

**Verification Report HCFC Consumption in  
Dominican Republic for the period from  
2018 to 2019**

**United Nations Development Programme**

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Contents

ACRONYMS..... 3

INTRODUCTION ..... 4

    Objective ..... 4

    Scope ..... 5

    Verification Activity and Period covered..... 5

GENERAL METHODOLOGY ..... 6

*Data Verification* ..... 6

*Policy and procedural revision*..... 6

*Qualitative Assessment* ..... 7

*Conclusions, Observations and Recommendations*..... 7

DATA VERIFICATION AND LEGAL FRAMEWORK ANALYSIS ..... 7

*Legal framework analysis*..... 7

*Authorized Importers, Quotas and Licenses*..... 10

*Customs Registries* ..... 14

    Comparison between NOU/Customs data vs. Reported Data ..... 15

    Qualitative Assessment ..... 15

CONCLUSIONS, OBSERVATIONS AND RECOMENDATIONS ..... 15

    Conclusions ..... 15

    Observations ..... 17

    Recommendation ..... 17

VERIFICATION STATEMENT ..... 18

## ACRONYMS

<b>A7</b>	Article 7 Report
<b>CP</b>	Country Programme Report
<b>DR</b>	Dominican Republic
<b>Excom</b>	Executive Committee of the Multilateral Fund of the Montreal Protocol
<b>HPMP</b>	HCFC Phase-out Management Plans
<b>HCFC</b>	Hydrochlorofluorocarbon
<b>MLF</b>	Multilateral Fund for the Implementation of the Montreal Protocol
<b>MP</b>	Montreal Protocol
<b>MT</b>	Metric Tonnes
<b>ODP</b>	Ozone Depleting Potential
<b>ODS</b>	Ozone-Depleting Substances

## INTRODUCTION

At the 19th Meeting of the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer, held in Montreal in 2007, the Parties agreed under Decision XIX/6 on the “Adjustment to the Montreal Protocol with regard to Annex C, Group I substances (HCFC)” to “accelerate the phase-out of production and consumption of (HCFC)”, thus calling for urgent action towards the phase-out of HCFC.

The Stage II of the HCFC Phase out Management Plan for Dominican Republic was approved at the 77th Meeting of the Executive Committee of the Multilateral Fund.

The agreement between the MLF Executive Committee and DR (see approved document as annex), comprising the following annual HCFC consumption phase-out targets as:

- reducing HCFC consumption by 40% of its baseline by 2020;
- by January 2020, total phase out of imports of HCFC-141b pure and contained in pre-blended polyols.

As stated in the Par. 4 of the agreement between the government of DR and the Executive Committee of the Multilateral Fund for the HPMP Stage II:

*“The Country agrees to implement this Agreement in accordance with the stage II of the HCFC phase-out management plan (HPMP) approved (“the Plan”). In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.”*

This verification of the national consumption targets of the HPMP II is based on the Montreal Protocol definition of consumption as the basis for the verification of the achievement of the targets (consumption= production + imports -exports).

### Objective

The objectives of this HCFC Consumption Verification exercise are, by reviewing and objective and consistent evidence:

- To confirm the rules and regulations established in DR to import and export the HCFC, including the licensing and quota systems.

- To verify the imports and exports of HCFC in DR by comparing the established quotas and licenses issued with the reported imports of HCFC by the Customs, for the period 2018-2019.
- To confirm if the final data reported by DR is correct, transparent and compatible with the consumption reported in the Country Program and Article 7 reports for the period 2018-2019.
- To validate DR's compliance with the targets agreed in the Stage II of its HPMP for the period 2018-2019.

### Scope

The scope of the verification report is the independent and objective review of the HCFC imports and exports registered in the years 2018 to 2019. The verification is based on the validated and registered documents issued by the Government of the Dominican Republic through the Customs Office.

The present verification assessment follows the recommendations and procedures established in the guidelines for the verification of national HCFC consumption targets of multi-year agreements prepared by the Fund Secretariat.

### Verification Activity and Period covered

The independent verification covers the HCFC consumption reports submitted by DR to the MLF and Ozone Secretariat in the period from 2018 to 2019 as per described below:

*Reported HCFC Consumption from 2018 to 2019 (ODP Tones)*

National Consumption	2018	2019
HCFC-22	33.10	38.03
HCFC-141b	0.00	0.00
HCFC-141b contained in pre-blended polyol	0.00	0.00
HCFC-123	0.00	0.00
<b>Total</b>	<b>33.10</b>	<b>38.03</b>
<b>MAX Allowance HPMP II</b>	<b>46.08</b>	<b>46.08</b>

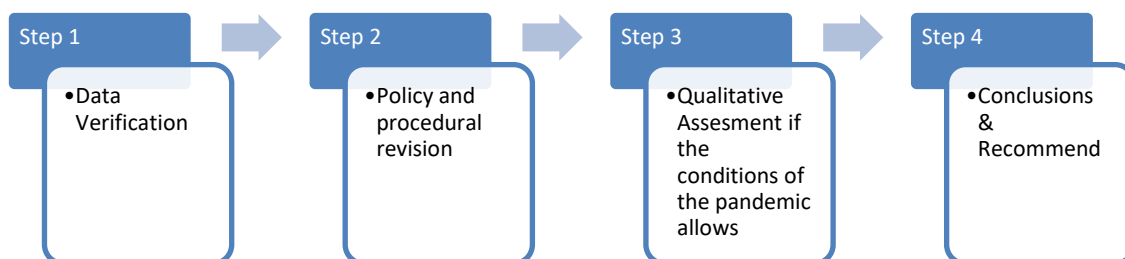
*Source: National Ozone Unit of DR*

Even though it was not reported any imports of HCFC-141b in pre-blended polyols, it is not considered in the accounts of the Ozone Secretariat, but for the objectives of this revision, this substance will be counted as zero.

## GENERAL METHODOLOGY

The methodology for this verification is a fourth stage process which comprises the Data verification, Policy and procedural revision, If the conditions allow a qualitative assessment (interviews) and Conclusions and Recommendations.

Figure 1. General Approach



### *Data Verification*

The substances covered by this verification are all the HCFCs (Annex C of the Montreal Protocol) and mentioned in Appendix 1 A of the HPMP II Agreement, this considers all HCFCs pure and contained in blends including the HCFC-141b contained in pre-blended polyols, which are considered as blends in DR, to confirm the total phase-out of this substance. For that purpose it will be carried out the verification of:

- (a) List of authorized importers,
- (b) HCFC imports quotas and licenses issued;
- (c) Actual HCFC imports registered in NOU and Customs system;
- (d) Verification review of the official statistics on imports by comparing permits issued versus actual imports registered and data reported.

### *Policy and procedural revision*

Verification of the national legislation, policies and procedures on ODS imports', including quotas and licenses / permits and the enforcement procedures:

- (a) National rules and regulations applicable for ODS imports;
- (b) Government enforcement structure for ODS imports;
- (c) Channel of communication between Government and Customs;
- (d) Authorized list of importers;
- (e) Procedures to get import permits;
- (f) System of monitoring and reporting of HCFC imports;
- (g) Sanctions or penalties to be imposed on violation of legal regulation;
- (h) Mechanisms and capacity for prosecution and enforcement
- (i) Custom codes in order to identify HCFCs pure and in blends;

### *Qualitative Assessment*

In order to cross-check and certify all the information gathered, it was carried out meetings with the main importers. Considering the data provided and analyzed; and whether the actual regulations in the country are being applied, whether the licenses are appropriate for the DR market, and any other relevant issue considered by the importers.

### *Conclusions, Observations and Recommendations*

After the analysis of the information, and qualitative assessment, it was carried out the comparison of the data reported with the data gathered from Customs registries, and find out some minor discrepancies that will be suggested to be considered in future reports.

At the end of the present report it is included a chapter with the conclusions, observations and recommendations to avoid in the future the possible discrepancies.<sup>1</sup>

## **DATA VERIFICATION AND LEGAL FRAMEWORK ANALYSIS**

### *Legal framework analysis*

#### General Overview of legal framework

Since 2010 Dominican Republic introduced in their legal framework the rights and principles of the free trade, free commerce and industry, to ensure the effective competency and good commercial faith.

The Constitution of the Dominican Republic recognizes this right and has to be compatible with the economic efficiency, effective competency and free trade and industry, this is applicable to all sectors, including regulated substances by an international agreement comprising ODS, for that reason all the HCFC importer companies, even without a quota since the beginning of the year, if they comply with the principles of competency and economic efficiency and to avoid any monopolistic practices are able to request any quota allocation, always taking into account the maximum allowable imports and consumption fixed to the country.

Moreover, there are forbidden the actions, agreements or contracts that could result in barriers to other companies or individuals to participate in a market; those actions are considered as illegal.

Therefore, the Ozone Regulation embodies the principles of creating an environment that promotes competition in the local market for goods and services for the management of

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<sup>1</sup> Due to the pandemic, the availability of the different representatives was not possible, their companies, offices and usual workplaces were closed and not all the personnel was available, for that reason in this conditions it was not possible to make the qualitative assessment.

ODS, promoting environmental protection and in line with price reduction, efficient use of productive resources and, consequently, better living conditions for Dominicans.

#### Specific Overview of the Legal Framework.

Since October 2018, the use of the Single Window for Foreign Trade (VUCE in Spanish) has been implemented as a trade facilitation initiative, with the aim of streamlining the procedures required to carry out the processes relevant to the import and export of goods, through the harmonization of processes and the incorporation of information technologies.

International agencies have been promoting the implementation of the Single Window for Foreign Trade in the Dominican Republic. These include the United Nations Centre for Trade Facilitation (UN/CEFACT), with its recommendations 33, 34 and 35 followed by the World Trade Organization (WTO) and the Inter-American Development Bank (IDB).

In March 2010, an Interinstitutional Collaboration Agreement was signed and aims to join forces to promote projects related to the facilitation of international trade.

In 2011 an international tender was initiated to hire a company to carry out the surveys, where the contract for the execution of the VUCE was awarded to Crown Agents for Overseas Governments and Administrations Ltd. The implementation of the project officially begins on December 1, 2011 with the purpose of promoting it.

In December 2014 decree 470-14 was enacted stating that the General Directorate of Customs would be the coordinator of the integration of government agencies that must be in the Single Window of Foreign Trade, the electronic format for all VUCE operational processes, the integration of a one-time payment of all services and so on that a Single Form of Foreign Trade must be created that integrates all the information necessary to issue an import permit, authorization, non-objection or certifications.

For January 2017 the Single Window Management of Foreign Trade was created as indicated by decree 470-04 where the holder must be elected by the Director General of Customs. This selection was made after the competences of this management and its role as coordinator on behalf of Customs were defined. The Ministry of Environment and Natural Resources acts as an advisory member of VUCE.

The current structure of the VUCE Management in the DGA allows to replying timely and effectively to the objectives of this initiative, which motivates a group of collaborators to carry out an excellent work daily so that the Dominican Republic's trade is identified as transparent, modern, easy and agile.

As part of this initiative, control procedures for the imports and exports of ODS were included in VUCE.



Current process to request quota and licensing imports of ODS:

- The National Ozone Layer Protection Program (PRONAOZ) analyzes and calculates the quota levels for the registered importers taking into account the average of imports of the previous two years and considering the quota reduction to comply with the Montreal Protocol and/or Agreements with the ExCom schedules.
- PRONAOZ informs to the registered importers the allocation of quota that they are able to request.
- The importer makes its application through SIGA-VUCE. (DGA), previously allocated by the PRONAOZ of the Ministry of Environment and Natural Resources, accordingly to the Ozone Regulations.
- Ministry-appointed staff review applications and approve them in 3 steps:
  1. The National Ozone Program inspects the importer's registration of the application and supporting documents.
  2. Approval and non-objection of the application by the Designated Authority of the Ministry of the Environment and Natural Resources.
  3. Once the goods arrive to the port, an additional check is conducted by the NOU, which involves approval and release by the National Ozone Program Monitoring Department that conducts port checks.

Regarding to the quota and license allowance the Ozone Regulation states in their articles from 36 to 38 that:

In December of each year, the National Ozone Layer Protection Program (PRONAOZ) of the Ministry of Environment and Natural Resources allocates quotas for importers/exporters authorized to import/export ozone-depleting substances listed in Annex C, Groups I, II and III of the Montreal Protocol on Substances that Deplete the Ozone Layer.

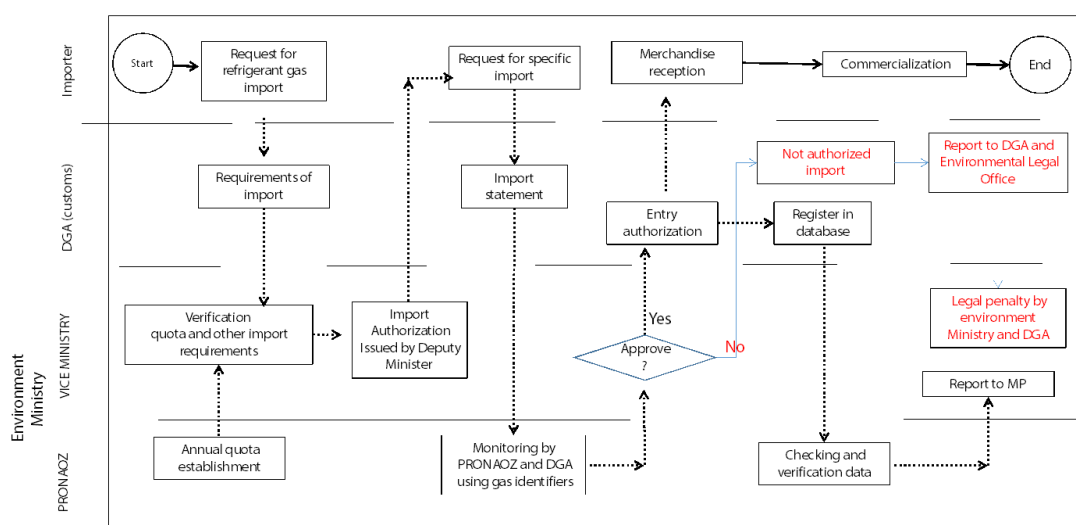
Upon Article 38 of the Ozone Regulation states that: The average number of imports by companies is based on the allocation of these quotas over the past two years and if some of the importing companies/exporters authorized to import/export ozone-depleting substances included in the Montreal Protocol, do not use their allocated quota during the corresponding year, they will automatically lose their authorized quota for the following year.

Finally, staff from the Green Customs Unit, the Directorate-General of Customs reviews that all procedures were complied with.

In the event that there is an illegal import, both the Ministry of the Environment and the Directorate-General of Customs establish the corresponding sanctions.

For the years 2018 and 2019, the quota and license allowances it was taken as a basis the average of the last two years previous to each period (2016-2017 and 2017-2018 respectively) and it was adjusted in some importers that were expected not to import in that period in order to maintain the maximum allowances below the compliance level determined in the agreement with the ExCom and also to avoid the monopoly practices and also revision of those registered companies that did not import in two years.

FLOWCHART OF DOMINICAN R. HCFC IMPORT CONTROL SYSTEM (2018)



### Authorized Importers, Quotas and Licenses

It was requested to the Ozone Unit the list of authorized importers and quotas during the period 2018-2019.

The list of importers and exporters of ODS registered in the Licensing System of DR Customs and the total allowances released in 2018 and 2019 were as follows:

HCFC IMPORT QUOTA ISSUED PER COMPANY FOR THE YEAR 2018.

NOMBRE DEL IMPORTADOR	QUOTA ISSUED (Kg)	HCFC	QUOTA ISSUED IN MT	QUOTA IN ODP TONNES
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REFRIPARTES, C.X.A.	140,000	HCFC-22	140	7.7
POCHY IEROMAZZO	224,000	HCFC-22	224	12.32
REFRIMPORT MOTA	32,000	HCFC-22	32	1.76
FRIOAIRE S.A	32,000	HCFC-22	32	1.76
REFRI HOTEL	16,000	HCFC-22	16	0.88
UNIREFRI, C.X.A.	60,000	HCFC-22	60	3.3
AIRES DOMINICANOS, C.X.A.	16,000	HCFC-22	16	0.88
MATERIALES ELECTRICOS CONSTRUCCION REFRIG C POR A	32,000	HCFC-22	32	1.76
REFRICENTRO RUBIERA	32,000	HCFC-22	32	1.76
XELOR COMPANY CXA	8,000	HCFC-22	8	0.44
CONFORMATIC S.A	32,000	HCFC-22	32	1.76
FERRETERIA OCHOA CXA.	16,000	HCFC-22	16	0.88
INGENIERO ROBERTO MORENO Y ASOCS SRL.	16,000	HCFC-22	16	0.88
TECHNOLOGY & TRADING T&T S.R.L	80,000	HCFC-22	80	4.4
CONFORSTAR	16,000	HCFC-22	16	0.88
L&H INTERNATIONAL	32,000	HCFC-22	32	1.76
REFRICITY, SRL	16,000	HCFC-22	16	0.88
REFRICENTRO LOS PRADOS	16,000	HCFC-22	16	0.88
<b>TOTAL HCFC-22</b>	<b>816,000</b>		<b>816</b>	<b>44.88</b>
EXTINTORES DEL CARIBE	8,000	HCFC-123	8	0.16
EGINEERING, SAFE CODE SRL	8,000	HCFC-123	8	0.16
TRANE, S.A.	8,000	HCFC-123	8	0.16
<b>TOTAL HCFC-123</b>	<b>24,000</b>		<b>24</b>	<b>0.48</b>
<b>TOTAL HCFC</b>				<b>45.36</b>
<b>MAXIMUM ALLOWANCE HPMP</b>				<b>46.08</b>

HCFC IMPORT QUOTA ISSUED PER COMPANY FOR THE YEAR 2019.

NOMBRE DEL IMPORTADOR	TOTAL QUOTA ISSUED IN Kg	HCFC	QUOTA ISSUED IN MT	QUOTA IN ODP TONNES
REFRIPARTES, C.X.A.	100,000	HCFC-22	100	5.5
POCHY IEROMAZZO	224,000	HCFC-22	224	12.32
REFRIMPORT MOTA	32,000	HCFC-22	32	1.76
FRIOAIRE S.A	32,000	HCFC-22	32	1.76
REFRI HOTEL	16,000	HCFC-22	16	0.88
UNIREFRI, C.X.A.	60,000	HCFC-22	60	3.3
AIRES DOMINICANOS, C.X.A.	16,000	HCFC-22	16	0.88
MATERIALES ELECTRICOS CONSTRUCCION REFRIG C POR A	32,000	HCFC-22	32	1.76
REFRICENTRO RUBIERA	32,000	HCFC-22	32	1.76
XELOR COMPANY CXA	8,000	HCFC-22	8	0.44
CONFORMATIC S.A	32,000	HCFC-22	32	1.76
FERRETERIA OCHOA CXA	16,000	HCFC-22	16	0.88
INGENIERO ROBERTO MORENO Y ASOCS SRL.	16,000	HCFC-22	16	0.88
TECHNOLOGY & TRADING T&T S.R.L	80,000	HCFC-22	80	4.4
CONFORSTAR	16,000	HCFC-22	16	0.88
L&H INTERNATIONAL	32,000	HCFC-22	32	1.76

REFRICITY, SRL	16,000	HCFC-22	16	0.88
REFRICENTRO LOS PRADOS	16,000	HCFC-22	16	0.88
<b>TOTAL HCFC-22</b>	<b>776,000</b>		<b>776</b>	<b>42.68</b>
EXTINTORES DEL CARIBE	8,000	HCFC-123	8	0.16
EGINEERING, SAFE CODE SRL	8,000	HCFC-123	8	0.16
<b>TOTAL HCFC-123</b>	<b>16,000</b>		<b>16</b>	<b>0.32</b>
<b>TOTAL HCFC</b>				<b>43.00</b>
<b>MAXIMUM ALLOWANCE HPMP</b>				<b>46.08</b>

Upon request of import data per company those were compared against the quota issued and the total amount of imports declared in the Article 7 of the Montreal Protocol and Country Program reports, the results are as follows:

*Imports of HCFC 2018*

Company	QUOTA 2018	Imports2018 In Kg	Imports 2018 In ODP T
REFRIPARTES, S.A.	140,000	<b>147,969.20</b>	8.14
POCHY IEROMAZZO	224,000	<b>247,538.95</b>	13.61
REFRIMPORT MOTA	32,000	0	0.00
FRIOAIRES S.A.	32,000	0	0.00
REFRI HOTEL	16,000	<b>26,129.00</b>	1.44
UNIREFRI, S.A.	60,000	48,099.55	2.65
AIRES DOMINICANOS, S.R.L.	16,000	0	0.00
MATERIALES ELECTRICOS CONSTRUCCION REFRIG.	32,000	21,452.00	1.18
REFRICENTRO RUBIERA	32,000	21,108.98	1.16
XELOR COMPANY CXA	8,000	0	0.00
CONFORMATIC S.A.	32,000	15,640.00	0.86
FERRETERIA OCHOA S.A.	16,000	0	0.00
INGENIERO ROBERTO MORENO Y ASOCS SRL.	16,000	15,504.00	0.85
TECHNOLOGY & TRADING T&T S.R.L	80,000	28,520.00	1.57
CONFORSTAR	16,000	0	0.00
L&H INTERNATIONAL	32,000	15,640.00	0.86
REFRICITY, SRL	16,000	0	0.00
REFRICENTRO LOS PRADOS	16,000	5,444.00	0.30
<b>Zeller</b>	0	<b>6,800.00</b>	0.37
<b>JR Engineering</b>	0	<b>2,000.00</b>	0.11
<b>TOTAL HCFC-22</b>	<b>816,000</b>	<b>601,845.68</b>	33.10
EXTINTORES DEL CARIBE	8,000	0.00	0.00
EGINEERING, SAFE CODE SRL	8,000	0.00	0.00
TRANE, S.A.	8,000	0.00	0.00
<b>TOTAL HCFC-123</b>	<b>24,000</b>	<b>0.00</b>	<b>0.00</b>

Imports of HCFC 2019

Company	QUOTA 2019	Imports2019 In Kg	Imports 2019 In ODP T
REFRIPARTES, S.A.	140,000	110,634.99	6.08
POCHY IEROMAZZO	224,000	198,731.00	10.93
REFRIMPORT MOTA	32,000	0.00	0.00
FRIOAIRE S.A	32,000	4,380.00	0.24
REFRI HOTEL	16,000	10,886.32	0.60
UNIREFRI, S.A.	60,000	<b>64,388.00</b>	3.54
AIRES DOMINICANOS, S.R.L.	16,000	<b>20,944.00</b>	1.15
MATERIALES ELECTRICOS CONSTRUCCION REFRIG.	32,000	21,782.32	1.20
REFRICENTRO RUBIERA	32,000	12,618.60	0.69
XELOR COMPANY S.A.	8,000	0.00	0.00
CONFORMATIC S.A	32,000	5,458.00	0.30
FERRETERIA OCHOA S.A.	16,000	<b>26,418.10</b>	1.45
INGENIERO ROBERTO MORENO Y ASOCS SRL.	16,000	<b>21,182.00</b>	1.17
TECHNOLOGY & TRADING T&T S.R.L	80,000	68,444.80	3.76
CONFORSTAR	16,000	0.00	0.00
L&H INTERNATIONAL	32,000	0.00	0.00
REFRICITY, SRL	16,000	<b>16,600.00</b>	0.91
REFRICENTRO LOS PRADOS	16,000	<b>32,204.00</b>	1.77
<b>ROMACA INDUSTRIAL</b>	<b>0</b>	<b>3,813.60</b>	<b>0.21</b>
<b>ELECTRO FRIO SRL</b>	<b>0</b>	<b>62,560.00</b>	<b>3.44</b>
<b>FRIOCENTRO COMERCIAL SRL</b>	<b>0</b>	<b>10,886</b>	<b>0.60</b>
<b>TOTAL HCFC-22</b>	<b>816,000</b>	691,931.73	38.06
EXTINTORES DEL CARIBE	8,000	0.00	0.00
EGINEERING, SAFE CODE SRL	8,000	0.00	0.00
TRANE, S.A.	8,000	0.00	0.00
<b>TOTAL HCFC-123</b>	<b>24,000</b>	0.00	0.00

The NOU declared that the origin of the data provided for the purpose of this verification report was taken directly from General Directorate of Customs; it was confirmed by the results of the data analysis.

After the detailed information, it can be observed in principle that some companies imported HCFC-22 above their original quotas and other companies imported without originally allocated quota.

The over-quota assigned in 2018 was of 41,637 Kg. to three registered importers, this means a 5.1% of the total quota. And it was allocated 8,800 Kg. to two new importers without quota since the beginning of the year that means 1.1% of the total quota.

Thus, in 2018 there were additional allocations for a total of 50,437.15 Kg, that meant 6.2% of the total allocation.

In 2019 the over-quota to companies already registered was of 41,736.10 Kg. that meant 5.11% of the total allocation, but in the case of new importers not registered the total imports without original quota was of 77,259.60 Kg. representing 9.47% of the total quota for 2019, and one of the new companies imported a total of 62,560 Kg. it meant the fourth importer in that year.

In 2019 there were additional allocations for a total of 118,995.70 Kg. representing 14.58% of the total allocations of that year.

On the other hand, the total amount imported was below the total amount of quota issued and this one below the maximum allowable consumption for both years.

After this analysis, the NOU explained that the companies that were above the consumption they requested an extraordinary quota to import those substances for a matter of emergency, and due to the general policy, stated in the Constitution of the Country, those companies have the right to request and be allocated with a quota respecting the maximum allowable consumption in the country, as it was explained in the general overview of the legal framework. Since there was availability of quota, they, both new and registered importers with an extra allocation, were allowed to import those quantities with an extemporary quota not registered at the beginning of the year, for that reason it was not allocated originally.

PRONAOZ was requested by those importers, to get additional or new quotas, after the original allocation. After the analysis of the conditions of each specific quota request and considering the compliance levels that must be observed, each additional allocation was aligned to the maximum quota allocation for each year.

Nevertheless it is recommended to adjust the quota allocation system in order to include the process to re-allocate the not used quotas for emergency uses, considering the quantities that could be needed for emergencies, taking into account that the Island of Dominican Republic is located in the Caribbean Sea and the risk of being attacked by climate effects such as hurricanes and tropical storms that damage the RAC systems.

### *Customs Registries*

As mentioned before, the customs registries are reflected in the NOU registries, and considering the complexity to travel and visit the customs offices due to the pandemic, for that reason it was not considered in this revision, but it is highly recommended in the next verification, once the possibility to travel and visit the country, to do a physical revision of the customs files.

Tariff Code	Substance	ODP Factor
2903.7100	HCFC-22	0.055
2903.7200	HCFC-123	0.020

From this list it can be concluded that there are specific Tariff Codes to import each of HCFC (22 and 123), and DR do not import blends containing HCFC.

### Comparison between NOU/Customs data vs. Reported Data

As it is shown in the table below, there are no discrepancies between HCFC imports reported to the Montreal Protocol and the reports and data provided by the National Ozone Unit.

The recorded and reported data in MT are as follows:

Consumption data of HCFC (MT) DR Country Program and Art. 7 reports 2018 - 2019				
	2018		2019	
Substance	Reported Imp	Recorded Imp.	Reported Imp	Recorded Imp.
HCFC-22	601.85	601.85	691.93	691.93
HCFC-123	0.00	0.00	0.00	0.00

Is it clear that there is no difference between the reported data against the recorded data, it can be confirmed that the reported data for 2018 and 2019 are correct.

### Qualitative Assessment

Please refer to note 1.

## CONCLUSIONS, OBSERVATIONS AND RECOMENDATIONS

### Conclusions

1. The Government of Dominican Republic has a clear regulation to control the imports of HCFC and other ODS as well as a clear procedure to issue the permits to import. Ozone Regulation, that includes the import procedure and enforcement of the law.
2. The General Directorate of Customs has specific codes for each of the HCFC, and they control all the imports of HCFC through those codes.

3. After request of information from National Ozone Unit; the information reported matched with the information reported to the Montreal Protocol Secretariat (Art. 7) and to the MLF Secretariat (CP).

The total consumption, quotas issued and maximum allowance established in the HPMP II were as follows:

Figures in ODP tonnes

National Consumption	2018	2019
HCFC-22	33.10	38.06
HCFC-123	0.00	0.00
<b>Total</b>	<b>33.10</b>	<b>38.06</b>
<b>TOTAL Quotas issued</b>	<b>45.40</b>	<b>43.02</b>
<b>MAX Allowance HPMP</b>	<b>46.08</b>	<b>46.08</b>

Finally, reviewing the comments/recommendations from the previous verification, we can conclude that:

Observation:

- It is necessary to improve the capacity of the DGA in the import register because there are too many errors in relation to the tariff subheading, the description of that subheading and the described import values (units).

Comment: This observation was solved in the two years revised, as an effect of the VUCE system.

- It is equally important that the registration of authorizations be carried out by a person who responsible this information, as there are some inconsistencies related to the dates, quantities and consecutive numbers of each record.

Comment: Due to the pandemic, it was not possible to review the documentation where this problem was detected; nevertheless, the VUCE System allows the registration in one system and avoids the discrepancies between institutions. Anyway, since this documentation is considered confidential, it can't be revised through other means; also it is highly recommended to verify the system and its results.

- The system of quotas and authorizations, although it is simple and clear, has a great chance of being modified at any time, which can detract from credibility and transparency. It is important that if there is any change in the quota, there is a very clear and written regulation so that it can be monitored and systematized.

Comment: It was detected the modification of the quota allowances due to emergent requirements, it has to be included in the regulations in the future, but considering that the



Island conditions are in a permanent high risk due to the hurricanes or tropical storms it is important to have flexibility to allocate quotas to attend unforeseen situations.

- It is very important to establish a mechanism for automatic systematization of the authorizations, quotas and data of the DGA, in order to avoid personal errors in the systematization of the information. PRONAOZ reported that it is working on this issue and that is expected this year to have finished a software that would help in this regard.

Comment: This observation was solved as an effect of the VUCE system.

- It is necessary monitoring and reporting imports of mixtures containing HCFC, since these substances are also ODS and could become an undesirable alternative to R-22 and R-123.

Comment: There were no declared blends containing HCFC, in a further physical revision may be confirmed if this observation was solved.

After the analysis of this information the observations and recommendations are the following:

### Observations

There is one observation, the quota allowances did not match with the final imports by companies, notwithstanding that it was explained by the NOU due to some emergent requirements for those particular years.

### Recommendation

After the analysis of the conclusions and observations to the import process of HCFC in Dominican Republic, this verification report recommends the following:

To adjust the quota allowance system in order to consent and register timely the additional allowances if they are needed, also including the conditions to get the additional allowance and the available quantity to fit into the maximum possible allowance.

## VERIFICATION STATEMENT

Mr. Agustín Sánchez Guevara has been contracted by UNDP to perform the independent verification audit of HCFC consumption in Dominican Republic in the period from 2018 to 2019 and its compliance with the CP and A7 Reports.

The verification is based on the Customs registries and reported by the National Ozone Unit of Dominican Republic. The scope of this verification covers the registries of Customs and data reported to the CP and A7 reports for the period from 2018 to 2019.

The analysis and preparation of this independent report follows the recommendations and procedures established in the guidelines for the verification of national HCFC consumption targets of multi-year agreements prepared by the Fund Secretariat of the MLE, but considering the limitations due to the COVID-19 pandemic which made impossible the direct visit to the different authorities, direct revision of confidential documentation and interview to the stakeholders and importer representatives.

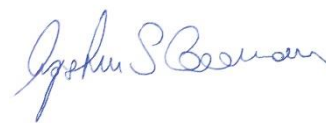
Mr. Agustín Sánchez Guevara, from the data provided, confirms that the HCFC consumption reported by the Dominican Republic Government in the period of 2018 to 2019 is fully consistent with the information provided by the Customs Office, and follows all the regulations established in the country, and confirming the full compliance with the Montreal Protocol Schedule and with the HPMP Stage II Schedule.

The only one recommendation is:

To adjust the quota allowance system in order to consent and register timely the additional allowances if they are needed, also including the conditions to get the additional allowance and the available quantity to fit into the maximum possible allowance.

Agustín Sánchez Guevara

Signature:



Date: August 3<sup>th</sup> 2020.