



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/94/15
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(b) of the provisional agenda¹

BILATERAL COOPERATION

1. This document provides an overview of requests from two bilateral agencies and whether these are eligible considering the maximum level of bilateral cooperation available for 2024 or the triennium 2024-2026. It cross-references the relevant meeting documents which include the discussion on the bilateral requests and contains the recommendation on the year of assignment for bilateral cooperation.

Overview

2. Thirteen projects at a total cost of US \$7,732,285 have been submitted to the 94th meeting as shown in table 1.

Table 1. Projects for bilateral cooperation submitted to the 94th meeting

Bilateral agency	Country	Project title	Funding requested (US \$)	Support costs requested (US \$)	Amount recommended* (US \$)	Considered under
Austria	China	HCFC phase-out management plan (stage II, fourth tranche) (room air-conditioning and heat pump water heaters (RAC) sector plan)	700,000	83,667	783,667**	ExCom/94/29
Subtotal			700,000	83,667	783,667	n/a
Germany	Brazil	HCFC phase-out management plan (stage II, sixth tranche)	872,727	97,129	969,856**	ExCom/94/25

¹ UNEP/OzL.Pro/ExCom/94/1

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.

Bilateral agency	Country	Project title	Funding requested (US \$)	Support costs requested (US \$)	Amount recommended* (US \$)	Considered under
Germany	Brazil	HCFC phase-out management plan (stage III, first tranche)	2,709,081	300,919	3,010,000**	ExCom/94/25
Germany	Burkina Faso	Kigali HFC implementation plan (stage I, first tranche)	603,800	71,416	183,625**	ExCom/94/26
Germany	Colombia ^a	HCFC phase-out management plan (stage III, second tranche)	216,792	28,183	244,975	Decision 93/35(a) ²
Germany	India ^a	Design and development of a pilot scale energy-efficient rotary compressor along with microchannel heat exchanger compatible with R-290 technology at Godrej & Boyce Mfg. Ltd., for use in manufacturing of room air conditioners	1,730,050	199,638	1,929,688	Decision 93/35(a) ²
Germany	Lesotho	HCFC phase-out management plan (stage II, second tranche)	162,400	20,545	182,945	ExCom/94/41
Germany	Liberia	Kigali HFC implementation plan (stage I, first tranche)	81,500	10,595	92,095**	ExCom/94/42
Germany	Mauritius	Preparation of national inventory of banks of waste-controlled substances and development of a national plan for management of these substances	90,000	11,700	101,700	Present document
Germany	Papua New Guinea	Preparation of a Kigali HFC implementation plan (stage I)	130,000	16,900	146,900**	Present document
Germany	Seychelles	Kigali HFC implementation plan (stage I, first tranche)	31,000	4,030	19,034**	ExCom/94/52
Germany	Sierra Leone	Preparation for a pilot project on energy efficiency	30,000	3,900	33,900	Present document
Germany	Uganda	Preparation for a pilot project on energy efficiency	30,000	3,900	33,900	Present document
Subtotal			6,687,350	768,855	6,948,618	n/a
Total			7,387,350	852,522	7,732,285	n/a

*Including support costs

** For individual consideration

^a Requests forwarded from the 93rd meeting presented in document UNEP/OzL.Pro/ExCom/93/32 and approved through decision 93/35(a) against Germany's 2024-2026 pledge.

² The Executive Committee decided to request the Treasurer to offset the costs of bilateral projects approved at the 93rd meeting as follows: (a) US \$1,548,940, including agency support costs, against the balance of the bilateral contribution of the Government of Germany for 2021–2023 and US \$2,174,663, including agency support costs, against its approved pledge for 2024–2026.

Allowable level of bilateral cooperation

3. The amount of funding being requested by the Governments of Austria and Germany at the 94th meeting, together with the funding approved for their requests during the 2024-2026 triennium, are shown in table 2. The requests by the respective Governments do not exceed the 20 per cent allowable level of bilateral cooperation for the 2024-2026 triennium.

Table 2. Funding levels as bilateral cooperation for 2024-2026 (US \$)

Agency	Funding			Allowable level 2024-2026 triennium
	Approved 2024-2026	Requested 94 th meeting	Total	
Austria	0	783,667	783,667	1,209,324
Germany	0	6,948,618	6,948,618	10,883,917

Bilateral requests

Project preparation of a Kigali HFC implementation plan

Project description

4. The Government of Germany submitted a request for the preparation of stage I of a KIP for Papua New Guinea as the designated implementing agency, at the funding level shown in table 1.

5. The Government of Germany, as the designated implementing agency, described the activities required for the preparation of the overarching strategy for the KIP for Papua New Guinea using the format for requests for project preparation for a KIP. Project preparation activities include a national survey and data collection on HFC consumption and sectoral analysis of the use of HFCs, HFC-based equipment and alternatives; regulatory and policy research; an assessment of training needs in the service sector; stakeholder workshops and consultations; gender mainstreaming considerations for project implementation; and the development of an overarching HFC phase down strategy.

6. The Government of Germany is submitting this request noting that the Government of Papua New Guinea approved the ratification of the Kigali Amendment as of 29 November 2023, but the instrument of ratification has not yet been deposited to the United Nations depositary.

Secretariat's comments

7. In reviewing the request, the Secretariat considered the guidelines for the preparation of KIPs as contained in decision 87/50; the activities proposed for project preparation and their connection with enabling activities and other HFC-related projects in the country. The Secretariat noted that the country had provided an endorsement letter signifying their intention to take action on HFC phase-down; and that the funding requested is in accordance with decision 87/50.

8. The Secretariat noted that while the Government of Papua New Guinea has approved the ratification of the Kigali Amendment, it is at the end of the process to deposit the instrument of ratification to the United Nations depositary, which is expected in the next quarter of this year. The Secretariat further noted that, the country has agreed to an early phase-out of HCFCs by 2025 and it is important for the country to continue its efforts made in achieving HCFC phase-out; and that there is an urgent need for the country to conduct a HFC baseline assessment not only to calculate the baseline consumption but also to understand what technology/equipment are currently in use in the country to allow for proper planning.

9. As the ratification of the Kigali Amendment is a prerequisite for considering funding for the preparation of the KIP, after discussion with the Government of Germany, taking into account the country's accelerated HCFC phase-out schedule, urgent need to prepare KIP and ratification of the Kigali Amendment

in the near future, it was agreed that the request is being included for individual consideration for conditional approval with the release of funding upon the Kigali Amendment ratification.

Secretariat's recommendation

10. The Executive Committee may wish to consider approving the project preparation for the Kigali HFC implementation plan for Papua New Guinea, in the amount of US \$130,000, plus agency support costs of US \$16,900, on the condition that funding would be disbursed by the Treasurer only after confirmation that the official instrument of ratification had been deposited with and received by the United Nations depositary, signifying the country's ratification of the Kigali Amendment.

Preparation of pilot projects to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down

Project description

11. The Government of Germany submitted two requests for project preparation for pilot projects to maintain and/or enhance the energy efficiency for Sierra Leone and Uganda as shown in table 1.³ The submissions were made in line with decision 91/65.

12. The project preparation requests for the two countries included a description of the project objectives, expected outcomes and activities for pilot demonstration of using energy-efficient, low-GWP cooling systems (R-290) in supermarkets to replace R-404A, HFC-134a and R-407A as applicable. Potential beneficiaries have been identified and preliminary discussions have been initiated.

13. As hydrocarbon (HC) technology for supermarkets is new to both Sierra Leone and Uganda, the projects would also establish national training centres of excellence for energy efficiency and HC-based commercial refrigeration, which would be equipped with demonstration units and all required tools. The project preparation for each country would involve confirming eligibility of the beneficiaries through a detailed technical assessment of the current installed cooling equipment, an assessment of local training institution and initial discussions, preparation of a detailed cost calculation and drafting the full project proposal. Both countries are characterized by numerous small and medium-sized individual supermarkets and while there are some large supermarket chains in Uganda, there are no large chains in Sierra Leone; in both cases, the resulting projects would compare the energy efficiency gains of using R-290 refrigeration systems with that using the existing HFC-based systems and the results of the pilot projects would be replicated throughout the country during stage I of the KIP.

Secretariat's comments

14. The Secretariat noted that both countries are low-volume-consuming countries and activities that would be appropriate for pilot projects under decision 91/65 had been clearly defined in paragraph (b)(i)d.⁴ for the servicing sector. It further noted that of the detailed projects of this nature they would usually be submitted without project preparation and be based on available information from the national ozone units. In response, the Government of Germany emphasized the need for project preparation funding noting that in most cases, beneficiaries have not been involved in any Montreal Protocol-related work, and data and awareness are lacking which are the basis for designing projects that would ensure greater participation

³ The Government of Germany indicated the agreement with the Government of the United Kingdom of Great Britain and Northern Ireland to accommodate these requests; however, at the time of writing this document, the Secretariat has not received the revised endorsement letters of Sierra Leone and Uganda.

⁴ Projects in the servicing sector including, but not be limited to, activities identified in decision 89/6(b) would be considered in priority in the context of Kigali HFC implementation plans (KIPs), except for those activities that had already been funded under decision 89/6(b) in the context of the HCFC phase-out management plan for the country in question.

from end-users and promote adoption of low-GWP refrigerant-based energy-efficient technologies. The Government of Germany further indicated that the projects to be developed will make use of experience gathered in the existing projects; however, it is still necessary to look into the specific aspects of each country's market as the supermarket sector is quite complex.

15. The Secretariat sought clarification on the request for project preparation for the pilot energy efficiency project in Sierra Leone, noting that stage I of the KIP for the country has been submitted for consideration at the present meeting and included a demonstration project that was developed as a part of the overarching KIP project preparation to support adoption of R-290-based refrigerant in commercial refrigeration. The Government of Germany indicated that although both pilot projects will be implemented in the commercial refrigeration sector, one of the focus sectors in the KIP, the demonstration purpose is different and the activities under both projects will complement each other. Within the KIP and due to limited budget, only the use of R-290 based monoblocks⁵ will be demonstrated while the present pilot project on supermarket conversion would include all relevant refrigeration applications. The Government of Germany also confirmed that the available data including that collected during the KIP preparation for the demonstration project are not sufficient to prepare the present project.

16. In the case of the request for Uganda, the Secretariat noted that stage I of the KIP for the country is expected to be submitted at the 95th meeting and enquired whether the preparation for the energy efficiency pilot project in the commercial refrigeration sector could be part of the preparation for the KIP. The Government of Germany indicated that the preparation of a full-fledged project proposal requires the input of an international consultant as the technology has not yet been used in the country, and such costs were not budgeted in the KIP preparation; thus, additional funding is required. With regard to using the process/mechanism available for awareness and adoption of HC refrigerants in the country, the Government of Germany indicated that although the country has a manufacturing facility for R-600a, the technology is rather different from the one needed for R-290. It further emphasized that awareness measures on flammability issues, even if they have been previously addressed, remain a crucial issue, and the adoption of R-290 technology needs support to address this issue through the project. It was also confirmed that the project to be developed would not overlap with the activities to be proposed in stage I of the KIP.

Secretariat's recommendation

17. The Secretariat recommends blanket approval for the requests for project preparation for pilot projects to maintain and/or enhance the energy efficiency through a demonstration of the use of energy efficient, low-global-warming-potential hydrocarbon systems in commercial refrigeration in Sierra Leone and Uganda, at the level of funding shown in table 1.

Preparation of a national inventory of banks of waste-controlled substances and development of a national plan for management of these substances⁶

Project description

18. The Government of Germany submitted a request for the preparation of a national inventory of banks of used or unwanted controlled substances and plan for Mauritius as the designated implementing agency, as shown in table 1.

⁵ Refrigeration equipment pre-charged with refrigerant and containing all components required for cooling (i.e., compressor, condenser, evaporator, expansion valves and fans) in a single unit.

⁶ Herein referred to as preparation of a national inventory of banks of used or unwanted controlled substances and plan.

Secretariat's comments

19. In reviewing the request, the Secretariat took into account the criteria for the preparation of a national inventory of banks of used or unwanted controlled substances and plan in decision 91/66 and the activities proposed for project preparation and their connection with national phase-out/phase-down plans (i.e., HPMP or KIP) in the country. The Secretariat noted that the funding request is in line with decision 91/66, and that as designated implementing agency, the Government of Germany provided a description of the activities required for the preparation of a national inventory of banks of used or unwanted controlled substances and plan for the Mauritius and the corresponding costs for each activity, using the relevant submission form for project proposals. The activities included the preparation of the national inventory, action plan and final report; consultations with relevant stakeholders; data collection and analysis on quantities of used or unwanted refrigerants from the identified types and sources of equipment; and gender mainstreaming considerations.

Secretariat's recommendation

20. The Secretariat recommends blanket approval for the preparation of a national inventory of banks of used or unwanted controlled substances and a plan for the collection, transport, and disposal of such substances for Mauritius at the level of funding shown in table 1.

Recommendation

21. The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 94th meeting as follows:

- (a) US \$XX (including agency support costs) against the balance of the bilateral contribution of the Government of Austria for 2024-2026; and
- (b) US \$XX (including agency support costs) against the balance of the bilateral contribution of the Government of Germany for 2024-2026.