezing HCFC production and consumption at 2015 levels from 1 January 2016.

During the implementation of the CFC phase-out under the Montreal Protocol, HCFCs were approved as interim substitutes for CFCs in many of the projects and activities supported by the Multilateral Fund. Considering the increasing demand for HCFCs, and considering the imminent restrictions on HCFCs, including the 2016 freeze in consumption for Article-5 countries, it was necessary to address the technology and environmental issues arising from HCFC use reductions. Moreover, it was expected that actions to reduce HCFC consumption needed to be initiated sooner rather than later. Recognizing these challenges, the Executive Committee approved at its 45th Meeting in 2005, funding for UNDP to carry out HCFC surveys in 12 countries, to assess the HCFC consumption and growth trends in these countries. The key result of this survey was establishing the HCFC consumption profiles and projected growth rates in HCFC consumption in various sectors in the countries included in the survey until 2015. Fiji was not included in this survey.

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 from 01 January 2013, at the Baseline Level (average of 2009 and 2010 consumption levels). The second control step is the reduction of 10% from the Baseline Levels on January 1, 2015. Subsequent control steps are 35% reduction by 2020, 67.5% by 2025, 97.5% by 2030 and complete phase out from January 1 2040. The decision also directed the Executive Committee of the Multilateral Fund to assist Article-5 Parties in preparation of HCFC Phase-out Management Plans (HPMP).

### **2.4 HCFC Phase-out Management Plan of Fiji**

During the 55th meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol held in July 2008, Government of Fiji received assistance amounting to US \$ 85,000 for preparation of HPMP for achieving Stage-I targets (i.e., 2013 freeze and 2015 10% reduction). The Government of Fiji designated UNDP as the lead agency for preparation of HPMP and UNEP as the cooperating agency.

Government of Fiji initiated HPMP preparation process in October 2009. HPMP preparation activities were concluded in the second quarter of 2011 and the final HPMP document was submitted for the consideration of and approval by the Executive Committee in its 65<sup>th</sup> meeting.

The total funds approved along with the distribution and consumption limits as per the Multi-year Performance Based Agreement was signed between the Government of Fiji and the Executive Committee is presented in table below.

**Table: Consumption limit and funding for HPMP of Fiji**

<b>Year</b>	<b>Consumption limit in ODP tons</b>	<b>UNDP component in US\$</b>	<b>UNEP component in US\$</b>	<b>Total in US \$</b>
2011	N/A	71,800	47,900	119,700
2012	N/A	-	-	-
2013	8.44	-	-	-
2014	8.44	47,900	31,900	79,800
2015	7.60	-	-	-
2016	7.60	59,850	39,900	99,750
2017	7.60	-	-	-
2018	7.60	-	-	-
2019	7.60	-	-	-
2020	5.49	19,950	13,300	33,250
<b>Total</b>		<b>199,500</b>	<b>133,000</b>	<b>332,500</b>

*Source: HPMP Agreement of Fiji approved in 65<sup>th</sup> Executive Committee meeting.*

Under this agreement, UNDP is the lead agency is responsible for implementing investment activities to achieve HCFC consumption reduction. UNEP is responsible for implementing awareness & information outreach, training support for RAC technicians and regulations implementation.

As one can see from the table above, through the above agreement, the Government would reduce HCFC consumption from baseline level of 8.44 ODP tons gradually to 5.49 ODP tons in 2020.

## II. STRATEGY FOR HPMP IMPLEMENTATION

The Government of Fiji has designated UNDP to be the lead implementing agency for the HCFC phase-out management plan and UNEP to be the cooperating agency for the same. The current agreement relates to achieving targets for the calendar years 2013 to 2020 as specified in Appendix 2A of the Agreement. As the lead agency for this project, UNDP will work closely with the National Ozone Unit, Department of Environment, Government of Fiji (NOU/DOE) and UNEP to achieve the said targets.

The HCFC Phase-out Management Plan for Fiji proposes to address targets from 2013 to 2020 through a combination of project interventions including recovery and reclamation of HCFCs and pilot retrofit incentive addressing high-HCFC consuming end-users (e.g., fisheries, residential ACs), training support to service enterprises to limit usage of HCFCs in servicing RAC applications and “constrained growth” in HCFC supply through policy and regulatory interventions. An overview of specific interventions that would be adopted is given below.

- Implement recovery and reclamation program for reducing virgin HCFC consumption.
- Implement pilot retrofit incentive program for reducing dependence on HCFCs mainly in fisheries and air-conditioning applications.
- Implement regulations to control and limit supply of HCFCs in line with the above phase-out targets. This is a priority area. The Government recognizes that strong enforcement of regulations, mainly on controlling and monitoring supply of HCFCs, is key to achieving and sustaining compliance with HCFC phase-out targets.
- Undertake capacity building measures including training to limit demand for HCFCs in servicing and manufacturing/ installation of new equipment and stronger enforcement of regulations on HCFC consuming equipment / technologies.
- Complement the above through awareness and information outreach on HCFC phase-out and adoption of HCFC free alternatives.
- Project Management and Coordination for the above phase-out projects and monitoring implementation of HPMP under the supervision of National Ozone Unit.

The table below provides a summary of project components that would be undertaken by individual implementing agencies for implementing HPMP over the period 2012 to 2020.

Agency	Sector/sub-sector	Funding (US\$)
UNDP	Recovery and reclamation component	74,000
	Pilot retrofit incentive program	58,500
	Project Management and monitoring	67,000
	<b>Sub-total</b>	<b>199,500</b>
UNEP	Training for service technicians	54,000
	Enforcement officials training	45,000
	Awareness and information outreach	34,000
	<b>Sub-total</b>	<b>133,000</b>
	<b>Grand total</b>	<b>332,500</b>

Source: HPMP document of Fiji approved in the 65<sup>th</sup> Excom.



Performance Verification will be undertaken by independent Verification Entity engaged by UNDP, the Lead Implementing Agency, as required under Para 5(b) of the Agreement for HPMP Stage-I between the Government of Fiji and the Executive Committee of the Multilateral Fund.

UNEP and UNDP would work in a coordinated manner with the National Ozone Unit, Fiji to ensure synchronised and timely completion of HPMP.

The National Ozone Unit, Department of Environment, Fiji will be overall responsible for project management and supervision of HPMP activities and coordination with implementing agencies, namely UNDP and UNEP, as required under the HPMP Agreement. Technical and regulatory institutions in the country will provide necessary support on project implementation mainly relating to service sector and enforcement of regulations concerning controlling and monitoring supply and use of ODSs. Given the consumption pattern in Fiji, NOU/DOE will work closely with tourism sector and fisheries sector stakeholders on expeditiously achieving HCFC phase-out.

### III. TIME FRAME/MONITORING MILESTONES

Overall time plan for implementation of the UNDP component is given in the table below. As mentioned earlier, UNEP will be providing support for training of service technicians and enforcement agencies for ODS supply monitoring and control. In view of this, UNDP will coordinate with UNEP on project implementation and monitoring.

MILESTONE/TIME FRAME	2012		2013		2014		2015	2016	2017	2018	2019	2020
	HY1	HY2	HY1	HY2	HY1	HY2						
<b>Recovery and reclamation program</b>												
Finalisation of overall implementation plan												
Training for service technicians												
Finalisation and notification of enabling regulations												
Procurement and equipment distribution												
Monitoring and reporting												
<b>Pilot retrofit incentive program</b>												
Finalisation of overall implementation plan												
Consultations with stakeholders on implementation modalities												
Awareness and information outreach												
Implementation of retrofit incentive scheme												
Monitoring and reporting												
<b>Project Management and Monitoring</b>												
Finalisation of Implementation Plan for Project Management and Monitoring												
Project monitoring and reporting												
Quota order for HCFC imports												
Verification of 2013 and 2015 targets *												

\*Reporting of 2020 targets will be undertaken in 2021.

Note: Implementation of Retrofit component and Recovery & Reclamation component, including monitoring, will be on ongoing basis from initiation indicated in the table above.

#### IV. RESULTS AND RESOURCES FRAMEWORK

Applicable Goal (UNDAF):	<p><b>Pacific UNDAF Programme Outcome 4.1</b> Environmental sustainability are mainstreamed into regional and national policies, planning frameworks and programmes.</p> <p><b>Pacific UNDAF Programme Outcome 4.2</b> Pacific communities effectively manage and sustainably use their environment, as well as natural and cultural resources</p>			
ATLAS Award ID:	00000000000			
ATLAS Project ID:	00000000000			
Intended Outputs	Output Targets for 2012 to 2020	Indicative activities	Responsible Parties	Inputs (US \$ 000)
<p><b>Output:</b> Fiji's HCFC compliance targets for the period 2013-2020 achieved through HPMP implementation</p> <p><b>Baseline:</b> Need for implementing HPMP for compliance with the 2013 - 2020 control targets for HCFCs</p> <p><b>Indicator:</b> Reduction of HCFC consumption from 8.44 ODP tons in 2013 (baseline level) to 5.49 ODP tons by 2020.</p>	<p><b>Targets : January 2012- June 2012</b></p> <p>Project Document signed between NOU/DOE and UNDP for project implementation.</p> <p>Agreements signed with service agencies associations and fisheries sector on recovery &amp; reclamation project activities and pilot retrofit incentive scheme (as required).</p>	<p><b>1. Investment Project – Recovery and reclamation component</b></p> <ul style="list-style-type: none"> <li>- Finalisation of plan for recovery and reclamation component</li> <li>- Training for recovery and reclamation</li> <li>- Implementation of enabling policies and regulations for maximizing recovery and reclamation</li> <li>- Procurement and distribution of equipment to beneficiaries</li> <li>- Monitoring and reporting of performance</li> </ul>	UNDP/ NOU/DOE	74.0
	<p><b>Targets : July 2012 – December 2013</b></p> <p>Implementation of project activities.</p> <p>Project Management monitoring and reporting.</p>	<p><b>2. Investment Project – Pilot Retrofit Incentive scheme</b></p> <ul style="list-style-type: none"> <li>- Finalisation of plan for pilot retrofit incentive program</li> <li>- Consultations with stakeholders in fisheries and service industry on implementation modalities</li> <li>- Implementation of pilot retrofit incentive scheme</li> <li>- Monitoring and reporting of performance</li> </ul>	UNDP/ NOU/DOE	58.5
	<p><b>Targets : January 2014 – December 2020</b></p> <p>Submission and approval of Implementation Report for previous year and Plan for next year and Verification Report for 2013, 2015 and other relevant years.</p> <p>Submission of tranche requests in 2014, 2016 and 2020.</p>	<p><b>3. Project Management and Monitoring</b></p> <ul style="list-style-type: none"> <li>- Monitoring project implementation</li> <li>- Providing Technical, Financial and operational management</li> <li>- Project progress reporting and coordination support</li> </ul>	UNDP/ NOU/DOE	67.0
<b>Grand total</b>				<b>199.5</b>

*Note: These funds will be available in different tranches based on project performance as defined in the Agreement between Executive Committee and Government of Fiji. Also see Table in Section 2.4 above.*

## V. ANNUAL WORK PLAN

The table below presents the budgets for the **first tranche** available under the project.

AWARD ID	000000000000						
PROJECT ID	000000000000						
Project Title	Implementation of HPMP of Fiji – UNDP Component						
Executing Agency	National Ozone Unit, Department of Environment, Ministry of Local Government, Urban Development, Housing and Environment (NOU/DOE)						
ATLAS Activity	Party responsible	Source of funds	ATLAS Code	ATLAS Budget Description	2012	2013	Total
Activity 1 : Technical Assistance for recovery, reclamation and retrofit project components	UNDP	63030	71200	International experts	8,000		10,000
	UNDP	63030	75700	Workshops	2,000		2,000
	NOU/DOE	63030	72100	Contractual Services (Retrofit incentive program for end-users)	33,300	4,500	37,800
<b>Sub-total</b>					<b>43,300</b>	<b>4,500</b>	<b>47,800</b>
Activity 2 : Project Management and Monitoring	NOU/DOE	63030	72100	Contractual Services (Project Management)	9,000	9,000	18,000
	UNDP	63030	71300	National experts (monitoring)		6,000	6,000
<b>Sub-total</b>					<b>9,000</b>	<b>15,000</b>	<b>24,000</b>
<b>Grand total</b>					<b>52,300</b>	<b>19,500</b>	<b>71,800</b>

## VI. MANAGEMENT STRUCTURE FOR HPMP IMPLEMENTATION

### 6.1 Implementation Modality

The project will be managed in accordance with National Implementation Modality (NIM). The Government of Fiji through its National Ozone Unit, Department of Environment, (“NOU/DOE”) will be implementing project with support from UNDP. NIM has been chosen as the Government has capacity to undertake implementation of the project with technical support from UNDP. The UNDP Country Office has consulted the Government and agreed with the Government on the implementation modality.

The HPMP agreement between the Executive Committee and Government of Fiji is a **Performance-based Agreement** whereby the annual funding tranches for the periods 2012 to 2020 will be approved by the Executive Committee after examining the project performance. This will require achievement of specific HCFC phase-out milestones and for this,

- (a) the enterprises assisted by the Government through recovery and reclamation program and retrofit incentive scheme need to achieve their targets to minimize use of and dependence on HCFCs, in a time-bound manner and based on a MOU criteria with relevant agencies, and
- (b) the Government needs to implement regulatory interventions to control supply of HCFCs in line with quantities specified in Appendix 2A of the Agreement and monitor the same for ensuring compliance.

Given the above, the projects will be implemented through the Performance Based Payment (PBP) mechanism. Under this, for each of the projects, specific verifiable milestones will be defined and payments will be made based on achievement of the milestones, based on parameters specified in HPMP Agreement between Government of Fiji and the Executive Committee. *It must be noted that this may necessitate back-to-back arrangements (e.g., back-to-back agreements) with implementing partners at national level such service agency associations, industry associations dealing fisheries and other Government agencies/departments.*

UNDP will work closely with and assist the NOU/DOE during the course of project implementation. UNDP will be responsible for financial management and result-based project monitoring. Performance verification and reporting will be carried out in accordance with the Agreement for HPMP Stage-I between the Government of Fiji and the Executive Committee of the Multilateral Fund. *It must also be noted that the Government of Fiji would make available funding aggregating to US \$ 4,000 for retrofit and recovery & reclamation component to supplement available MLF funding for the project.*

NOU/DOE will be responsible for coordination among agencies, namely UNDP and UNEP, during the Implementation of HPMP. UNDP will also provide necessary support in line with its commitments under HPMP Agreement between Government of Fiji and the Executive Committee.

## 6.2 Payment schedule and indicators

Payment schedule for the project components along with milestone and indicators under the first tranche is given in Table below.

Milestone	Indicator	Timeline	Amount (USD)
Finalisation of implementation plan for R&R program and retrofit incentive program	(i) Signature of Project Document for HPMP implementation between Government of Fiji and UNDP (ii) Final implementation plan	1 April 2012	20,000
Implementation of R&R program	(i) Interim progress report on implementation of R&R program (ii) Final CP progress report and Article 7 report for 2011	January 2013	20,000
Implementation of retrofit incentive program	(i) Interim progress report on implementation of pilot retrofit program	28 February 2013	11,000
Achievement of 2012 freeze and 2013 HCFC consumption targets	(i) Report on implementation of R&R program and retrofit incentive program (ii) Final CP progress report and Article 7 for 2012	30 September 2013	4,800
			<b>55,800</b>

*Note: Total funds approved under the first tranche is US \$ 71,800. US \$ 16,000 will be retained by HPMP for international consultant and monitoring purposes. Allocation of this has been presented in Section on Annual Work Plan.*

The payment schedule and indicators for tranche 2014, 2016 and 2020 will be finalized and agreed upon by NOU and UNDP during 2012 and will be subject to release of payments under the relevant tranches.

## 6.3 Roles and responsibilities

The roles and responsibilities of National Ozone Unit and UNDP would be:

### **National Ozone Unit, Department of Environment, Government of Fiji (NOU/DOE)**

- Coordination of overall project implementation and monitoring.
- Convening inter-agency coordination meeting or equivalent on project progress review and planning on an annual basis.
- Reviewing and taking necessary steps for timely project implementation including signature of agreements with implementation partners, project implementation review consultations, monitoring implementation of HPMP.
- Coordinating with national stakeholders including different Government organisations and private sector enterprises (including service agencies) on project components.
- Coordinating review of policy/regulatory framework among related Government agencies and national stakeholders and evolving consensus on the same for implementation.
- Endorsement of Implementation Report for previous year and Implementation Plan current year for HPMP for timely submission of tranche requests to Executive Committee.

- Endorsement of Verification Report for the relevant years as per the Agreement with the Executive Committee.
- Reporting of consumption levels of HCFCs under Article 7, CP Progress Report and report for implementation of HPMP to Ozone Secretariat and Multilateral Fund Secretariat.

## **UNDP**

- Ensuring that disbursements/payments relating to UNDP components are made to Government and beneficiaries in accordance with the respective agreements.
- Providing technical and policy inputs relating to UNDP project components, upon request.
- Ensuring Performance Verification in accordance with the terms of the Agreement between the Executive Committee and Government of Fiji for achieving HPMP Stage-I targets.
- Assisting the Government of Fiji in preparation Implementation Reports and Implementation Plan as required under the Agreement between the Executive Committee and Government of Fiji for achieving HPMP Stage-I targets.
- Carrying out supervision missions as required for Fiji's compliance with the Agreement between Executive Committee and the Government of Fiji for achieving HPMP Stage-I targets.
- Financial monitoring and reporting to NOU/DOE on a regular (preferably quarterly) basis.

## VII. MONITORING FRAMEWORK AND EVALUATION

### 7.1 Monitoring and Reporting

The reporting with respect to the project shall include the following reports:

- Implementation Report, Implementation Plan and Verification Report as specified in the Agreement between Executive Committee and the Government of Fiji.
- Progress of Implementation of Country Programme (including HCFCs)
- Article 7 ODS Data Report (including HCFCs)

Monitoring will include a continuous review of the various project components and will be intended to (i) measure the progress towards meeting the overall project objectives and (ii) alert implementing partners to potential problems in implementation and propose corrective measures.

UNDP will be responsible for financial monitoring and reporting on all their disbursements in the programme and will ensure continued reporting to the Government of Fiji and Multilateral Fund Secretariat.

### 7.2 Quality Management for Project Results

Quality management for project results is presented in the table below.

<b>OUTCOME:</b> Fiji's compliance with HCFC consumption targets from 2013 to 2020 achieved as per HPMP Agreement between Government of Fiji and Executive Committee.		
<b>OUTPUT:</b> The following projects contribute to achieving the outcome above.		
<ul style="list-style-type: none"> <li>• Recovery and reclamation program.</li> <li>• Pilot retrofit incentive program targeting high consumption end -users</li> <li>• Project management and monitoring &amp; reporting on HPMP implementation.</li> </ul>		
<b>Result 1</b>	<b>Recovery and reclamation program</b>	<b>Start Date:</b> June 2012 <b>End Date :</b> December 2020
<b>Purpose</b>	Implement recovery and reclamation program for reducing dependence on virgin HCFCs in phased manner	
<b>Description</b>	<ul style="list-style-type: none"> <li>• Finalise implementation plan in consultation with national stakeholders in servicing sector.</li> <li>• Technical inputs, including assistance from technical experts and training to service technicians, for project implementation.</li> <li>• Monitor project implementation.</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Implementation plan for recovery and reclamation program	Implementation Plan for recovery and reclamation program	June 2012
Technical inputs required for implementing project	Report on training: Based on recovery and reclamation machines and project progress	December 2012
Regulations to maximize recovery and reclamation	Report on regulations for maximizing recovery and reclamation program to be incorporated in the new ODS laws	December 2012
Procurement and distribution of equipment	Report on procurement and distribution of equipment to identified beneficiaries	December of each year



<b>Result 2</b>	<b>Pilot retrofit incentive program</b>	<b>Start Date:</b> June 2012 <b>End Date :</b> December 2020
<b>Purpose</b>	Adoption of HCFC free alternatives and accelerated reduction in dependence on HCFCs	
<b>Description</b>	<ul style="list-style-type: none"> <li>• Retrofit/replacement of HCFC based equipment through pilot retrofit incentives for end-users in fisheries and air conditioning applications</li> <li>• Technical assistance workshops for end-users</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Implementation plan for pilot retrofit incentive program	Implementation Plan for recovery and reclamation program	June 2012
Provision of retrofit incentives to target audience provided	Report on payment of retrofit incentive to identified target audience mainly in fisheries sector and air-conditioning equipment	June each year
Technical assistance provided	Feedback on implementation of technical assistance from participants	Within one month after completion of workshops

<b>Result 3</b>	<b>Project Management and Monitoring</b>	<b>Start Date:</b> April 2012 <b>End Date :</b> December 2020
<b>Purpose</b>	Ensuring smooth technical and operational management of project, build partnership with project stakeholders and monitor performance	
<b>Description</b>	<ul style="list-style-type: none"> <li>• Technical, Financial and Operational management</li> <li>• Coordination and consultation with national stakeholders</li> <li>• Monitoring and reporting</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Positive performance of project on technical and operational aspects	Project performance report by NOU/DOE	31 January of following year
Project implemented as planned	Timely submission of Progress Report and Plan, and Performance Verification Report (as required) to the Executive Committee.	Due date for submission to the relevant Executive Committee Meeting as per above dates for the 2 projects.

## VIII. LEGAL CONTEXT

### **PART VIII: Legal Context**

This project document shall be the instrument referred to between the Government of Fiji and the United Nations Development Program (Country Office – CO), UNEP signed by the parties on the mentioned date. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement (SBAA) and Delegation of Authority (DOA), refer to the Government co-operating agency described in that Agreement.

UNDP acts in this Project as Implementing Agency of the Montreal Protocol, and all rights and privileges pertaining to UNDP as per the terms of the SBAA shall be extended *mutatis mutandis* to UNEP and the Montreal Protocol.

The UNDP Resident Representative in Fiji is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP CO and UNDP APRC consultations and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- a) Revision of, or addition to, any of the annexes to the Project Document;
- b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- c) Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- d) Inclusion of additional annexes and attachments only as set out here in this Project Document

In order to accord proper acknowledgement to UNDP and UNEP for being the Implementing Agencies and Montreal Protocol for providing funding, the logos of these organisations should appear on all relevant project publications.

## **IX: ANNEXES**

**ANNEX-I:** Risk Analysis

**ANNEX-II:** Agreement between the Government of the Fiji and Executive Committee of Multilateral Fund to the Montreal Protocol on HPMP of Fiji

**ANNEX-III:** Final version of HPMP of Fiji (approved by 65<sup>th</sup> Excom)

ANNEX-I

RISK ANALYSIS

Description	Date identified	Type	Impact and Probability (Low 1 to High 5)	Counter Measures	Owner
Delay in completion of project deliverables	Project initiation date	Operational	Probability - 2 : Impact - 4	Close coordination with NOU/DOE and periodic monitoring of project tasks. Facilitating timely completion of tasks.	UNDP/ NOU/DOE
Delay in available cost-effective HCFC free options in residential air-conditioners and fisheries applications	Project initiation date	Operational	Probability - 2 : Impact - 4	Consultation with specialist technical experts on technical options, closely monitoring technical developments on alternatives in these applications	UNDP/ NOU/DOE
Delay in implementation of regulations (i.e., HCFC supply controls)	Project initiation date	Operational	Probability -2 : Impact - 4	Close coordination with NOU/DOE and regulatory agencies on expeditious implementation of regulations including quota system	NOU/DOE
Delay in endorsement of action plans by Government	Project initiation date	Operational	Probability - 2 : Impact 4	Work on project preparation through consultative process with stakeholders. Stakeholder endorsement prior to Government approval. Coordination with Government on providing necessary clarifications relating to project.	UNDP/ UNEP/ NOU/DOE

**ANNEX-II**  
**AGREEMENT BETWEEN GOVERNMENT OF FIJI AND THE EXECUTIVE**  
**COMMITTEE OF THE MULTILATERAL FUND FOR PHASE-OUT OF CONSUMPTION**  
**OF HYDROCHLOROFLUROCARBONS**

**ANNEX-III**

**Final revised version of HPMP of Fiji (approved by 65th meeting of the Executive Committee)**