



**REPUBLIC OF THE MARSHALL ISLANDS  
ENVIRONMENTAL PROTECTION AUTHORITY**  
P.O. Box 1322  
Majuro, Marshall Islands 96960  
Phone: (692) 625-3035/5203 \* Fax: (692) 625-5202 \* Email: [rmiiepa@ntamar.net](mailto:rmiiepa@ntamar.net)

**PROGRESS REPORT FOR HCFC PHASE-OUT MANAGEMENT PROJECT**

**1. DETAIL OF PROGRESS REPORT**

- 1.1 **Project title:** HCFC Phase-out Management Plan (HPMP) Stage I, First Tranche
- 1.2 **Country:** Republic of the Marshall Islands
- 1.3 **National implementing agency/project management unit:** National Ozone Unit/Solid & Hazardous Division, Environmental Protection Authority
- 1.4 **Implementing agency:** UNEP
- 1.5 **Type of progress report:**
- Interim Progress Report
- Final Progress Report
- 1.6 **Reporting period (mm/yy to mm/yy):** April 2012 – August 2015
- 1.7 **Instalments requested and amount requested in \$US:** USD 5,200, second payment under SSFA

**2. OVREAL PROGRESS OF HPMP**

**2.1 Background**

The HCFC Phase-out Management Plan (HPMP) for Republic of Marshall Islands (RMI) was approved at the 63<sup>rd</sup> Meeting of the Executive Committee of the Multilateral Fund. RMI HPMP forms part of the Pacific Island Country (PIC) HPMP which covers 12 countries including Cook Islands, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The phase-out plan for RMI is in line with the phase out schedule agreed under the Montreal Protocol which has a freeze consumption baseline by 2013, 10% reduction by 2015 and 35% by 2020. Implementation of the HPMP for RMI started out in 2012. The project is in house with RMI Environmental Protection Authority (RMIEPA) and RMI EPA is the technical point for the Montreal Protocol.

**2.2 ODS policy/legislative/regulatory and institutional framework**

A brief description on all legislation and/or regulations related to HCFC phase-out as follows:

**2.2.1 HCFC import/export licensing and quota systems**

The HCFC import/export licensing is governed by the Ozone Layer Protection Regulations 2004 under the National Environment Protection Act 1984; administered by the Environmental Protection Authority.

The Regulations are divided into four main parts:

- *Part I – Preliminary* (Title and Interpretation (definition) of Objects)
- *Part II – Prohibitions Relating to Controlled Substances* (Prohibitions on importation, exportation, manufacture, and sales of certain controlled substances and exemptions)
- *Part III – Permits* (Permit for the importation of certain controlled substances, otherwise prohibited under Part II, if criteria met.)
- *Part IV – Enforcement and Offences* (Offences and penalties under the Regulations, and Powers of “environment officers” to enforce offences)

According to the regulation, the import and export of HCFCs required the license from the Environmental Protection Authority. The Ozone Depletion Substances Regulation is housed with the RMI Environmental Protection Authority. This entity is responsible for carrying out all parts of the Regulations most importantly the licensing of imports/exports and sale of all ODS. Moreover, all activities in relation to Regulations and HPMP activities are carried out by RMI EPA.

Under the existing legislation, the quota system has been established since 2012 and implemented since 2013.

**2.2.2 Licensing systems to control or regulation to ban import of HCFC-based equipment (both new and/or second-hand)**

Currently, there is no regulation to control/ban the import of HCFC-based equipment into Marshall Islands. The NOU plans to conduct the survey to examine the situation before making decision to proceed with this task as part of HPMP activities.

**2.2.3 Licensing systems to control or regulation to ban import of HCFC-141b in bulk and/or contained in imported pre-blended polyol**

As RMI do not have the manufacturer of foam in the country, there is no specific regulation regarding the control/ban the use of HCFC-141b in bulk and/or contained in imported pre-blended polyol. The control of HCFC-141b is administered under the existing ODS legislation.

**2.2.4 Licensing systems to include HFCs and HFC-based mixtures, hydrocarbons (HC-290 and HC-600A) and other refrigerants**

The Ozone Layer Protection Regulations 2004 under the National Environment Protection Act 1984 does not regulate the import and export control of HFC and HFC-based mixtures or hydrocarbons and other refrigerant.

**2.2.5 Legal framework to adopt, implement and enforce regulations, codes of practices, and standards for the use of flammable alternatives (if any)**

There is no legal framework regarding the flammable refrigerant in RMI. This will be addressed as part of the second tranche of HPMP.

**2.2.6 Other legal framework proposed under HPMP / Other initiative by the Government**

N/A

## 2.3 HCFC consumption

Consumption data for HCFCs in RMI is presented in table 1 below.

Table 1: HCFCs consumption in RMI during 2012-2016

	Country's Obligations	2012	2013	2014	2015	2016
1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	4.30	4.30	3.87	3.87
2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	4.30	4.30	3.87	3.87
<b>Quota Issued to Importers/Exporters</b>						
3	HCFC-22 import quota (MT)	3.73	2.21	1.46	0.394	N/A
4	HCFC-22 export quota (MT)	-	-	-	-	N/A
	<b>Total Quota Issued (ODP tonnes)</b>	3.73	2.21	1.46	0.394	
<b>Actual Import and Export Statistics</b>						
7	Actual HCFC-22 import statistic (MT)	3.73	2.21	1.46	N/A	N/A
8	Actual HCFC-22 export statistic (MT)	-	-	-	N/A	N/A
	<b>Total Consumption (ODP tonnes)</b>	0.21	0.12	0.08	N/A	N/A

## 3. HCFC PHASE-OUT ACTIVITY

### 3.1 Progress and achievement of HCFC Phase-out Activity

As approved by the Executive Committee, HPMP comprises of 4 inter-related components namely; (i) control HCFC supply, (ii) control HCFC demand, (iii) communication and creating enabling environment and (iv) management, coordination and monitoring of HPMP implementation. Progress of implementation of activities in the current instalment and the plan of action in the instalment being requested are summarized in table 2 below.

Table 2: Progress and achievement of HCFC phase-out activity in interim progress report

Project activities	Activities implemented during reporting period <b>(April 2012 – August 2015)</b>	Achievement during reporting period <b>(April 2012 – August 2015)</b>	Planned activities for the next payment	Expected result for next payment
Adopting HS code for HCFCs;	RMI has not yet adopt HS for HCFCs because the customs office has not yet establish a system of that uses HS codes. However, NOU have been informed that RMI Customs Act is being reviewed for amendments and HS code has been considered a priority for RMI Customs Office to consider.	Dialogue between the NOU and RMI Customs to adopt 2012 HS code. Due to time needed for processing, it is expected that the RMI Customs will adopt the 2012 HS code by the last quarter of 2015.	To push Custom office to prioritize adopting the HS code. This can be done by following up on recommendations given to Custom for the importance of HS Code.	With the constant follow up of HS Code with Custom office, it will illustrate how important this national requirement is.
Establishing quota system for import/export of HCFCs;	A quota system for RMI has been established since 2012.	Introduce an import/export quota system to ensure the Marshall Islands would be in compliance with the Montreal Protocol	To emphasize to importers that they need to be within the assigned quota system, in order for country to be in compliance.	If these activities are to be followed, country compliance will be accomplished.
Establishing and operating the permit system for the handling, storage and sales of HCFCs;	A permitting system has been created and the NOU is responsible for giving out permits for importers and people businesses that sale ODS. However, a permit for handling ODS has not been created yet because of the RAC Association has not yet been established. After the establishment of the RAC Association, the NOU will include the national requirement for all technicians to be licensed. This will be an area where the NOU will have to work with the established technician association.	Because of the permitting system that was set for country, it is now easier for NOU to monitor the importation of ODS to the country.	RMI plans to hold meetings with importers letting them know that the quota will decrease in the upcoming years. With this, NOU plans to have the importers be aware of the reduction in the phasing out of HCFCs. This can be done by continuing to hold meetings with importers, sale person, and handlers of ODS.	In carrying out these activities, RMI will be able to be in compliance with the requirement needed for country compliance for the phase-out of HCFCs.
Strengthening use of iPIC	Both NOO and assistant NOO for RMI have already obtained username and password for iPIC. Both joined the on-call training by UNEP representative on how to access and use iPIC.	Strengthen regional cooperation to combat illegal trade of HCFC	For the next phase, NOU for RMI plans to make use of having access to iPIC to help monitor illegal importations of ODS.	Using the iPIC will help in catching illegal importation of ODS before they reach RMI.
Organizing national customs training	A custom training was organised by the Environmental Protection	The level of awareness for Customs and other law	In regards to Custom training, the future plan for this activity is to	Having a refresher training for at least once every year will help maintain

Project activities	Activities implemented during reporting period <b>(April 2012 – August 2015)</b>	Achievement during reporting period <b>(April 2012 – August 2015)</b>	Planned activities for the next payment	Expected result for next payment
workshop	Authority of RMI in conjunction with United Nations Environment Programme and the Oceania Customs Organisation Secretariat. This training was carried out on November 7, 2012. There were 14 participants attending the workshop.	enforcement officials did increased when the training was conducted. For example, some of the law officials like the police officers did not know anything about ODS and the importance of it. For custom officers, this was a refresher for what they have already know regarding ODS. Another achievement gained from this training was that the collaboration between the NOU and Custom officers was again build for the purpose of enforcing the ODS regulation.	have refresher trainings for customs and enforcement officials at least once a year for any updates and important materials under the phasing out of HCFCs and all other related materials. For the next payment, NOU plans to hold a refresher custom training in the 2015.	the level of awareness for these officials and moreover, building the relationship for these officials and NOU for the purpose of RMI obligation under the national agreement for the Montreal Protocol.
Disseminating the provided refrigerants identifier(s);				If an MOU is in place between Custom office and NOU, the task to carry out all necessary activities assigned for Custom under the HPMP will be a success.  In this MOU, NOU will include that it is recommended that there should be a designated Custom officer to specify all necessary tasks for Customs in regards to the National HPMP. With the MOU in place, then NOU will be able to provide one RI for custom officers to hold. Plan to have the MOU will be in effect February 2015.
Organizing customs refresher training;	There has not been any other refresher	NOU plans to have refresher training at least once every year for	NOU plans for the next upcoming months, 2 refresher	If an MOU is in place between Custom office and NOU, the task to

Project activities	Activities implemented during reporting period <b>(April 2012 – August 2015)</b>	Achievement during reporting period <b>(April 2012 – August 2015)</b>	Planned activities for the next payment	Expected result for next payment
	training for Custom Officers in RMI. Refresher training for enforcement officers in the Marshall Islands was originally planned during the week of 23-27 February 2015. However, the refresher training was postponed.	custom officers. Moreover, NOU is still working on the MOU for NOU and Custom office to specify all necessary tasks for Customs in regards to the National HPMP. With the MOU in place, then NOU will be able to provide one RI for custom officers to hold. Plan to have the MOU will be in effect February 2015.	training for Custom and Law Officials. These training will be conducted on both Majuro (capital city) and Ebeye. This island is considered because it also has importation of ODS and also a custom office is stationed at island.	carry out all necessary activities assigned for Custom under the HPMP will be a success. In this MOU we will include that it is recommended that there should be a designated Custom officer to separately work on all ODS related task. Moreover, it is within this NOU that we will highlight the importance of a Harmonized System
Establishing import control/ban on the HCFC-based equipment;	This has not been an activity that is carried out currently by NOU in Marshall Islands.	Because activity has not been carried out in previous years, an achievement is not applicable for the reporting year.	This is an activity that will be considered when the reduction of importation from HCFCs in the year 2015 and years ahead.	If such activity is to be carried out, NOU will get a better understanding of the different gases that equipment are using on island. This then can give the NOU a better stand on what equipment to ban.
	Organizing national technician training workshops;	National technician training was conducted on 14-16 October 2013 for RMI technicians. There were 14 participants attending the workshop.	After this training was conducted the level of awareness for safe handling of all refrigerants for national technicians was increased. Most of the technicians thought that when fixing air-condition and other refrigerants, releasing the gas was not harmful to the environment. When attending the training, they were able to understand more of the importance of safely handing refrigerants	If all plans that were considered meeting will be carried out, NOU believes that the work and bond between NOU and technicians will improve. Moreover understanding of the important of the safe handling of refrigerants will help in complying with the National Obligation under the Montreal Protocol. It was also from this training that NOU plan to include that all technicians handling refrigerants should be licensed in handling.

Project activities	Activities implemented during reporting period (April 2012 – August 2015)	Achievement during reporting period (April 2012 – August 2015)	Planned activities for the next payment	Expected result for next payment
		Currently mostly anyone who knows how to fix an AC can perform the task without any license or paper proving that they are qualified.		
Disseminating the provided sets of equipment/tools;	Legal agreement for distributing the tools is still in progress of reviewing and finalization. The distribution will also link with the establishment of RAC Association as it will be given to member of association. Recovery machine is released to RAC technicians on request from time to time.	The recovery machines have been disseminated to technicians who made the application to NOU from time to time to follow the good practice.	Also NOU plans to have a sit down with a representative from the Attorney General's office to discuss how this agreement can become a legal document.	Contract agreement is finalised and countersigned by technicians. These Tools enabled the RAC technician to comply with the good practices.. Strengthening capacity of RAC technicians in following codes of good practices.
Organizing technicians refresher training;	When renting the machine, the RAC technician signed a simple agreement stating that if they return the equipment, it has to be in good condition. Failing to meet these conditions is subject to penalty.	Capacity of the RAC technician strengthened from the refresher training.	Plans on visiting other sub-centres of RMI and doing an inventory of the type of refrigerants is used there and the type of equipment and tools available in these atolls.	Reduce unnecessary emission of refrigerants during the servicing of refrigeration and air conditioning equipment through improvement in skills and awareness on ozone layer depletion of the refrigeration technicians. Get an understanding of what type of refrigerants are used in other sub-centres of RMI and what types of tools and equipment the technicians on these atolls use.
Establishing /strengthening the refrigeration industry	There has not been an established RAC association yet in the Marshall Islands. It was difficult to bring in	Even if there has not been any association established for RMI technicians, the NOU and	Establishing a refrigeration industry association is a priority that is been considered by NOU	NOU plans that at the end of the 3 <sup>rd</sup> quarter in 2015 the Association will be established.

Project activities	Activities implemented during reporting period <b>(April 2012 – August 2015)</b>	Achievement during reporting period <b>(April 2012 – August 2015)</b>	Planned activities for the next payment	Expected result for next payment
association	technicians for a meeting because they are busy most of the time. Therefore, as the remedy action, NOU had to have a short meeting to plan the setting up of the Association.	A plan is set in place to be taken in to consideration the forming of a RAC association that would carry out the task of issuing certification and licensing of refrigeration technicians.	With the information of Montreal Protocol that is provided in posters, powerpoint presentations and brochure-like materials, more people are becoming aware of the importance of Montreal Protocol . One other way to communicate information on Montreal Protocol is through schools. Many students did not know that ozone is in a sensitive stage and need protection. After having awareness, now students are more comfortable with finding ways that they can help in the contribution to protect the Ozone.	for Marshall Islands. Currently, the process is on-going and it is expected that the association will be established by August 2015.
Producing communication tools/materials;				
Organizing outreach/communication on event(s);				

Project activities	Activities implemented during reporting period (April 2012 – August 2015)	Achievement during reporting period (April 2012 – August 2015)	Planned activities for the next payment	Expected result for next payment
	In addition to this, outreach and communication events for the Montreal Protocol also includes working along with the Communication& Awareness Division stationed in the same office with the NOU, NOO and C&A division work together on powerpoint presentations for the school community.	A refresher training for Customs and Law enforcement officials was to be carried out in 2014 but unfortunately it was unable. This is due to Customs office always having unstable employees that will help in conducting a workshop. However, the plan to carry this training is being considered and will be implemented early of 2 <sup>nd</sup> quarter in 2015.	To continue to work on organizing a Customs training with the selected employee from the Customs office. To continue to work with customs on their required tasks under the Montreal Protocol. To emphasize the importance of HS code system with the Custom office.	Better understanding of the implementation process for the Montreal Protocol will increase if a refresher training is to be carried out with Custom officers. Having meeting occasionally with them will indicate the need for HS code and the importance it will play in implementing the Montreal Protocol.
Organizing joint ozone/customs officers meeting;	Meeting with Custom officials are carried out occasionally when matters are needed for discussion in regards to Ozone information most especially importation of HFCFs.	Submission of reports from importers and Custom officers have been successful during the reporting period.	For all importers to apply for permit before importing. For custom officers to provide data on January of the next year to give time for NOU to review and verify data.	If these will be carried out, there will be less constraints in the process of report submitting for RMI.
Coordination and Monitoring by submitting interim and annual reports to UNEP and MLFS;	Working alongside with UNEP on submission of both CP and A7 report. Also, work with importers and custom officers for data collection.	In exploring policies, ideas to implement levy has been put into consideration by NOU as an implementation step.	For the next payment period, meetings with necessary agency will need to be carried out to introduce the idea of implementing levy.	The decrease of importing the restricted gases will be in effect. An increase in income for NOU will be a possibility. The urge to switch to the alternative gases will be considered by importers.
Other initiative to sustain HCFC phase-out and to link with Climate Change	Explore other policy instruments such as levy and price adjustment to discourage the import of HCFC and/or promote the alternatives application			

### **3.2 Project management unit**

The Marshall Islands' National Ozone Unit is located and housed within the Environmental Protection Authority. The National Ozone Unit (NOU) is staffed with a full-time Ozone Officer paid by the RMI Government. In addition, an ODS Project Assistants and a standby national consultant have been hired and are currently working under the NOU and supported by the IS project.

The existing ODS National TASKFORCE comprises of senior representatives from government and private organizations and are influential policy makers in the RMI. In addition, the NCC members are senior government officers from respective government agencies and NGOs and most are senior decision-makers in their departments, and others have easy access to their respective head of ministries/supervisors. RMIEPA General Manager/Deputy General Manager is the Chairperson and has with them access to the EPA- Board of Directors, Minister responsible for Environment and to the Office of the President or other government secretaries/heads of departments. All action relating to the National Implementation Plan is taken up by the General Manager and subsequently to higher Authority as required.

## **4. PROBLEM ENCOUNTERED AND LESSONS LEARNED**

### **4.1 Problem encountered and actions to overcome the problem**

Problems that were encounter during the reporting period include the following.

1. RMI's Custom office still does not use the HS code for the import and export of goods. As the use of 2012 HS code is one of the agreed activities under the HPMP. An action to overcome this problem is to push custom to prioritize the adoption of HS code to strengthen import and export control of ODS.
2. There is no official assigned by RMI's Custom office as the focal point for ODS import and export control, it is difficult for the NOU to distribute RI to be used by custom officers. This is attributed to periodical rotation of officer, which has made difficulties for having one dedicated staff to take care of ODS issue. An action to consider to encounter such problem is advising Custom office the importance of having an individual staff that are responsible for ODS work.

### **4.2 Lessons learned**

When carrying out all the activities for the HPMP project, the lessons learned that were captured by the NOU are that not all the activities can be carried out by NOU itself. All activities required collaborative work and effort for RMI as a nation to be able to meet its obligation under the Montreal Protocol. Meeting all requirements under such Protocol requires collective effort not only from the NOU but also from all related stakeholders for the project.

## **5. FINANCIAL REPORT**

The expenditure statement as of reporting period is in Annex 1 of the report.

## **6. GOVERNMENT ENDORSEMENT**

Action plan authorized by (name):	<i>Mr. Julius Lucky</i>
Signature of authorising authority:	

Title:	Interim General Manager
Supervising Organization/Agency/Ministry:	RMI Environmental Protection Authority
Date:	17 August 2015

**ANNEX B -Budget & format for expenditure statements (indicate-vary with country)**

(Expenditure statements must be duly signed by a high-level Government Representative as well as an authorized Finance Officer and have an official letterhead and Government stamp)

Country: Marshall Islands

Budget line: IM/4040/11-29-2213

Inventory code:: MAS/PHA/63/TAS/08

<b>BUDGET (in US\$)</b>			<b>TOTAL FUNDS ALLOCATED</b>	<b>TOTAL FUNDS DISBURSED</b>
<b>10</b>	<b>PROJECT PERSONNEL COMPONENT</b>			
1100	Professional staff			
	1101 Ozone Officer			
1200	Consultants			
	1201 Local consultant for regulation		2,000	1,077
	1202 Local consultant for IEC		2,000	
	1203 Local consultant for enforcement training		2,000	
1300	Support Staff			
	1301 Ozone Secretary			
1600	Travel on official business			
	1601 Staff travel			
<b>1999</b>	<b>Total component</b>		<b>6,000</b>	<b>1,077</b>
<b>30</b>	<b>TRAINING COMPONENT</b>			
3100	Training			
	3101 Group training			
	3201 Training workshops for enforcement officers and technicians		2,000	1,482
	3301 National consultation workshop on policy		2,000	1,100
	3302 Workshop for media professional		2,000	1,668
<b>3999</b>	<b>Total component</b>		<b>6,000</b>	<b>4,250</b>
<b>40</b>	<b>EQUIPMENT COMPONENT</b>			
4100	Expendable equipment			
	4101 Office supplies			
4200	Non-expendable equipment			
	4201 Computer, printer & software			
<b>4999</b>	<b>Total component</b>			
<b>50</b>	<b>MISCELLANEOUS COMPONENT</b>			
5100	Operation & maintenance of equipment			
	5101 Maintenance of office equipment			
5200	Reporting costs			
	5202 Production and dissemination of awareness materials		1,000	1,000
5300	Sundry			
	5301 Telecommunications			
<b>5999</b>	<b>Total component</b>		<b>1,000</b>	<b>1,000</b>
<b>99</b>	<b>GRAND TOTAL</b>		<b>13,000</b>	<b>6,327</b>

Submitted & Certified by:  
Tuvuki Ketedromo  
Chief of Waste and Pollutants

8/17/2015  
Date

Approved by:  
Julius Lucky  
Interim General Manager

8/17/15  
Date

Stamp

