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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(c) of the provisional agenda¹

PROJECT PROPOSAL: TURKMENISTAN

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

Phase-out

- | | | | |
|---|---|-------|------------------|
| • | HCFC phase-out management plan
(stage II, third tranche) | UNIDO | Blanket approval |
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¹ UNEP/OzL.Pro/ExCom/96/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Turkmenistan

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNIDO (lead)	86 th	67.5% phase-out by 2025

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2023	4.26 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2024	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					3.54				3.54

(IV) CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	6.80	Starting point for sustained aggregate reductions:	6.80
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	4.59	Remaining:	2.21

(V) ENDORSED BUSINESS PLAN		2025	2026	2027	Total
UNIDO	ODS phase-out (ODP tonnes)	0.29	0.0	0.0	0.29
	Funding (US \$)	42,800	0	0	42,800

(VI) PROJECT DATA			2020	2021	2022	2023-2024	2025	Total
Montreal Protocol consumption limits (ODP tonnes)			4.42	4.42	4.42	4.42	2.21	n/a
Maximum allowable consumption (ODP tonnes)			4.42	4.42	4.42	4.42	2.21	n/a
Funding agreed in principle (US \$)	UNIDO	Project costs	165,000	0	103,500	0	40,000	308,500
		Support costs	11,550	0	7,245	0	2,800	21,595
Funds approved by ExCom (US \$)		Project costs	165,000	0	103,500	0	0	268,500
		Support costs	11,550	0	7,245	0	0	18,795
Total funds recommended for approval at this meeting (US \$)		Project costs					40,000	40,000
		Support costs					2,800	2,800

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Turkmenistan, UNIDO as the designated implementing agency has submitted a request for funding for the third and final tranche of stage II of the HCFC phase-out management plan (HPMP), in the amount of US \$40,000, plus agency support costs of US \$2,800.² The submission includes a progress report on the implementation of the second tranche and the tranche implementation plan for 2025 to 2026.

Report on HCFC consumption

2. The Government of Turkmenistan reported under the country programme (CP) implementation report a consumption of 3.54 ODP tonnes of HCFCs in 2024, which is 47.9 per cent below the country's HCFC baseline for compliance. The Article 7 data for 2024 has not been reported yet. The 2020–2024 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Turkmenistan (2020-2024 Article 7 data)

HCFC-22	2020	2021	2022	2023	2024*	Baseline
Metric tonnes (mt)	68.54	79.36	73.30	77.38	64.45	124.14
ODP tonnes	3.77	4.36	4.03	4.26	3.54	6.80

* CP data

3. The consumption of HCFC-22 has continued decreasing due to the implementation of HPMP activities, including the enforcement of a licensing and quota system, the training of servicing technicians, public awareness campaigns, the enforcement of a ban on importing HCFC-based equipment in 2016, and growing imports of refrigeration and air-conditioning (RAC) equipment charged with alternative refrigerants. The increase in consumption in 2021 compared to 2020 was due to the resumption of imports when the borders reopened after the COVID-19 pandemic, and the increase in 2023 resulted from lower consumption in the preceding year, driven by the country's economic situation.

Country programme implementation report

4. The Government of Turkmenistan reported HCFC sector consumption data under the 2023 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

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

Legal framework

5. The Government of Turkmenistan ratified the Kigali Amendment to the Montreal Protocol on 31 August 2020. The issuance of import licenses for all controlled substances, the allocation of quotas, and the granting of permits to importers/exporters are regulated under the law on the protection of the ozone layer, administered by the Ministry of Environmental Protection (MEP) of Turkmenistan.

6. Forty environmental inspectors (including 20 women) from the Hydrometeorology and State Ecological Control Services received training on the Montreal Protocol measures, alternative technologies using non-ozone-depleting substances (ODSs), the ODS licensing and quota system, and ODS identification.

Refrigeration servicing sector

7. Under the second tranche, one academic centre of excellence received eight training simulators and carried out training on their use; the centre also trained 10 trainers (including two women) on the

² As per the letter of 26 March 2025 from the Ministry of Environmental Protection of Turkmenistan to UNIDO.

international technician certification requirements for good servicing practices. Twenty technicians (two women) were trained and certified in the safe use of refrigerants with low or zero global-warming potential (GWP), ODS recovery and destruction, and energy efficiency; and 50 government and private-sector stakeholders (12 women) participated in training sessions on alternative refrigerants and energy efficiency. For the activity on the establishment of a reclamation system, required regulatory measures were identified and proposed, (e.g., prohibition of the deliberate venting of ODSs, mandatory leakage control for industrial refrigeration and chillers, and compulsory collection, reclamation, and disposal of ODSs), technical documentation for the establishment of a national ODS and HFC reclamation system was completed, and three enterprises were selected as potential reclamation sites and beneficiaries.

Project implementation and monitoring

8. The national ozone unit (NOU), under the MEP, is responsible for monitoring and implementing all activities under the HPMP, reporting on progress, and working with stakeholders to phase out HCFCs. Under the second tranche, project implementation and monitoring expenses amounted to US \$5,000, which was the total amount approved, and included staff and consultants (US \$2,000), travel (US \$1,000), workshops/meetings (US \$1,000), and others (US \$1,000).

Level of fund disbursement

9. As of March 2025, of the US \$268,500 approved so far, US \$254,588 had been disbursed by UNIDO, as shown in table 2. The balance of US \$13,912 will be disbursed in 2025–2026.

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

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)	Fund balance
First	165,000	165,000	100	0
Second	103,500	89,588	86.6	13,912
Total	268,500	254,588	94.8	13,912

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

10. The following activities will be implemented between July 2025 and December 2026:

- (a) Development and enforcement of a certification system for RAC specialists and training provided to 150 technicians on the use and safe handling of low- or zero-GWP refrigerants, ODS recovery and destruction, and energy efficiency (US \$10,000); and
- (b) Establishment of a reclamation system based on beneficiaries selected during the second tranche, including procurement and delivery of ODS recovery and reclamation equipment,³ organization of training and launch of the ODS reclamation system, obtaining necessary permits, and supporting the operation of the centre for three years (US \$30,000, plus the balance from the previous tranche).

³ Reclamation unit, refillable containers, filters and accessories

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

11. The Government of Turkmenistan has issued HCFC import quotas in line with the Montreal Protocol control targets.

Refrigeration servicing sector

12. The Secretariat noted that certification courses covering the safe use of low- or zero-GWP refrigerants, ODS recovery and destruction and energy efficiency were initiated during the second tranche. However, their full implementation will be completed in the third tranche, following the adoption of the mandatory certification scheme in early 2026.

13. The Secretariat further noted that regulatory measures to prohibit the deliberate venting of ODSs, impose mandatory leakage control for industrial refrigeration and chillers, introduce the compulsory collection, reclamation, and disposal of ODSs were identified and proposed, and are expected to be finalized in the first part of 2026, aligning with the adoption of the mandatory certification system and synergizing with the ongoing national inventory of banks of used or unwanted substances project.

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

14. The Secretariat noted that the cost of training was reduced compared to the plan, despite the need to train 150 technicians. UNIDO explained that this reduction was due to the establishment of a modern training centre at Yagshygeldi Kakayev International Oil and Gas University, which agreed to provide training services at a significantly lower cost than originally estimated during the project planning stage.

15. The Secretariat inquired about progress in establishing the ODS reclamation system. UNIDO replied that the focus of the second tranche was laying the necessary groundwork for the establishment of the reclamation system, including identifying and proposing regulatory measures, the preparation of training materials, and the selection of sites for the future installation of reclamation facilities. Due to the high cost of required reclamation equipment, procurement and installation will continue under the third tranche. Costs were revised to reflect current market prices for the procurement of equipment and to ensure the full establishment of a national reclamation system, but were within the budget for the tranche. The revised scope includes procurement of equipment, training of personnel, permit issuing processes, and operational support for the centre over a three-year period.

Gender policy implementation

16. The Government of Turkmenistan is implementing the National Action Plan for Gender Equality for the period 2021–2025 and is systematically implementing measures to promote gender equality. In line with decisions 84/92(d) and 90/48(c), a gender-responsive approach was applied by the NOU, in coordination with UNIDO through gender-related training and materials developed in the second tranche of stage II. The NOU collaborates with the centres of excellence to ensure that equal career development opportunities are available for women technicians. Women's participation was ensured in various activities, including trainings, meetings, and workshops.

Sustainability of the HCFC phase-out and assessment of risks

17. The sustainability of HCFC phase-out in Turkmenistan is being ensured by maintaining effective controls on the import of HCFCs and HCFC-based equipment, with training of customs officers conducted independently of the HPMP, and a ban on imports of HCFC-based equipment effective since 1 January 2016. The centre of excellence, using HPMP funds and co-financing, will ensure long-term sustainability of RAC technicians' training while promoting alternatives with lower GWP and the mandatory collection and reclamation of ODSs. Risks relating to the implementation of the HPMP are mitigated by the high level of support from the Government of Turkmenistan remaining committed to its Montreal Protocol obligations and to the further strengthening of relevant legislation. Preparation project for stage III of HPMP is submitted to the present meeting, further strengthening the control measures and preparing the sector for total HCFC phase-out.

Conclusion

18. The Government of Turkmenistan achieved compliance with its HCFC consumption targets for the period 2022–2024. The consumption of HCFCs in 2024 was 3.54 ODP tonnes, which is 48 per cent below the country's Montreal Protocol target and the maximum allowable consumption specified in the Agreement. Progress has been achieved as planned and the 20 per cent disbursement threshold for the second tranche of stage II of the HPMP has been met.

RECOMMENDATION

19. The Fund Secretariat recommends that the Executive Committee note the progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Turkmenistan; and further recommends blanket approval of the third and final tranche of stage II of the HPMP for Turkmenistan, and the corresponding 2025–2026 tranche implementation plan, at the funding level shown in the table below.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage II, third tranche)	40,000	2,800	UNIDO