



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/94/14
13 May 2024

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fourth Meeting
Montreal, 27-31 May 2024
Item 9(a) of the provisional agenda¹

OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

Introduction

1. This document consists of the following sections:
 - I: An overview of projects and activities submitted by bilateral and implementing agencies
 - II: An overview of projects and activities following the project review process:
 - II.1 Projects submitted and subsequently withdrawn
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¹ UNEP/OzL.Pro/ExCom/94/1

I. Overview of projects and activities submitted by bilateral and implementing agencies

2. Table 1 presents a summary of requests that were submitted by bilateral and implementing agencies to the 94th meeting.

Table 1: Requests submitted by bilateral and implementing agencies

Projects and activities	No. of countries	No. of funding requests	Amounts requested (US \$)	Amounts in principle (US \$)
Stages II/III of HCFC phase-out management plans (HPMPs)	6	16	27,610,398	83,123,664
Tranches of approved HPMPs	18	31	19,195,402	
Preparation of stage II or III of HPMPs	3	4	205,100	
Verification of compliance of selected Article 5 countries with their HPMP Agreements	17	17	571,500	
Stage I of Kigali HFC implementation plans (KIPs)	16	28	5,473,920	9,682,339
Tranche of an approved HFC-23 emission control plan	1	1	308,855	
Preparation of KIPs and/or investment-related activities	4	6	743,920	
New institutional strengthening (IS) projects	1	1	500,000	
Renewal of IS projects	24	24	6,816,265	
Additional activities to maintain energy efficiency in the servicing sector (decision 89/6)*	10	12	1,201,200	
Preparation of pilot projects on energy efficiency (decision 91/65)	3 and a global	4	180,150	
Pilot projects on energy efficiency (decision 91/65)	5	5	2,697,551	
Preparation of national inventories of banks of waste-controlled substances (decision 91/66)	25	25	2,418,400	
Total		174	67,922,661	

*Activities for eight of these countries (Belize, Eswatini, Lao People's Democratic Republic, Paraguay, Saint Lucia, Sri Lanka, Timor-Leste and Zambia) have been submitted as part of their HPMP tranche requests.

Note: Funding amounts include agency support costs.

II. Overview of projects and activities following the project review process

3. Following the project review process, one funding request for projects and activities totalling US \$32,100, including agency support costs, has been withdrawn, 94 requests totalling US \$17,599,712, including agency support costs, have been recommended for blanket approval, and 79 requests totalling US \$45,235,510, including agency support costs, have been forwarded for individual consideration. Together, the funding requests for projects and activities recommended for either blanket approval or individual consideration amount to US \$62,835,222, including agency support costs.

II.1 Projects submitted and subsequently withdrawn

4. Table 2 presents a summary of the requests that were submitted by bilateral and implementing agencies to the 94th meeting, and subsequently withdrawn.

Table 2: Requests submitted and subsequently withdrawn

Projects and activities	No. of countries	No. of funding requests	Amount requested (US \$)
Preparation of stage III of an HPMP and/or investment-related activities	1	1	32,100
Total	1	1	32,100

Note: Funding amounts include agency support costs

II.2 Projects recommended for blanket approval

5. Table 3 presents a summary of requests recommended for blanket approval. Document UNEP/OzL.Pro/ExCom/94/16, considered under agenda item 9(c), includes additional information on those requests, the Secretariat's recommendation for the consideration of the Executive Committee, and an annex containing a full list of projects recommended for blanket approval.

Table 3: Requests recommended for blanket approval

Projects and activities	No. of countries	No. of funding requests	Amounts recommended (US \$)
Tranches of approved HPMPs	13	22	4,375,900
Preparation of stage II or III of HPMPs	3	3	173,000
Tranche of an approved HFC-23 emission control plan	1	1	288,954
Preparation of KIPs and/or investment-related activities	2	4	329,520
Renewal of IS projects	24	24	6,816,265
Additional activities to maintain energy efficiency in the servicing sector (decision 89/6) *	10	12	1,200,185
Pilot projects on energy efficiency (decision 91/65)	1	1	1,929,688
Preparation of pilot projects on energy efficiency in the servicing sector (decision 91/65)	2	2	67,800
Preparation of national inventories of banks of waste-controlled substances (decision 91/66)	25	25	2,418,400
Total		94	17,599,712

*Activities for eight of these countries (Belize, Eswatini, Lao People's Democratic Republic, Paraguay, Saint Lucia, Sri Lanka, Timor-Leste and Zambia) have been submitted as part of their HPMP tranche requests.

Note: Funding amounts include agency support costs.

II.3 Projects recommended for individual consideration

6. Table 4 presents a summary of requests submitted for individual consideration. More details on those projects and activities are contained in document UNEP/OzL.Pro/ExCom/94/17, considered under agenda item 9(d).

Table 4: Requests recommended for individual consideration

Projects and activities	No. of countries	No. of funding requests	Amounts recommended (US \$)	Amounts in principle (US \$)
Stage II/III of HPMPs	6	16	26,321,191	80,239,879
Tranches of approved HPMPs	5	9	12,547,867	
Verification of compliance of selected Article 5 countries with their HPMP Agreements	17	17	571,500	
Stage I of KIPs	16	28	4,048,039	6,936,031
Preparation of KIPs and/or investment-related activities	2	2	414,400	
New institutional strengthening projects	1	1	500,000	
Preparation of pilot projects on energy efficiency (decision 91/65)	1 and a global	2	112,350	
Pilot projects on energy efficiency (decision 91/65)	4	4	720,163	
Total		79	45,235,510	

Note: Funding amounts include agency support costs.

II.4 Verification of compliance of selected low-volume-consuming countries with their HCFC phase-out management plan Agreements

7. The Secretariat drew a sample of 17 low-volume-consuming (LVC) Article 5 countries to verify compliance with their HPMP Agreements in line with decision 61/46(c).² The selection criteria included proximity of the next tranche of the HPMP (2025 or 2026), any previous verification approved at least two years prior to the 94th meeting and completed, level of consumption and geographic distribution. The selected countries (seven in Africa, five in Latin America and the Caribbean, three in Asia and the Pacific, and two in Europe) are listed in table 5. In line with decision 92/21(c), relevant implementing agencies have included the related costs of verification in their respective work programmes submitted to the 94th meeting.

Table 5. Article 5 countries selected for the verification of compliance with their HPMP Agreements

No.	Country	HCFC baseline (mt)	Lead implementing agency	Next tranche request (year)
1	Angola	290.00	UNDP	2025
2	Bahamas (the)	87.55	UNEP	2025
3	Barbados	66.73	UNEP	2025
4	Burkina Faso*	525.13	UNEP	2026
5	Cambodia	272.21	UNEP	2025
6	Chad	292.70	UNEP	2025
7	Gabon*	548.95	UNEP	2026
8	Grenada	15.10	UNEP	2025
9	Guyana	31.02	UNEP	2025
10	Madagascar	302.94	UNEP	2025
11	Montenegro	13.88	UNIDO	2026
12	Mozambique	155.75	UNEP	2026
13	Nicaragua	118.36	UNEP	2026
14	North Macedonia	32.78	UNIDO	2026
15	Sierra Leone	30.37	UNEP	2026
16	Sri Lanka	235.20	UNDP	2026
17	Timor-Leste	9.08	UNEP	2025

*Non-LVC countries funded as LVC ones.

Recommendation

8. The Executive Committee may wish:

- (a) To note that relevant bilateral and implementing agencies have included in their 2024 work programmes, submitted to the 94th meeting, requests for funding the verification reports for HCFC phase-out management plans for Angola, the Bahamas, Barbados, Burkina Faso, Cambodia, Chad, Gabon, Grenada, Guyana, Madagascar, Montenegro, Mozambique, Nicaragua, North Macedonia, Sierra Leone, Sri Lanka and Timor-Leste; and
- (b) To consider the requests for funding associated with the verifications mentioned in subparagraph (a) above in the context of work programmes submitted by each relevant implementing agency under agenda item 9(d), Projects recommended for individual consideration.

² The Secretariat was requested to provide, at the first meeting of each year, a list representing 20 per cent of countries with an HCFC consumption baseline of up to 360 metric tonnes (mt), and with an approved HPMP, to approve funding to verify those countries' compliance with their HPMP Agreements for that year. Accordingly, at the first meeting of the year, the Executive Committee would request relevant bilateral and implementing agencies to include in their next work programme amendments funding for verification reports for the HPMPs selected; and at the second meeting of the year funding would be approved in the context of the work programme amendments.

III. Issues identified during the project review process

III.1 Calculation of the climate impact of activities in Kigali HFC implementation plans

9. At the 93rd meeting, the Secretariat informed the Executive Committee that it was in the process of updating the Multilateral Fund Climate Impact Indicator (MCII) model to enable the calculation of climate impact of HFC phase-down investment projects in the refrigeration and air-conditioning (RAC) manufacturing sectors. At the time of finalization of the present document, an expert consultant was in the process of finalizing the necessary changes to the model, including *inter alia* by adding the most commonly reported HFCs, blends and alternatives; linking the model to a commercially available thermodynamic database to enable more accurate and flexible model use; updating the heat transfer correction factors, and adding user-accessible heat exchanger coefficients.

10. The Secretariat is in the process of developing a methodology to estimate the avoided emissions from the implementation of HFC phase-down projects supported by the Multilateral Fund, which will *inter alia* use the updated MCII model. In particular, rather than reporting an annual climate benefit relative to the status quo, the Secretariat is reviewing the scientific literature and established methodologies to develop a methodology that will provide the avoided emissions from the implementation of HFC phase-down projects supported by the Multilateral Fund, including both investment projects and non-investment activities, and would calculate the climate benefits as the difference between a “world avoided,” i.e., a world where the HFC phase-down project had been implemented, and a business-as-usual scenario, which could also consider growth.

IV. Reports on the implementation of decisions and follow-up on previous discussions relating to project review

IV.1 Institutional strengthening renewal requests

11. The Secretariat reviewed the terminal reports and requests for the extension of institutional strengthening (IS) funding for 25 countries against relevant decisions, including decision 91/63(d) on the funding level for IS projects, and decision 91/63(c) on the requirement to use the revised format for terminal reports and requests for the extension of IS funding and the corresponding performance indicators. All requests were crosschecked against previous IS reports; progress reports on the implementation of CPs; data reported under Article 7 of the Montreal Protocol; the latest reports on the implementation of HPMPs; implementing agencies’ progress reports submitted to the 93rd meeting; and relevant decisions on compliance adopted by the Parties to the Montreal Protocol. Thirteen countries submitted the 2023 CP implementation data as at the date of issuance of the relevant work programme documents.³ All countries reported that they had achieved or partially achieved all applicable IS objectives. The Secretariat observed that there was a good level of consistency in the application of the performance indicators between the countries requesting IS funding. The Secretariat recommended all IS projects submitted to the 94th meeting for blanket approval.

12. In addition, the request submitted by UNEP for a new IS project for South Africa is presented for individual consideration under agenda item 9(d) and listed in table 2 of document UNEP/OzL.Pro/ExCom/94/17 (projects recommended for individual consideration).

³ As at 13 May 2024, CP implementation reports had not been received for Burundi, Chad, the Comoros, the Congo, the Democratic Republic of the Congo, Libya, Morocco, the Niger, Qatar, Sao Tome and Principe, Senegal, and Vanuatu.

IV.2 Funding withheld pending submission of verification reports or meeting specific conditions

13. At the 93rd meeting, the Executive Committee approved stage II of the HPMP for Mozambique and its first tranche on the understanding that the Treasurer would transfer the approved funds to UNEP and UNDP only after the Secretariat received confirmation that the equipment to be procured under the UNIDO stage I component had been distributed to the beneficiaries and relevant training had taken place (decision 93/44(e)(ii)). As of 13 May 2024, the funding was still being withheld.

14. At the 93rd meeting, the Executive Committee also approved the second tranche of stage II of the HPMP for Qatar on the understanding that the approved funds of US \$144,500, plus agency support costs of US \$18,785, would only be transferred by the Treasurer to UNEP after the Secretariat had confirmed that the country had implemented the commitments listed in decision 88/54(e)(i), (ii), and (iii) (decision 93/36(a)). At the time of finalization of the present document the Secretariat had not received an update on the status of implementation of those commitments.

15. With regard to the funding withheld by the Treasurer for the project preparation for the Kigali HFC implementation plan for Thailand approved at the 93rd meeting, subsequent to the ratification of the Kigali Amendment by the country, the Secretariat informed the Treasurer to disburse US \$200,000, plus agency support costs of US \$15,400 for the World Bank.