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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-third Meeting
Montreal, 15-19 December 2023
Item 9(d) of the provisional agenda[1]

PROJECT PROPOSAL: CONGO (THE)

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

Phase-down

- Kigali HFC implementation plan (stage I, first tranche) — UNIDO and UNEP

[1] UNEP/OzL.Pro/ExCom/93/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Congo (the)

(I) PROJECT TITLE	AGENCY
Kigali HFC implementation plan (stage I)	UNIDO (lead), UNEP

(II) LATEST ARTICLE 7 DATA (Annex F)	Year: 2022	165.35 mt	292,240 CO_2-eq tonnes

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (CO_2-eq tonnes)									Year: 2022
Chemical	Aerosol	Foam	Firefighting	AC and refrigeration			Solvent	Other	Total sector consumption
				Manufacturing		Servicing			
				AC	Other				
HFC-134a						112.02			112.02
R-404A						11.30			11.30
R-410A						42.03			42.03

(IV) AVERAGE 2020-2022 HFC CONSUMPTION IN SERVICING	163.10 mt	287,702 CO_2-eq tonnes

(V) CONSUMPTION DATA (CO_2-eq tonnes)			
Baseline: average 2020-2022 HFC consumption plus 65% of HCFC baseline	504,649	Starting point for sustained aggregate reductions	[n/a]*
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved	0	Remaining	[n/a]*

*For countries with average 2020-2022 HFC consumption in servicing only and below 360 mt.

(VI) ENDORSED BUSINESS PLAN		2023	2024	2025	Total
UNIDO	HFC phase-down (CO_2-eq tonnes)	0.0	0.0	0.0	0.0
	Funding (US $)	0	44,940	0	44,940
UNEP	HFC phase-down (CO_2-eq tonnes)	0.0	0.0	0.0	0.0
	Funding (US $)	0	47,460	0	47,460

(VII) PROJECT DATA			2023	2024	2025	2026	2027	2028	2029	2030	Total
Consumption (CO_2-eq tonnes)	Montreal Protocol limits		n/a	504,649	504,649	504,649	504,649	504,649	454,184	454,184	n/a
	Maximum allowable		304,964	330,903	319,196	303,718	291,384	281,270	258,932	258,932	n/a
Amounts requested in principle (US $)	UNIDO	Project costs	67,750	0	0	96,500	0	0	0	12,750	177,000
		Support costs	6,098	0	0	8,685	0	0	0	1,147	15,930
	UNEP	Project costs	13,750	0	0	27,500	0	0	0	9,750	51,000
		Support costs	1,788	0	0	3,575	0	0	0	1,267	6,630
Amounts recommended in principle (US $)	Total project costs		81,500	0	0	124,000	0	0	0	22,500	228,000*
	Total support costs		7,886	0	0	12,260	0	0	0	2,414	22,560
	Total funds		89,386	0	0	136,260	0	0	0	24,914	250,560

*In line with decision 92/37: US $190,000 plus 20 per cent for committing to reduce consumption by 10 per cent of the average HFC consumption in servicing in baseline years.

(VIII) Request for approval of funding for the first tranche (2023)		
Implementing agency	**Funds recommended (US $)**	**Support costs (US $)**
UNIDO	67,750	6,098
UNEP	13,750	1,788
Total	**81,500**	**7,886**

Secretariat's recommendation:	Individual consideration - all technical and cost issues resolved

PROJECT DESCRIPTION

1. On behalf of the Government of the Congo, UNIDO as the lead implementing agency has submitted a request for stage I of the Kigali HFC implementation plan (KIP), at a total cost of US $250,560, consisting of US $177,000, plus agency support costs of US $15,930 for UNIDO and US $51,000, plus agency support costs of US $6,630 for UNEP, as originally submitted.[2]

2. The implementation of stage I of the KIP will assist the Government of the Congo in meeting the target of 10 per cent reduction from the average HFC consumption in the baseline years by 1 January 2029, which is equivalent to 48.7 per cent of the HFC baseline.

3. The first tranche of stage I of the KIP being requested at this meeting amounts to US $75,761, consisting of US $55,250, plus agency support costs of US $4,973 for UNIDO and US $13,750, plus agency support costs of US $1,788 for UNEP, as originally submitted, for the period of January 2024 to September 2025.

Background

4. The Government of the Congo ratified all amendments to the Montreal Protocol, including the Kigali Amendment on 16 June 2022. The Congo has an HCFC consumption baseline of 10.14 ODP tonnes or 184.4 metric tonnes (mt).

Status of implementation of the HCFC phase-out management plan

5. Stage I of the HCFC phase-out management plan (HPMP) for the Congo was approved at the 63rd meeting of the Executive Committee[3] to meet the 35 per cent reduction from the baseline by 2020, which would result in the phase-out of 3.55 ODP tonnes of HCFCs, at a total cost of US $350,000, plus agency support costs. Stage I of the HPMP is expected to be completed by 31 December 2023.

6. Stage II of the HPMP to completely phase out HCFC consumption by 1 January 2030 is currently under preparation and is expected to be submitted in 2024.

Status of implementation of HFC-related activities

7. At the 75th meeting, the Congo received funding to conduct a survey on the use of alternatives to ozone-depleting substances (ODS) (US $70,000), which was completed in December 2017. This survey assisted the country in assessing the consumption of different ODS alternatives including HFCs and their consumption pattern during the years 2012 to 2015.

8. At the 80th meeting, the Congo received funding to implement the enabling activities for HFC phase-down (US $150,000), which were completed in December 2021. These activities assisted the country *inter alia* in ratifying the Kigali Amendment; identifying gaps in regulation and enforcement that need to be addressed both for the implementation of the HCFC phase-out and the preparation of HFC phase-down; identifying gaps in the verification needs for HFCs and communicating with the stakeholders involved in overseeing monitoring and reporting systems for HFCs; developing a proposal for national Harmonized Systems (HS) codes for HFCs; completing the field survey of the refrigeration and air-conditioning (RAC) service sector; collecting import data for equipment and refrigerant consumption trends; identifying and defining training needs for RAC technicians while adopting HFC-free alternatives with a focus on the informal sector; and raising public awareness on HFC phase-down through public information. Implementation of these activities enabled the KIP preparation as this allowed the national stakeholders to

[2] As per the letter of 11 July 2023 from the Ministère de l'Environnement, du Développement Durable et du Bassin of the Congo to UNIDO.
[3] Decision 63/31

be fully involved in the process, helped in a better understanding of HFC consumption levels and trends and facilitated implementation of initial measures including licensing system for HFCs.

Stage I of the Kigali HFC implementation plan

Policy, regulatory and institutional frameworks

9. The Ministère de l'Environnement, du Développement Durable et du Bassin du Congo (Ministry of the Environment, Sustainable Development and the Congo Basin) is the national body to implement the Montreal Protocol. The national ozone unit (NOU) has been established within the Ministry as the dedicated unit for the implementation of the Montreal Protocol and its amendments, in particular the Kigali Amendment.

10. The NOU is the responsible authority to operate the licensing system, allocate quotas and supervise the implementation of all projects approved under the Multilateral Fund including the KIP.

11. Among key stakeholders involved in the implementation of the KIP, the Direction Générale des Douanes et des Droits Indirects (Directorate General of Customs and Excise) within the Ministère de l'Économie et des Finances (Ministry of Economy and Finance) is responsible for monitoring HFCs based on the HS codes 2022, and the Ministère du commerce, des approvisionnements et de la consommation (Ministry of Commerce, Supply and Consumption) will issue HFC import authorizations to licensed importers after prior approval by the Ministry of the Environment. The other stakeholders are the Ministère de la promotion de la femme et de l'intégration de la femme au développement (Ministry for the Promotion of Women and the Integration of Women in Development), and Agence Congolaise de Normalisation et de la Qualité (Standardisation and quality agency of the Congo), which is the institution in charge of implementing standards in the Congo.

12. In addition, the Congo belongs to the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) (Economic and Monetary Community of Central Africa), which is the institution in charge of developing minimum energy performance standards (MEPS) for electric appliances.

HFC consumption

13. The Congo only imports HFCs for use in the RAC servicing sector. In 2022, the Congo consumed HFC-134a (54.8 per cent of total HFC consumption in CO_2-equivalent (CO_2-eq) tonnes), R-410A (30.0 per cent), and R-404A (15.2 per cent). Table 1 presents the country's HFC consumption as reported to the Ozone Secretariat under Article 7 of the Montreal Protocol.

Table 1. HFC consumption in the Congo (2019–2022 Article 7 data)

HFC	GWP	2019	2020	2021	2022	Share of HFC consumption in 2022 (%)
Mt						
HFC-134a	1,430	104.10	109.80	111.40	112.02	67.8
R-404A	3,922	10.54	10.83	11.00	11.30	6.8
R-410A	2088	37.54	39.30	41.63	42.03	25.4
Total (mt)		**152.18**	**159.93**	**164.03**	**165.35**	**100**
CO_2-eq tonnes						
HFC-134a	1,430	148,863	157,014	159,302	160,189	54.8
R-404A	3,922	41,333	42,471	43,138	44,314	15.2
R-410A	2,088	78,365	82,039	86,903	87,738	30.0
Total (CO_2-eq tonnes)		**268,561**	**281,524**	**289,342**	**292,240**	**100**

14. Between 2019 and 2022, there was an increase in consumption of HFCs in different refrigeration equipment that mainly consumes HFC-134a and R-404A, and residential and commercial air conditioners that consumes R-410A.

Country programme implementation report

15. The sectoral HFC consumption data provided by the Government of the Congo in its country programme implementation reports for the years 2020-2022 is consistent with the data reported under Article 7 of the Montreal Protocol.

HFC distribution by sector

16. HFCs are mainly consumed for servicing in commercial refrigeration (27.6 per cent in mt and 30.2 per cent in CO_2-eq tonnes), followed by the residential air-conditioning (25.4 per cent in mt and 30 per cent in CO_2-eq tonnes), industrial and transport refrigeration (18.9 per cent in mt and 16.1 per cent in CO_2-eq tonnes), domestic refrigeration (11.7 per cent in mt and 9.5 per cent in CO_2-eq tonnes) and other subsectors, as shown in table 2.

Table 2. HFC consumption by sector (2022)

Sector		HFC-134a	R-404A	R-410A	Total	Share of total (%)
Mt						
Refrigeration subsectors						
Domestic refrigeration		19.38	0.00	0.00	19.38	11.7
Commercial refrigeration	Stand-alone units	21.72	7.89	0.00	29.61	17.9
	Condenser units	4.61	0.00	0.00	4.61	2.8
	Centralized systems	9.94	1.41	0.00	11.34	6.9
	Subtotal	*36.27*	*9.30*	*0.00*	*45.56*	*27.6*
Transport refrigeration		30.24	1.01	0.00	31.25	18.9
Subtotal Refrigeration		*85.89*	*10.31*	*0.00*	*96.19*	*58.2*
Air-conditioning subsectors						
Residential AC		0.00	0.00	42.03	42.03	25.4
Chillers		0.89	0.00	0.00	0.89	0.5
Mobile air-conditioning (MAC)		4.40	0.00	0.00	4.40	2.7
Subtotal Air-conditioning		*5.29*	*0.00*	*42.03*	*47.32*	*28.6*
Subtotal for servicing		***91.18***	***10.31***	***42.03***	***143.50***	***86.8***
Local installation and assembly		20.84	0.99	0.00	21.85	13.2
Total		**112.02**	**11.30**	**42.03**	**165.35**	**100**
CO_2-eq tonnes						
Refrigeration subsectors						
Domestic refrigeration		27,713	0	0	27,713	9.5
Commercial refrigeration	Stand-alone units	31,060	30,941	0	62,001	21.2
	Condenser units	6,592	0	0	6,592	2.3
	Centralized systems	14,214	5,529	0	19,744	6.8
	Subtotal	*51,866*	*36,470*	*0*	*88,337*	*30.2*
Transport refrigeration		43,243	3,961	0	47,204	16.1
Subtotal Refrigeration		*122,823*	*40,432*	*0*	*163,254*	*55.9*

Sector	HFC-134a	R-404A	R-410A	Total	Share of total (%)
Air-conditioning subsectors					
Residential AC	0	0	87,738	87,738	30.0
Chillers	1,273	0	0	1,273	0.4
MAC	6,292	0	0	6,292	2.2
Subtotal Air-conditioning	*7,565*	*0*	*87,738*	*95,302*	*32.6*
Subtotal for servicing	***130,387***	***40,432***	***87,738***	***258,557***	***88.5***
Local installation and assembly	29,801	3,882	0.00	33,684	11.5
Total	**160,189**	**44,314**	**87,738**	**292,240**	**100**

Refrigeration and air-conditioning servicing sector

17. There are approximately 1,600 technicians working in about 252 registered RAC equipment workshops and 78 MAC garages. The main RAC servicing association, Association des Frigoristes du Congo (AFC) (Association of refrigeration technicians in the Congo), has branches in six administrative divisions. Three schools offering RAC programmes have been identified: two public training schools for RAC technicians; and a private school accredited by the Ministry of Technical and Vocational Education. In addition, a more extensive RAC programme, leading to a brevet d'études professionnelles, a secondary school and vocational training diploma, will be established in the near future.

Domestic, commercial, industrial and transport refrigeration servicing

18. This sector includes local agencies that are engaged in servicing domestic, commercial, industrial and transport refrigeration equipment; the servicing of equipment as well as assembly and installation of some of the equipment are carried out both at the workshop and on-site by small and medium-sized enterprises. In the case of commercial refrigeration equipment and central air-conditioning systems, the servicing is undertaken by formal enterprises; for other equipment, several informal enterprises are involved. Due to poor road conditions and lack of preventive maintenance, consumption of HFCs in transport refrigeration is high.

Residential air-conditioning servicing

19. Residential air conditioners are imported by national distributors and manufacturers' representatives in the country. Spare parts and refrigerants for these appliances are available on the market.

Mobile air-conditioning servicing

20. Cars imported and used in the Congo are usually second hand and sometimes contain built-in air conditioning systems. Maintenance of MAC systems is often carried out using second-hand spare parts by both authorised and unauthorized service stations. Unfavorable road conditions and low technical skills result in high leakage rates in the MAC sector.

Local installation and assembly subsector

21. The survey report indicates that commercial and industrial refrigeration equipment are installed by local installers and assemblers. These activities are carried out on-site in commercial refrigeration applications (e.g., supermarkets, cold storages). The estimated consumption of HFC-134a and R-404A in assembly and installation amounts to 20.84 mt and 0.99 mt, respectively, in the year 2022.

Phase-down strategy for stage I of the Kigali HFC implementation plan

Overarching strategy

22. The Government of the Congo is proposing to implement stage I of the KIP simultaneously with the HPMP until 2030. Stage II and future stages would be implemented after this period.

Established HFC baseline and proposed reductions

23. The Government of the Congo reported its Article 7 data for 2020-2022. By adding 65 per cent of the HCFC baseline in CO_2-eq tonnes to the average HFC consumption in 2020-2022, the established HFC baseline is 504,649 CO_2-eq tonnes, as shown in table 3.

Table 3. HFC baseline for the Congo (CO_2-eq tonnes)

Baseline calculation components	2020	2021	2022
HFC annual consumption	281,524	289,342	292,240
HFC average consumption in 2020-2022			287,702
HCFC baseline (65%)			216,947
HFC baseline			**504,649**

24. The Government of the Congo estimated that, at a compounded annual growth rate of 6 per cent, the consumption of HFCs in the country would grow from 304,964 CO_2-eq tonnes[4] in 2023 to 458,553 CO_2-eq tonnes in 2030. The consumption in 2030 at this growth rate will be above the Montreal Protocol targets for the Congo. Without implementation of activities under the KIP to assist the industry in reducing HFC consumption and promoting adoption of alternatives, the country may not be able to sustain HFC consumption reduction in the long run as there would be continued usage and growth in population of HFC-based equipment.

25. In light of this, the Government is proposing to accelerate HFC phase-down and achieve a consumption level that is 10 per cent below the average HFC consumption in the baseline years (48.7 per cent below the baseline and 43 per cent below the Montreal Protocol consumption limits) by 2029, as shown in table 4.

Table 4. HFC consumption limits proposed under stage I of the KIP for the Congo (CO_2-eq tonnes)

		2023	2024	2025	2026	2027	2028	2029	2030
Montreal Protocol consumption limits		n/a	504,649	504,649	504,649	504,649	504,649	454,184	454,184
Estimated consumption under the KIP		**304,964***	**330,903**	**319,196**	**303,718**	**291,384**	**281,270**	**258,932**	**258,932**
Difference	CO_2-eq tonnes	n/a	173,746	185,453	200,931	213,265	223,379	195,252	195,252
	%	n/a	-34.4	-36.8	-39.8	-42.3	-44.3	-43.0	-43.0
Estimated reductions from baseline by 2029									**245,717**

(*) 6 per cent growth calculated from the average HFC consumption in 2020-2022 (287,702 CO_2-eq tonnes).

Proposed activities

26. The Government of the Congo proposes to achieve reductions during stage I of the KIP through activities relating to technical capacity building of the service sector and promote consumption of HFC

[4] Growth calculated based on the average HFC consumption in 2020-2022 (287,702 CO_2-eq tonnes)

alternatives, strengthening policies and regulations including training and capacity building of customs and enforcement authorities and importers of HFCs, demand-side management activities for promoting the adoption of HFC-free alternatives and awareness and outreach activities for supporting the adoption of HFC-free alternatives and reducing dependence on HFC-based equipment.

27. The different elements of the KIP for the Congo with their cost breakdown are presented below:

(a) *Policies and regulations:* Strengthening implementation of the licensing and quota system including defining the strategy of allocation of quota to reduce dependence on high-global-warming-potential (GWP) refrigerants and promote the adoption of alternatives; providing support for the procurement of four identifiers for identification of HFCs in tandem with identifiers to be procured under the HPMP; eight training sessions to approximately 100 customs and enforcement officers for strengthening HFC monitoring and reporting and HFC data management; information sharing with importers and distributors of HFCs on HFC data reporting requirement and record keeping; and field assessment and surveys on HFC consumption and use and possible illegal trade of HFCs (UNIDO) (US $39,000) and (UNEP) (US $20,000);

(b) *Service sector:* Supporting the RAC associations to increase their participation in training and capacity building activities; updating training materials for adopting good service practices while servicing HFC-based equipment including recovery and recycling of refrigerants and safe adoption of alternatives; providing tools and training equipment to the AFC and identified technical institutions and RAC associations for the training of technicians mainly in the refrigeration sector; providing six training sessions to a minimum of 100 technicians in six cities and towns on the adoption of good service practices (UNIDO) (US $73,000) and (UNEP) (US $31,000); and

(c) *Demand-side management and awareness:* Demand-side management and awareness and information outreach including programmes for engaging retailers and RAC equipment distributors and adopting HFC-free alternative refrigerant-based equipment; providing support to approximately 50 users of commercial refrigeration equipment on adoption of alternatives to high-GWP refrigerants; and consultations with importers of equipment and different stakeholders on prohibiting the import of high-GWP HFC-based equipment (UNIDO) (US $45,000).

Project monitoring and coordination

28. To ensure continuous oversight of project activities, with support from UNIDO, the NOU will organize field visits to stakeholders, regularly review progress of activities and prepare reports. The total cost of US $20,000 includes the following cost breakdown: national and international consultants (US $9,000), travel (US $6,500), and consultation meetings and others (US $4,500).

Gender policy implementation

29. In accordance with decisions 84/92(d), 90/48(c) and 92/40(b), the Government of the Congo, in close coordination with UNIDO and UNEP, would promote gender mainstreaming in all activities under the KIP. They would undertake steps to encourage women participation in training programmes and awareness activities and encourage women to provide support as consultants and project management staff. Gender-disaggregated data would be collected and reported for maximising women participation in different activities. Based on the outcomes of implementation which would be monitored by the implementing agencies and the Government, relevant adjustments would be made to achieve the objectives of the gender mainstreaming policy.

Total cost of stage I of the Kigali HFC implementation plan

30. The budget for stage I has been established at US $228,000. The cost of activities in the refrigeration servicing sector has been established in line with decision 92/37 and includes an additional 20 per cent of the total cost for committing to reduce consumption by 10 per cent of the average HFC consumption in the baseline years.

Coordination of activities in the servicing sector under HCFC phase-out and HFC phase-down plans

31. Stage I of the KIP will be implemented in three tranches. The Congo will put in place a mixture of parallel and integrated implementation of activities of both plans in a coordinated manner to ensure fast-track sustainable adoption of low-GWP technologies. The schedule of HFC phase-down, and the activities and associated costs of stage I of the KIP and that anticipated for stage II of the HPMP are presented in Annexes I and II, respectively, to the present document.

Implementation plan for the first tranche of stage I of the Kigali HFC implementation plan

32. The first funding tranche of stage I of the KIP, in the total amount of US $69,000, will be implemented between January 2024 and September 2026 and will include the following activities:

(a) *Policies and regulations:* Strengthening implementation of the licensing and quota system including defining the strategy of allocation of quota to reduce dependence on high-GWP refrigerants and promote the adoption of alternatives; providing support for procurement of identifiers for identification of HFCs in tandem with identifiers to be procured under the HPMP; providing support for training of approximately 25 customs and enforcement officers for strengthening HFC monitoring and reporting and HFC data management; information sharing with importers and distributors of HFCs on HFC data reporting requirement and record keeping; and field assessment and surveys on HFC consumption and use and possible illegal trade of HFCs (UNIDO) (US $26,000) and (UNEP) (US $5,000);

(b) *Service sector:* Providing support for strengthening industry associations; developing code of practice on good service practices and safe use of HFC-free alternatives for service technician training; and implementation of a training programme for at least 25 technicians (UNIDO) (US $8,000) and (UNEP) (US $8,750);

(c) *Demand-side management and awareness:* Awareness and outreach activities for different stakeholders on HFC phase-down activities, HFC licensing and quota system implementation, low-GWP alternatives to HFCs in different applications, and for maximising women participation in different activities; developing a labelling system for RAC appliances using HFC-free technologies; and consultations with users of commercial refrigeration equipment on incentives for purchasing low-GWP refrigerant-based equipment (UNIDO) (US $15,750); and

(d) Project coordination and monitoring (UNIDO) (US $5,500): National and international consultants (US $2,000), travel (US $2,500), and consultation meetings and others (US $1,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

33. The Secretariat reviewed stage I of the KIP for the Congo in light of the existing policies and guidelines of the Multilateral Fund, including decisions 91/38[5] and 92/37,[6] stage I of the HPMP, and the 2023-2025 business plan of the Multilateral Fund.

Overarching strategy

34. The Kigali Amendment allows for growth in HFC consumption up to a baseline level. However, to avoid such a growth, the Government of the Congo is requesting funds for stage I of the KIP to sustainably reduce HFC consumption by 10 per cent of the average HFC consumption in the baseline years; further, when future tranches of stage II of the HPMP are submitted, the Government would take other actions to minimise substitution of HCFCs with high-GWP HFCs during HPMP implementation.

35. In line with decision 87/50(g)(iii), the proposal includes the following early actions to limit the growth of HFCs: adoption of better servicing practices that would help reduce HFC emissions during servicing, maintenance and end-of-life disposal of equipment; training on safe use of non-HFC refrigerants, control and monitoring of HFC consumption level; and reducing demand for HFC-based equipment through a combination of awareness raising, policies for the adoption of low-/lower-GWP refrigerant-based equipment, and end-user incentive programmes to showcase better equipment performance. Furthermore, the Government would implement policies keeping in view market factors and technology trends relating to alternatives to achieve sustainable reductions in HFC consumption, prioritising sectors that have high HFC consumption such as commercial RAC.

Established HFC baseline and proposed reductions

36. The baseline for the Congo is 504,649 CO_2-eq tonnes based on the reported HFC consumption for 2020, 2021 and 2022. Based on the estimated values in table 4, the country's HFC consumption will increase from 304,964 CO_2-eq tonnes in 2023 to 330,903 CO_2-eq tonnes in 2024. After that, there would be a sustained reduction of HFC consumption to reach 258,932 CO_2-eq tonnes in 2029. Based on these estimated values, this proposal would help the Government of the Congo maintain the HFC consumption levels between 34.4 and 44.3 per cent below the baseline between 2024 and 2028, and reach an HFC consumption level 10 per cent below the HFC component of the baseline by 2029.

Policy, regulatory and institutional frameworks

HFC licensing and quota system

37. Decision 87/50(g) requests the bilateral and implementing agencies, when submitting stage I of the KIPs, to include confirmation that the country has an established and enforceable national system of licensing and quotas for monitoring HFC imports/exports in place, consistent with decision 63/17. Accordingly, the Government of the Congo established a licensing system for HFCs, blends and equipment containing them.[7] The regulations related to the HFC quota system are at the final stages of approval and will be effective from 1 January 2024. Because the institutional and legislative capacity for the quota system

[5] In the absence of the cost guidelines for HFC phase-down, to consider HFC individual investment projects and stage I of KIPs on a case-by-case basis, without setting a precedent for the cost guidelines or any future HFC individual investment projects and stage I of KIPs.
[6] Decision on the level and modalities of funding for HFC phase-down in the refrigeration servicing sector.
[7] Confirmed by the Government of the Congo to the Ozone Secretariat as of 25 October 2023.

is already in place, the Government of the Congo will be in a position to promptly issue import quotas for HFCs to each registered importer, starting in 2024.

Technical and cost-related issues

Support for HFC consumption reduction in commercial refrigeration and air-conditioning

38. The Secretariat, noting the high levels of HFC consumption in commercial refrigeration and air-conditioning, requested information on the steps that the Government is planning to undertake to reduce consumption in these applications in a sustainable manner. UNIDO explained that the Government would undertake activities to create awareness on the availability of non-HFC low-/lower-GWP technologies among end-users for faster adoption of these technologies; training of service technicians on safe handling of different alternative refrigerants which in turn would promote adoption of low-/lower-GWP technologies; discuss with national stakeholders on banning imports of high-GWP HFC-based equipment in these applications at the earliest feasible time frame, noting that it would be difficult to provide a specific time frame for such prohibition as of date. In addition to the above, the Government would implement other necessary actions based on market trends on available alternatives to reduce dependence on high-GWP refrigerant-based equipment. The Secretariat considers that these activities would facilitate reduction in HFC consumption growth in accordance with stage I of the KIP.

Demand-side management of refrigerants

39. The Secretariat requested additional clarifications on the demand-side management project, specifically on how this project would result in faster reduction in HFC-based equipment in the country. UNIDO explained that the project is designed to promote the adoption of low-/lower-GWP alternatives in residential air-conditioning and commercial refrigeration applications that are the largest consumers of HFCs in the country; the activities would also involve consultations with national stakeholders dealing with RAC products for the introduction of early prohibitions of import and sale of high-GWP HFC-based technologies. Through a combination of the above factors, the consumption of HFC-free alternatives is expected to increase in the country and the consumption of HFC-based equipment will gradually decrease; this, in turn, will reduce the consumption of HFCs in the country.

Revised funding for the first tranche

40. Following discussions with UNIDO regarding the training activities, specifically relating to procurement and distribution of equipment and tools to the AFC, technical institutions and RAC associations, the funding for the first tranche was revised to a total US $81,500, with the following cost breakdown:

(a) *Policies and regulations:* (UNIDO) (US $7,000) and (UNEP) (US $5,000);

(b) *Service sector:* (UNIDO) (US $39,500) and (UNEP) (US $8,750);

(c) *Demand-side management and awareness*: (UNIDO) (US $15,750); and

(d) *Project coordination and monitoring*: (UNIDO) (US $5,500).

Total project cost

41. In accordance with decision 92/37(b)(ii) and taking into consideration that the country would achieve HFC consumption level 10 per cent below the average HFC consumption in the baseline years, the total cost of stage I of the KIP has been agreed as submitted in the amount of US $228,000. This will result in the gradual reduction in HFC consumption for the years 2024 to 2029 to the levels indicated in row 1.2

of the table for stage I of the KIP in Annex I to the present document, to achieve consumption level of 258,932 CO_2-eq tonnes by 2029. This would translate to a reduction from the baseline of 245,717 CO_2-eq tonnes by 2029 and maintaining this consumption reduction thereafter.

Table 5. Agreed cost of activities to be implemented in stage I of the KIP for the Congo (US $)

Activity	US $
Policies and regulations	
Strengthening the HFC licensing and quota system	5,000
Provision of refrigerant identifiers to customs	19,000
Strengthening HFC import records by customs	5,000
Capacity building of customs and enforcement officers	20,000
Strengthening record keeping and reporting by enterprises	5,000
Improving continuous market monitoring	5,000
Sub-total	**59,000**
Service sector related	
Strengthening industry associations	6,000
Development of codes of practice	10,000
Provision of tools and equipment for training and recovery activities	63,000
Training of RAC technicians	25,000
Sub-total	**104,000**
Demands side management	
Demand-side management	35,000
Awareness and outreach	
Awareness raising campaigns	10,000
Project coordination and management	
Project coordination, management and monitoring	20,000
Total	**228,000***
UNIDO	**177,000**
UNEP	**51,000**

*In accordance with decision 92/37(b)(ii), this amount is 20 per cent higher than the US $190,000 that the Congo would have received.

Impact on the climate

42. The activities planned by the Congo, including its efforts to promote low-GWP alternatives, training of technicians on good servicing practice as well as recovery and reuse of refrigerants, indicate that the implementation of stage I of the KIP will reduce the emission of HFCs into the atmosphere, resulting in climate benefits. A calculation of the impact on the climate of the activities in the KIP indicates that the Congo will achieve an annual emission reduction of 245,717 CO_2-eq tonnes of HFCs when the final target in the stage I of the KIP is achieved, calculated based on the difference between the HFC baseline and the final target set in stage I.

Sustainability of the HFC phase-down and assessment of risks

43. The commitment and activities under stage I of the KIP will be sustained over time with the implementation and strengthening of the licensing and quota system for HFCs; continuous consultations with importers and other stakeholders on promoting the adoption of low-GWP alternatives to HFCs in different applications; implementation of regulations to reduce import of HFC-based equipment in commercial refrigeration and air-conditioning after consultations with the national stakeholders and the continuous monitoring of all implemented activities.

44. UNIDO provided information on the assessment of project implementation risks conducted for stage I of the KIP, indicating that a coordinated roadmap of activities by UNIDO, the NOU and industry stakeholders would help ensure sufficient and timely funding and implementation.

45. Given that the current HFC consumption is 57.9 per cent of the total HFC baseline and the plans for reducing HFC consumption by 10 per cent of the HFC component of the baseline by 2029, if early actions are adopted, the potential risk of non-compliance is expected to be low and will be further mitigated by the implementation of a robust licensing and quota system for HFCs to control supply, as well as activities implemented under the KIP aimed at reducing demand for HFCs.

46. Although specific regulations to prohibit the use of HFCs and/or HFC-based equipment have yet to be implemented in the Congo, UNIDO mentioned that the Government would work closely with different stakeholders to minimize any growth in consumption of high-GWP HFCs and examine possibilities of reducing import of high-GWP HFC-based equipment. Furthermore, stage I includes project activities such as training and capacity building for adopting good service practices and safe use of low-GWP alternatives, awareness and information outreach programmes on low-/lower-GWP alternatives and end-user incentive programmes for the accelerated adoption of low-GWP alternatives.

47. The risk of technologies promoted through the KIP not being accessible to the country will be mitigated by engaging importers and distributors in the awareness and outreach activities on low-/lower-GWP alternatives, and by facilitating their access to alternative technologies.

48. The risk of delays in activities requiring regional coordination (e.g., regional regulations) will be mitigated by the implementing agencies facilitating dialogue among the NOUs of the region including through UNEP's Compliance Assistance Programme network meetings.

Co-financing

49. UNIDO explained that co-financing under stage I of the KIP would include counterpart funding for programmes relating to demand-side management for the adoption of low-GWP technologies and in-kind time and resource support from the beneficiaries.

2023-2025 business plan of the Multilateral Fund

50. UNIDO and UNEP are requesting US $228,000, plus agency support costs, for the implementation of stage I of the KIP for the Congo. The total value of US $89,386, including agency support costs, requested for the period of 2023–2025, is US $3,014 below the amount in the business plan.

Draft Agreement

51. A draft Agreement between the Government of the Congo and the Executive Committee for stage I of the KIP has not been prepared as the Agreement template is still under consideration by the Executive Committee.

52. If the Executive Committee so wishes, the funds for stage I of the KIP for the Congo could be approved in principle, and funds for the first tranche could be approved on the understanding that the Agreement would be prepared and presented at a future meeting, before the submission of the second tranche, and once the Agreement template has been approved.

RECOMMENDATION

53. The Executive Committee may wish to consider:

(a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for the Congo for the period 2023-2030 to reduce HFC consumption by 48.7 of the country's baseline in 2029 (i.e., 10 per cent of the country's average HFC consumption in the baseline years), in the amount of US $250,560, consisting of US $177,000, plus agency support costs of US $15,930, for UNIDO and US $51,000, plus agency support costs

of US $6,630, for UNEP, as reflected in the schedule contained in Annex I of the present document;

(b) Approving the first tranche of stage I of the KIP for the Congo, and the corresponding tranche implementation plan, in the amount of US $89,386, consisting of US $67,750, plus agency support costs of US $6,098, for UNIDO and US $13,750, plus agency support costs of US $1,788, for UNEP; and

(c) Requesting the Government of the Congo, UNEP, UNIDO and the Secretariat to finalize the draft Agreement between the Government of the Congo and the Executive Committee for the reduction in consumption of HFCs, including the information contained in the Annex referred to in subparagraph (a) above, and to submit it to a future meeting once the KIP Agreement template has been approved by the Executive Committee.

Annex I

SCHEDULE OF HFC PHASE-DOWN AND FUNDING TRANCHES UNDER THE KIGALI HFC IMPLEMENTATION PLAN FOR THE CONGO

Kigali HFC implementation plan (stage I)

Row	Particulars	2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances (CO_2-eq tonnes)	n/a	504,649	504,649	504,649	504,649	504,649	454,184	454,184	n/a
1.2	Maximum allowable total consumption of Annex F substances (CO_2-eq tonnes)	304,964	330,903	319,196	303,718	291,384	281,270	258,932	258,932	n/a
2.1	Lead IA(UNIDO) agreed funding (US $)	67,750	0	0	96,500	0	0	0	12,750	177,000
2.2	Support costs for Lead IA (US $)	6,098	0	0	8,685	0	0	0	1,147	15,930
2.3	Cooperating IA (UNEP) agreed funding (US $)	13,750	0	0	27,500	0	0	0	9,750	51,000
2.4	Support costs for Cooperating IA (US $)	1,788	0	0	3,575	0	0	0	1,267	6,630
3.1	Total agreed funding (US $)	81,500	0	0	124,000	0	0	0	22,500	228,000
3.2	Total support costs (US $)	7,886	0	0	12,260	0	0	0	2,414	22,560
3.3	Total agreed costs (US $)	89,386	0	0	136,260	0	0	0	24,914	250,560

Annex II

SIMULTANEOUS IMPLEMENTATION OF THE HCFC PHASE-OUT MANAGEMENT PLAN AND THE KIGALI HFC IMPLEMENTATION PLAN IN THE CONGO

	HPMP – stage II (indicative)		KIP – stage I		Combined cost for HPMP+KIP (US $)
Category of activity	**Activity**	**Cost (US$)**	**Activity**	**Cost (US$)**	
Strengthening of licensing			Quota allocation process and allocating quotas	5,000	5,000
Provision of tools to customs	Four identifiers	19,000	Four identifiers	19,000	38,000
Strengthening of customs records			Supporting the electronic customs system	5,000	5,000
Capacity building of customs officers	16 training sessions for 200 officers	40,000	Eight training sessions for 100 officers	20,000	60,000
Strengthening of record-keeping by enterprises			Implementation of new regulation	5,000	5,000
Improving market monitoring			Study on illegal trade and survey on consumption	5,000	5,000
Support for associations		10,000	Strengthening industry associations	6,000	16,000
Development of codes of practices			Updating code of practices of servicing	10,000	10,000
Provision of tools		200,000	Tool and equipment for training and recovery	63,000	263,000
Training of RAC technicians	48 training sessions for 640 technicians	200,000	Six training sessions for 100 technicians	25,000	225,000
Certification of technicians	Development of programme	100,000			100,000
Demand-side management			Consumer choice programme, business-to-business programme and consultations on possible regulations to reduce HFC-based equipment	35,000	35,000
Awareness	Awareness and outreach on low-GWP alternatives to HCFCs and HPMP implementation	21,000	Workshops, posters, and flyers	10,000	31,000
Coordination and monitoring	Project management – HPMP activities	60,000	Coordination and monitoring – KIP activities	20,000	80,000
Total		**650,000**		**228,000**	**878,000**
Percentage of total (%)		**74%**		**26%**	**100%**