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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-ninth Meeting
Montreal, 7–11 December 2026
Item 7(b)(ii) of the provisional agenda[1]

REPORTS ON PROJECTS WITH SPECIFIC REPORTING REQUIREMENTS WITH OUTSTANDING ISSUES FOR INDIVIDUAL CONSIDERATION

An overview

1. The document presents a report with specific reporting requirements submitted to the 99th meeting which, after the Secretariat's review, presents outstanding issues and requires the Executive Committee to consider it individually.

Syrian Arab Republic: HCFC phase-out management plan (stage I – request for extension of the date of completion) (UNEP and UNIDO)

Background

2. Stage I of the HCFC phase-out management plan (HPMP) for the Syrian Arab Republic was approved at the 86th meeting for 2020–2025, to reduce HCFC consumption by 67.5 per cent of the country's baseline, in the amount of US $1,728,517, plus agency support costs for UNEP and UNIDO, noting that stage I of the HPMP also included funding for an investment project for the phase-out of 12.88 ODP tonnes of HCFCs from the manufacture of unitary air-conditioning (AC) equipment and rigid polyurethane insulation panels, approved at the 62nd meeting. In approving stage I, the Committee also allowed the country to submit investment projects in the manufacturing sector prior to 31 December 2023.[2]

3. At the 91st meeting, the Executive Committee approved the second tranche. In approving the tranche, the Committee noted the Government's commitment to ban, no later than 1 January 2027, the import of HCFC-141b (pure and pre-blended in polyols), of HCFC-22-based AC equipment and of HCFC-142b, and

[1] UNEP/OzL.Pro/ExCom/99/1

[2] Decision 86/63

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

the use of HCFC-141b in foam manufacturing and of HCFC-22 in AC manufacturing once the conversions had been completed.[3]

4. The third and fourth tranches were due to be submitted in 2024 and 2025, respectively. At the 98th meeting, noting the delays due to change of ministry and the national ozone unit (NOU) and that the overall disbursement rate of the second (2022) tranche of stage I of the HPMP was below the 20 per cent disbursement threshold, the Executive Committee urged the Government of the Syrian Arab Republic to work with UNEP and UNIDO so that the third (2024) tranche of stage I of the HPMP could be submitted to the 99th meeting with a revised plan of action to take into account the reallocation of the 2024 and subsequent tranches where necessary, on the understanding that the 20 per cent disbursement threshold for funding of the previous tranche had been achieved.[4]

5. In view of the delays, UNEP, as lead implementing agency, on behalf of the Government of the Syrian Arab Republic, is requesting an extension of the date of completion of stage I of the HPMP from 31 December 2026 to 31 December 2028.

Progress report

HCFC consumption

6. The Syrian Arab Republic reported a consumption of 33.02 ODP tonnes of HCFCs in 2025, which is 75.5 per cent below its HCFC baseline for compliance of 135.03 ODP tonnes, and 24.7 per cent below the maximum allowable consumption in the Agreement for the same year, as shown in table 2. The data reported under Article 7 of the Montreal Protocol and the country programme implementation reports are reconciled and annual HCFC import quotas were issued for 2023 to 2026.

Table 2. Reported HCFC consumption of the Syrian Arab Republic, 2021–2025 (ODP tonnes)

Particulars	2021	2022	2023	2024	2025
Total HCFC consumption	65.40	56.05	51.13	37.57	33.02
Maximum Allowable total consumption in the Agreement	87.77	87.77	87.77	87.77	43.88

Legal framework

7. The licensing and quota system established under Ministerial Resolution No. 164/2022 remained legally operational and enforceable throughout the period of institutional restructuring, and the NOU assisted the General Directorate of Customs in adopting the 2022 version of the Harmonized System code for controlled substances. The Government enacted a ban on the establishment of new manufacturing capacity based on ozone-depleting substances. The regulatory measures referred to in decision 91/55(a)(ii) were reported as issued in April 2025, although their full enforcement is under re-evaluation owing to the delays in completing the approved conversions; the control of HCFC-22 in the manufacturing sector awaits a joint ministerial decree, which is undergoing final inter-ministerial review.

Manufacturing sector

8. The investment project at the Al Hafez Group was completed in 2021. None of the umbrella projects approved at the 91st meeting have progressed to substantive implementation. Table 3 presents the status reported by UNIDO.

[3] Decision 91/55
[4] Decision 98/19

Table 3. Implementation status of the umbrella projects in the manufacturing sector

Project (enterprises)	Approved (US $)	Progress achieved
Two systems houses (Munir Al Hakim; Baalbaki for Trade and Industry)	559,000	Specifications finalized in August 2023; the 2023 and 2024 tenders were cancelled without award owing to the situation in the country. UNIDO will update specifications and cost estimates after site visits and relaunch procurement. First priority, as the downstream users depend on their supply of pre-blended polyols.
Fourteen downstream users of refrigeration insulation foam, including US $25,000 of technical assistance to six small enterprises	1,062,750	Beneficiaries confirmed and specifications prepared in 2023; tenders cancelled without award. Equipment procured under another UNIDO project for a cancelled site, stored in Libya, has been reassigned to one beneficiary and verified. Conversions to start once the systems house conversions have made significant progress.
Two discontinuous sandwich-panel producers (Al Atassi; Baalbaki Industry)	452,500	Specifications finalized in 2023; the 2024 tender was cancelled without award. To resume after the site visits, in line with the systems house conversions.
One AC manufacturing line (Baalbaki Industries)	456,300	Scheduled under the third tranche, not yet requested. UNIDO will reassess whether R-290 or HFC-32 remains technically, commercially and safely appropriate before procurement.
PMU (investment component)	177,139	US $126,511 disbursed (71 per cent of the allocation).

Refrigeration servicing sector

9. In 2026, 52 customs officers were trained on the obligations of the Montreal Protocol and the control of HCFC imports, funded from the remaining first-tranche balance, against an approved target of 20 officers under each tranche; the cross-border enforcement cooperation meetings foreseen under the second tranche were not held owing to the security situation. Training materials on good servicing practices were translated into Arabic, two training institutes began updating their curricula, and a training-of-trainers workshop held in August 2022 certified 27 trainers. No technicians have been trained or certified under either tranche, and neither the pilot phase of the certification scheme nor evaluator training has started. Safety standard ISO 5149 was adopted; five further standards identified for adoption have not been adopted, and the standard operating procedures in Arabic for handling flammable and toxic refrigerants, due in December 2022, remain outstanding. Six awareness-raising workshops with 134 participants were delivered, together with a two-day workshop and a stakeholder consultation meeting held in Damascus in June 2026.

10. UNIDO delivered two sets of servicing equipment: a first set in 2022, comprising six refrigerant identifiers, 10 leak detectors, vacuum pumps, recovery units and tools; and a second set of training equipment and tools in 2023, the distribution of which has been completed. The refrigerant identifiers in the second purchase order could not be supplied owing to a global market shortage and were removed from the order in December 2023; the flushers have not been procured. The six identifiers delivered in 2022 were lost during the conflict, as officially confirmed by the General Authority for Ports and Customs, and the remaining first-tranche balance of US $71,350 will be used to procure eight replacement units.

Fund disbursement

11. Of the US $2,851,372 approved under the first and second tranches of stage I of the HPMP, US $941,193 had been disbursed, an overall disbursement rate of 33.0 per cent, as shown in table 4. The rate is 87.9 per cent for the first tranche and 18.7 per cent for the second tranche, which was approved at the 91st meeting. The balance of US $1,910,179 remains to be disbursed.

Table 4. Disbursement of funds approved under stage I of the HPMP for the Syrian Arab Republic (US $)

Agency	First tranche		Second tranche		Total		
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Balance
UNEP	238,428	238,177	418,100	96,703	656,528	334,881	321,647
UNIDO	351,608	280,258	1,843,236	326,054	2,194,844	606,313	1,588,531
Total	**590,036**	**518,435**	**2,261,336**	**422,758**	**2,851,372**	**941,193**	**1,910,179**
Disbursement rate (%)	**87.9**		**18.7**		**33.0**		

Note: Project funding only, excluding agency support costs.

12. UNEP reported outstanding commitments of US $316,100, representing 75.6 per cent of its second-tranche allocation, against expenditure of US $96,703; these are earmarked allocations under a framework agreement with the Government, of which US $246,772 is for technician training and certification. The UNIDO second-tranche figure of US $326,054 comprises disbursements of US $181,424, of which US $126,511 for the PMU, US $50,206 for technical experts supporting the AC conversion, and US $4,707 for the polyurethane (PU) foam projects, in addition to commitments of US $144,630, of which US $140,523 relates to a single purchase order for PU foam equipment and installation services.

Secretariat's comments

13. The Secretariat noted that the Syrian Arab Republic has remained in compliance with the control targets of the Montreal Protocol and with the targets in its Agreement throughout the implementation of stage I of the HPMP, that the licensing and quota system remained operational and enforceable throughout the institutional restructuring, and that several activities were completed in 2026 despite the circumstances. In reviewing the request for extension of the stage, the Secretariat noted the following issues, for which clarification and additional information were requested:

(a) Clarification on UNIDO's second-tranche expenditure of US $326,054 and commitments of US $144,630, noting that the PMU allocation for the investment component is US $177,139 and that the component had not progressed to substantive implementation;

(b) The inventory and functional gap of assets being delivered under the HPMP, noting the loss of the six refrigerant identifiers delivered in 2022 and the proposed procurement of eight replacement units;

(c) The operational status of beneficiary enterprises under the investment components; and

(d) Confirmation that UNEP, UNIDO, and the Government will be able to implement the remaining activities and process the funds in a timely manner within the scope of the proposed extension, together with an indicative disbursement plan for the remaining balances.

14. UNIDO confirmed that no equipment has been installed under the umbrella projects and that the operational status of the beneficiary enterprises is to be verified during site visits by international and national experts together with the NOU, beginning in September 2026. UNEP indicated that there are no changes to the list of enterprises and that all of them remain operational.

15. Both agencies confirmed that the physical asset inventory and functional gap assessment agreed between the NOU and the agencies will be completed before any further procurement under stage I of the HPMP. New support addresses genuine operational gaps without duplicating assistance already provided by the Multilateral Fund. Agencies will report on the results of the physical asset inventory assessment when submitting the next tranche.

16. The operational status of the beneficiary enterprises has not yet been fully assessed though all remain operational, as confirmed by the agencies. Accordingly, UNIDO will conduct an assessment, and any resulting adjustment to the scope of the umbrella projects, including to the agreed quantity of HCFCs to be phased out or to the technology selected for the AC conversion, would need to be presented to the Executive Committee for consideration.

17. The Government, UNEP and UNIDO confirmed their capacity to execute the remaining activities within the extended timeframe. UNIDO will disburse its remaining balance of US $1,588,531 by mid-2028,[5] and UNEP will disburse against a phased milestone schedule covering asset verification and institutional re-engagement, procurement and the resumption of technician training, enterprise installation and commissioning, and final verification and reporting. Extending the date of completion of stage I of the HPMP will enable the country, with agency support, to complete the activities already approved and funded under the first and second tranches. In particular, it will allow the conversion of the 18 enterprises in the PU foam sector, which is a prerequisite for the entry into force of the bans on the use of HCFC-141b in foam manufacturing and of HCFC-22 in AC manufacturing referred to in decision 91/55(a)(ii), and the delivery and installation of the equipment already committed.

18. Based on the information provided, and noting the exceptional circumstances in the country and its continued compliance with the Montreal Protocol and with the Agreement, the Secretariat considers that the extension to 31 December 2028 would allow the country to complete the remaining activities of stage I and sustain the phase-out already achieved.

Updated Agreement

19. In view of the extension of the duration of stage I and the revised funding schedule, the Agreement between the Government of the Syrian Arab Republic and the Executive Committee for stage I of the HPMP has been updated; specifically, Appendix 2-A has been revised, and paragraph 17 has been added to indicate that the updated Agreement supersedes that reached at the 91st meeting (decision 91/55), as contained in annex I to the present document. The full updated Agreement will be appended to the final report of the 99th meeting.

Recommendation

20. The Executive Committee may wish to consider:

(a) Noting the request for the extension of stage I of the HCFC phase-out management plan (HPMP) for the Syrian Arab Republic, as submitted by UNEP and contained in document UNEP/OzL.Pro/ExCom/99/20;

(b) Approving, on an exceptional basis, on the understanding that no further extension would be approved, the extension to 31 December 2028 of the completion date of the project referred to in subparagraph (a) above; and

(c) Noting further that the Secretariat had updated the Agreement between the Government of the Syrian Arab Republic and the Executive Committee, as contained in annex I of the present document, specifically Appendix 2-A, to reflect the extension of the duration of stage I and the revised funding schedule which combined the third and fourth tranches, and paragraph 17, which has been amended to indicate that the revised updated Agreement supersedes that reached at the 91st meeting (decision 91/55).

[5] The proposed plan includes disbursement of US $10,000 in 2026, US $371,350 in the first half of 2027, US $700,000 in the second half of 2027 and US $507,181 in the first half of 2028.

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE I 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 the Syrian Arab Republic and the Executive Committee at the 91st meeting of the Executive Committee.**

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2010	2013-2014	2015-2019	2020-2021	2022-2023	2024	2025-2026	2027	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	135.03	121.52	87.77	87.77	87.77	43.88	43.88	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	135.03	121.52	87.77	87.77	87.77	43.88	43.88	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	0	0	0	238,428	418,100	**0**	**0**	**552,748**	1,209,276
2.2	Support costs for lead agency (US $)	0	0	0	28,199	49,448	**0**	**0**	**65,373**	143,020
2.3	Cooperating IA (UNIDO) agreed funding (US $)	1,465,361	0	0	351,608	1,843,236	**0**	**0**	**864,453**	4,524,658
2.4	Support costs for cooperating agency (US $)	109,902	0	0	24,613	129,026	**0**	**0**	**60,512**	324,053
3.1	Total agreed funding (US $)	1,465,361	0	0	590,036	2,261,336	**0**	**0**	**1,417,201**	5,733,934
3.2	Total support costs (US $)	109,902	0	0	52,812	178,474	**0**	**0**	**125,885**	467,073
3.3	Total agreed costs (US $)	1,575,263*	0	0	642,848	2,439,810	**0**	**0**	**1,543,086**	6,201,007
4.1.1	Total phase-out of HCFC-22 under this Agreement (ODP tonnes)									28.56
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)									4.98
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									26.96
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)									59.81
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)									7.90
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)									0
4.3.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)									6.82
4.3.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)									0
4.3.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)									0

*Approved at the 62nd meeting.