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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
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Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: ARMENIA

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

Technical assistance

- Additional activities to maintain energy efficiency for the servicing sector under decision 89/6(b)

UNEP

¹ UNEP/OzL.Pro/ExCom/93/1

PROJECT DESCRIPTION

Background

1. Stage II of the HCFC phase-out management plan (HPMP) for Armenia was approved at the 77th meeting² to reduce HCFC consumption by 66.6 per cent from the baseline by 2020, at a total cost of US \$216,000, plus agency support costs. Stage II of the HPMP was completed in December 2021, as stipulated in the Agreement between the Government of Armenia and the Executive Committee.

2. On behalf of the Government of Armenia, UNEP, as the designated implementing agency, has submitted a request for funding additional activities to strengthen energy efficiency in refrigeration and air-conditioning (RAC) servicing and promote the use of energy-efficient, low-global warming potential (GWP) refrigerants in line with decisions 89/6 and 92/22, at the amount of US \$100,000, plus agency support costs of US \$13,000.³ The activities and funds requested under the current project proposal will be integrated with that of stage III of the HPMP, planned to be submitted in 2024, and will be reflected in the Agreement between the Government of Armenia and the Executive Committee for stage III. The submission includes a description of specific activities, targets, and performance indicators and an implementation plan for 2024 to 2025.

Report on HCFC consumption

3. The Government of Armenia reported a consumption of 1.41 ODP tonnes of HCFCs in 2022, which is 80 per cent below the HCFC baseline for compliance. The 2018-2022 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Armenia (2018-2022 Article 7 data)

HCFC-22	2018	2019	2020	2021	2022	Baseline
Metric tonnes	42.66	40.39	40.12	10.20	25.64	126.69
ODP tonnes	2.35	2.22	2.21	0.56	1.41	7.00

4. The country's decreasing HCFC consumption since 2018 is attributed to the enforcement of the licensing system and activities conducted under the HPMP, particularly the promotion of HCFC alternatives and the recovery and reuse of refrigerants. The COVID-19 pandemic and challenges with global supply led to low consumption in 2021, since HCFC shipments authorized for that year arrived in January 2022, increasing the consumption level in 2022. The consumption in 2022 is still under the Montreal Protocol limit⁴ for Armenia and the maximum allowed consumption⁵ established in 2020.

Country programme implementation report

5. The Government of Armenia reported HCFC sector consumption data under the 2022 country programme implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

² Decision 77/41

³ As per the letter of the Vienna Convention and Montreal Protocol National Focal Point of Armenia to UNEP.

⁴ 4.55 ODP tonnes

⁵ 2.34 ODP tonnes

Project description

6. Armenia has completed its stage II of the HPMP and has been making efforts to enhance energy efficiency while sustaining the phase-out of HCFCs achieved so far and preparing for the phase-out of remaining HCFCs and phase-down of HFCs in refrigeration, air-conditioning, and heat-pump (RACHP) equipment. The country ratified the Kigali Amendment on 2 May 2019.

7. The present proposal builds upon the success of stages I and II of the HPMP and activities implemented as part of the enabling activities for HFC phase-down undertaken through the Ministry of Environment, as well as a regional project to promote energy efficiency implemented by UNDP.⁶ Armenia has no manufacturing of RACHP equipment in the country and still needs to adopt the regional minimum energy performance standards (MEPS) and labelling system for RAC appliances.

8. This project proposal is being submitted for activities listed in subparagraphs (iii) and (v) of decision 89/6(b). The project is designed to sustain the HCFC phase-out so far achieved, promote energy-efficient and low-GWP alternatives in RAC equipment, and MEPS capacity building while phasing out the remaining HCFCs. These additional activities will also help the country to move towards the efficient and timely implementation of the Kigali Amendment.

9. The activities to maintain energy efficiency in the servicing sector comprise two components:

- (a) Improving the coordination and collaboration between stakeholders, the relevant energy authorities, and the national ozone unit (NOU) through capacity-building on promoting energy efficiency and the use of low-GWP refrigerants in RACHP equipment; and
- (b) Implementing outreach and awareness activities to the public and consumers on energy-efficient, low-GWP-based RACHP equipment.

10. An output of the project is a strategic document that will be considered during the development of the country's stage III of the HPMP and the Kigali HFC implementation plan (KIP), including its energy efficiency component. The requested funding is provided in table 2 below:

Table 2. Requested funding for activities to maintain energy efficiency for the servicing sector for Armenia

Activity	Sub-activity description	Budget (US \$)
Capacity building of staff, main stakeholders and servicing sector	Coordination and collaboration with relevant agencies through a study tour and capacity-building workshops	32,000
	Update training materials and training of 30 trainers and technicians in energy efficiency	16,000
	Information session for 50 experts	4,000
Activity total		52,000
Outreach and impact assessment	Development and dissemination of outreach materials	25,000
	Awareness raising of equipment importers	8,000
	Two consumer behaviour studies	15,000
Activity total		48,000
Grand total		100,000

⁶ The final project report is available from the website of Armenia Climate Change Information Center (www.nature-ic.am/Content/announcements/10665/Regulatory-Framework-to-Promote-Energy-Efficiency_Final-report-1.pdf)

Implementation plan

11. The project is expected to be completed in 18 months after approval; the following activities will be implemented between January 2024 and June 2025:

- (a) A five-day study tour with 10 participants from the NOU, relevant authorities and private-sector representatives to a country with similar imports to Armenia that has developed labelling standards and an energy-efficiency rating to better understand how to handle administrative and regulatory hurdles; conducting coordination meetings and capacity-building workshops; updating and printing training and information materials; organizing workshops for RACHP trainers and technicians on monitoring and preserving the energy efficiency of equipment; and one information session for technical experts promoting the use of energy-efficient and low-GWP refrigerants in RACHP equipment (US \$52,000); and
- (b) Awareness-raising activities will target end users and consumers on the availability and benefits of energy-efficient products and equipment. The activities consist in developing and disseminating two videos and two infographics on energy-efficiency ratings and refrigerant ODP and GWP values; conducting one awareness-raising workshop for importers on energy-efficient RACHP equipment based on low-GWP alternatives; executing two consumer behaviour studies⁷ to collect data from at least 500 households on the impact of the project and identify how to strengthen the energy-efficiency labelling programme; and assessing the feasibility and structure of a potential incentive programme for the acquisition of labelled RAC equipment, and examining barriers to adopting energy-efficient and low-GWP-based RACHP equipment (US \$48,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

12. The Secretariat asked for additional information on the energy efficiency-related standards and labelling coordinated for the Eurasian Economic Union (EAEU). UNEP clarified that the Council of the EAEU Commission adopted the technical regulation TR EAEU 048/2019 on 15 April 2022 and that it will enter into force on 1 September 2025. The technical regulation regulates household appliances⁸ in the RACHP sector and does not apply to commercial refrigeration and mobile air-conditioning systems. Furthermore, the project proposal will focus on initial awareness raising and basic training, and not on establishing new MEPS or energy efficiency labelling. Thus, it will contribute to implementing and enforcing the technical regulation TR EAEU 048/2019.

13. The Secretariat enquired about integrating the implementation of this project proposal into stage III of the HPMP to avoid increasing HFC consumption while phasing out HCFCs. In response, UNEP indicated that to the extent possible the awareness and training materials prepared under the proposed project would be used for stage III training activities; energy-efficiency-related topics would be incorporated into the training and meeting agendas; and integrated training would be considered.

⁷ An initial behaviour study at the beginning of the project to assess the baseline and the second one towards the end of the project to measure the project impact.

⁸ Refrigerators, freezers, and combinations thereof, which have a volume of not more than 1,500 litres and air conditioners with a cooling or heating power not exceeding 12 kW.

14. The Secretariat questioned the benefit of the study tour compared to other opportunities for sharing lessons learned such as the Twinning Workshops for National Ozone Officers and National Energy Efficiency Policymakers. UNEP responded that while these workshops were valid, they did not replace a study tour, which would expose a whole range of national stakeholders and decision-makers to real-life examples of how such systems have been prepared, implemented, and enforced. UNEP added that a group of diverse stakeholders and decision-makers study tour participants would benefit from meeting their respective counterparts in the host country and that it would be neither feasible nor cost-efficient to bring those counterparts to Armenia.

15. The Secretariat held discussions with UNEP on the expected outputs and budget for the proposed activities such as the content of information and training materials as well as planned approaches and specific activities to inform and influence consumers' decisions. After discussion some activities were disaggregated with a corresponding rationalization of the related budget request. Table 3 provides the revised activities and agreed funding.

Table 3. Agreed funding for activities to maintain energy efficiency for the servicing sector for Armenia

Activity	Sub-activity description	Budget (US \$)
Capacity building of staff and main stakeholders, including trainers and technicians	Conducting a five-day study tour with ten representatives of the main stakeholders to learn about labelling standards and energy efficiency rating	16,000
	Conducting six coordination meetings and institutional capacity building workshops, for the Government agencies involved, and hiring technical experts	32,000
	Update training materials and two training workshops on energy efficiency (during the assessment, installation, maintenance, and servicing of RACHP equipment) for 30 trainers and technicians each.	12,000
	Preparing information materials and organizing a working session for 50 technical experts	5,000
Activity total		65,000
Outreach and impact assessment	Development and dissemination of outreach materials	19,000
	Awareness raising of 25 equipment importers	4,000
	Two consumer behavior studies to 500 household each	12,000
Activity total		35,000
Grand total		100,000

Gender policy implementation

16. In accordance with decisions 84/92(d) and 90/48(c), the Government of Armenia and UNEP will incorporate gender mainstreaming into the implementation of project activities and will report on specific indicators developed for the project.

Conclusion

17. The project was submitted in line with decisions 89/6 and 92/22 and includes meaningful activities to strengthen coordination with energy efficiency authorities in the country; training of technicians and trainers in good practices and energy efficiency during the assessment, installation, maintenance and servicing of RACHP equipment; and support for a better understanding of consumer needs to enable the selection of energy-efficient, low-GWP products available in the market. It will also build the framework for considering energy-efficiency-related actions in stage III of the HPMP and the KIP currently under preparation and will support activities relating to the uptake of energy-efficient, low-GWP RACHP equipment.

RECOMMENDATION

18. The Fund Secretariat recommends blanket approval of the project for additional activities for the introduction of alternatives to HCFCs with low or zero global warming potential and for maintaining energy efficiency in the refrigeration servicing sector in Armenia, and the corresponding 2024-2025 implementation plan, at the funding level shown in the table below, on the understanding that:

- (a) The present project would be integrated into stage III of the HCFC implementation plan (HPMP) for Armenia, once the plan had been fully formulated for submission for consideration by the Executive Committee; and
- (b) UNEP, on behalf of the Government of Armenia, would submit a final report on the implementation of the project as part of the first tranche implementation report of stage III of the HPMP.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	Additional activities for the introduction of alternatives to HCFCs with low or zero global warming potential and for maintaining energy efficiency in the refrigeration servicing sector	100,000	13,000	UNEP