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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fifth Meeting
Montreal, 4-8 December 2024
Item 9(d) of the provisional agenda[1]

PROJECT PROPOSAL: CONGO (THE)

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 and UNIDO	Individual consideration

[1] UNEP/OzL.Pro/ExCom/95/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Congo (the)

(I) PROJECT TITLE	**AGENCY**
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2023	5.20 ODP tonnes

(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					5.20				5.20

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	10.14	Starting point for sustained aggregate reductions:	10.14
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	3.55	Remaining:	6.59

(V) ENDORSED BUSINESS PLAN		**2024**	**2025**	**2026**	**Total**
UNEP	ODS phase-out (ODP tonnes)	0.10	0.00	0.00	0.10
	Funding (US $)	168,292*	0	0	168,292*
UNIDO	ODS phase-out (ODP tonnes)	0.70	0.00	0.00	0.70
	Funding (US $)	84,807*	0	0	84,807*

*Including US $94,920 for UNEP and US $38,520 for UNIDO for additional activities to maintain energy efficiency in line with decision 89/6

(VI) PROJECT DATA			**2024**	**2025-2027**	**2028**	**2029**	**2030**	**Total**
Montreal Protocol consumption limits (ODP tonnes)			6.59	3.29	3.29	3.29	0.00	n/a
Maximum allowable consumption (ODP tonnes)			6.59	3.29	3.29	3.29	0.00	n/a
Project costs requested in principle (US $)	UNEP	Project costs	208,000	0	123,000	0	104,000	435,000
		Support costs	27,040	0	15,990	0	13,520	56,550
	UNIDO	Project costs	142,000	0	0	0	73,000	215,000
		Support costs	12,780	0	0	0	6,570	19,350
Total project costs recommended in principle (US $)			350,000	0	123,000	0	177,000	650,000
Total support costs recommended in principle (US $)			39,820	0	15,990	0	20,090	75,900
Total funds recommended in principle (US $)			389,820	0	138,990	0	197,090	725,900

(VII) Request for approval of funding for the first tranche (2024)		
Implementing agency	**Funds recommended (US $)**	**Support costs (US $)**
UNEP	208,000	27,040
UNIDO	142,000	12,780
Total	350,000	39,820

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

1. On behalf of the Government of the Congo, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US $725,900, consisting of US $435,000, plus agency support costs of US $56,550 for UNEP and US $215,000, plus agency support costs of US $19,350 for UNIDO, as originally submitted.[2] 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 of the HPMP being requested at this meeting amounts to US $389,820, consisting of US $208,000, plus agency support costs of US $27,040 for UNEP and US $142,000, plus agency support costs of US $12,780 for UNIDO, as originally submitted.

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

3. Stage I of the HPMP for the Congo was approved at the 63rd meeting[3] to phase out 3.55 ODP tonnes of HCFCs 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 $350,000, plus agency support costs. Stage I of the HPMP was completed in December 2023.[4]

<u>Report on HCFC consumption</u>

4. The Government of the Congo reported a consumption of 5.20 ODP tonnes of HCFCs in 2023, which is 48.7 per cent below the HCFC baseline for compliance. The 2019-2023 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in the Congo (2019-2023 Article 7 data)

HCFC-22	2019	2020	2021	2022	2023	Baseline
Metric tonnes (mt)	131.4	116.25	112.60	101.20	94.60	184.36
ODP tonnes	7.23	6.39	6.19	5.57	5.20	10.14

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 Congo reported HCFC sector consumption data under the 2023 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

[2] As per the letter of 26 August 2024 from the Ministère de l'Environnement, du Développement Durable et du Bassin of the Congo to the Secretariat.
[3] Decision 63/31
[4] Blanket approval decision 91/41(a)

Status of progress and disbursement

Legal framework

7. The Congo has in place an operational and functional system of licensing and quotas for HCFC imports that ensures the country's compliance with the HCFC phase-out schedule. Several information and awareness-raising workshops for importing traders on the procedures for issuing import licenses and granting annual quotas were carried out.

8. During stage I of the HPMP, a total of nine trainers (including two females) and 427 customs and law enforcement officers (including 128 females) were trained on a wide range of topics including the international response to ozone layer depletion; regional and national legislation and prevention of illegal trade; control and identification of HCFCs and HCFC-based equipment; the HCFC import licensing system; and the link between the customs, commerce and environment departments. Three refrigerant identifiers were procured and distributed, one to the association of refrigeration technicians, and two to customs officers at border posts.

Refrigeration service sector

9. During stage I, a total of 505 RAC technicians (including 77 females) were trained on good refrigeration practices, safe handling of refrigerants including hydrocarbon technologies, servicing of HCFC-based equipment, recovery techniques, and the handling of new refrigeration equipment.

10. Two centres of excellence were strengthened through the delivery of equipment and tools,[5] along with training on their use, including a workshop to train trainers. Fourteen refrigerant identifiers were distributed to the centres of excellence. Service tools were procured and distributed to 50 workshops and RAC vocational training schools,[6] and training was provided to 200 technicians from the beneficiary workshops and centres. Additionally, 30 R-290-based air-conditioning (AC) units, intended for training practices and demonstration of low-global-warming-potential (GWP) technologies, were installed in each of the twelve departments and the Ministry of Tourism and Environment.

Project coordination and monitoring

11. Project coordination was undertaken by the national ozone unit (NOU) with the assistance of consultants. Expenditures for stage I amounted to US $24,000, which included costs for two locally recruited consultants, monitoring-related travel, and workshops and meetings.

Level of funds disbursement

12. As of August 2024, of the US $350,000 approved under stage I (US $175,000 for UNEP and US $175,000 for UNIDO), US $317,180 (90.6 per cent) had been disbursed (US $150,150 for UNEP and US $167,030 for UNIDO). The balance of US $24,850[7] will be returned to the 96th meeting.

[5] Including manifolds, electronic scales, vacuum pumps, charging stations, hoses, leak detectors, refrigerant identifiers, multimeters, brazing kits and other small tools.
[6] Ibid
[7] US $1,374 for the first tranche and $6,596 for the third tranche had been returned to the Fund at the 79th and 92nd meetings, respectively

Stage II of the HCFC phase-out management plan

Remaining consumption eligible for funding

13. After deducting 3.55 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding in stage II amounts to 6.59 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

14. There are approximately 2,677 technicians (1,575 in the formal sector and 1,102 in the informal sector), including 402 women, and 260 workshops operating in the servicing sector. Approximately 30 per cent of RAC technicians were trained in specialized schools and industrial technical high schools, while the remaining received informal training or learned through hands-on experience.

15. HCFC-22 is used to service unitary and split AC systems, commercial cold stores, AC and condensing units and heat pumps, and transport refrigeration. 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 sector in the Congo

Sector/Application		**(a)** Equipment inventory	**(b)** Average charge (kg)	**(c) = (a)*(b)** HCFC bank (mt)	**(d)** Estimated leakage rate (%)	**(c)*(d)** Annual need for servicing (mt)
Air-conditioning	Splits	50,673	1.7	86.14	40	34.45
	Floor air conditioners	3,512	4	14.05	50	7.02
	Central air conditioners	35	20	0.70	40	0.28
Commercial/industrial refrigeration	Cold rooms	105	6	0.63	35	0.22
	Ice machines	1,790	35	62.65	35	21.92
	Display cabinets	25,218	3	75.65	40	30.26
Total		**81,333**	**n/a**	**239.82**	**n/a**	**94.15**

16. HCFC-22 represents 34.9 per cent of refrigerants used in the servicing sector, while HFC-134a represents 41 per cent, followed by R-410A (14.7 per cent) and other refrigerants (including R-717, R-404A, HC-600a and HC-290) accounting for the remaining 9.4 per cent.

Phase-out strategy

17. Stage II of the HPMP will focus on further strengthening the legal framework and the capacity of enforcement officers, enhancing the technical capacities of technicians in the servicing sector through increased training opportunities, including training on hydrocarbons (HC), developing an electronic licensing system, establishing a certification scheme for technicians, and strengthening the two existing centres of excellence and establishing two new ones.

Proposed activities

18. Stage II proposes the following activities:

(a) *Strengthening the national capacity to control HCFCs*: Development and adoption of a ban on the import of new and used HCFC-based equipment from 1 January 2027 and of HCFCs from 1 January 2030; establishment of a regulatory measure to control intended emission of refrigerants during installation, servicing and decommissioning of RAC equipment; development of an electronic licensing system and online tool to allow information exchange between the NOU and customs on the use of import quotas for

HCFCs in real time; development of regulatory standards and protocols on the use of flammable and toxic refrigerants in RAC equipment; training of 725 customs and enforcement officers (including 270 females) on the control and identification of HCFCs and HCFC-based equipment and pertinent regulation on their import; 15 information and awareness-raising workshops for importing traders on the procedures for issuing import licenses and granting annual quotas, and on potential risks and dangers associated with the handling, storing and repackaging of certain refrigerants; translation into local languages of laws, regulations and legal texts relating to the import and distribution of HCFCs and HCFC-based equipment (UNEP) (US $185,000);

(b) *Strengthening the capacity of refrigeration technicians on good practices in refrigeration*: training of 800 RAC technicians (including 100 women) on good practices in refrigeration, including techniques for the recovery, recycling and reuse of refrigerants, and the safe handling of refrigerants and equipment; design and establishment of a certification scheme for refrigeration technicians and piloting of the scheme during the third and last tranche with 125 technicians initially certified; targeted campaigns for students to pursue careers in the RAC fields, with an emphasis on attracting women to study at vocational training schools, technical high schools, and universities (UNEP) (US $185,000);

(c) *Strengthening the centres of excellences through provision of equipment and tools and the dissemination of latest technology developments:* Strengthening of the two existing centres of excellence and establishment of two new ones through the provision of tools and equipment,[8] training on their use, and provision of 10 additional identifiers; intensive training on HCs for trainers and a minimum of 80 trainees in four training sessions (UNIDO) (US $215,000); and

(d) *Gender mainstreaming:* A gender assessment and action plan aiming at identifying the barriers that deter women from joining the RAC sector and preparing a roadmap to pursue their involvement and participation in the activities of stage II and meet the proposed targets (UNEP) (US $15,000).

Project implementation and monitoring

19. 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 for UNEP amounts to US $50,000, and includes staff and consultants (US $32,000), monitoring-related travel (US $10,000), and meetings and workshops (US $8,000).

Gender policy implementation

20. The Government of the Congo, UNEP and UNIDO are fully committed to implementing the operational gender mainstreaming policy of the Multilateral Fund and their own gender policies. The implementation of stage I of the HPMP included especially dedicated information and awareness-raising campaigns for the promotion of gender balance in the RAC servicing profession, with the aim of introducing a 50 per cent quota for women when recruiting for specialized vocational schools and university training institutes in RAC servicing. These activities will continue in stage II.

21. Several entry points from the Multilateral Fund’s gender policy were also taken into consideration in the data collection process for the survey conducted in 2021, such as attention to gender-balanced

[8] Including vacuum pumps, hoses, filter driers, electronic scales, infrared leak detectors, standard refrigerant infrared sensors, compact clamp meter fieldpieces, ratchet wrench sets, flaring and swaging tools, brazing kits, valve manifold gauge sets, and portable digital multimeters.

recruitment of personnel, sex-disaggregation of collected data to the extent possible, and the inclusion of a question on how to improve the involvement of women in the RAC servicing profession.

22. Initial surveys have shown that, at the level of educational institutions, out of 344 students who graduated from RAC vocational training centres in the period from 2017 to 2021, only 54 were women (around 16 per cent). In line with decisions 84/92, 90/48 and 92/40, 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. To this end, specific targets have been established under each activity. To support meeting those targets, the Congo intends to conduct a gender assessment, which is one of the mandatory requirements to be included in new stages of HPMPs according to decision 92/40(b). The assessment will aim at identifying the barriers that deter women from joining the RAC sector and preparing a roadmap to pursue their involvement and participation in the activities of stage II, as well as to meet the established targets. Activities such as targeted campaigns to attract female students to enter the RAC field, will also be carried out during the implementation of stage II to systematically address gender equality and women's empowerment.

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

23. The total cost of stage II of the HPMP for the Congo has been estimated at US $650,000 (plus agency support costs), as originally submitted, for achieving a 100 per cent reduction from its HCFC baseline consumption by 2030. The proposed activities and cost breakdown are summarized in table 3.

Table 3. Total cost of stage II of the HPMP for the Congo as submitted

Activity	Agency	Cost (US $)
Strengthening the national capacity to control HCFCs	UNEP	185,000
Strengthening the capacity of refrigeration technicians on good practices in refrigeration	UNEP	185,000
Strengthening the centres of excellences through provision of equipment and tools and the dissemination of latest technology developments	UNIDO	215,000
Gender mainstreaming	UNEP	15,000
Monitoring and reporting	UNEP	50,000
Total		**650,000**

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 $350,000 will be implemented between January 2025 and December 2028 and will include the following activities:

(a) *Strengthening the national capacity to control HCFCs*: Design of the electronic licensing system and online tool to connect customs with the NOU for a more efficient control of HCFCs; development of regulatory standards and protocols on the use of flammable and toxic refrigerants in RAC equipment; nine training sessions for 225 customs and enforcement officers (including 100 women) on the control and identification of HCFCs and HCFC-based equipment and pertinent regulation on their import; six information and awareness-raising workshops for importing traders on the procedures for issuing import licenses and granting annual quotas and on potential risks and dangers of certain refrigerants; translation into local languages of laws, regulations and legal texts relating to the import and distribution of HCFCs and HCFC-based equipment (UNEP) (US $98,000);

(b) *Strengthening the capacity of refrigeration technicians on good practices in refrigeration*: 10 training sessions for 300 RAC technicians (including 50 women) on good practices in refrigeration, including techniques for the recovery, recycling and reuse of refrigerants, and the safe handling of refrigerants and equipment; scoping and design of the certification scheme including its institutional setup, stakeholder consultation and capacity building for the certification process; targeted campaigns for students to pursue careers in the RAC fields, with an emphasis on attracting women (UNEP) (US $80,000);

(c) *Strengthening the centres of excellences through provision of equipment and tools and the dissemination of latest technology developments*: Strengthening of the two existing centres of excellence through the provision of tools and equipment, training on their use, and provision of five additional refrigerant identifiers; intensive training on HCs for three trainers and a minimum of 80 trainees in four sessions (UNIDO) (US $142,000);

(d) *Gender mainstreaming:* A gender assessment and action plan to promote women involvement and participation in the activities of stage II and meet the related targets (UNEP) (US $15,000); and

(e) Project monitoring (UNEP) (US $15,000) with the following cost breakdown: staff and consultants (US $10,000), monitoring-related travel (US $3,000), and meetings (US $2,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

25. 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 (decisions 74/50 and 90/31), and the 2024-2026 business plan of the Multilateral Fund.

Overarching strategy

26. The Government of the Congo confirmed its commitment to achieve a 100 per cent reduction of its HCFC baseline consumption and attain compliance with the Montreal Protocol measures by 2030. The activities planned for stage II have taken into account those to be implemented under the country's Kigali HFC implementation plan (KIP) approved at the 93rd meeting.

27. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of the Congo agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol[9] for the period 2030–2040, and, if the Congo intends to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030.

Legal framework

28. The Government of the Congo has issued HCFC import quotas for 2024 at 5.78 ODP tonnes, which is lower than the Montreal Protocol control target for that year.

29. The Government of Congo confirmed its commitment to ban the import of new and used HCFC-based equipment by 1 January 2027, and the import of HCFCs by 1 January 2030.

[9] HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

30. The agencies also confirmed the commitment from the Government to establish regulatory measures to control intended emission of refrigerants during installation, servicing and decommissioning of RAC equipment, within stage II of the HPMP.

Technical and cost-related issues

Training of customs and enforcement officers

31. The Secretariat noticed the large number of customs and enforcement officers to be trained when compared with the number included in the indicative list of activities of stage II of the HPMP presented when the KIP is approved (annex II of document UNEP/OzL.Pro/ExCom/93/49). UNEP confirmed this number highlighting the high turnover of customs officers and the lack of knowledge of the regulatory framework of incoming customs officers. The verification report in stage I had in effect pointed out this situation and made a recommendation in this regard. The target groups for the training activities includes customs officers and also enforcement officials and environment inspectors from the Department of Commerce deployed in different areas of the country. Among the lessons learned from stage I mentioned in the submission, it is highlighted that although more than 427 customs officers were trained in stage I, the number of customs officers trained on specific matters related to ODS is considered insufficient to ensure regular and effective border control with neighbouring countries and at ports, as the customs officers are often reassigned or leave. UNEP confirmed that 29 sessions will be held, and every session will train 25 customs and enforcement officers, targeting 270 female participants.

Technician certification scheme

32. Regarding the establishment of the national certification scheme for RAC technicians, UNEP explained that it envisages to engage an international expert during the first tranche of stage II to conduct a study and scope out the establishment of the scheme, including its institutional setup, to ensure its sustainability after the completion of the HPMP. UNEP also confirmed this will also cover the aspects of HFC phase-down. UNEP will assist the country in this initiative. The expert will facilitate the establishment of an operational certification scheme, build the capacity of five teachers to become certifiers, test the system during a pilot phase, and enable two vocational training centres to be certifiers. By the end of stage II, approximately 125 technicians are expected to be certified.

Demand for HCFC-22 in the RAC servicing sector in the Congo

33. The Secretariat enquired about the low inventory of equipment using HCFC-22 and the high leakage rate shown in table 2. UNEP confirmed the figures, indicating that they were compiled during the survey undertaken for the preparation of the KIP for the Congo. UNEP attributed the high leakage rate to the large number of technicians in the informal sector, the general lack of necessary skills to handle RAC equipment according to good practices and responsibly, inefficient maintenance and repair practices, high temperatures and humidity that accelerate the degradation of refrigerant systems.

Total project cost

34. The total cost for stage II of the HPMP amounts to US $650,000, 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.

Impact on the climate

35. 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 results in the savings of

approximately 1.8 CO_2-eq tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by the Congo, including its efforts to promote low-GWP alternatives, as well as refrigerant recovery and reuse, 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

36. The continuous capacity building of customs and enforcement officers, along with the strengthening of regulatory measures and mechanisms in collaboration with customs authorities, have resulted in a solid foundation that will allow the Congo to maintain the phase-out of HCFCs beyond the HPMP. The General Directorate of Customs is directly involved in the training of customs officers, planning of workshops, and updating of the training curriculum, which includes the country's compliance obligations under the Montreal Protocol. These efforts, along with the established, continuous awareness-raising activities for importers and the public, have also contributed to the reduction in cases of illegal trade in the Congo.

37. Together with the training of technicians, these initiatives have contributed to the strengthening of the RAC servicing sector by improving the practices of RAC technicians and promoting the use of low-GWP alternatives. The successful implementation of the HCFC licensing and quota system will be further enhanced with the establishment of an online platform that connects customs with the NOU, enabling more efficient control of HCHCs and monitoring of imports, and facilitating information sharing. Additionally, the certification scheme for RAC technicians, to be established as part of stage II, is another endeavour that will ensure the long-term sustainability of the achievements of the HPMP.

38. UNEP corroborated that there is no perceived or identified high risk in adopting non-HCFC alternatives in the course of implementation of stage II of the HPMP and beyond, and that the Government of the Congo will establish standards and protocols for the safe use of flammable and toxic refrigerants in RAC equipment during the implementation of stage II. The HPMP, in collaboration with the RAC association, is supporting training on good servicing practices. The simultaneous implementation of the HPMP and the KIP, and the complementary nature of the relevant activities mitigate the risk of delays in implementation and facilitates dialogue among intervening authorities and involved stakeholders, contributing to the sustainability of the results of both projects.

39. The risk of delays in activities requiring regional coordination (e.g., regional regulations) will be mitigated by the implementing agencies facilitating dialogue among the NOUs of the region including through UNEP's Compliance Assistance Programme network meetings.

Co-financing

40. The Government of the Congo provides in-kind contribution to the project activities, supplying logistics and personnel support, as and when required, for the implementation of the project.

2024-2026 draft business plan of the Multilateral Fund

41. UNEP and UNIDO are requesting US $650,000, plus agency support costs, for the implementation of stage II of the HPMP for the Congo. The total requested value of US $389,820, including agency support costs for the period of 2024–2026, is US $136,721 above the amount in the business plan.

Draft Agreement

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

RECOMMENDATION

43. The Executive Committee may wish to consider:

(a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for the Congo for the period from 2024 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $725,900, consisting of US $435,000, plus agency support costs of US $56,550, for UNEP and US $215,000, plus agency support costs of US $19,350, for UNIDO, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs;

(b) Noting the commitment of the Government of the Congo:

(i) To completely phase out HCFCs by 1 January 2030, to ban the import of HCFCs from that date, and to ban the import of HCFC-based equipment by 1 January 2027;

(ii) To establish regulatory measures to control intended emission of refrigerants during installation, servicing and decommissioning of refrigerant and air-conditioning equipment, within stage II of the HPMP;

(c) Deducting 6.59 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

(d) That, to allow for consideration of the final tranche of its HPMP, the Government of the Congo should submit:

(i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030-2040;

(ii) The expected annual HCFC consumption in the Congo for the period 2030-2040; and

(e) Approving:

(i) The draft Agreement between the Government of the Congo 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 Congo, and the corresponding tranche implementation plan, in the amount of US $389,820, consisting of US $208,000, plus agency support costs of US $27,040 for UNEP, and US $142,000, plus agency support costs of US $12,780 for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE CONGO 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 Congo (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") and UNIDO has agreed to be the cooperating implementing agency (the "Cooperating IA") under the lead of 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 and/or Cooperating 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 Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 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, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating 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	10.14

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025-2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	6.59	3.29	3.29	3.29	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	6.59	3.29	3.29	3.29	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	208,000	0	123,000	0	104,000	435,000
2.2	Support costs for Lead IA (US $)	27,040	0	15,990	0	13,520	56,550
2.3	Cooperating IA (UNIDO) agreed funding (US $)	142,000	0	0	0	73,000	215,000
2.4	Support costs for Cooperating IA (US $)	12,780	0	0	0	6,570	19,350
3.1	Total agreed funding (US $)	350,000	0	123,000	0	177,000	650,000
3.2	Total support costs (US $)	39,820	0	15,990	0	20,090	75,900
3.3	Total agreed costs (US $)	389,820	0	138,990	0	197,090	725,900
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						6.59
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						3.55
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00

* Date of completion of stage I: 1 December 2023

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second 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. Overall monitoring will be provided by the Government, through the national ozone unit (NOU), with assistance from the Lead IA. The NOU will submit annual progress reports on the status of implementation of the Plan to the Lead IA.

2. Consumption will be monitored and determined from official data of import and export of substances as registered by the relevant Government departments. The NOU will compile and report the following data and information each year on or before the relevant deadlines:

(a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and

(b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.

3. Monitoring of development of the Plan and verification of the achievement of performance targets will be assigned to an independent local company or independent local consultant(s) by the Lead IA. The company or consultant(s) responsible for verification will have full access to relevant technical and financial information related to the implementation of the Plan.

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, and should include the activities implemented by the Cooperating IA;

(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) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;

(k) 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 and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and the Cooperating IA;

(l) Ensuring that disbursements made to the Country are based on the use of the indicators;

(m) Providing assistance with policy, management and technical support when required;

(n) Reaching consensus with the Cooperating IA[s] on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and

(o) 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 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the Plan, including at least the following:

(a) Providing assistance for policy development when required;

(b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a coordinated sequence in the activities;

(c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and

(d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

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.