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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Ninety-first Meeting  
Montreal, 5-9 December 2022  
Item 9(c) of the provisional agenda<sup>1</sup>

**PROJECT PROPOSAL: ALBANIA**

This document consists of the comments and recommendation of the Secretariat on the following project proposal:

Phase-out

- HCFC phase-out management plan (stage II, second tranche) UNIDO and UNEP

<sup>1</sup> UNEP/OzL.Pro/ExCom/91/1

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Albania

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNIDO (lead), UNEP	85 <sup>th</sup>	67.50% phase-out by 2025

(II) LATEST ARTICLE-7 DATA (Annex C Group I)	Year: 2021	2.02 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2021	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					2.02				2.02

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	6.00	Starting point for sustained aggregate reductions:	6.00
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	4.05	Remaining:	1.95

(V) ENDORSED BUSINESS PLAN		2022	2023	2024	Total
UNIDO	ODS phase-out (ODP tonnes)	0.54	0	0	0.54
	Funding (US \$)	88,563	0	0	88,563
UNEP	ODS phase-out (ODP tonnes)	0.26	0	0	0.26
	Funding (US \$)	44,635	0	0	44,635

(VI) PROJECT DATA			2020	2021	2022	2023-2024	2025	Total
Montreal Protocol consumption limits			3.90	3.90	3.90	3.90	1.95	n/a
Maximum allowable consumption (ODP tonnes)			3.90	3.90	3.90	3.90	1.95	n/a
Funding agreed in principle (US \$)	UNIDO	Project costs	88,000	0	81,250	0	35,250	204,500
		Support costs	7,920	0	7,313	0	3,173	18,406
	UNEP	Project costs	39,500	0	39,500	0	9,000	88,000
		Support costs	5,135	0	5,135	0	1,170	11,440
Funds approved by ExCom (US \$)		Project costs	127,500	0				127,500
		Support costs	13,055	0				13,055
Total funds recommended for approval at this meeting (US \$)		Project costs			120,750			120,750
		Support costs			12,448			12,448

<b>Secretariat's recommendation:</b>	Blanket approval
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## PROJECT DESCRIPTION

1. On behalf of the Government of Albania, UNIDO as the lead implementing agency has submitted a request for funding for the second tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$133,198, consisting of US \$81,250, plus agency support costs of US \$7,313 for UNIDO and US \$39,500, plus agency support costs of US \$5,135 for UNEP.<sup>2</sup> The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2020 and 2021, and the tranche implementation plan for 2023 to 2025.

### Report on HCFC consumption

2. The Government of Albania reported a consumption of 2.02 ODP tonnes of HCFC in 2021, which is 66 per cent below the HCFC baseline for compliance. The 2017-2021 HCFC consumption is shown in table 1.

**Table 1. HCFC consumption in Albania (2017-2021 Article 7 data)**

HCFC	2017	2018	2019	2020	2021	Baseline
<b>Metric tonnes (mt)</b>						
HCFC-22	54.35	70.58	61.98	56.30	36.64	102.3
HCFC-124	0.00	0	0	0	0	0.6
HCFC-142b	0.00	0	0	0	0	4.6
<b>Total (mt)</b>	<b>54.35</b>	<b>70.58</b>	<b>61.98</b>	<b>56.30</b>	<b>36.64</b>	<b>107.4</b>
<b>ODP tonnes</b>						
HCFC-22	2.99	3.88	3.41	3.10	2.02	5.70
HCFC-124	0.00	0	0	0	0	0.01
HCFC-142b	0.00	0	0	00		0.30
<b>Total (ODP tonnes)</b>	<b>2.99</b>	<b>3.88</b>	<b>3.41</b>	<b>3.10</b>	<b>2.02</b>	<b>6.00</b>

3. Implementation of the activities in the HPMP, including the licensing and quota system, the ban on imports of used and new HCFC-based equipment, and the training programmes continue to contribute to a downward trend in HCFC consumption. The significant decrease in HCFC consumption from 2020 to 2021 may be attributed to the economic impact of the COVID-19 pandemic, though increased awareness among stakeholders in the country could also have been a factor following the ratification of the Kigali Amendment by Albania in 2019.

### *Country programme (CP) implementation report*

4. The Government of Albania reported HCFC sector consumption data under the 2021 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

### *Verification report*

5. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports, and that the country is in compliance with the Montreal Protocol and the HPMP Agreement for 2020 and 2021. While in compliance, the verified consumption for 2020 was 3.89 ODP tonnes which is 0.79 ODP tonnes higher than the consumption reported under Article 7 for 2020. The oversight was identified by comparing the import data with the export data provided by the export country through information sharing. The relevant documents have been sent to the Ozone Secretariat for review and revision of the Article 7 data for 2020 if needed.

<sup>2</sup> As per the letter of 29 August 2022 from the Ministry of Tourism and Environment of Albania to UNIDO.

6. The verification recommended strengthening cooperation partnerships with the refrigeration and air-conditioning (RAC) associations and customs authorities to monitor and prevent illegal ODS trade; on-going development of stakeholder capacities; the establishment of the RAC certification scheme as soon as possible; strengthening cooperation among servicing shops and the recovery, recycling, and reclamation (RRR) scheme; and RRR training for technicians. These activities have been planned under the HPMP.

#### Progress report on the implementation of the first tranche of stage II of the HPMP

##### *Legal framework*

7. The law on F-gases was approved on 22 June 2022 by the Council of Ministers (DCM no. 432) and approval by Parliament is expected by the end of 2022. The new law updates the existing F-gas legislation in line with the country's obligations under the Kigali Amendment and European Union legislation. The legal acts on leakage control, data reporting on the use of ODS and ODS-based equipment, and on training procedures and the evaluation and certification of servicing technicians have been revised to align them with the Law on F-gases and submitted for approval.

##### *Refrigeration servicing sector*

8. The following activities were completed:

- (a) Updated customs training materials; two training workshops on control of HCFCs and HFCs and the Kigali Amendment for 23 customs officers and environmental inspectors;
- (b) Nine RRR training workshops at vocational schools to train a total of 176 trainees (four female trainees and two female trainers): the training included lectures, hands-on training and practice with RAC equipment; and
- (c) A series of training materials on safety standards and leakage control, the Kigali Amendment and energy-efficiency; four training workshops for 72 technicians on low-global-warming potential (GWP) alternatives, safety standards and leakage control and the Kigali Amendment; two other workshops on alternatives to HCFCs and high-GWP HFCs, and on the Kigali Amendment for 38 RAC technicians were funded under the fifth tranche of stage I of the HPMP; all participants had to pass a test and received a certificate.

##### *Project implementation and monitoring*

9. The National Ozone Unit (NOU), established within the Ministry of Tourism and Environment, is responsible for the coordination of implementation of stage II of the HPMP, specifically, for overall project implementation in coordination with other stakeholders. The expenditure for this component for the first tranche of stage II amounts to US \$4,000 for a consultant.

##### Level of fund disbursement

10. As of September 2022, of the US \$127,500 approved so far (US \$88,000 for UNIDO and US \$39,500 for UNEP), US \$48,466 (38 per cent) had been disbursed (US \$21,466 for UNIDO and US \$27,000 for UNEP). The balance of US \$79,034 would be disbursed in 2023.

Implementation plan for the second tranche of stage II of the HPMP

11. The following activities will be implemented between December 2022 and December 2025:
- (a) Legislation: Continuing to monitor and facilitate the process for the approval of the Law on F-gases; preparing for implementation of the F-gas regulations by adjusting activities in the work plans and the approaches to meet the market conditions when the F-gas regulation is approved; and keeping stakeholders informed of progress (UNIDO) (US\$18,250);
  - (b) Updating training materials and two training workshops for 30 customs officers and environmental inspectors on monitoring trade of controlled substances, the use of harmonized system codes for HFCs, mixtures and equipment, and prevention of illegal trade through risk profiling (UNEP) (US \$7,500);
  - (c) Updating training materials and conducting four training workshops for 60 RAC experts/technicians in good servicing practices, safe use of alternative refrigerants, and energy-efficient use of appliances; and provision of support for female trainees (UNEP) (US \$32,000);
  - (d) Awareness-raising activities and surveys on technical capacities of small servicing workshops for RRR; two training sessions for 20 RAC servicing workshops and technicians on RRR; developing a business model for implementing RRR in consultation with the private sector; two training sessions on managing RRR operations and promoting women RAC technician careers (UNIDO) (US \$30,000);
  - (e) Consultations with national experts and stakeholders of large end-users in the refrigeration sector to formulate a strategy for HCFC phase-out in larger equipment including commercial and industrial refrigeration and chillers; a preliminary inventory of large equipment (UNIDO) (US \$13,000); and
  - (f) Project management, coordination, monitoring and reporting, collecting data and preparing the progress report (UNIDO) (US \$20,000 of which US \$16,000 for staff and consultants, and US \$4,000 for travel).

**SECRETARIAT'S COMMENTS AND RECOMMENDATION****COMMENTS**Progress report on the implementation of the first tranche of stage II of the HPMP*Legal framework*

12. The Government of Albania has already issued HCFC import quotas for 2022, 2023 and 2024 in accordance with the Montreal Protocol control targets.

13. The Secretariat noted that Montreal Protocol topics have been integrated into the regular and mandatory training curriculum for the customs officers. Customs training is delivered by a team of experts including the Head of Anti-traffic Department and Focal Point of Customs for the Montreal Protocol of the General Directorate of Customs, NOU staff and RAC-sector experts to cover various aspects of the capacity development of customs officers.

*Refrigeration servicing sector*

14. In response to a question by the Secretariat on the impact of the training activities for the RRR of refrigerants organized at nine vocational schools, UNIDO reported that Albania does not have a national centre for ODS disposal, so the RRR is carried out by private businesses according to the legislation in force. Vocational schools are an important part of the education system to develop skills for RAC technicians. Theoretical and practical training are required to prepare RAC technicians for the challenges ahead for ODS phase-out and enable them to avoid unnecessary emissions of ODS refrigerants through the application of good servicing practices.

15. With regard to the disposal of unwanted ODS, Albania has legislation in force on the disposal of controlled substances under the Montreal Protocol, and of products and equipment containing or relying on such substances. The destruction is implemented in line with the requirements of the Meeting of the Parties.

16. The Secretariat enquired about the feasibility study to provide awareness, training and tools to address HCFC consumption in large industrial and commercial end-users, as phase-out in this sector is expected to be more challenging towards the end of HCFC phase-out. UNIDO reported that it has been consulting stakeholders to develop the best approach, including developing an equipment inventory; designing training programme; and identifying an expert familiar with the sub-sector to assist the country with implementation of the activity.

Status of implementation of stage I of the HPMP

17. The Secretariat noted that the activities under the fifth tranche of stage I of the HPMP, approved at the 85<sup>th</sup> meeting, has been completed, either operationally (UNIDO) or financially (UNEP). UNIDO reported that all the funds approved for stage I have been depleted and the project is being financially closed. The Secretariat further noted that the project completion report (PCR) for stage I is being prepared but has not been submitted. In line with decision 82/19, funding for the second tranche of stage II of the HPMP should not be considered without submission of the PCR for stage I. The Secretariat notes the challenges in implementation caused by the restrictive conditions under the COVID-19 pandemic and appreciates that all activities in stage I have been operationally completed. The Secretariat therefore recommends that the Executive Committee considers approval of the funding for the second tranche of stage II of the HPMP for Albania on an exceptional basis, on the understanding that the funds associated with the second tranche would be transferred to UNIDO and UNEP by the Treasurer upon confirmation by the Secretariat that the PCR for the stage I of the HPMP had been received.

Gender policy implementation<sup>3</sup>

18. In line with decision 84/92(d), stage II of the HPMP explicitly addresses several of the identified gender issues, including efforts to recruit female trainees and technicians to the RAC servicing sector. In November 2021, two workshops on women in the RAC sector were attended by 58 students and lecturers from the architecture and environment faculties of two universities. The workshops increased participants' awareness of energy efficiency and their role as future architects and environmental engineers of cooling systems.

19. During the preparation of the second tranche, entry points were identified to promote gender equality activities to be implemented as part of the HPMP. The project will collect sex-disaggregated data and qualitative information to analyze and track gender issues, including the efforts to recruit women to RAC vacancies and the number and percentage of male and female participants in training workshops.

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<sup>3</sup> In line with decision 84/92(d), decision 90/48(c) encouraged bilateral and implementing agencies to continue ensuring that the operational gender mainstreaming policy was applied to all projects, taking into consideration the specific activities presented in table 2 of document UNEP/OzL.Pro/ExCom/90/37.

UNIDO reported that there is increased interest from women in working in the RAC sector and an increased number of women had been participating in HPMP implementation activities in roles such as trainers and consultants.

#### Sustainability of the HCFC phase-out and assessment of risks

20. Albania has a licensing and quota system in place to monitor and control HCFC imports and banned imports of HCFC-based equipment in 2011. These legislative steps, together with the training and capacity-building of technicians, have contributed to the long-term sustainability of HCFC phase-out. The training curricula for customs and enforcement officers and for the training of refrigeration experts at vocational training institutions are regularly updated; further formal endorsement of the training curricula by the relevant official entities would help to ensure the sustainability of training after completion of the HPMP. Minor risks of implementation delay have been identified in connection with a potential delay in Parliamentary approval of the legislation, natural disasters, epidemics, and political changes.

#### Conclusion

21. The Government is enforcing an operational licensing and quota system for imports and exports of HCFCs which will enable HCFC consumption reductions in line with the Montreal Protocol's phase-out schedule; the consumption in 2021 is 48 per cent below the control targets of the Montreal Protocol and in the Agreement with the Executive Committee. The F-gas law, which strengthens and aligns legislation with the obligations of the Kigali Amendment, is being considered by Parliament and is expected to be approved in December 2022. The activities of the HPMP are progressing despite the disruption and delays caused by the COVID-19 pandemic. Customs officers and environment inspectors have been trained in the prevention of illegal trade. Refrigeration technicians have been trained in RRR, and the country is making efforts to support RRR activities in the private sector. The progress achieved so far, and the activities planned under the second tranche will ensure the long-term sustainability of HCFC phase-out.

#### **RECOMMENDATION**

22. The Fund Secretariat recommends that the Executive Committee takes note of the progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Albania; and further recommends blanket approval of the second tranche of stage II of the HPMP for Albania, and the corresponding 2023-2025 tranche implementation plan, at the funding levels shown in the table below, on an exceptional basis, on the understanding that the Treasurer would transfer the funding to UNEP and UNIDO only upon confirmation by the Secretariat that the project completion report for stage I of the HPMP had been received by the Secretariat.

	<b>Project title</b>	<b>Project funding (US \$)</b>	<b>Support costs (US \$)</b>	<b>Implementing agency</b>
(a)	HCFC phase-out management plan (stage II, second tranche)	81,250	7,313	UNIDO
(b)	HCFC phase-out management plan (stage II, second tranche)	39,500	5,135	UNEP