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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-second Meeting
Montreal, 29 May to 2 June 2023
Item 9(a) of the provisional agenda¹

OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

Introduction

1. This document consists of the following sections:
 - I: An overview of projects and activities submitted by bilateral and implementing agencies
 - II: An overview of projects and activities following the project review process:
 - II.1 Projects submitted and subsequently withdrawn and project not submitted
 - II.2 Projects recommended for blanket approval
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 - IV: Reports on the implementation of decisions and follow-up on previous discussions relating to project review:
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¹ UNEP/OzL.Pro/ExCom/92/1

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IV.3 Summary of prices of the controlled substances and alternatives

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

2. Table 1 presents a summary of requests that were submitted by bilateral and implementing agencies to the 92nd meeting.

Table 1: Requests submitted by bilateral and implementing agencies

Projects and activities	No. of countries	No. of funding requests	Amount requested (US \$)	Amount in principle (US \$)
Stage II/III of HCFC phase-out management plans (HPMPs)	2*	5	4,809,185	18,119,953
Tranches of approved HPMPs	18*	39	12,635,702	
Preparation for stage III of HPMPs	2	3	96,900	
Verification of compliance of selected Article 5 countries with their HPMP Agreements	17	17	573,900	
Stage I of Kigali HFC implementation plans (KIPs)	2	2	2,061,640	5,032,428
HFC-related investment project	1	1	259,202	
Tranche of an approved HFC-23 emissions control plans	1	1	304,169	
Preparation for KIPs and/or investment projects	7	14	1,155,100	
Renewal of IS projects	31	31	9,252,250	
Additional activities to maintain energy efficiency in the servicing sector (decision 89/6)	4	4	474,600	
Preparation for a pilot project on energy efficiency	1	1	33,900	
Total		118	31,656,548	

*One new stage (Burkina Faso) and four tranches (Honduras, Malawi, Nicaragua and Zimbabwe) include additional activities to maintain energy efficiency in the servicing sector (decision 89/6).

Note: Funding amounts include agency support costs

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

3. Following the project review process, four funding requests for projects and activities totalling US \$380,697, including agency support costs, have been withdrawn, 82 requests totalling US \$19,183,205, including agency support costs, are recommended for blanket approval, and 32 requests totalling US \$11,971,761, including agency support costs are being forwarded for individual consideration. Together, the funding requests for projects and activities for blanket approval and those for individual consideration amount to US \$31,154,966, including agency support costs.

II.1 Projects submitted and subsequently withdrawn and project not submitted

Projects submitted and subsequently withdrawn

4. Table 2 presents a summary of the requests that were submitted by bilateral and implementing agencies to the 92nd meeting and subsequently withdrawn.

Table 2: Requests submitted and subsequently withdrawn

Projects and activities	No. of countries	No. of funding requests	Amount requested (US \$)
Tranches of approved HPMPs (paragraph 5)	1	1	19,097
Additional activities to maintain energy efficiency in the servicing sector (decision 89/6)*	3	3	361,600
Total		4	380,697

*These requests are being discussed in section III.1.

Note: Funding amounts include agency support costs.

Tranches of approved HCFC phase-out management plans (Saint Kitts and Nevis)

5. UNEP, on behalf of the Government of Saint Kitts and Nevis, submitted a request for the third tranche of stage I of its HPMP. In reviewing the submission, the Secretariat noted that, notwithstanding progress made in the implementation of stage I of the HPMP, there were significant issues associated with the licensing and quota system that needed to be addressed to ensure that the system was enforceable and capable of maintaining the country's compliance with the Montreal Protocol HCFC phase-out schedule, in line with decision 63/17. The Secretariat requested that the proposal be deferred to the 93rd meeting and UNEP accordingly withdrew the submission and committed to continue working with the Government so that the third (2020) tranche of stage I of the HPMP could be submitted to the 93rd meeting with a revised plan of action to take into account the reallocation of the 2020 tranche. The Government of Saint Kitts and Nevis is further requested to submit the revised Article 7 and country programme (CP) data for five years to the Ozone and Fund Secretariats, respectively, to clarify the inconsistencies found out by the verifier and to address the recommendations in the verification report. Details of specific actions to be undertaken are contained in the document on tranche submission delays.²

Projects not submitted

Stage I of the Kigali HFC implementation plan (the Niger)

6. At its 91st meeting, in approving the funding advance for the KIP for the Niger, the Executive Committee decided to defer the consideration of its stage I to the 92nd meeting (decision 91/58(c)). In the absence of an established HFC baseline and agreed cost guidelines for HFC phase-down, UNIDO requested, on behalf of the Government of the Niger, that the consideration of stage I of the KIP for the country be further deferred to the 93rd meeting, when a revised proposal based on the established baseline would be submitted.

7. The Executive Committee may wish to note the request from UNIDO, on behalf of the Government of the Niger, to defer the consideration of stage I of its KIP to the 93rd meeting.

II.2 Projects recommended for blanket approval

8. Table 3 presents a summary of requests that are recommended for blanket approval. Document UNEP/OzL.Pro/ExCom/92/15, which will be considered under agenda item 9(c), includes additional information on these requests, a list of projects recommended for blanket approval, and a recommendation by the Secretariat for the consideration of the Executive Committee.

² Annex I of document UNEP/OzL.Pro/ExCom/92/12

Table 3: Requests recommended for blanket approval

Projects and activities	No. of countries	No. of funding requests	Amount recommended (US \$)
Tranches of approved HPMPs	15*	33	8,302,325
Preparation for stage III of HPMPs	2	3	96,900
Verification of compliance of selected Article 5 countries with their HPMP Agreements	1	1	33,900
Tranches of approved HFC-23 emissions control plans	1	1	414,690
Preparation for KIPs and/or investment-related activities	6	12	970,140
Renewal of IS projects	31	31	9,252,250
Additional activities to maintain energy efficiency in the servicing sector (decision 89/6)	1	1	113,000
Total		82	19,183,205

*Four of these tranches (Honduras, Malawi, Nicaragua and Zimbabwe) include additional activities to maintain energy efficiency in the servicing sector (decision 89/6)

Note: Funding amounts include agency support costs.

II.3 Projects recommended for individual consideration

9. Table 4 presents a summary of requests that were submitted for individual consideration. Document UNEP/OzL.Pro/ExCom/92/16, which will be considered under agenda item 9(d), lists the projects and activities submitted for individual consideration at the 92nd meeting.

Table 4: Requests recommended for individual consideration

Projects and activities	No. of countries	No. of funding requests	Amount recommended (US \$)	Amount in principle (US \$)
Stage II/III of HPMPs	2*	5	4,809,185	17,473,556
Tranches of approved HPMPs	2	5	4,185,278	
Verification of compliance of selected LVC countries with their HPMP Agreements	16	16	540,000	
Stage I of KIPs	2	2	2,061,641	5,032,428
HFC-related investment project	1	1	156,797	
Preparation for KIPs and/or investment-related activities	1	2	184,960	
Preparation for a pilot project on energy efficiency	1	1	33,900	\$3,900.00
Total		32	11,971,761	

*One new stage (Burkina Faso) includes additional activities to maintain energy efficiency in the servicing sector (decision 89/6)

Note: Funding amounts include agency support costs.

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

10. The Secretariat drew a sample of 16 low-volume-consuming (LVC) Article 5 countries for the purpose of verifying compliance with their HPMP Agreements in line with decision 61/46(c).³ The selection criteria included: proximity of the next tranche of the HPMP (2024 or 2025); any previous verification approved at least two years prior to the 92nd meeting and completed; geographic distribution; level of

³ The Secretariat was requested to provide, at the first meeting of each year, a list representing 20 per cent of countries with an HCFC consumption baseline of up to 360 metric tonnes (mt), and with an approved HPMP, to approve funding to verify those countries' compliance with their HPMP Agreements for that year. Accordingly, at the first meeting of the year, the Executive Committee would request relevant bilateral and implementing agencies to include in their next work programme amendments funding for verification reports for the HPMPs selected; and at the second meeting of the year funding would be approved in the context of the work programme amendments.

consumption; and distribution among bilateral and implementing agencies. The selected countries (eight in Africa, seven in Asia and the Pacific, and one in Latin America and the Caribbean) are listed in table 5.

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

No.	Country	HCFC baseline (mt)	Lead/cooperating agency	Next tranche request in
1	Benin*	432.51	UNEP	2025
2	Bhutan	5.62	UNEP	2025
3	Democratic Republic of the Congo*	1,092.49	UNEP	2024
4	Eritrea	19.71	UNEP	2025
5	Ethiopia	100.00	UNEP	2024
6	Fiji	104.08	UNDP	2025
7	Liberia	95.45	UNEP	2025
8	Namibia	149.76	Germany	2025
9	Niger (the)	290.39	UNIDO	2025
10	Palau	2.97	UNEP	2025
11	Papua New Guinea	58.71	Germany	2025
12	Saint Vincent and the Grenadines	5.13	UNEP	2025
13	Samoa	4.60	UNEP	2025
14	Seychelles	24.89	Germany	2025
15	Solomon Islands	35.05	UNEP	2025
16	Tonga	2.55	UNEP	2025

*A non-LVC country funded as an LVC one

11. To streamline the process of approval of funding for verification reports for LVC countries and avoid that requests for some verifications are inadvertently missed out in the work programme amendments of the bilateral⁴ and implementing agencies at the second meeting of the year, the Secretariat proposes a simplified approach to replace the current two-step process (i.e., listing countries at the first meeting of the Executive Committee and requesting funding at the second meeting). The change would require the inclusion of the requests of funds for verifications for the selected countries in the work programmes of the relevant bilateral and implementing agencies for individual consideration at the same meeting that the list of countries is being considered by the Executive Committee, rather than submitting these to the second meeting of the year. This process will also give bilateral and implementing agencies more time to initiate the verification process and thereby avoid delays in submission of these verification reports to support tranche requests.

12. For the present meeting, the countries listed in table 5 are already included in the document on bilateral cooperation (Government of Germany) and the relevant implementing agencies' 2023 work programmes (UNDP, UNEP, UNIDO), for consideration and approval of the Executive Committee.

13. In the future, the Secretariat will continue to provide the list of countries selected for verification in the document on overview of issues identified during project review for the Executive Committee's consideration at the first meeting of the Executive Committee for the year, and the requests for selected countries will be included in the work programmes of each bilateral and implementing agency at the same meeting.

Recommendation

14. The Executive Committee may wish:

- (a) To note that the relevant bilateral and implementing agencies have included in their 2023 work programmes submitted to the 92nd meeting, requests for funding for the verification

⁴ Requests from bilateral agencies are included in the document on bilateral cooperation

reports for stage I or stage II of HCFC phase-out management plans (HPMPs) for Benin, Bhutan, the Democratic Republic of the Congo, Eritrea, Ethiopia, Fiji, Liberia, Namibia, the Niger, Palau, Papua New Guinea, Saint Vincent and the Grenadines, Samoa, Seychelles, Solomon Islands and Tonga;

- (b) To consider the requests for funding associated with the verifications mentioned in subparagraph (a) above in the context of the bilateral cooperation and the work programmes submitted by each relevant bilateral and implementing agencies under agenda item 9(d), projects recommended for individual consideration; and
- (c) To request the Secretariat, in line with decision 61/46, from the 92nd meeting onwards to select in consultation with the bilateral and implementing agencies, a sample of 20 per cent of low-volume-consuming countries with ongoing HPMPs for the purposes of verification of these countries' compliance with their HPMP Agreements, and to request relevant bilateral and implementing agencies acting as lead agencies for the respective Agreements to include the related costs of verification in their work programmes for the same meeting.

III. Issues identified during the project review process

III.1 Requests for funding additional activities to maintain energy efficiency in the servicing sector for low-volume-consuming countries, submitted as stand-alone projects (decision 89/6)

15. The Executive Committee decided at the 89th meeting to consider a set of additional activities prescribed under decision 89/6(b) for inclusion in existing and future HPMPs for LVC countries, when needed for the introduction of alternatives to HCFCs with low or zero global-warming-potential and for maintaining energy efficiency in the refrigeration servicing sector. Bilateral and implementing agencies were accordingly requested, when submitting an HPMP tranche request, to include in the tranche implementation plan *inter alia*, the specific actions, performance indicators and funding associated with the activities referred to decision 89/6(b) and a revised Agreement between the Government of the Article 5 country concerned and the Executive Committee (decision 89/6(d)).

Activities under decision 89/6 submitted as part of tranche requests

16. In line with the decision, at the 92nd meeting, the Secretariat received four tranche requests (Honduras, Malawi, Nicaragua and Zimbabwe) and a new HPMP stage (Burkina Faso) for LVC countries that included activities under decision 89/6. These activities are being considered along with the tranche requests, and the Agreements between the Governments and the Executive Committee are being adjusted to reflect the inclusion of funding for those additional activities.

17. The Secretariat has reviewed each of these proposals and has concluded that they are all consistent with the activities described in decision 89/6 and that they are properly integrated into the activities and reporting of their corresponding HPMPs. However, as this is the first time that the Executive Committee is considering several of these projects at the same time, the Secretariat is drawing the Committee's attention to the specific HPMPs that have included them. Taking into consideration that no issues have been identified in the review of these proposals, the tranches for Honduras, Malawi, Nicaragua and Zimbabwe, which include the activities under decision 89/6, are recommended for blanket approval. In the case of Burkina Faso, because the submission is for a new stage of the HPMP, it is being recommended as per usual practice, including the activity under decision 89/6, for individual consideration.

Activities under decision 89/6 not submitted as part of tranche requests

18. The Secretariat also received five submissions for activities under decision 89/6 that were not integrated into the corresponding tranches of the HPMPs for the relevant countries, but rather submitted as stand-alone projects. One of them, Kyrgyzstan, is being considered in line with decision 91/37(a) which allowed decision 89/6 to also be applied to LVC countries that had already completed their HPMPs and is being recommended for blanket approval.

19. The remaining four proposals were not submitted as part of a tranche request (Guyana,⁵ Liberia, Namibia and Seychelles) and therefore were not reviewed for the present meeting. The Secretariat further noted that for Liberia, Namibia and Seychelles, their first opportunity to submit additional activities under decision 89/6 will only be in 2025 when their next tranche requests are scheduled.

20. While decision 89/6(d) requested bilateral and implementing to include these activities in their submissions of HPMP tranche requests, in further analyzing the current schedule of tranches for LVC countries, the Secretariat noted that a total of 47 LVC countries have their next tranches in 2025 and an additional 12 only in 2026. Following decision 89/6, those countries would have the opportunity to submit activities under this decision only in 2025 and 2026.

21. Following this analysis and noting that most future tranches of HPMPs for LVC countries are due only in 2025 and 2026, consideration of activities under decision 89/6 separately from the tranche submissions would provide flexibility to LVC countries to access this assistance and implement those activities sooner. In addition, for those Article 5 countries whose date of completion of their stage is December 2026, an earlier submission would provide additional time for implementation. This flexibility could be applied on the understanding that when submitted, the activities requested clearly demonstrate how their implementation links to the overall HPMP, that progress reports on the implementation of activities requested under decision 89/6 would be integrated in the tranche progress reports associated with the request of future tranches, and that the revised Agreement between the Government and the Executive Committee to integrate these activities would be made when these activities are submitted.

22. Mindful of the benefits that this flexibility will provide to LVC countries in having these activities approved sooner, as well as the additional effort that the review of these activities and modification of the HPMP Agreements separately from the tranche requests will represent, the Secretariat suggests that these projects, when submitted separately from tranche requests, be submitted 10 weeks in advance of the relevant Executive Committee meeting (the same submission deadline as that for tranche requests).

Recommendation

23. The Executive Committee may wish to consider allowing bilateral and implementing agencies to submit activities referred to in decision 89/6(b) separately from HCFC phase-out management plan tranche requests, including a revised Agreement between the Government of the Article 5 country concerned and the Executive Committee, and on the understanding that these activities are integrated in the ongoing tranche implementation plan, are submitted 10 weeks in advance to the relevant Executive Committee meeting, and a progress report on the implementation of these activities is included in the tranche progress reports associated with the request of future tranches.

⁵ Even though there was a tranche request at the same meeting, the proposal for Guyana was submitted separately, seemed to have no relation with the ongoing HPMP activities and required further discussion with the Government. This request has not been included in the Secretariat's submission database.

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

IV.1 Institutional strengthening renewal requests

24. The Secretariat reviewed the terminal reports and requests for the extension of institutional strengthening (IS) funding for 31 countries against relevant decisions, including decision 91/63(d) on the funding level for IS projects, and decision 91/63(c) on the requirement to use the revised format for terminal reports and requests for the extension of IS funding and the corresponding performance indicators. All requests were crosschecked against previous IS reports; progress reports on the implementation of CPs; data reported under Article 7 of the Montreal Protocol; the latest reports on the implementation of HPMPs; implementing agencies' progress reports submitted to the 91st meeting; and relevant decisions on compliance adopted by the Parties to the Montreal Protocol. Twenty-six countries submitted the 2022 CP implementation data as at the date of issuance of the relevant work programme documents.⁶ All countries reported that they had achieved or partially achieved all applicable IS objectives. The Secretariat observed that there was a good level of consistency in the application of the performance indicators between the countries requesting IS funding. The Secretariat recommended all IS projects submitted to the 92nd meeting for blanket approval.

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

25. In line with decision 91/18, the Secretariat reviewed the 2019-2021 verification report for Bangladesh, and upon confirming that the Government operated an effective licensing and quota system and had met the phase-out targets stated in its Agreement with the Executive Committee, it requested the Treasurer to release the funding approved in principle for the second tranche of stage II of the HPMP for Bangladesh, in the amount of US \$2,142,405, plus agency for support costs of US \$149,968 for UNDP.⁷

IV.3 Summary of prices of the controlled substances and alternatives

26. No information is being presented to the 92nd meeting in line with decision 79/4(c). The proposal to convert the manufacturing of commercial refrigerators from HFC-134a to propane at the enterprise Friocima in Mexico did not include a request for the incremental operational costs, therefore the prices of HFC-134a and propane were not relevant in calculating the overall project costs request.

⁶ As at that date the CP reports for Bosnia and Herzegovina, Gambia (the), Kuwait, Niue and Zambia had not been received.

⁷ As described in document UNEP/OzL.Pro/ExCom/92/9 (Status reports and reports on projects with specific reporting requirements).