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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Ninety-fourth Meeting  
Montreal, 27-31 May 2024  
Item 9(d) of the provisional agenda<sup>1</sup>

**PROJECT PROPOSAL: BANGLADESH**

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

Phase-out

- HCFC phase-out management plan (stage II, third tranche) UNDP and UNEP

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<sup>1</sup> UNEP/OzL.Pro/ExCom/94/1

## PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

## Bangladesh

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNDP (lead), UNEP	81 <sup>st</sup>	67.5% by 2025

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2022	46.86 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2023	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22				2.20	26.95				29.15
HCFC-123					0.05				0.05
HCFC-141b in imported pre-blended polyol		39.60							39.60

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	72.65	Starting point for sustained aggregate reductions:	72.65
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	48.54	Remaining:	23.08*

\* Excluding the remaining eligible consumption of HCFC-141b of 1.03 ODP tonnes as the Government has imposed a ban on imported bulk HCFC-141b.

(V) ENDORSED BUSINESS PLAN		2024	2025	2026	Total
UNDP	ODS phase-out (ODP tonnes)	4.37	0.00	0.00	4.37
	Funding (US \$)	1,146,189	0	0	1,146,189
UNEP	ODS phase-out (ODP tonnes)	0.49	0.22	0.00	0.71
	Funding (US \$)	135,896	61,266	0	197,162

(VI) PROJECT DATA*			2018	2019	2020-2021	2022	2023	2024	2025	Total
Montreal Protocol consumption limits (ODP tonnes)			65.39	65.39	47.22	47.22	47.22	47.22	23.61	n/a
Maximum allowable consumption (ODP tonnes)			50.86	50.86	47.22	47.22	30.50	26.50	23.61	n/a
Funding agreed in principle (US \$)	UNDP	Project costs	2,142,405	0	0	2,142,405	0	630,324	0	4,915,134
		Support costs	149,968	0	0	149,968	0	44,123	0	344,059
	UNEP	Project costs	360,000	0	0	0	0	174,680	0	534,680
		Support costs	46,333	0	0	0	0	22,482	0	68,815
Funds approved by ExCom (US \$)		Project costs	2,502,405	0	0	2,142,405	0	0	0	4,644,810
		Support costs	196,301	0	0	149,968	0	0	0	346,269
Total funds recommended for approval at this meeting (US \$)		Project costs	0	0	0	0	0	805,004	0	805,004
		Support costs	0	0	0	0	0	66,605	0	66,605

\*As reflected in the updated Agreement for consideration at the 94<sup>th</sup> meeting taking into account the return of funds from one enterprise withdrawing from the project and that the fourth and final tranche due at the 96<sup>th</sup> meeting in 2025 has been submitted to the 94<sup>th</sup> meeting.

<b>Secretariat's recommendation:</b>	Individual consideration
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## PROJECT DESCRIPTION

1. On behalf of the Government of Bangladesh, UNDP as the lead implementing agency has submitted a request for funding for the third tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$1,282,085, consisting of US \$1,071,204, plus agency support costs of US \$74,985, for UNDP and US \$120,400, plus agency support costs of US \$15,496, for UNEP.<sup>2</sup> The submission includes a progress report on the implementation of the second tranche, an interim verification report on HCFC consumption for 2022 and 2023, and the tranche implementation plan for 2024 to 2025.

### Report on HCFC consumption

2. The Government of Bangladesh reported under the country programme (CP) implementation report a consumption of 29.93 ODP tonnes of HCFCs in 2023, which is 58.8 per cent below the country’s HCFC baseline for compliance. The Article 7 data for 2023 has not been reported yet. The 2019-2023 HCFC consumption is shown in table 1.

**Table 1. HCFC consumption in Bangladesh (2019-2022 Article 7 data)**

HCFC	2019	2020	2021	2022	2023*	Baseline
<b>Metric tonnes (mt)</b>						
HCFC-22	875.51	844.97	852.72	849.96	543.18	825.86
HCFC-123	2.50	2.60	2.00	5.60	2.60	10.50
HCFC-124	0.00	0.00	0.00	0.00	0.00	3.18
HCFC-141b	0.00	0.00	0.00	0.00	0.00	193.00
HCFC-142b	9.77	0.00	0.00	0.00	0.00	88.04
<b>Total (mt)</b>	<b>887.78</b>	<b>847.57</b>	<b>854.72</b>	<b>855.56</b>	<b>532.30</b>	<b>1,120.58</b>
HCFC-141b in imported pre-blended polyols*	310.00	360.00	440.00	320.00	380.00	-
<b>ODP tonnes</b>						
HCFC-22	48.15	46.47	46.90	46.75	29.87	45.42
HCFC-123	0.05	0.05	0.04	0.11	0.05	0.21
HCFC-124	0.00	0.00	0.00	0.00	0.00	0.07
HCFC-141b	0.00	0.00	0.00	0.00	0.00	21.23
HCFC-142b	0.63	0.00	0.00	0.00	0.00	5.72
<b>Total (ODP tonnes)</b>	<b>48.84</b>	<b>46.53</b>	<b>46.94</b>	<b>46.86</b>	<b>29.93</b>	<b>72.65</b>
HCFC-141b in imported pre-blended polyols*	34.10	39.60	48.40	35.20	41.80	-

\* CP data. Levels reported in the present table are higher than CP data reported as use under the project evaluation sheet due to the inclusion of imports.

3. The consumption of HCFC-22, which had remained roughly at the same level between 2019 to 2022, experienced a significant decrease in 2023, largely attributed to a reduction in the manufacturing of HCFC-22-based air conditioners (ACs) and lower levels of service demand for HCFC-22-based equipment. The consumption of HCFC-123 observed a growth in 2022, mainly due to increased consumption in the servicing of refrigeration and air-conditioning (RAC) equipment, but returned to previous levels in 2023. Since 2019, there has been no consumption of HCFC-142b, which was used in the servicing sector. The overall reductions achieved are due to the enforcement of the licensing and quota system and the implementation of technical assistance activities under the HPMP. The consumption of HCFC-141b contained in imported pre-blended polyol increased between 2019 and 2021 due to growth in consumption by some manufacturers of polyurethane foam, yet decreased to previous level in 2022 and 2023; with the reduction in availability of HCFC-141b contained in imported pre-blended polyol, the industry is expected to adopt other alternatives.

<sup>2</sup> As per the letter of 14 March 2024 from the Department of Environment of the Ministry of Environment, Forest and Climate Change of Bangladesh to UNDP.

4. The primary ODS alternatives used in the country are R-410A, HFC-134a, and HFC-227ea; while the former two substances are consumed in RAC applications, the latter is used in fire-fighting applications. The consumption of R-410A is increasing due to the growth in demand for ACs in the country as well as cessation of HCFC-22-based air-conditioner manufacturing; HFC-32 is expected to grow with the completion of investment projects in the air-conditioning sector and market demand for HFC-32 in air-conditioning applications.

#### *Country programme implementation report*

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

#### *Verification report*

6. The Secretariat was informed that due to time constraints, the consultant was not able to visit all relevant sites and, therefore, submitted an interim verification report. The interim report confirmed that the Government was implementing a licensing and quota system for HCFCs effectively and that the actual import and consumption of HCFCs reported under Article 7 and CP implementation report for 2022 and 2023, respectively, were correct (as shown in table 1 above), and below the quotas established for those years. The interim verification concluded that Bangladesh was below the targets under the Montreal Protocol and the Agreement between the Government and the Executive Committee. The final verification report will be submitted before June 2024.

#### Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan

#### *Legal framework*

7. The Government of Bangladesh has established a comprehensive legal framework for the control of ODS. There were no institutional or regulatory changes since the last reporting period. The ODS Control Rules (amended in 2014) give full legal and policy support to the implementation of stage II of the HPMP and are aligned with the HCFC phase-out schedule, as well as various policy, regulatory, fiscal, awareness-raising, and capacity-building measures conducted by the Government.

8. The import of HCFC-141b in bulk has been banned since January 2014 following the conversion of HCFC-141b to cyclopentane technology in manufacturing insulation foam for refrigeration equipment at Walton Hi-Tech Industries. There is a provision in place banning the manufacturing of HCFC-22-based ACs for the six manufacturing enterprises funded under the HPMP in the memorandum of agreement (MOA) signed with the Government, which will take effect after the completion of the conversion projects. The Government had committed to prohibit the manufacturing HCFC-22-based ACs (with cooling capacity up to 1.5 tonne of refrigeration (TR)) from 1 January 2024. Due to delays in the conversion projects implemented in the manufacturing sector, the Government proposes to initiate the ban on 1 January 2026.

9. A total of 26 customs officers, including 12 females, have been trained. A consultant has revised the customs training curriculum to include a module on the Montreal Protocol based on UNEP's customs training manual, and the Department of Environment is following up with the Customs Academy for the integration of the updated curriculum.

#### *Manufacturing sector*

10. Stage II of the HPMP included the conversion of five air-conditioning manufacturing enterprises (AC Bazar Industries Ltd., Elite Hi-Tech, Supreme Air Conditioning Co., Unitech Products, and Walton Hi-Tech Industries), to R-290 for equipment with a capacity of less than 1.5 TR and to HFC-32 for those

with a capacity of more than 1.5 TR, and of one chiller enterprise, Cooling Point Engineering Services, to HFC-32.

11. Unitech Products is currently operationally closed due to changes in its ownership; therefore, it has withdrawn from the conversion project and the MOA was cancelled. Should it resume its operations, it would convert to HFC-32 with its own resources. With funds of US \$53,459, the enterprise had conducted a technology assessment and conversion plan; there remains an unspent balance of US \$440,880, which will be returned to the 94<sup>th</sup> meeting.

12. The conversion projects in the remaining enterprises were delayed mainly because of constraints imposed by the COVID-19 pandemic. The enterprises have completed milestone deliverables which include the development of prototypes, completion of trainings and safety audit. As a result, fund disbursement to these enterprises was completed by 31 December 2023.

#### *Refrigeration servicing sector*

13. A total of 36 capacity building workshops have been organized for the training of 1,735 RAC technicians, including seven females. A consultant was hired and has developed a good service practice training manual in the local language. A draft code of practice is being developed and is expected to be finalized by July 2024.

14. The national ozone unit (NOU) printed 4,500 copies of the good service practice training manual and 500 copies of the customs training manual. Those were partially distributed with the remaining to be distributed during upcoming trainings.

15. The list of tools to be procured was finalized. As earlier bids failed, the procurement process is ongoing with a request for proposal whose evaluation is in progress.

#### *Project implementation and monitoring*

16. The project implementation and monitoring unit (PMU) was formally established for stage II to assist in the implementation and monitoring of activities. Activities related to the PMU included two annual project steering committee meetings; recruitment of one expert in product design for validation and verification of line conversion projects; delivery of NOU and UNDP management reports; and continued field level monitoring of progress of the six companies. The PMU costs incurred amount to US \$190,308.

#### Level of fund disbursement

17. As of February 2024, of the US \$4,644,810 approved so far, US \$2,786,380 had been disbursed (US \$2,618,661 for UNDP and US \$167,719 for UNEP), as shown in table 2. The balance of US \$1,858,430 will be disbursed by the end of 2024.

**Table 2. Financial report of stage II of the HPMP for Bangladesh (US \$)**

Agency	First tranche		Second tranche		Total		
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Balance
UNDP	2,142,405	2,142,405	2,142,405	476,256	4,284,810	2,618,661	1,666,149
UNEP	360,000	167,719	0	0	360,000	167,719	192,281
<b>Total</b>	<b>2,502,405</b>	<b>2,310,124</b>	<b>2,142,405</b>	<b>476,256</b>	<b>4,644,810</b>	<b>2,786,380</b>	<b>1,858,430</b>
<b>Disbursement rate (%)</b>	92.3		22.2		60.0		

Implementation plan for the third tranche of stage II of the HCFC phase-out management plan

*Manufacturing sector*

18. Bangladesh will continue the conversion of the four air-conditioning manufacturing enterprises (excluding Unitech Products) and the chiller enterprise to HC-290/HFC-32. The activities planned to be implemented until June 2025 include certificates of new products and production capacity on new lines, dismantling of baseline equipment, and certificate of completion after verification by a third party (UNDP) (US \$543,054).

*Servicing sector*

19. The following activities will be implemented between July 2024 and December 2025:

- (a) Three capacity building sessions for a total of at least 75 customs and enforcement officers (including a target of 30 women); one refresher training for at least 20 customs trainers (including a target of eight women); one regional border dialogue for relevant government officers (UNEP) (US \$14,400);
- (b) Twenty training sessions for at least 800 RAC technicians on the safe adoption of HCFC alternatives and good servicing practices, and enhancing/maintaining energy efficiency of RAC equipment for formal and informal RAC technicians; two trainings of RAC trainers for at least 50 trainees; four awareness raising workshops for at least 120 teachers at technical institutes, diploma and engineering colleges on good servicing practices and safe use of alternatives (UNEP) (US \$70,000);
- (c) Two sensitization workshops for building sector stakeholders on the uptake of low-global-warming-potential (GWP) technologies while promoting the integration of sustainable cooling provisions in Green Building Codes; two consultations and awareness workshops for public procurement stakeholders and draft proposal for requirements/criteria in public procurement; review and gap analysis of minimum energy performance standards and labeling programme followed by recommendations for their strengthening, and including two consultation and awareness workshops (UNEP) (US \$15,000);
- (d) Development and dissemination of two awareness raising and education materials, including one audio visual content for broadcasting or distribution through social media; awareness and outreach activities including sensitization events and/or engagement through social media for selected sectors and end users (UNEP) (US \$21,000); and
- (e) Project monitoring (UNDP) (US \$87,270) with the following cost breakdown: project implementation and coordination (US \$67,270); project monitoring (US \$15,000); and capacity building (US \$5,000).

**SECRETARIAT'S COMMENTS AND RECOMMENDATION**

**COMMENTS**

Early submission

20. As per the Agreement between the Government of Bangladesh and the Executive Committee, the third tranche of stage II of the HPMP is only due at the 95<sup>th</sup> meeting. Upon request for clarification on the early submission, UNDP explained that the lengthy administrative approval processes could result in delays

in the disbursement of funds for the conversion activities in the air-conditioning manufacturing sector, which are expected to be completed by June 2025. Therefore, a submission in advance of the scheduled date would help in preventing such delays and ensure timely completion of the remaining activities.

21. The funding schedule in the Agreement for stage II of the HPMP further includes the fourth and last tranche for UNEP only in the amount of US \$54,280 that is due at the last meeting of 2025. In order to avoid delays in availability of funds and implementation that could result from the lengthy administrative processes, and upon consultation with the Secretariat, UNEP also submitted a request for releasing the funding associated with the last tranche in advance of the scheduled date; ~~in order to~~ this would provide momentum and expedite implementation of the remaining activities under the UNEP component. These activities, planned to be completed by December 2026, include development and publication of the fourth edition of the customs training manual covering additional policies and regulations for the control and monitoring of HCFCs, including translation (US \$3,600); 12 training workshops for a total of 480 technicians on good servicing practices and safe use of alternatives to HCFCs (US \$36,000); sensitization of national stakeholders involved in public procurement on the adoption of HCFC-free low-GWP energy-efficient refrigerant-based technologies (US \$10,000); and an awareness and outreach programme on the implementation of the HPMP including availability of low-GWP alternatives (US \$4,680). Noting that the project activities are progressing satisfactorily following recovery from the COVID-19 pandemic and to ensure timely completion of stage II of the HPMP, the Executive Committee may wish to consider approving the fourth and last tranche for UNEP at the present meeting.

Implementation of the recommendations from the verification report on HCFC consumption for 2019 to 2021 (decision 92/9)<sup>3</sup>

22. The Government of Bangladesh confirmed that the recommendations included in the verification report on HCFC consumption for 2019 to 2021 relating to the issue of quota and use of tools developed by UNEP for accurate calculation of ODP and GWP were implemented. On the prohibition of import of equipment containing ODS, the Government would issue a ban on HCFC-based air-conditioning equipment by the middle of 2025. Further, the procurement process for identifiers is in progress.

Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan

*Legal framework*

23. The Government of Bangladesh would issue HCFC import quotas for 2024 in accordance with the Montreal Protocol control targets (i.e., 26.5 ODP tonnes) after necessary administrative approvals and following similar practice in the past.

24. The Secretariat requested explanations on the postponement to 1 January 2026 of the implementation of the prohibition on the manufacturing of HCFC-22-based ACs. UNDP explained that due to the constraints imposed by the COVID-19 pandemic and resulting delays in the supply of equipment for the manufacturing of ACs based on alternatives, the conversion projects experienced delays. The enterprises are currently manufacturing equipment mainly using R-410A and with small quantities of HCFC-22. Following additional consultations with the Government, UNDP informed that the Government proposes to implement a prohibition by 1 July 2025.

25. Regarding the import of HCFC-141b contained in imported pre-blended polyol, UNDP informed that the Government does not have a confirmed plan for implementing a prohibition on such import; the

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<sup>3</sup> To request UNDP to report on the progress of implementation of the verification recommendations as part of the progress report on the second tranche of stage II of the HPMP for Bangladesh, to be submitted with the request for the third tranche.

use of HCFC-141b contained in imported pre-blended polyol in the foam sector will cease with decreasing supply of this substance on account of closure of lines manufacturing products using HCFC-141b.

### Implementation plan for the third and final tranche of stage II of the HCFC phase-out management plan

#### *Manufacturing sector*

26. The Secretariat had discussions relating to the completion of the conversion projects in the manufacturing sector noting that, although they had been delayed due to constraints imposed by the COVID-19 pandemic, activities in five of the six enterprises were progressing and four milestones were achieved. UNDP informed that based on the current plans, the conversion projects would be completed by June 2025; to secure a smooth transition, the Government would closely monitor conversion to R-290 to ensure that adoption of alternatives in the market is handled in a safe manner.

27. The Secretariat noted that the delays in the conversion in the manufacturing enterprises had resulted in high levels of consumption of R-410A in both the manufacturing and servicing of air-conditioning equipment, and that this could pose challenges in HFC phase-down activities. Currently, there are no policies in place relating to the import, manufacturing, and sale of R-410A-based ACs. UNDP explained that the AC manufacturing enterprises including those funded under the project are manufacturing R-410A-based equipment due to the high market demand for ACs in the country. The five enterprises (excluding Unitech Products) supported under stage II would convert those manufacturing lines to R-290/HFC-32 as approved under the project, by 1 June 2025; in their already existing lines that are manufacturing air-conditioning equipment using R-410A, they would continue to manufacture R-410A-based ACs to cater to the market demand. The Government will be implementing awareness and information outreach programmes to promote the adoption of HFC-32-/R-290-based technologies in air-conditioning applications and would closely monitor implementation for expeditious completion of the conversion projects. The R-410A manufacturing capacity in the air-conditioning sector would be addressed under stage I of the Kigali HFC implementation plan (KIP) that is expected to be submitted to the 95<sup>th</sup> or 96<sup>th</sup> meeting and in accordance with the compliance obligations of the Government of Bangladesh under the Kigali Amendment.

28. Noting that the use of R-410A in AC manufacturing could extend beyond the completion of the conversion projects, the Secretariat discussed in detail the sustainability of conversion to alternative technologies. Based on the discussions, UNDP confirmed that all five enterprises funded under the conversion projects will continue to manufacture ACs using R-290/HFC-32 as the refrigerant, at least at the quantities equivalent to the manufacturing capacity of the respective plants. The Government of Bangladesh would report the quantity of ACs manufactured by each of the five enterprises using R-290/HFC-32 as the refrigerant, each year during the 2025-2027 period, at the first meeting of every following year. This would help in monitoring the sustainability of conversion of the enterprises in the air-conditioning sector after completion of the projects.

29. The Government of Bangladesh, through its letter dated 14 March 2024, had requested the use of the funding balances (US \$440,880) for service sector activities under stage III of the HPMP, which is expected to be submitted to the 95<sup>th</sup> meeting. Following consultations between the Secretariat and UNDP on this matter, it was agreed that the balance would be deducted from the funding associated with the UNDP component of the present tranche request.

#### Gender policy implementation

30. In line with decisions 84/92(d) and 90/48(c), the Government of Bangladesh is implementing the operational policy on gender mainstreaming. Data on women participation is collected during different meetings. Though challenges are faced in increasing women participation in training activities under the servicing sector, the Government and UNDP are taking different steps during project implementation,



including awareness and outreach on implementation requirements of the gender mainstreaming policy, to encourage women participation in training and capacity building activities under stage II. The agencies and the NOU are aware of decision 92/40 to include the mandatory requirements and performance indicators;<sup>4</sup> these would be included when submitting the requests for stage III of the HPMP and the KIP.

### Updated Agreement

31. In view of the return of balances from one air-conditioning manufacturing enterprise and early approval at the current meeting of the fourth and last tranche of stage II of the HPMP for UNEP, the Agreement between the Government of Bangladesh and the Executive Committee has been updated. Specifically, Appendix 2-A has been revised and paragraph 17 has been updated to indicate that the revised updated Agreement supersedes that reached at the 90<sup>th</sup> meeting, as contained in annex I to the present document. The full revised updated Agreement will be appended to the final report of the 94<sup>th</sup> meeting.

### Sustainability of the HCFC phase-out and assessment of risks

32. The Government would minimise risks of non-conversion to the proposed alternatives (i.e., HFC-32/R-290) through close follow-up with the enterprises on the completion of conversion projects. The training of technicians on using flammable alternatives in air-conditioning applications also facilitates the adoption of ACs based on flammable refrigerants and safer installation and servicing practices. The implementation of awareness and outreach programmes aimed at reducing the use of high-GWP refrigerants in air-conditioning applications is expected to result in higher levels of adoption of lower-/low-GWP refrigerant-based equipment. In the case of the foam sector, the non-availability and high price of HCFC-141b are expected to result in enterprises switching to alternatives. The risks of high growth in R-410A are expected to be addressed during stage I of the KIP and other activities implemented under stage II of the HPMP to promote the adoption of low-GWP alternatives in residential air-conditioning. The activities planned under the KIP would further promote the adoption of sustainable technologies in different refrigeration, air-conditioning and heat-pump applications.

### Conclusion

33. The Government of Bangladesh continues to effectively implement its HCFC import and export licensing and quota system and is in compliance with its HCFC consumption targets based on the data reported under the 2023 CP implementation report. The conversion of the five enterprises to R-290 and HFC-32 is progressing and with the completion of activities relating to the development of prototypes, completion of training and safety audit, the air-conditioning manufacturing conversion projects are expected to be completed by 30 June 2025. As Unitech Products decided to withdraw from the project, the funds balance associated with its conversion would be deducted from the funds approved for UNDP under the current tranche. The disbursement rate for the second tranche has exceeded the 20 per cent disbursement threshold. The provisional verification report on HCFC consumption for 2022 and 2023 has been submitted and shows that the country is in compliance with its HCFC consumption targets under the Montreal Protocol and the Agreement for stage II of its HPMP. The final verification report is expected to be submitted by June 2024. Keeping in view the time needed for obtaining administrative approval of project funding and to ensure expeditious completion of stage II, the Government of Bangladesh is requesting the third tranche in advance of the scheduled date; these funds would be utilized in completing the air-conditioning conversion projects by June 2025 and other activities relating to the service sector by the end of 2026. Bangladesh, through UNEP, is also requesting the fourth and last tranche due in 2025 in advance of the scheduled date; this will allow the country to implement the activities of the tranche once approved, and the remaining activities from the previous tranche based on the updated work plan submitted. Stage III of the HPMP is expected to be submitted to the 95<sup>th</sup> meeting and stage I of the KIP to the 95<sup>th</sup> or 96<sup>th</sup> meeting.

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<sup>4</sup> Annex XXII of document UNEP/OzL.Pro/ExCom/92/56.

## RECOMMENDATION

34. The Executive Committee may wish to consider:

(a) Noting:

- (i) The progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Bangladesh;
- (ii) That the Government of Bangladesh would implement a prohibition on import and manufacturing of residential air-conditioners using HCFC-22 by 1 July 2025;
- (iii) That the enterprise Unitech Products had withdrawn from the conversion project in the manufacturing sector and that the funds associated with its conversion in the amount of US \$440,880, plus agency support costs of US \$30,862 would be deducted from the approval for UNDP of the third tranche of stage II of the HPMP;
- (iv) The request from UNEP to release in advance of the scheduled date, the funding associated with the fourth and final tranche of stage II of the HPMP that was due at the last meeting of 2025, in the amount of US \$54,280, plus agency support costs of US \$6,986; and
- (v) That the Fund Secretariat has updated the Agreement between the Government of Bangladesh and the Executive Committee, as contained in annex I to the present document, specifically: Appendix 2-A, to reflect advancing the 2025 tranche by a year referred to in subparagraph (a)(iv) above; and the deduction of funds from the third tranche referred to in subparagraph (a)(iii) above; and paragraph 17 that has been updated to indicate that the revised updated Agreement supersedes that reached at the 90<sup>th</sup> meeting;

(b) Also noting:

- (i) That all the enterprises funded under the air-conditioning sector conversion project, excluding Unitech Products, would continue to manufacture air-conditioners using R-290/HFC-32 as the refrigerant, at least at the quantities equivalent to the manufacturing capacity of the air-conditioners at the respective plants funded under that project; and
  - (ii) That the Government of Bangladesh, through UNDP, would report the quantity of air-conditioners manufactured by each of the enterprises funded under the air-conditioning sector conversion project using R-290/HFC-32 as the refrigerant, excluding Unitech Products, each year during the period 2025-2027, at the first meeting of every following year;
- (c) Requesting the Government of Bangladesh, UNDP and UNEP to submit on a yearly basis, progress reports on the implementation of the work programme associated with the final tranche through completion of the project and verification reports until approval of stage III; and
- (d) Approving the third and final tranche of stage II of the HPMP for Bangladesh, and the corresponding 2024-2026 tranche implementation plan, in the amount of US \$871,609

consisting of US \$630,324, plus agency support costs of US\$44,123, for UNDP and US \$174,680, plus agency support costs of US \$22,482, for UNEP.



**Annex I**

**TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BANGLADESH 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 **revised** updated Agreement supersedes the Agreement reached between the Government of Bangladesh and the Executive Committee at the **90<sup>th</sup>** meeting of the Executive Committee.

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

Row	Particulars	2018	2019	2020-2021	2022	2023	2024	2025	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	65.39	65.39	47.22	47.22	47.22	47.22	23.61	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	50.86	50.86	47.22	47.22	30.50	26.50	23.61	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	2,142,405	0	0	2,142,405	0	<b>630,324</b>	0	<b>4,915,134</b>
2.2	Support costs for Lead IA (US \$)	149,968	0	0	149,968	0	<b>44,123</b>	0	<b>344,059</b>
2.3	Cooperating IA (UNEP) agreed funding (US \$)	360,000	0	0	0	0	<b>174,680</b>	0	534,680
2.4	Support costs for Cooperating IA (US \$)	46,333	0	0	0	0	<b>22,482</b>	0	68,815
3.1	Total agreed funding (US \$)	2,502,405	0	0	2,142,405	0	<b>805,004</b>	0	<b>5,449,814</b>
3.2	Total support costs (US \$)	196,301	0	0	149,968	0	<b>66,605</b>	0	<b>412,874</b>
3.3	Total agreed costs (US \$)	2,698,706	0	0	2,292,374	0	<b>871,609</b>	0	<b>5,862,689</b>
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								18.86
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								3.48
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								23.08
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)								20.20
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)*								1.03
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)								5.15
4.3.2	Phase-out of HCFC-142b to be achieved in the previous stage (ODP tonnes)								0.57
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)								0.00
4.4.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.4.2	Phase-out of HCFC-123 to be achieved in the previous stage (ODP tonnes)								0.21
4.4.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)								0.00
4.5.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)								0.00
4.5.2	Phase-out of HCFC-124 to be achieved in the previous stage (ODP tonnes)								0.07
4.5.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)								0.00

Date of completion of stage I as per stage I Agreement: 1 January 2018

\* Consumption of HCFC-141b is nil as the Government has imposed a ban on imported bulk HCFC-141b.