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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-sixth Meeting
Montreal, 26-30 May 2025
Item 9(b) of the provisional agenda¹

BILATERAL COOPERATION
Introduction

1. This document provides an overview of requests from two bilateral agencies and whether these are eligible considering the maximum level of bilateral cooperation available for 2025 or the triennium 2024-2026. It cross-references the relevant meeting documents which include the discussion on the bilateral requests and contains the recommendation on the year of assignment for bilateral cooperation.

Overview

2. Four projects at a total cost of US \$444,025 have been submitted to the 96th meeting as shown in table 1.

Table 1. Projects for bilateral cooperation submitted to the 96th meeting

Bilateral agency	Country	Project title	Funding requested (US \$)	Support costs requested (US \$)	Amount recommended* (US \$)	Considered under
Germany	Papua New Guinea	Renewal of the institutional strengthening project	180,000	23,400	203,400	Present document
Germany	Papua New Guinea	HCFC phase-out management plan (stage I, fifth tranche)	125,000	14,750	139,750	96/50
Germany	Seychelles	HCFC phase-out management plan (stage I, fourth tranche)	60,000	6,975	66,975	96/52
Subtotal			365,000	45,125	410,125	
United Kingdom	Rwanda	Preparation of a project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down	30,000	3,900	33,900	Present document
Subtotal			30,000	3,900	33,900	
Total			395,000	49,025	444,025	

*Including support costs

¹ UNEP/OzL.Pro/ExCom/96/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

Allowable level of bilateral cooperation

3. The amounts of funding being requested by the Governments of Germany and the United Kingdom at the 96th meeting, together with the funding approved for their requests during the 2024-2026 triennium, do not exceed the 20 per cent allowable level of bilateral cooperation for the 2024-2026 triennium, as shown in table 2

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

Agency	Funding			Allowable level 2024-2026 triennium
	Approved 2024-2026	Requested 96 th meeting	Total	
Germany	10,120,146	410,125	10,530,271	10,883,917
United Kingdom	559,576	33,900	593,476	7,792,037

Bilateral requests

Renewal of institutional strengthening project

Project description

4. The Government of Germany submitted a request for the renewal of institutional strengthening (IS) project for Papua New Guinea. The description of the project is presented in annex I to this document.

Secretariat's comments

5. The Secretariat reviewed the request for the renewal of the IS project against the guidelines² and relevant decisions regarding eligibility and funding levels. The request was cross-checked against the original work plan for the previous phase, country programme (CP) and Article 7 data, the latest report on implementation of the HCFC phase-out management plan (HPMP), the agency's progress report, and any relevant decisions of the Meetings of the Parties. It was noted that the country has submitted their 2023 CP data, is in compliance with the control targets under the Montreal Protocol and reported annual HCFC consumption does not exceed the annual maximum allowable consumption indicated in its HPMP Agreement with the Executive Committee. Furthermore, the request submitted included an assessment of performance indicators, project risk and sustainability and achievement of the institutional strengthening objectives, in accordance with decision 91/63(b).

Secretariat's recommendation

6. The Secretariat recommends blanket approval of the institutional strengthening renewal request for Papua New Guinea at the level of funding indicated in table 1 of the present document. The Executive Committee may wish to express to the aforementioned Government the comments presented in annex II to this document.

² Decision 91/63: (b) to approve the revised format for terminal reports and requests for the extension of institutional strengthening funding and the corresponding performance indicators; and (c) to request Article 5 countries, through the bilateral and implementing agencies, to use the revised format referred to in subparagraph (b) above for all requests for institutional strengthening renewal as of the first meeting of the Executive Committee in 2023.

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

Project description

7. The Government of the United Kingdom submitted a request for preparation of a pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down for Rwanda as shown in table 1. The submission was made in line with decision 91/65.

8. The objective of the project is to gain a deeper understanding of Rwanda's local installation and assembly subsector, which consumed mainly HFCs, and compile detailed information on locally assembled equipment and relevant enterprises, deploy training resources and enhance national capacity to manage and adopt low-GWP, energy-efficient technologies and develop replicable training courses and capacity-building activities.

9. The proposed pilot project would use propriety systems design tools of the African Centre of Excellence for Sustainable Cooling and Cold-Chains (ACES) and the Clean Cooling Network to quantify and better understand the key sectors, challenges, and opportunities within Rwanda's local installation and assembly subsector. The project would also focus on developing and implementing training and capacity-building initiatives, addressing critical supply chain issues, and fostering local innovation and technology incubation.

10. The project preparation activities included consultations with relevant stakeholders, technical assessment, and development of project document. The funding requested would cover the recruitment of national and international consultants (US \$20,000) as well as meetings (US \$10,000). The pilot project proposal is expected to be submitted to the 98th meeting.

Secretariat's comments

11. The Secretariat has reviewed the project preparation proposal according to the criteria set out in decision 91/65.

12. It was noted that many of the activities under stage I of KIP approved at 95th meeting, will have an impact on HFC reduction in domestic refrigeration, residential AC and commercial stand-alone refrigeration sectors through possible bans/regulations and through organising training and capacity building and awareness activities. It was also noted that the HFC consumption in other subsectors related to local installation and assembly (mainly larger commercial refrigeration systems) was 31 per cent in CO₂-eq tonnes in 2023. The two main substances used in large refrigeration commercial systems are HFC-134a and R-404A which represent 76 per cent of the total HFC consumption in 2023. Addressing these applications would require additional and different type of training and support. As indicated in the KIP, ACES would be used for capacity building of trainers for training refrigeration service technicians and technicians engaged in onsite installation and assembly, and to provide support for the adoption of low-GWP energy efficient refrigerant-based technologies in RAC applications. The proposed project aims to enhance the capacity of the national industry stakeholders to manufacture and/or assemble energy efficient low-GWP refrigerant based equipment tailored for use in the local market and strengthen the supply chain to facilitate availability of the required refrigerants and components, contributing to HFC phase-down while improving energy efficiency, as this was not fully addressed in stage I of the KIP.

13. The Secretariat further noted that under the additional activities to maintain energy efficiency in the refrigeration servicing sector (decision 89/6) approved at the 95th meeting, the country is planning to establish the labelling system and energy efficiency (EE) standards for RAC equipment, in addition to capacity building and awareness activities.

14. The Secretariat requested to briefly outline the planned submission for the 98th meeting. The Government of the United Kingdom replied that the proposed project will focus on assessing the current technical capacity and capability, identifying gaps and opportunities to assist the local installation and assembly subsector; planning development of enhanced training programmes to deliver tailored training; evaluating the need to establish a supply chain for both components and technologies to support the use of low-GWP, energy-efficient technologies; and establishing the basis for creating transformational innovation.

15. On replicability, the Government of United Kingdom stated that the training courses and capacity building activities developed under the project have a scope to replicate and scale across other African countries through the ACES network and it also has potential of replication across other Article 5 countries having similar challenges in adoption of energy efficient low-GWP refrigerant-based equipment for local installers and assemblers.

Secretariat's recommendation

16. The Secretariat recommends blanket approval for the request for project preparation of a pilot project to maintain and/or enhance the energy efficiency through technical assistance while phasing down HFCs in Rwanda, at the level of funding shown in table 1.

Recommendation

17. The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 96th meeting as follows:

- (a) US \$XX (including agency support costs) against the balance of the bilateral contribution of the Government of Germany for 2024-2026; and
- (b) US \$XX (including agency support costs) against the balance of the bilateral contribution of the Government of the United Kingdom of Great Britain and Northern Ireland for 2024-2026.

Annex I

INSTITUTIONAL STRENGTHENING PROJECT PROPOSAL

Papua New Guinea: Renewal of institutional strengthening

Summary of the project and country profile	
Implementing agency:	Germany
Amounts previously approved for institutional strengthening (US \$):	
Phase I: May-96	23,826
Phase II: Dec-03	44,853
Phase III: Apr-06	67,800
Phase IV: Apr-08	67,800
Jul-21	99,390*
Total:	204,279
Amount requested for renewal (phase V) (US \$):	180,000
Amount recommended for approval for phase V (US \$):	180,000
Agency support costs (US \$):	23,400
Total cost of institutional strengthening phase V to the Multilateral Fund (US \$):	203,400
Date of approval of country programme:	1996
Date of approval of HCFC phase-out management plan:	2011
Date of approval of Kigali HFC implementation plan:	n/a
Baseline consumption of controlled substances (ODP tonnes/CO ₂ -eq tonnes):	
(a) Annex A Group I (CFCs) (average 1995-1997)	36.3
(b) Annex A Group II (halons) (average 1995-1997)	0
(c) Annex B Group II (carbon tetrachloride) (Average 1998-2000)	0
(d) Annex B, Group III (methyl chloroform) (average 1998-2000)	0
(e) Annex C, Group I (HCFCs) (average 2009-2010)	3.3
(f) Annex E, (methyl bromide) (average 1995-1998)	0.3
(g) Annex F (HFCs) (average 2020-2022 plus 65% of HCFC baseline)	n/a
Latest reported ODS consumption (2023) (ODP tonnes) as per Article 7:	
(a) Annex A Group I (CFCs)	0
(b) Annex A Group II (halons)	0
(c) Annex B Group II (carbon tetrachloride)	0
(d) Annex B, Group III (methyl chloroform)	0
(e) Annex C, Group I (HCFCs)	0.73
(f) Annex E, (methyl bromide)	0
Total:	0.73
(g) Annex F (HFCs) (CO ₂ -eq tonnes) as per Article 7	365,343
Year of reported country programme implementation data:	2023
Amount approved for projects (as at December 2024) (US \$):	2,819,629
Amount disbursed (as at December 2023) (US \$):	2,519,730
ODS to be phased out (as at December 2024) (ODP tonnes):	38.4
ODS phased out (as at December 2023) (ODP tonnes):	35.5

* Funding approved and included in the existing HCFC phase-out management plan (HPMP) for institutional strengthening project

1. Summary of activities and funds approved by the Executive Committee:

Summary of activities	Funds approved (US \$)
(a) Investment projects:	2,044,750
(b) Institutional strengthening:	204,279*
(c) Project preparation, technical assistance, training and other non-investment projects:	570,600

	Total:	2,819,629
(d) HFC activities funded from additional voluntary contributions		95,000

* Excluding the funding approved for institutional strengthening as part of the HPMP

Progress report

2. The institutional strengthening project (IS) for Papua New Guinea has successfully supported Montreal Protocol compliance through strengthening regulatory frameworks and policy implementation, enhancing compliance monitoring, and fostering stakeholder engagement and awareness programs. However, key challenges such as limited staff or personnel within the national ozone unit (NOU), the regulatory delays, and funding constraints have affected the efficiency of the project implementation but were managed effectively to ensure the continuity of progress.

Plan of action

3. Phase V of the IS project will prioritize the full integration of Kigali Amendment provisions and the strengthening of the Kigali Amendment implementation, enhancing data collection and reporting, expanding industry engagement within the RAC / HVAC-R sector, and boosting public awareness efforts, whilst fostering gender equity in all project activities.

Sustainability and risk assessment

4. To ensure long-term sustainability, there should be a strategic focus on capacity building, regulatory integration, and multi-sector partnerships. Increased funding for NOU staff/personnel and strategic partnerships with stakeholders will be prioritized. Identified risks such as regulatory delays and limited industry engagement will be mitigated through strengthened legal frameworks, proactive stakeholder engagements, and effective monitoring systems and incentive programs.

Annex II

DRAFT VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF THE INSTITUTIONAL STRENGTHENING PROJECT SUBMITTED TO THE 96TH MEETING

Papua New Guinea

1. The Executive Committee reviewed the report presented with the request for the renewal of the institutional strengthening project for Papua New Guinea (phase V) and noted with appreciation that the Government of Papua New Guinea reported 2022 and 2023 data to the Ozone and Fund Secretariats indicating that the country achieved its HCFC reduction targets. The Committee noted the efforts of the national ozone unit of Papua New Guinea to facilitate engagement with key stakeholder groups to increase national collaboration and awareness on the country's Montreal Protocol obligations and to strengthen collection and reporting of data on controlled substances. The Committee is, therefore, hopeful that in the next three years the Government of Papua New Guinea will continue to achieve and sustain compliance with the control measures of the Montreal Protocol.
