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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 agenda¹

PROJECT PROPOSAL: THE COMOROS

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, first tranche) UNEP

¹ UNEP/OzL.Pro/ExCom/94/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

The Comoros

(I) PROJECT TITLE	AGENCY
HCFC phase-out plan (stage II)	UNEP

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2022	0.03 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2022		
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.03				0.03

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	0.14	Starting point for sustained aggregate reductions:	0.14
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	0.05	Remaining:	0.09

(V) ENDORSED BUSINESS PLAN		2024	2025	2026	Total
UNEP	ODS phase-out (ODP tonnes)	0.0	0.0	0.0	0.0
	Funding (US \$)	213,309*	0	122,040	335,349

* Including US \$113,000 for additional activities to maintain energy efficiency in line with decision 89/6

(VI) PROJECT DATA			2024	2025	2026	2027-2029	2030	Total
Montreal Protocol consumption limits (ODP tonnes)			0.09	0.04	0.04	0.04	0	n/a
Maximum allowable consumption (ODP tonnes)			0.09	0.04	0.04	0.04	0	n/a
Costs requested in principle (US \$)	UNEP	Project costs	150,000	0	235,500	0	42,000	427,500
		Support costs	19,500	0	30,615	0	5,460	55,575
Amounts recommended in principle (US \$)	Total project costs		150,000	0	235,500	0	42,000	427,500
	Total support costs		19,500	0	30,615	0	5,460	55,575
	Total funds		169,500	0	266,115	0	47,460	483,075

(VII) Request for approval of funding for the first tranche (2024)		
Implementing agency	Funds recommended (US \$)	Support costs (US \$)
UNEP	150,000	19,500

Secretariat's recommendation:	Individual consideration (Secretariat presentation not required)
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PROJECT DESCRIPTION

Background

1. On behalf of the Government of the Comoros, UNEP as the designated implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP) in the amount of US \$427,500, plus agency support costs of US \$55,575, as originally submitted.² The submission includes the verification report on the country's HCFC consumption from 2018 to 2022. The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.
2. The first tranche of stage II being requested at this meeting amounts to US \$150,000, plus agency support costs of US \$19,500 for UNEP, as originally submitted.

Status of implementation of stage I of the HCFC phase-out management plan

3. Stage I of the HPMP for the Comoros was approved at the 64th meeting³ to phase out 0.05 ODP tonnes of HCFC-22 used in the refrigeration and air-conditioning (RAC) servicing sector and to meet the 35 per cent reduction from the baseline by 2020 at a total cost of US \$160,000, plus agency support costs. Stage I was completed in December 2022, in line with decision 87/28 allowing for the extension of the date of completion stipulated in the Agreement between the Government of the Comoros and the Executive Committee, and the project completion report was submitted to the Secretariat on 25 June 2023.

Report on HCFC consumption

4. The Government of the Comoros reported a consumption of 0.03 ODP tonnes of HCFC in 2022, which is 79 per cent below the country's HCFC baseline for compliance. Article 7 data and country programme (CP) data for 2023 have not been reported yet. The 2019-2022 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in the Comoros (2019-2022 Article 7 data)

HCFC-22	2019	2020	2021	2022	Baseline
Metric tonnes (mt)	0.92	0.85	0.70	0.60	2.48
ODP tonnes	0.05	0.05	0.04	0.03	0.14

5. The only HCFC consumed in the country is HCFC-22 used in the RAC servicing sector. Consumption over the past five years has been steadily decreasing as a result of activities carried out under stage I of the HPMP, in particular due to the successful implementation of a licensing and quota system, the training of customs officers, capacity building for refrigeration technicians, the sensitization of importers, the adoption of alternatives to HCFCs in RAC applications, and the effective application and monitoring of regulations on ozone-depleting substances (ODSs).

Country programme implementation report

6. The Government of the Comoros reported its HCFC sector consumption data under the 2022 CP implementation report, consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

7. The verification report confirmed that the Government was implementing a licensing and quota system for HCFC imports and exports, and that the total consumption of HCFCs reported under Article 7

² As per the letter of 31 January 2024 from the Ministry of Agriculture, Fisheries, the Environment, Tourism and Craftsmanship of the Comoros to the Secretariat.

³ Decision 64/30

of the Montreal Protocol for 2018 (0.06 ODP tonnes) to 2022 was correct (as shown in table 1 above). The verification concluded that the country complied with both the Montreal Protocol reduction schedule and the maximum allowable consumption of Annex C, Group I substances in the 2018-2022 period, and that the monitoring system established by the national ozone unit (NOU) was effective.⁴

Status of progress and disbursement

Legal framework

8. The import of all ODSs except HCFCs has been banned since 2010. As corroborated by the verification report, the country's HCFC import/export licensing and quota system is well established and operational. The NOU has collaborated with the Customs Department on issues related to ODS control measures, cross-checking licensing-related information through regular stakeholder meetings and *ad hoc* consultations. The creation of an online platform to facilitate information sharing and the monitoring of imports by the Customs Department, the Trade Department and the NOU, initially planned to be completed by 1 January 2022, remains to be implemented, and is currently expected to be completed by December 2024.

9. In 2022, the international harmonized system (HS) codes were adopted for customs declarations. Training on the identification and control of HCFCs and HCFC-based equipment, monitoring of the licensing and quota system and record-keeping was provided to 347 customs and enforcement officers and clearing agents (including 66 women), and refrigerant identifiers were procured and delivered to trainees and the Customs Department in each of the country's three islands. Awareness-raising activities for importers and the public were undertaken to ensure the implementation of the bans and to help prevent illegal trade.

10. Following the ratification of the Kigali Amendment on 16 November 2017, the Government of the Comoros has committed to ensuring a simultaneous and sustainable implementation of its HCFC phase-out and HFC phase-down plans.

Refrigeration servicing sector

11. The country's only centre of excellence, the National School of Technical and Vocational Training (ENTP), was strengthened through provision of tools and equipment,⁵ technical assistance and support in the development of a comprehensive training programme on compliance obligations under the Montreal Protocol, including those related to HCFCs. In collaboration with the National Refrigeration Association, training on good servicing practices, including the safe handling of flammable refrigerants based on hydrocarbons (HCs), was provided to 25 RAC instructors and 359 technicians, including three women, both from the formal and informal sectors. Selected workshops and technicians were equipped⁶ and played a complementary role in disseminating information on HCFC phase-out to consumers by way of providing advice on the currently acceptable equipment and refrigerants. Awareness-raising activities on ozone-related issues were carried out by the NOU, and the media were used to disseminate relevant information.

Project coordination and monitoring

12. Project coordination was undertaken by the NOU with support from the Ozone Steering Committee and the assistance of consultants. Expenditures for stage I amounted to US \$33,000, including US \$20,000 for two locally recruited consultants, US \$7,000 for monitoring-related travel, and US \$6,000 for workshops and meetings.

⁴ Refer to paragraph 27 on the verification report.

⁵ Including portable recovery units, leak detectors, refrigerant identifiers and vacuum pumps.

⁶ With similar tools and equipment as the ENTP.

Status of fund disbursement

13. As of March 2024, the total sum of US \$160,000 approved for UNEP for the implementation of stage I had been disbursed.

Stage II of the HCFC phase-out management planRemaining consumption eligible for funding

14. After deducting 0.05 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding amounts to 0.09 ODP tonnes of HCFC-22, which will be fully phased out in stage II.

Sector distribution of HCFCs

15. There are approximately 402 technicians (252 of them informal) and 115 RAC workshops (80 of which are unregistered) operating in the servicing sector. Most formal technicians have been trained abroad, as there is only one vocational school in the country providing training on refrigeration. Only medium-sized and large RAC enterprises have access to equipment necessary to service appliances based on alternative refrigerants.

16. HCFC-22 is consumed in the servicing of unitary and split residential air-conditioning (AC) units and commercial refrigeration systems such as cold rooms. Table 2 shows the estimated demand for HCFC-22 per application type, based on the available data on leakage rates and the servicing needs of installed RAC equipment.

Table 2. Estimation of demand for HCFC-22 in the RAC servicing sectors in the Comoros

	Room AC (unitary and split)	Commercial refrigeration (cold rooms)	Total
Equipment inventory (units)	6,250	420	6,670
Serviced equipment rate	5%	50%	-
Serviced equipment (units)	313	210	325
Average refrigerant charge per equipment type	1.5 kg	5 kg	-
Refrigerant charge of all serviced equipment	469.5 kg	1,050 kg	1,519.5 kg
Estimated leakage rate	30%	40%	-
Annual need for servicing	140.8 kg	420 kg	560.8 kg
	0.14 mt	0.42 mt	0.56 mt

17. HCFC-22 represents approximately 5.3 per cent of all refrigerants consumed in the sector, while HFC-134a represents 28.4 per cent, followed by R-404A (20.4 per cent), R-600a (18.6 per cent), and others (including R-407C and R-410A) representing the remaining 27.3 per cent.

Phase-out strategy

18. Building on the infrastructure and technical capacity created under stage I, stage II of the HPMP will focus on eliminating the remaining consumption of HCFC-22 in the refrigeration servicing sector through strengthened monitoring and control measures, continued capacity building for customs and enforcement officers, further training and certification of refrigeration technicians, provision of tools to servicing workshops, and raising public awareness on alternative technologies.

Proposed activities

19. Stage II proposes the following activities to be implemented by UNEP:

- (a) *Strengthening of the monitoring and enforcement of control measures and capacity building for customs and enforcement officers:* Review and updating of the existing regulations and drafting of new regulations taking into account new technologies and substances alternative to HCFCs; banning the import of HCFC-based equipment by January 2027; training of 15 customs trainers (five from each island) by a national expert, and organization of 18 training workshops (six in each island) for a total of 270 customs and other enforcement officers and clearing agents on the identification and control of HCFCs, HFCs and related equipment; procurement and delivery of five refrigerant identifiers to the NOU; and facilitation of dialogue, coordination and collaboration among the country's three islands on the HPMP implementation (US \$170,500); and
- (b) *Technician training, establishment of a certification scheme and provision of equipment to the centre of excellence:* Development of regulatory standards and protocols on the use of flammable and toxic substances in RAC equipment; establishment of a certification scheme for servicing technicians, including training on international standards and safe handling of F-gases, stakeholder consultations, and certification of 30 technicians (six certifiers that will certify another 24 technicians); organization of 21 training workshops (seven per island) to train 315 technicians in good servicing practices, brazing and the safe handling of HCs; procurement and distribution of 20 toolkits⁷ and equipment for refrigerant recovery and leak detection to selected RAC workshops and the ENTP; strengthening of the RAC association and the ENTP through training of trainers, including on the use of equipment; and encouraging young women to work in the sector through awareness-building activities, including recognition of women in the sector and media campaigns (US \$229,000).

Project implementation and monitoring

20. The system established under stage I of the HPMP will continue into stage II, with the NOU and UNEP monitoring activities, reporting on progress, and working with stakeholders to phase out HCFCs. The cost of those activities amounts to US \$28,000, including two locally recruited consultants (US \$16,000), monitoring-related travel (US \$6,000), workshops, meetings and follow-up activities (US \$6,000).

Gender policy implementation

21. In line with decisions 84/92(d), 90/48(c) and 92/40(b), activities implemented under stage II of the HPMP will promote an increased involvement of women in the sector, *inter alia* through ensuring their participation in training and capacity-building activities. The expertise of established organizations centering women, such as community-based organizations, women's associations and non-governmental organizations, will be sought to design gender-balanced activities. Meetings and training workshops will incorporate sensitization sessions on the importance of gender mainstreaming, and communication and awareness-building activities targeting women as a specific audience group will be carried out. Gender-disaggregated data will be used for monitoring project performance by the NOU, consultants, trainers and trainees, and for the evaluation of impact.

22. An outreach and awareness-raising activity to encourage women to join the RAC sector will take place through the media, public forums and information sessions, where women technicians will be acknowledged and will share their experience to encourage other women's participation. UNEP clarified that the NOU would conduct a gender assessment during the implementation of the first tranche, using

⁷ Including recovery units, bypasses with interchangeable scales for HCFC-22, HFC-134a and R-600a, hoses, valve removal tools, inspection mirrors, flares, pipe wrenches, tube cutters, electronic thermometers, ratchet spanners and bending springs.

funding from the institutional strengthening project. Recommendations from the assessment will be implemented within the stage II budget.

Total cost of stage II of the HCFC phase-out management plan

23. The total cost of stage II of the HPMP for the Comoros has been estimated at US \$427,500 (plus agency support costs), as originally submitted, for achieving a 67.5 per cent reduction from its HCFC baseline consumption by 2025 and a 100 per cent reduction by 2030. The proposed activities to be implemented by UNEP and their cost breakdown are summarized in paragraphs 19 and 20 above, and presented in table 3 below.

Table 3. Total cost of stage II of the HPMP for the Comoros (as submitted)

Activity	Cost (US \$)
I. Strengthening of the monitoring and control measures and capacity building for customs and enforcement officers	
Review and updating of the existing regulations and drafting of new regulations regarding refrigerants alternative to HCFCs	15,000
Training of 15 customs trainers in 3 workshops	10,000
Training of 180 customs and enforcement officers and clearing agents in 18 workshops on the identification and control of HCFCs, HFCs and related equipment	95,500
Procurement and delivery of 5 refrigerant identifiers to the NOU	30,000
Facilitation of dialogue, coordination and collaboration among the country's islands	20,000
Subtotal I	170,500
II. Technician training, certification scheme and provision of equipment	
Development of regulatory standards and protocols on the use of flammable and toxic substances in RAC equipment	30,000
Establishment of a certification scheme for RAC servicing technicians, including training on international standards and safe handling of F-gases, stakeholder consultations, and certification of 30 technicians	30,000
Training of 315 RAC technicians in 21 workshops on good servicing practices, brazing and the safe handling of HCs	101,000
Procurement and distribution of 20 toolkits and equipment for refrigerant recovery and leak detection to selected RAC workshops and the ENTP	20,000
Strengthening of the RAC association and the ENTP through training of trainers, including on the use of equipment	30,000
Promoting the participation of young women in the sector through awareness-building activities and training	18,000
Subtotal II	229,000
III. Project implementation and monitoring	
Consultants, monitoring-related travel, meetings, and follow-up activities	28,000
Subtotal III	28,000
Total	427,500

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

24. The first funding tranche of stage II of the HPMP in the total amount of US \$150,000 will be implemented by UNEP between June 2024 and December 2026 and will include the following activities:

- (a) *Strengthening of the monitoring and control measures and capacity building for customs and enforcement officers*: Review and updating of the existing regulations and drafting of new regulations regarding refrigerants alternative to HCFCs; training of six customs trainers, holding six training workshops to train 90 customs and enforcement officers and clearing agents on the identification and control of HCFCs, HFCs and related equipment; and facilitation of dialogue, coordination and collaboration among the country's three islands on the HPMP implementation (US \$51,000);

- (b) *Technician training, certification scheme and provision of equipment:* Commencement of the development of standards and protocols on the use of flammable and toxic refrigerants in the RAC servicing sector; initial study of the situation and needs for setting up a technician certification scheme and organization of stakeholder consultations on the certification scheme; training of 68 technicians in six workshops on good servicing practices, brazing and the safe handling of HCs; procurement and distribution of eight toolkits and equipment for refrigerant recovery and leak detection (six to selected RAC workshops and two to the ENTP); and encouraging young women to work in the sector through awareness-building activities including media campaigns (US \$89,000); and
- (c) *Project implementation and monitoring:* Recruitment of local consultants, monitoring-related travel, meetings and follow-up activities (US \$10,000).

25. The cost breakdown of activities planned in the first tranche is presented in table 4.

Table 4. Activities planned for implementation under the first tranche of stage I of the HPMP

Activity	Cost (US \$)
I. Strengthening of the monitoring and control measures and capacity building for customs and enforcement officers	
Review and update the existing regulations and draft new regulations regarding refrigerants alternative to HCFCs	5,000
Train 6 customs trainers	5,000
Train 90 customs and enforcement officers and clearing agents in 6 training workshops on the identification and control of HCFCs, HFCs and related equipment	35,000
Facilitate dialogue, coordination and collaboration among the country's islands	6,000
Subtotal I	51,000
II. Technician training, certification scheme and provision of equipment	
Initiate the development of standards and protocols on the use of flammable and toxic refrigerants in the RAC servicing sector	10,000
Undertake initial assessment of the situation and needs for setting up a technician certification scheme and hold stakeholder consultations on the certification scheme	15,000
Train 68 technicians in six workshops on good servicing practices, brazing and the safe handling of HCs	34,000
Procure and distribute 8 toolkits and equipment for refrigerant recovery and leak detection (6 to selected RAC workshops and 2 to the ENTP)	20,000
Promote the participation of young women in the sector through awareness-building activities and training	10,000
Subtotal II	89,000
III. Project implementation and monitoring	
Consultants, monitoring-related travel, meetings, and follow-up activities	10,000
Subtotal III	10,000
Total	150,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

26. The Secretariat reviewed stage II of the HPMP in light of stage I, the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2024-2026 business plan of the Multilateral Fund.

Report on HCFC consumption*Verification report*

27. The verification report submitted by UNEP covered the 2018-2022 period but did not provide data for 2023. UNEP committed to updating the verification report as soon as possible, in order to submit the revised report by the end of June 2024, including the data for 2023 in line with decision 72/19(a).⁸

Overarching strategy

28. The Government of the Comoros submitted a letter indicating its commitment to achieve a 100 per cent reduction of its HCFC baseline consumption and attain compliance with the Montreal Protocol measures by 2030, and that the country would not require any HCFCs for its servicing needs after 2030.

Legal framework

29. The Government of the Comoros has issued HCFC import quotas for 2024 at 0.45 mt, which is lower than the Montreal Protocol control target for that year. UNEP confirmed the commitment of the Government to issue a ban on the import of HCFC-based equipment, both new and used, by 1 January 2027.

Technical and cost-related issues*Implementation delays*

30. UNEP explained that the delays experienced in the implementation of stage I of the HPMP for the Comoros were due to constraints imposed by civil unrest in the country, changes in the NOU, the COVID-19 pandemic, and last year's general elections. UNEP confirmed that it continued to provide support to the NOU to sustain the achievements and ensure a timely and quality implementation of stage II. UNEP will establish a roadmap for the implementation and monitoring of activities in coordination with the NOU and other stakeholders. These actions are expected to mitigate risks of project implementation delays faced in the past.

Technician certification scheme

31. Regarding the technician certification scheme, UNEP explained that they would support the country's work with an international organization to facilitate the establishment of a complete and operational certification scheme for RAC technicians in the Comoros. After assessing the situation and necessary details of the certification scheme to be established, including the institutional setup to ensure that the scheme is sustainable beyond the end of stage II, standards will be finalized and a process will be designed. It will include identification of an accredited institution to become the certification authority and a system to assess the candidates aspiring for certification. Once the certification scheme is in place, complementary regulatory measures will be adopted to make it mandatory. Initiatives will be implemented to ensure that technicians are motivated to undergo the certification process. The international organization will also conduct training on international standards, and stakeholder consultations will take place.

Total project cost

32. The total cost of stage II of the HPMP amounts to US \$427,500, based on decision 74/50(c)(xii) on the eligible funding level for a low-volume-consuming country. The funding for the first tranche was agreed as submitted.

⁸ To encourage lead bilateral and implementing agencies submitting HPMP tranche requests to the first meeting of the year to include a verification report of national consumption targets for the year immediately preceding the year during which the tranche was submitted.

Impact on the climate

33. The activities proposed in the servicing sector, which include better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices will result in the savings of approximately 1.80 CO₂-eq tonnes. A calculation of the impact on the climate was provided in the HPMP. The activities planned by the Government of the Comoros, including its efforts to promote low-GWP alternatives and curb refrigerant leaks through better servicing practices, indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

Sustainability of the HCFC phase-out and assessment of risks

34. The continuous capacity building of customs officers and clearing agents, and the strengthening of regulatory measures and mechanisms in collaboration with the customs authorities, have resulted in a solid foundation that will allow for maintaining the phase-out of HCFCs beyond the HPMP. This, and the established, continuous awareness-raising activities for importers and the public, have also contributed to the reduction in cases of illegal trade in the country.

35. The country's compliance obligations under the Montreal Protocol have been incorporated into the ENTP's training programme. Together with the activities implemented so far, this has contributed to the strengthening of the RAC servicing sector in general by improving the good practices of RAC technicians and encouraging low-GWP alternatives. The successful implementation of the HCFC licensing and quota system will be further enhanced with the establishment of an online platform, which will facilitate information sharing and the monitoring of imports by the Customs Department, the Trade Department and the NOU, ensuring that HCFC imports are kept under control. UNEP confirmed that the monitoring systems would be further strengthened during the implementation of the project to control HCFC imports post-2030.

36. UNEP corroborated that there was no perceived or identified risk to the adoption of non-HCFC alternatives in the course of implementation of stage II of the HPMP and beyond, and that the Government would integrate HCFC phase-out with HFC phase-down to achieve synergy in a sustainable manner to maintain compliance with the Montreal Protocol and address climate change. The Government will establish standards and protocols on the safe use of flammable and toxic refrigerants in RAC equipment during the implementation of stage II and carry out relevant information and awareness-raising campaigns during this period. The HPMP is supporting, in collaboration with the National Refrigeration Association, training on good servicing practices, including the safe handling of flammable refrigerants based on HCs.

Co-financing

37. The Government of the Comoros will provide in-kind contribution to the implementation of stage II in the form of logistics and personnel support at a value of US \$82,000, as presented in table 5.

Table 5. Contribution of the Government of the Comoros to stage II of the HPMP

Component	First tranche	Second tranche	Third tranche	Total
Strengthening of the monitoring and control measures and capacity building for customs and enforcement officers	10,000	10,000	8,000	28,000
Technician training, certification scheme and provision of equipment	11,000	11,000	12,000	34,000
Project implementation and monitoring	6,000	7,000	7,000	20,000
Total	27,000	28,000	27,000	82,000

2024-2026 draft business plan of the Multilateral Fund

38. UNEP is requesting US \$427,500, plus agency support costs, for the implementation of stage II of the HPMP for the Comoros. The total requested value of US \$435,615, including agency support costs for the period of 2024–2026, is US \$100,266 above the amount in the business plan.

Draft Agreement

39. A draft Agreement between the Government of the Comoros and the Executive Committee for stage II of the HPMP is contained in annex I to the present document.

RECOMMENDATION

40. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for the Comoros for the period from 2024 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$427,500, plus agency support costs of US \$55,575 for UNEP, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs and no servicing tail will be needed;
- (b) Noting the commitment of the Government of the Comoros:
 - (i) To completely phase out HCFCs by 1 January 2030, and that HCFCs will not be imported after that date;
 - (ii) To ban the import of HCFC-based equipment by 1 January 2027;
- (c) Deducting 0.09 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) Approving:
 - (i) The draft Agreement between the Government of the Comoros and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in annex I to the present document; and
 - (ii) The first tranche of stage II of the HPMP for the Comoros, and the corresponding tranche implementation plan, in the amount of US \$150,000, plus agency support costs of US \$19,500 for UNEP, on the understanding that UNEP submits an updated verification report to include the 2023 consumption data by 30 June 2024.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE COMOROS 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

Purpose

1. This Agreement represents the understanding of the Government of the Comoros (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage II of the HCFC phase-out management plan approved (“the Plan”). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding in accordance with the Funding Approval Schedule when the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each

previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same Appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes which would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (b) Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and
- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per subparagraph 5(b). The role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.14
Total			0.14

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025	2026	2027-2029	2030	Total	
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.09	0.04	0.04	0.04	0	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.09	0.04	0.04	0.04	0	n/a	
2.1	Lead IA (UNEP) agreed funding (US \$)	150,000	0	235,500	0	42,000	427,500	
2.2	Support costs for Lead IA (US \$)	19,500	0	30,615	0	5,460	55,575	
3.1	Total agreed funding (US \$)	150,000	0	235,500	0	42,000	427,500	
3.2	Total support costs (US \$)	19,500	0	30,615	0	5,460	55,575	
3.3	Total agreed costs (US \$)	169,500	0	266,115	0	47,460	483,075	
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							0.09
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)							0.05
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							0.00

*Date of completion of stage I as per decision 87/28: 31 December 2022

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph (b) above;
- (d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

- (a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and
- (b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target

will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit will submit annual progress reports on the status of implementation of the Plan to the Lead IA. The monitoring of the development of the Plan and verification of the achievement of the performance targets specified in the Plan will be assigned by the Lead IA to independent local enterprises or consultants.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual tranche implementation reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HCFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (h) Carrying out required supervision missions;
 - (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of the Lead IA;
 - (k) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (l) Providing assistance with policy, management and technical support when required; and

- (m) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and the consumption of the Substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.