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EXECUTIVE COMMITTEE OF
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Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: LESOTHO

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) Germany

¹ UNEP/OzL.Pro/ExCom/93/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT DESCRIPTION

Background

1. Stage II of the HCFC phase-out management plan (HPMP) for Lesotho was approved at the 87th meeting² to achieve the complete phase-out of HCFC consumption by 2030, at a total cost of US \$470,000, plus agency support costs, on the understanding that no more funding from the Multilateral Fund would be provided for the phase-out of HCFCs. The Government of Germany will submit the second tranche in 2024.

2. On behalf of the Government of Lesotho, the Government of Germany, as the designated implementing agency, has submitted a request for funding additional activities for the introduction of alternatives to HCFCs with low- or zero-global-warming-potential (GWP) and for maintaining energy efficiency in the refrigeration servicing sector in line with decisions 89/6 and 92/22, in the amount of US \$100,000, plus agency support costs of US \$12,651.³ The submission includes a description of specific activities, targets and performance indicators and an implementation plan for 2024–2025.

Report on HCFC consumption

3. The Government of Lesotho reported a consumption of 0.43 ODP tonnes of HCFCs in 2022, which is 87.7 per cent below the HCFC baseline for compliance. The 2018-2022 HCFC consumption is shown in table 1.

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

HCFC	2018	2019	2020	2021	2022	Baseline
Metric tonnes (mt)						
HCFC-22	11.45	10.27	8.34	8.06	7.88	62.70
HCFC-142b	0.01	0.00	0.00	0.01	0.00	0.00
Total (mt)	11.46	10.27	8.34	8.07	7.88	62.70
ODP tonnes						
HCFC-22	0.63	0.56	0.46	0.44	0.43	3.50
HCFC-142b	0.00	0.00	0.00	0.00	0.00	0.00
Total (ODP tonnes)	0.63	0.56	0.46	0.44	0.43	3.50

Country programme implementation report

4. The Government of Lesotho 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.

Project description

5. Lesotho has been making efforts to enhance energy efficiency while sustaining the phase-out of HCFCs achieved so far and preparing for the phase-down of HFCs in refrigeration and air-conditioning (RAC) equipment. The country ratified the Kigali Amendment on 7 October 2019.

6. This project proposal is being submitted specifically for activities listed in subparagraphs (ii), (iii) and (iv) of decision 89/6(b). The project is designed to adopt the regional Southern African Development Community (SADC) standards at the national level for both domestic refrigerators and single split air-conditioners, develop a product monitoring, registry and verification system for energy efficient RAC equipment, and implement energy efficiency training modules and conducting initial training for the

² Decision 87/41

³ As per the letter of 27 September 2023 from the Lesotho Meteorological Services to the Government of Germany.

trainers. The Climate Technology Centre and Network (CTCN) and the United for efficiency (U4E) programme provided technical assistance support for the development of MEPS for the region and development of SADC standards; this will support the project build on the work already undertaken in the region.

7. The funding requested for the different components is provided in table 2.

Table 2. Funding requested for activities to maintain energy efficiency in the servicing sector for Lesotho

Activity	Sub-activity description	Budget (US \$)
Review and adapting of regional minimum energy performance standards (MEPS) and labelling	Engagement with relevant organisations (Lesotho Standards Institute (LSI), the national ozone unit (NOU), and the Lesotho Electricity and Water Authority (LEWA)) to help nationalise SADC MEPS	20,000
	Technical consultation workshops/meetings and awareness creation involving relevant stakeholders	25,000
Activity total		45,000
Developing and implementing a monitoring, reporting and verification system	Review existing product registry system with Revenue Service Lesotho to incorporate product registry system	30,000
Activity total		30,000
Development of training module on energy efficiency and training of trainers	Development of a training module on MEPS and practical actions on energy efficiency while installing, repairing and maintaining RAC equipment; training of 30 trainers on the new modules.	25,000
Activity total		25,000
Grand total		100,000

Implementation plan

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

- (a) Review of regional SADC standards by LSI, the NOU, LEWA and consultants and making relevant adjustments to the regional MEPS to adapt them to local conditions; consultations and workshops with the relevant national stakeholders for finalisation (about 125 to 150 participants) and advertisement through print and electronic media of information relating to the implementation of the new standards (US \$45,000);
- (b) Design and development of a product registry system for monitoring, registration and verification; and implementation of the system including training of relevant persons managing data registry (US \$30,000); and
- (c) Development of a training module on the MEPS and labelling programme; two training-of-trainers workshops for 30 trainers on the new energy efficiency module (US \$25,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

9. The Secretariat requested additional clarifications on how the technical assistance support provided by the CTCN and U4E programme would be used while developing the MEPS and labelling process. The Government of Germany explained that CTCN and U4E support was available for the development of

MEPS for the region for domestic refrigerators and single split air conditioners up to 12 kW; these need to be adapted and adopted in Lesotho based on national conditions and requirements; the present project is proposed to undertake the steps to adapt and adopt the regional standards in the country. The Government of Germany also clarified that, to the knowledge of the NOU, there is no other initiative undertaken to address these components in the country.

10. The Secretariat requested clarifications on how the training module would be developed and training of trainers would be implemented. The Government of Germany explained that the training module will be developed in consultation with the Department of Vocational Training with support from the international expert and local industry representatives; consultations will be held on the curriculum changes and inputs from these consultations will be incorporated in the revised curriculum; about 30 trainers would be trained on the revised curriculum in two training workshops; once finalised, the training module would be integrated into the existing training programmes under the HPMP.

11. On the impact of the project, the Government of Germany explained that these activities would result in the reduction in import of energy inefficient obsolete RAC equipment, strengthen data collection and reporting relating to energy efficiency including updating/upgrading the relevant policies and regulations for allowing import of energy efficient RAC equipment, raise awareness among different national regulatory authorities and stakeholders on the sustained implementation of energy efficiency standards for RAC equipment, and support the implementation of energy efficiency training modules for RAC equipment.

Gender policy implementation

12. In accordance with decisions 84/92(d) and 90/48(c) on the Multilateral Fund operational policy on gender mainstreaming, the Government of Lesotho and the Government of Germany would incorporate gender mainstreaming and the participation of female professionals would be encouraged in all aspects of the planning and implementation of these additional activities. Specifically, the communications relating to different activities under this project would emphasise and encourage the participation of women in the training-of-trainers workshops that would be conducted as a part of this project.

Updated Agreement

13. In view of the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the accordingly revised funding schedule, the Agreement between the Government of Lesotho and the Executive Committee has been updated. Specifically, Appendix 2-A has been revised and paragraph 17 has been added to indicate that the updated Agreement supersedes that reached at the 87th meeting, as contained in Annex I to the present document. The full updated Agreement will be appended to the final report of the 93rd meeting.

Conclusion

14. The proposed project being submitted in line with decisions 89/6(b) and 92/22 would assist the country in implementing MEPS and labelling programmes by adapting and adopting SADC standards; promote the adoption of low-GWP energy-efficient technologies; strengthen the coordination with energy efficiency authorities in the country and facilitate their better understanding on the adoption of energy-efficient low-GWP refrigerant-based technologies; and strengthen the national database on energy efficient RAC products that in turn can help in strengthening MEPS and labelling system over time.

RECOMMENDATION

15. 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 Lesotho, and the corresponding 2024–2025 implementation plan, at the funding level shown in the table below, on the understanding that the Fund Secretariat has updated the Agreement between the Government of Lesotho and the Executive Committee for stage II of the HCFC phase-out management plan, as contained in Annex I to the present document, specifically: Appendix 2-A, on the basis of the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector, and paragraph 17 that has been added to indicate that the updated Agreement supersedes that reached at the 87th meeting.

	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	12,651	Germany

Annex I

TEXT TO BE INCLUDED IN THE AGREEMENT BETWEEN THE GOVERNMENT OF LESOTHO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

(Relevant changes are in bold font for ease of reference)

17. This updated Agreement supersedes the Agreement reached between the Government of Lesotho and the Executive Committee at the 87th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022	2023	2024	2025-2026	2027	2028-2029	2030	Total	
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	2.28	2.28	2.28	2.28	1.14	1.14	1.14	0.00	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.00	n/a	
2.1	Lead IA (Germany) agreed funding (US \$)	168,900	0	100,000	162,400	0	91,200	0	47,500	570,000	
2.2	Support costs for Lead IA (US \$)	21,957	0	12,651	20,545	0	11,538	0	6,009	72,700	
3.1	Total agreed funding (US \$)	168,900	0	100,000	162,400	0	91,200	0	47,500	570,000	
3.2	Total support costs (US \$)	21,957	0	12,651	20,545	0	11,538	0	6,009	72,700	
3.3	Total agreed costs (US \$)	190,857	0	112,651	182,945	0	102,738	0	53,509	642,700	
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										1.00
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)										0.54
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										0.00

*Date of completion of stage I as per stage I Agreement: 31 December 2021.