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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-seventh Meeting
Montreal, 1–5 December 2025
Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: MADAGASCAR

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, second tranche) | UNEP and UNIDO | Blanket approval |
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¹ UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Madagascar

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO	90 th	100% phase-out by 2030

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	6.33 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					6.33				6.33

(IV) CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	16.60	Starting point for sustained aggregate reductions:	16.60
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	16.60	Remaining:	0.00

(V) ENDORSED BUSINESS PLAN		2025	2026	2027	Total
UNEP	ODS phase-out (ODP tonnes)	2.21	0.00	1.49	3.71
	Funding (US \$)	368,356*	0	157,610	525,966
UNIDO	ODS phase-out (ODP tonnes)	0.00	0.00	2.34	2.34
	Funding (US \$)	0	0	234,095	234,095

* Including US \$135,600 for UNEP for additional activities to maintain energy efficiency (decision 89/6)

(VI) PROJECT DATA			2022	2023-2024	2025*	2026	2027	2028 - 2029	2030	Total
Montreal Protocol consumption limits (ODP tonnes)			10.79	10.79	5.40	5.40	5.40	5.40	0.00	n/a
Maximum allowable consumption (ODP tonnes)			10.79	10.79	5.40	5.40	5.40	5.40	0.00	n/a
Funding agreed in principle (US \$)	UNEP	Project costs	120,000	0	326,750	0	140,000	0	166,750	753,500
		Support costs	15,094	0	40,124	0	17,191	0	20,476	92,885
	UNIDO	Project costs	187,720	0	0	0	218,780	0	0	406,500
		Support costs	13,140	0	0	0	15,315	0	0	28,455
Funds approved by ExCom (US \$)		Project costs	307,720	0	0	0	0	0	0	307,720
		Support costs	28,234	0	0	0	0	0	0	28,234
Total funds recommended for approval at this meeting (US \$)		Project costs	0	0	326,750	0	0	0	0	326,750
		Support costs	0	0	40,124	0	0	0	0	40,124

* Funding for 2025 includes US \$120,000, plus agency support costs of \$14,735 for UNEP for additional activities to maintain energy efficiency (decision 89/6).

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Madagascar, UNEP as the lead implementing agency has submitted a request for funding for the second tranche of stage II of the HCFC phase-out management plan (HPMP), in the amount of US \$326,750, plus agency support costs of US \$40,124, for UNEP only.² The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2022 to 2024, a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector,³ and the tranche implementation plan for 2026 to 2027.

Report on HCFC consumption

2. The Government of Madagascar reported a consumption of 6.33 ODP tonnes of HCFCs in 2024, which is 61.9 per cent below the country's HCFC baseline for compliance. The 2020-2024 HCFC consumption is shown in table 1.

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

HCFC-22	2020	2021	2022	2023	2024	Baseline
Metric tonnes (mt)	100.00	172.00	170.00	165.00	115.00	301.82
ODP tonnes	5.50	9.46	9.35	9.08	6.33	16.60

3. In 2020, there was a significant decrease in HCFC-22 consumption due to a combination of regulations to control HCFC consumption to achieve the 2020 reduction target and the COVID-19 pandemic that resulted in lower demand for servicing refrigeration and air-conditioning (RAC) equipment. The use of HCFC-22 in Madagascar is mainly for servicing and maintenance of RAC equipment. The decreasing trend is due to the activities implemented under the HPMP, including control of HCFC and HCFC-based equipment imports; training technicians in good servicing practices; and the introduction of alternative technologies in air-conditioning and commercial refrigeration applications, mainly HFCs, and hydrocarbons (HCs) and ammonia on a smaller scale. While the HCFC-22 import trend is decreasing, the situation is the opposite for alternative refrigerants.

Country programme implementation report

4. The Government of Madagascar reported HCFC sector consumption data under the 2024 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government was implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2022 to 2024 was correct (as shown in table 1 above). The verification concluded that Madagascar has complied with both the Montreal Protocol's reduction schedule for Annex C, Group I, substances and the maximum allowable consumption limits of Annex C, Group I substances in 2022, 2023, and 2024 as per stage II of the HPMP Agreement.

6. The verification report indicated that one importer had exceeded the annual quota for HCFCs in 2024; this issue was taken up by the national ozone unit (NOU) with the relevant importer, and actions in line with the national regulations were taken on this violation of HCFC quota system. The verification

² As per the letter of 18 September 2025 from the Ministry of Environment and Sustainable Development of Madagascar to the Secretariat.

³ In line with decision 89/6, low-volume-consuming countries can include in their HPMPs additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.

report has confirmed that despite this, the actual imports for the year 2024 (i.e., 6.33 ODP tonnes of HCFC-22) were within the compliance targets for the year 2024 (i.e., 16.18/11.10 ODP tonnes). The verification report also recommended that trained customs officers should be made available for controlling and monitoring HCFCs to the extent feasible, and more training needs to be provided to customs officers on the implementation of national and sub-regional regulations on the import and distribution of ODS, including HCFCs. Furthermore, equipment support should be provided to the customs officers at the check points and support should be provided to service training centres for training on use of new alternatives. UNEP confirmed that these recommendations will be taken into consideration and implemented during future tranches of the HPMP.

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

7. Stage I of the HPMP was completed on 1 December 2021. The project completion report was submitted on 14 March 2023.

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

Legal framework

8. The Government of Madagascar has not yet ratified the Kigali Amendment.

9. Since 2014, Madagascar has in place an enforceable system of licensing and quotas for HCFC imports. The authorization system for issuing import licenses is electronic and online. In accordance with the provisions of the Memorandum of Understanding concluded between the Ministry of the Environment's NOU, the Ministry of Trade and Consumer Affairs, the General Directorate of Customs and the company GasyNet, the import licenses for ODS and ODS-containing equipment are integrated into the Ministry, Department and Control Agency (MIDAC) online module of GasyNet.

10. The NOU is responsible for allocating annual quotas to importers, in close collaboration with the national ozone committee (NOC). The Directorate General of Customs is responsible for monitoring imports and for the application of the customs legislation, and the collection of customs duties and taxes at the time of import.

11. Madagascar is implementing the Decree 2007-327 of 24 April 2007 regulating imports, sale and resale, use of refrigerants and refrigerants equipment, including HCFCs; the Decree No. 2018-1145 of 5 September 2018 banning the import of waste, hazardous waste and substances as well as equipment containing them; and the customs codes and customs tariffs of 2022. The Government of Madagascar is also enforcing the sub-regional regulations of the Common Market for Eastern and Southern Africa (COMESA),⁴ that harmonize the management of controlled substances, including HCFCs, in the sub-region.

12. During the first tranche, 16 officers from the Mobile Surveillance Brigade (BMS) and the Anti-Fraud Service, have been sensitized yearly on the implementation of the different regulations. A total of 199 customs officers and other law enforcement officers (including 75 women) were trained via eight training sessions on control and identification of HCFCs and HCFC-based equipment, updated regulations, and the 2022 Harmonized System Codes.

13. A total of five information and awareness-raising workshops on government procedures for issuing import licenses and granting annual quotas were organised for 530 participants, including 193 women, and

⁴ A sub-regional integration comprising 21 African Member States.

five workshops on the potential risks of certain types of alternative refrigerants (e.g., flammable refrigerants) for about 875 participants, including 279 women.

Refrigeration servicing sector

14. Six training sessions were organised to train a total of 187 RAC technicians, including 25 women, in good practices in refrigeration, including techniques for recovery, recycling and reuse of HCFCs, and the handling of new refrigeration equipment using alternative refrigerants.

15. The discussions on the development of standards and protocols have started at the country level. A national study to provide all stakeholders in the RAC sector with standards and protocols on the use, handling, storage, transport and safe trade of flammable and toxic refrigerants already available on the market was conducted by a national consultant, and the report was released in May 2025, during a national workshop.

16. Several working and consultation meetings on the implementation of a certification programme for refrigeration technicians were organized with the Association of Refrigeration Technicians of Madagascar (UFM), the centres providing training to service technicians, the refrigeration workshops and the schools and university institutes that offer specialized training programmes in the RAC field. Five trainers participated in certification training; of these, four trainers were certified.

Strengthening centres of excellence and technical assistance

17. Equipment, including a refrigerant recovery unit, two-stage vacuum pump, and digital manifold, were procured and delivered to the four centres of excellence providing training to technicians. The NOU also received equipment (e.g., recovery machines; refrigerant recovery/recycling unit, vacuum pump, manifolds) which are used for training purposes as needed. Consultations began with four new centres regarding initiation of a recovery and reclamation programme.

Project implementation and monitoring

18. The NOU assists UNEP in the implementation, monitoring and reporting of the activities and has established a strong collaboration with the UFM, the Interministerial Ozone Committee, customs, and all other stakeholders. The US \$10,000 approved in the first tranche was disbursed on staff and consultant (US \$5,000), travel (US \$3,000), and meetings and workshops (US \$2,000).

Level of fund disbursement

19. As of September 2025, of the US \$307,720 approved so far (US \$120,000 for UNEP and US \$187,720 for UNIDO), US \$204,001 (66.3 per cent) had been disbursed (US \$115,849 for UNEP and US \$88,152 for UNIDO). The balance of US \$103,719 will be disbursed in 2026.

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

20. The following activities will be implemented between January 2026 and June 2027:

- (a) *Strengthening of the legal and institutional framework*: Ensure a functional and enforceable system of licensing and quotas for HCFC imports through legislative and regulatory measures, including two meetings for 40 participants from relevant stakeholders on developing regulations including prohibition of HCFC-based equipment (US \$5,000);
- (b) *Training for customs and enforcement officers on controlling the imports of HCFCs and other stakeholders on implementing HCFC related regulations (US \$70,000)*: Train 10 trainers and customs officers on HCFC trade control and monitoring, and train

360 customs and enforcement officers on control and identification of HCFCs and HCFC-based equipment and enforcement of regulations (US \$50,000); conduct at least 10 workshops for importers on HCFC related regulations and reporting requirements including licensing procedures and safety aspects relating to new refrigerants (US \$20,000);

- (c) *Strengthening the capacity of RAC technicians in good practices (US \$115,000)*: Conduct training programmes for 360 service technicians on good service practices, minimizing leakages, recovery and recycling of HCFCs and safe use of alternatives to HCFCs (US \$60,000); development of RAC technicians' certification programme, consultations with stakeholders on the certification programme and the implementation steps; certification of 25 technicians on good service practices and safe use of alternatives (US \$30,000); development of regulatory standards and protocols on use of flammable refrigerants based on ongoing consultations on this matter (US \$25,000)
- (d) *Activities to maintain energy efficiency*: These activities are described in detail in the following section (US \$120,000); and
- (e) *Project implementation, monitoring and reporting (US \$16,750)*: project staff and consultants (US \$7,000), domestic travel (US \$5,500), and meetings and workshops (US \$4,250).

Activities to maintain energy efficiency in the refrigeration servicing sector

21. The project related to energy efficiency, submitted in line with decision 89/6, has been designed to develop minimum energy performance standards (MEPS) and to improve the energy efficiency of industries and businesses by acquisition and use of energy efficient RAC equipment. The details of the activities and costs allocated are given below:

- (a) *Institutional coordination and cooperation for development and implementation of energy efficiency standards and labelling system in the RAC sector (US \$80,000)*: Coordination meetings among key stakeholders and workshops (US \$20,000); development of the MEPS and labelling system for RAC appliances, including hiring an international consultant to conduct a comprehensive analysis and provide recommendations on MEPS design and implementation (US \$20,000); coordination amongst all stakeholders, including the Ministry of Environment, the Ministry of Energy, to develop supporting laws, regulations, standards, and guidelines for energy efficiency and labelling (US \$15,000); experience sharing for key stakeholders with a country in Africa with a well-established labelling system and energy efficiency standards to gain insights into the processes and strategies involved in developing and implementing MEPS (US \$20,000); and development of reports (US \$5,000); and
- (b) *Public awareness and outreach programmes (US \$40,000)*: Creation of communication tools including two high-quality videos and visually engaging infographics relating to energy efficiency and the benefits of labelling and energy-efficient technologies in the RAC sector (US \$10,000); conduct a roadshow across various regions of Madagascar, showcasing live demonstrations of energy-efficient RAC technologies, sessions with experts to address implementation needs for the latest energy-efficient technologies and maintenance practices, and distribution of educational materials (US \$15,000); demonstrations at community events to highlight the practical advantages of energy-efficient RAC equipment and to explain how to read energy labels when buying appliances (US \$10,000); and development of reports (US \$5,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Revision of baseline

22. At the 90th meeting, it was noted that the Government of Madagascar had submitted an official communication to the Ozone Secretariat requesting the correction of the HCFC-22 consumption data under Article 7 for 2009.⁵ Subsequently, the change in HCFC-22 consumption data for 2009 from 33 ODP tonnes to 16.49 ODP tonnes was approved by the Parties (decision XXXIV/16); this resulted in a revised baseline from 24.9 ODP tonnes to 16.60 ODP tonnes. Based on this revision, the starting point, the Montreal Protocol targets and the Agreement targets for stage II of the HPMP will all change (see paragraph 37 below); the funding levels for stage II of the HPMP however remain the same based on the revised baseline consumption in line with decision 74/50(c)(xii).

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

Legal framework

23. The Government of Madagascar will issue HCFC import quotas for 2025 of 90 metric tonnes (4.95 ODP tonnes) of HCFC-22 to 13 importers which is lower than the Montreal Protocol control targets. UNEP also confirmed that the quotas for the years 2026 to 2029 would be issued in line with the updated Agreement for stage II of the HPMP.

24. On implementation of regulations to prohibit imports of HCFC-based equipment, UNEP informed that the Government proposes to implement this import prohibition by 1 January 2028. The timeline takes into consideration the consultations and administrative process that are needed for developing these regulations. Furthermore, UNEP also explained that import levels of HCFC-based equipment in the country are decreasing due to non-availability of such equipment and higher market penetration of equipment using alternatives.

Refrigeration servicing sector

25. UNEP confirmed that the retrofit of equipment using flammable refrigerants is not undertaken in the country and the safe use of flammable refrigerants is emphasized during training programmes and other relevant outreach programmes.

26. Regarding training for trainers on using HC-based refrigerants, UNEP explained that under the first tranche of the project, four RAC technicians participated in intensive training sessions, held in Praia and Cotonou, that covered the safe use of flammable refrigerants. These technicians were successfully certified through the programme and are now capable of delivering ongoing training to their peers at the national level.

27. Regarding the certification of technicians, UNEP explained that the certification programme for technicians is expected to be implemented in close collaboration with Ministry of Vocational Training by the year 2027. The programme would include elements relating to periodic re-certification as this is necessary for technicians to keep themselves updated on the latest developments on equipment, component, regulations, refrigerants and other relevant aspects. The Secretariat inquired whether the certification of technicians would be a precondition for handling flammable refrigerants, and UNEP explained that this is under consideration and would be analyzed during the preparation of regulations.

⁵ UNEP/OzL.Pro/ExCom/90/31, paragraph 8.

28. The Secretariat inquired why the existing reclamation centres were not operational. UNIDO explained that there is only one reclamation centre established in Mahajanga; the remaining three centres established only operated as recovery and recycling centres and not as reclamation centres. Upon analysis undertaken by the NOU, the findings revealed that the centres are not functioning as initially intended. Consequently, it was noted that the three centres supported under stage I of the HPMP could provide support for recovery and recycling of refrigerants and not on reclamation of refrigerants.

29. The NOU has proposed to strengthen the existing four training centres, the University of Antananarivo, the Don Bosco Center in Mahajanga, the Institut Supérieur de Technologie (IST) in Diego, and the Technical High School of Toamasina, that are already functional, easily accessible to refrigeration technicians, capable of providing structured and sustainable capacity-building, and have a proven track record in technical education and vocational training. Once sufficient capacity has been established and the recovery and recycling network is fully functional, the necessary regulatory framework will be introduced to ensure compliance and sustainability of the recovery and reclamation programme. UNIDO clarified that four reclamation centres are planned, two for the existing recovery and recycling centres (the IST in Diego, and the Technical High School of Toamasina), and two new facilities will be established. A detailed business plan outlining the operationalization of these centres as reclamation centres is expected to be included with the third tranche submission for the consideration of the Executive Committee in 2027.

30. The Secretariat requested information on the policies and regulations that are proposed to be implemented for the successful operationalization of the recovery and reclamation programme. UNEP explained that given the current capacity issues faced by the personnel who would be implementing such regulations, the Government proposed to prioritize capacity building and institutional strengthening which are the foundations for developing and implementing the regulations, and the regulatory framework would be introduced at a future date following these activities. Specific timelines for finalizing and enforcing these regulations are difficult to provide at this stage. The Secretariat suggested to further discuss this matter when the recovery and reclamation business model is developed for the third tranche submission. It was agreed that when submitting the business plan for the third tranche request in 2027, UNEP and UNIDO would also submit the details of policies and regulations that would be implemented to promote the recovery and reclamation of HCFCs.

Activities to maintain energy efficiency in the refrigeration servicing sector

31. In line with decision 89/6(d), UNEP has included in the tranche implementation plan the specific actions, performance indicators and funding associated with additional activities to maintain energy efficiency.

32. On MEPS development, UNEP explained that the NOU developed the project in consultation with the Agency for the Development of Rural Electrification (ADER), as the nodal agency for energy in Madagascar, operating under the Ministry of Energy and Hydrocarbons. It is proposed to develop MEPS for domestic refrigeration, residential air conditioners and possibly commercial air conditioners (with capacity up to 10 TR⁶) by December 2027. Further, the Government would promote low-global-warming-potential (GWP) refrigerant-based energy-efficient technologies during implementation of the standards and labelling programmes and implementation of green procurement policies.⁷

33. On the main purpose of the study tour and how the tour is going to be arranged, UNEP explained that study tour is planned for four representatives from the NOU office, the energy efficiency authority, the national bureau of statistics and the customs department to understand how the implementation of MEPS

⁶ Tons of Refrigeration

⁷ The country will use the United for Efficiency (U4E) Guidelines that provides technical specifications for energy-efficient appliances and outlines how governments can leverage public procurement to drive market transformation.

regulations works in other countries and how those learnings can be effectively used in Madagascar. The study tour plans to visit a French-speaking African country like Tunisia or Morocco, and the tour would provide a detailed understanding of how MEPS should be effectively implemented and periodically strengthened in the country.

34. The Secretariat and UNEP discussed the proposed activities and agreed that the budgets for the study tour, policy and regulation updates and awareness programmes would be reduced by US \$5,000 each, and support for report preparation in the amount of US \$5,000 will be removed. The savings from these reductions amounting to US \$20,000 will be used for two trainings for 25 customs and enforcement officers on monitoring imports of RAC equipment and two service sector training workshops for 25 technical experts on low-GWP energy-efficient technologies budgeted at US \$10,000 each, as detailed in table 2.

35. UNEP confirmed that there are no other activities relating to energy efficiency for RAC applications exclusive of Multilateral funding under implementation in Madagascar. The Government will coordinate through a national platform with other stakeholders to ensure that the activities are implemented in a complementary manner with other current and future activities under the HPMP and the Kigali HFC implementation plan in the future. The agreed costs and activities are summarized in table 2 below.

Table 2: Agreed costs for the project proposed to maintain energy efficiency in Madagascar (US \$)

Activity / Performance indicators	As submitted	As agreed
1. Institutional coordination and MEPS establishment		
Four national stakeholders' meetings	20,000	20,000
Consultant to develop MEPS and labelling system	20,000	20,000
Draft and update policy and regulatory framework	15,000	10,000
One study tour with development of report	25,000	20,000
<i>Subtotal</i>	<i>80,000</i>	<i>70,000</i>
2. Capacity building in RAC sector		
Two workshops for 25 customs and enforcement officers on monitoring imports of RAC equipment	-	10,000
Two workshops for 25 technical experts (i.e., importers, policy makers, RAC experts) on low-GWP and energy-efficient technologies	-	10,000
<i>Subtotal</i>	<i>-</i>	<i>20,000</i>
3. Community awareness and outreach programmes		
Two awareness campaigns	15,000	10,000
Two videos, two infographics, five banners, three digital contents and 100 brochures	10,000	10,000
Two workshops for 50 participants to demonstrate energy-efficient RAC technologies	10,000	10,000
Report developed	5,000	-
<i>Subtotal</i>	<i>40,000</i>	<i>30,000</i>
GRAND TOTAL	120,000	120,000

Gender policy implementation

36. In line with decisions 84/92(d) and 90/48(c), the Government is taking several measures to implement the Multilateral Fund's operational policy on gender mainstreaming and was able to achieve women's participation in the decision-making process, including in project implementation and monitoring activities, as well as awareness-raising campaigns for women to study programmes relating to RAC technologies including servicing. The NOU is making efforts to encourage women to join the profession. In addition, specific programmes are held to encourage the participation of women in the implementation of different activities under the HPMP, including in training activities.

Updated Agreement

37. In view of the revision in the country's baseline consumption and the starting point for aggregate reductions in consumption, as well as the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the accordingly revised funding schedule, the Agreement between the Government of Madagascar and the Executive Committee has been updated. Specifically, Appendix 1-A and Appendix 2-A have been revised, and paragraph 17 has been added to indicate that the updated Agreement supersedes that reached at the 90th meeting by decision 90/41, as contained in annex I to the present document. The full updated Agreement will be appended to the final report of the 97th meeting.

Sustainability of the HCFC phase-out and assessment of risks

38. UNEP explained that customs and enforcement officers will continue to be trained on an ongoing basis on enforcement issues, including modules relating to the Montreal Protocol which further strengthens the implementation of regulations relating to the Montreal Protocol. Implementation of the regulations prohibiting the import of HCFC-based equipment by 1 January 2028 will reduce dependence on HCFCs in the country. On the sustainability of the service technician training programme, UNEP explained that the capacity building and the equipment provided to support the training centres will result in ongoing training of service technicians on good servicing practices and safe use of alternatives and equipment based on them. Additionally, training local trainers on safe use of flammable refrigerants and the plan to implement a certification programme for service technicians in 2027 will further strengthen safe servicing practices in the country. The implementation of national standards and protocols for the safe use of flammable and toxic refrigerants and the certification system for technicians will facilitate the safe handling of flammable HCFC-free alternatives.

Conclusion

39. The Secretariat notes that Madagascar remains in compliance with the Montreal Protocol targets and its Agreement with the Executive Committee; they are effectively implementing their licensing and quota system for HCFCs. The baseline has been revised to 16.60 ODP tonnes pursuant to decision XXXIV/16. Although the ban on import of HCFC-based equipment will be established by 1 January 2028, the import of such equipment using HCFCs is fast decreasing. The activities in stage II of the HPMP are proceeding satisfactorily including customs and enforcement training and refrigeration servicing sector capacity building. The level of funds disbursed represents 66.3 per cent of the funds approved under the first tranche. The proposed activities in the second tranche including the technician certification programme, continued customs and technician training, promoting the market penetration of alternative technologies, and the continued strengthening of training institutions, will ensure the sustainability of the phase-out of HCFCs. Furthermore, activities under the energy efficiency component have been initiated for the development of MEPS and labelling, and efforts have also been initiated to create awareness on energy efficient refrigeration and air-conditioning equipment. These efforts are expected to support the adoption of HCFC-free energy efficient alternatives.

RECOMMENDATION

40. The Fund Secretariat recommends that the Executive Committee note:

- (a) The progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Madagascar;

- (b) The submission of additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$120,000, plus agency support costs of US \$14,735, for UNEP;
- (c) That the Fund Secretariat has updated the Agreement between the Government of Madagascar and the Executive Committee, as contained in annex I to the present document, specifically Appendix 1-A and Appendix 2-A, based on the revised baseline for compliance; the revised starting point for sustained aggregate reductions in HCFC consumption; and the revised funding level due to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector referred to in subparagraph (b) above; and paragraph 17 that has been added to indicate that the updated Agreement supersedes that reached at the 90th meeting (decision 90/41); and
- (d) That the Government of Madagascar would implement a ban on import of HCFC-based equipment by 1 January 2028.

41. The Fund Secretariat further recommends blanket approval of the second tranche of stage II of the HPMP for Madagascar, and the corresponding 2026–2027 tranche implementation plan, at the funding level shown in the table below.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
	HCFC phase-out management plan (stage II second tranche)	326,750	40,124	UNEP

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF MADAGASCAR 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

(Relevant changes are in bold font for ease of reference)

17. This updated Agreement supersedes the Agreement reached between the Government of Madagascar and the Executive Committee at the 90th meeting of the Executive Committee.

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	16.60

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2022	2023-2024	2025	2026	2027	2028-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	10.79	10.79	5.40	5.40	5.40	5.40	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	10.79	10.79	5.40	5.40	5.40	5.40	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	120,000	0	326,750	0	140,000	0	166,750	753,500
2.2	Support costs for Lead IA (US \$)	15,094	0	40,124	0	17,191	0	20,476	92,885
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	187,720	0	0	0	218,780	0	0	406,500
2.4	Support costs for Cooperating IA (US \$)	13,140	0	0	0	15,315	0	0	28,455
3.1	Total agreed funding (US \$)	307,720	0	326,750	0	358,780	0	166,750	1,160,000
3.2	Total support costs (US \$)	28,234	0	40,124	0	32,506	0	20,476	121,340
3.3	Total agreed costs (US \$)	335,954	0	366,874	0	391,286	0	187,226	1,281,340
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								10.60
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								6.00
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0.00

*Date of completion of stage I as per stage I Agreement: 31 December 2021.