



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/98/27

21 May 2026

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-eighth Meeting
Montreal, 22–26 June 2026
Item 8(c) of the provisional agenda¹

PROJECT PROPOSAL: BOSNIA AND HERZEGOVINA

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 |
|---|---|-------|---------------------|

¹ UNEP/OzL.Pro/ExCom/98/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**Bosnia and Herzegovina**

PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNIDO	87th	100% phase-out by 2026

ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	0.00 ODP tonnes
--	------------	-----------------

LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2025
Substance	Aerosol	Foam	Firefighting	Refrigeration		Solvent	Total sector consumption
				Manufacturing	Servicing		
HCFC-22					0.00		0.00
HCFC-141b in imported pre-blended polyols					0.00		0.00

CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	4.70	Starting point for sustained aggregate reductions:	8.17
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	8.17	Remaining:	0.00

ENDORSED BUSINESS PLAN		2026	2027	2028	Total
UNIDO	ODS phase-out (ODP tonnes)	0.17	0.00	0.00	0.17
	Funding (US \$)	53,500	0	0	53,500

PROJECT DATA			2021	2022	2023	2024	2025	2026*	Total
Consumption ODP tonnes)	Montreal Protocol limits		3.06	3.06	3.06	3.06	1.53	1.53	n/a
	Maximum allowable		1.18	1.18	0.94	0.94	0.47	0.00	n/a
Amounts approved in principle (US \$)	UNIDO	Project costs	126,140	0	297,794	0	0	150,000	573,934
		Support costs	8,830	0	20,846	0	0	10,500	40,176
Funds approved by ExCom (US \$)		Project costs	126,140	0	297,794	0	0	0	423,934
		Support costs	8,830	0	20,846	0	0	0	29,676
Total funds recommended for approval at this meeting (US \$)		Project costs						150,000	150,000
		Support costs						10,500	10,500

*Includes US \$100,000, plus agency support costs of US \$7,000 for UNIDO for additional activities to maintain energy efficiency (decision 89/6).

Secretariat's recommendation:	Blanket approval
--------------------------------------	------------------

PROJECT DESCRIPTION

1. On behalf of the Government of Bosnia and Herzegovina, 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), at the amount of US \$150,000, plus agency support costs of US \$10,500, for UNIDO.² The submission includes a progress report on the implementation of the second tranche, a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector,³ and the tranche implementation plan for 2026 to 2028.

Report on HCFC consumption

2. The Government of Bosnia and Herzegovina reported a consumption of zero ODP tonnes of HCFCs in 2025 under the country programme (CP) implementation report, which is 100 per cent below the country's HCFC baseline for compliance. The Article 7 data for 2025 has not been reported yet. The 2021-2025 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in 2021-2025 in Bosnia and Herzegovina (Article 7 data)

HCFC	2021	2022	2023	2024	2025*	Baseline
Metric tonnes (mt)						
HCFC-22	0.00	0.00	0.00	0.00	0.00	57.15
HCFC-141b	0.00	0.00	0.00	0.00	0.00	13.50
Total (mt)	0.00	0.00	0.00	0.00	0.00	70.65
HCFC-141b in imported pre-blended polyols**	0.00	0.00	0.00	0.00	0.00	31.55**
ODP tonnes						
HCFC-22	0.00	0.00	0.00	0.00	0.00	3.20
HCFC-141b	0.00	0.00	0.00	0.00	0.00	1.50
Total (ODP tonnes)	0.00	0.00	0.00	0.00	0.00	4.70
HCFC-141b in imported pre-blended polyols**	0.00	0.00	0.00	0.00	0.00	3.47**

* CP data

** Starting point established in the Agreement with the Executive Committee

3. Since 2021, HCFC consumption in Bosnia and Herzegovina has remained at zero. Imports of HCFC-141b, both in pure form and contained in pre-blended polyols, were banned as of 1 January 2015 and 1 January 2016, respectively, following the implementation of the foam investment projects. A ban on the import of HCFC-based equipment was put in place in September 2015. HCFC use in the commercial refrigeration manufacturing sector was phased out in 2018. After 2020, the country used stocks of previously imported HCFCs and recovered HCFCs to meet the servicing needs of remaining HCFC-based refrigeration and air-conditioning (RAC) equipment.

Country programme implementation report

4. The HCFC sector consumption data provided by the Government of Bosnia and Herzegovina in its CP implementation report for 2024 is consistent with the data reported under Article 7 of the Montreal Protocol.

² As per the letter of 6 April 2026 from the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina to UNIDO.

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.

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

Legal framework

5. Strengthening the policy and regulatory framework continued during the second tranche. Draft amendments to entity-level legislation were prepared, addressing certification requirements, refrigerant management, and alignment with European Union (EU) regulations. A comprehensive assessment of existing frameworks was completed, followed by stakeholder consultations and the development of draft amendments aimed at harmonizing requirements across the two entities⁴ and the Brčko District in the country.

6. A total of 67 customs officers (including 23 women) were trained on strengthening monitoring in four regional centres across the country. One training was conducted for 16 environmental inspectors (including six women) on enforcement of air protection legislation, mandatory leak checks, equipment inventory requirements, and reporting obligations.

Refrigeration servicing sector

7. The following activities were completed during the second tranche of stage II of the HPMP:

- (a) *Training for RAC technicians and other stakeholders:* Two train-the-trainer workshops were organized for 26 trainers (including four women) on standardized training and examinations for RAC service technicians under the national certification system; 289 RAC service technicians (including 18 women) were trained on good service practices, safe handling of low-GWP flammable refrigerants and alignment with EU F-gas regulations;
- (b) *Recovery and recycling (RR) activities:* Two sets of training equipment and two RAC demonstration units were procured, to be delivered in 2026; one RR technical workshop was conducted for 20 participants on refrigerant RR; and
- (c) *Public awareness and outreach:* one RAC association meeting was held with 72 participants. The code of good servicing practices was developed with 200 copies printed and distributed to relevant stakeholders.

Project implementation and monitoring

8. The national ozone unit (NOU) and UNIDO have been monitoring activities, reporting on progress, and working with stakeholders to phase out HCFCs. Of the US \$13,536 approved for programme monitoring, a total of US \$6,400 was disbursed on travel and meetings.

Level of fund disbursement

9. As of February 2026, of the US \$423,934 approved so far, US \$257,096 had been disbursed as shown in table 2. The balance of US \$166,838 will be disbursed in 2026 and 2027.

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

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)	Fund balance
First	126,140	126,140	100	0
Second	297,794	130,956	43.9	166,838
Total	423,934	257,096	60.6	166,838

⁴ Two entities of the country (the Federation of Bosnia and Herzegovina and Republika Srpska)

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 2026 and June 2028:

- (a) *Strengthening policy and legislation:* Finalize and adopt the harmonized regulations across the two entities in the country, including certification requirements, mandatory record-keeping, refrigerant recovery obligations and alignment with EU regulations (US \$10,000);
- (b) *Capacity-building and institutional strengthening:* Conduct two workshops for 30 participants (including customs officers, inspectors and technicians) on good service practices and safe handling of flammable refrigerants; continue implementation of the certification system (US \$5,000);
- (c) *RR activities:* Conduct two workshops for 30 technicians total on RR procedures and improved refrigerant management practices (US \$15,000);
- (d) *Awareness-raising:* Organize and deliver two technical seminars for 50 participants on low-GWP technologies and energy efficient practices; provide support to RAC associations (US \$10,000);
- (e) *Activities to maintain energy efficiency:* These activities are described in detail in the following section (US \$100,000); and
- (f) *Project monitoring and implementation:* stakeholder engagement and supervision activities (US \$5,500), data collection and preparation of technical and financial reports (US \$2,500) and domestic travel (US \$2,000).

Activities to maintain energy efficiency in the refrigeration servicing sector

11. The project related to energy efficiency, submitted in line with decision 89/6, has been designed to support the demonstration and promote the use of the R-290-based heat pump technologies in Bosnia and Herzegovina, for sustainable HCFC phase-out, and in line with activities currently in progress under the Kigali HFC implementation plan (KIP) and the energy efficiency project approved under decision 91/65. The project is expected to contribute to the uptake of low-GWP and energy-efficient technologies and improved technical capacity in the servicing sector. The description and proposed cost breakdown of activities to maintain energy efficiency in the sector include:

- (a) *Demonstration of R-290 heat pump systems in residential subsector (public institutions):* Prepare technical project design and select beneficiary sites (US \$1,500); implement safety measures to ensure safe installation and operation of R-290-based equipment (US \$2,000); procure, install, test and commission equipment⁵ (two R-290 heat pumps) (US \$66,000); conduct demonstration of safe installation procedures and training of personnel at beneficiary sites on safe system operation (US \$500);
- (b) *Monitoring and evaluation:* Purchase and install energy performance monitoring system (US \$8,000); conduct site visits and collect data for one year (US \$4,000); prepare report and data analysis on energy saving and system performance (US \$2,000);

⁵ Two R-290-based monoblock air to water heat pump with cooling/heating capacity 45 KW, fan coil units (9-12 pieces), pipelines, valves, circulation pumps, buffer tank.

- (c) *Training and capacity-building*: Develop training materials on installation, maintenance and servicing of R-290 heat pumps (US \$2,000); organize one training session for 15 RAC technicians on R-290 technology (US \$7,000); and
- (d) *Awareness-raising and dissemination activities*: Organize at least two dissemination events for 60 participants targeting government officers, importers of substances and equipment, RAC service companies and technicians, and end users (US \$7,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Request for extension of stage II of the HPMP

12. Considering the time required for implementation of additional activities to maintain energy efficiency (decision 89/6) requested at this meeting for 24 months, UNIDO requested an extension of stage II of the HPMP up to June 2028. Noting that additional time is required to complete the remaining activities, the Secretariat supports the consideration of approval of extension of stage II from December 2026 to June 2028.

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

Legal framework and servicing tail

13. The Government of Bosnia and Herzegovina has already issued HCFC import quotas for 2026 at zero ODP tonnes.

14. Noting zero consumption of HCFCs since 2021, the Secretariat enquired about the amount of existing servicing demand and how this is met. UNIDO reported that the servicing demand of existing HCFC-based equipment is about 1 mt and recycled refrigerant supplies this need. There are 20 mobile centres for the RR and recycling of ODS substances established in 2013.

15. On the committed regulatory measures under stage II of the HPMP, UNIDO confirmed that all committed regulations are in place. These include: regulation requiring recovery of HCFCs during the servicing of RAC equipment by 31 December 2022; regulation to establish penalties for contraventions to the prohibition on venting of HCFCs during installation, servicing, and decommissioning of RAC equipment by 31 December 2022; mandatory record-keeping practices, including refrigerant and equipment, logbooks for systems containing more than 3 kg of refrigerant; and mandatory recovery of HCFCs from containers and equipment at their end-of-life. Regulation allowing selling HCFCs to certified technicians, and prohibition of disposable refrigerant cylinders, were introduced in legislation adopted in 2024 and its enforcement will commence on 1 September 2026. UNIDO added that while the regulations are formally in place, implementation and enforcement for some regulations still need strengthening in practice which is being done under the third tranche. Further, UNIDO confirmed that the ban on import of HCFCs by 1 January 2026 was introduced.

16. Noting the commitment of the country to phase out HCFCs completely by 1 January 2026, and that UNIDO confirmed that a servicing tail will not be required for the country, UNIDO agreed that a verification report covering the consumption for 2026 and 2027 would be submitted in 2028, on the understanding that if it were determined that Bosnia and Herzegovina was not in compliance with the targets specified in the Agreement, the Executive Committee could consider applying the penalty clause against future approvals for the country.

Refrigeration servicing sector

17. The Secretariat requested an update on the procurement (two sets of training equipment and two RAC demonstration units) which was to be procured during the second tranche. UNIDO confirmed that two RAC R-290 demonstration units were received and delivered to the Faculty of Mechanical Engineering of the University of Sarajevo and the Faculty of Mechanical Engineering of the University of Banja Luka. The remaining two sets of training equipment are expected to be received by end of May 2026.

Activities to maintain energy efficiency in the refrigeration servicing sector

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

19. The Secretariat enquired about availability of R-290 heat pump technology and importance of this project. UNIDO explained that R-290 heat pumps are available in Bosnia and Herzegovina; however, their use remains minimal due to safety considerations, limited technical capacity, and low market familiarity with flammable refrigerants. The project is therefore important to support the safe introduction and wider uptake of this technology through demonstration, capacity building and awareness-raising activities.

20. The Secretariat requested further details on the need, impact, and sustainability of the additional energy efficiency activities considering country has no import of HCFCs since 2021. UNIDO responded that there is still equipment using HCFC-22 in the country, and the project is intended to support the transition from existing units in the air-conditioning sector to low-GWP alternatives, to avoid replacement with high-GWP HFC substances such as R-410A. It will contribute to the adoption of low-GWP alternatives through the replicable promotion of energy-efficient heating and cooling solutions based on low-GWP refrigerants. To help ensure the sustained implementation of R-290 heat pump technology beyond the project, Bosnia and Herzegovina is taking steps under the KIP, including the introduction of GWP-based restrictions on the import, and placing on the market, of equipment using high-GWP refrigerants in the air-conditioning and heat pump subsector, including small split systems. Sustainability will also be supported through continued technician training and certification, strengthening of training institutions, and alignment with energy-efficiency policies and standards, thereby facilitating the long-term uptake of low-GWP technologies, including R-290.

21. On the links between the activities identified in this proposal and those implemented as part of the project approved under decision 91/65, ensuring that there was no overlap or repetition of activities, UNIDO explained that both projects focus on demonstration activities and the promotion of already available and widely accepted refrigeration, air-conditioning and heat pump (RACHP) equipment using low-GWP refrigerants. While the energy efficiency project under decision 91/65 focuses on small stand-alone equipment used in the commercial refrigeration sub-sector, the present project covers the air-conditioning and heat pump sector. Institutional strengthening, including the improvement of minimum energy performance standards (MEPS) and energy efficiency standards, as well as energy labelling for RACHP equipment, is addressed under the energy efficiency project approved under decision 91/65 and is also applicable to the targeted subsector under this project.

22. Regarding MEPS, UNIDO mentioned that the Institute for Standardization of Bosnia and Herzegovina primarily follows the European Norms (EN) developed by the European Committee for Standardization. Many RACHP-related International Organization for Standardization (ISO) and EN standards have already been adopted as national standards, with the majority being identical to the corresponding international and European standards. For a limited number of standards, the adoption process has been initiated and is currently ongoing. UNIDO added that activities to strengthen MEPS and energy labelling are already covered under the energy efficiency project approved under decision 91/65.

Gender policy implementation

23. In line with decisions 84/92(d) and 90/48(c), during the implementation of the previous tranche, the NOU encouraged women's participation in planning, training and decision-making, as well as collecting sex-disaggregated data and discussing relevant issues in workshops. The participation level shows that women represented 34 per cent in customs trainees and 6 per cent of RAC technicians trained. These efforts contributed to ensuring both men and women could engage in and benefit from the project activities.

Updated Agreement

24. In view of revised funding level due to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector, and due to request for extension of the project and the accordingly revised funding schedule, the Agreement between the Government of Bosnia and Herzegovina and the Executive Committee 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 87th meeting, as contained in annex I to the present document. The full updated Agreement will be appended to the final report of the 98th meeting.

Sustainability of the HCFC phase-out and assessment of risks

25. The sustainability of the HCFC phase-out in Bosnia and Herzegovina is ensured through a combination of regulatory, institutional, and technical measures established under stage I and in stage II of the HPMP. An operational licensing and quota system to control ODS and HFC imports are in place and the country is making efforts for legal harmonization with EU requirements. The RR scheme is established to reduce reliance on virgin refrigerants, complemented by awareness-raising and stakeholder engagement activities. Additionally, the integration of energy efficiency and promotion of low-GWP alternatives will support the transition to sustainable technologies. Overall, these combined efforts are expected to ensure the sustained phase-out of HCFCs and long-term environmental and energy performance improvements in the RACHP sector. Some potential risks include illegal import or reintroduction of HCFCs for servicing older equipment, which will be mitigated through strengthened enforcement of regulations and the availability of alternative technologies, and risks around the limited technical capacity for handling low-GWP and flammable refrigerants will be addressed through continued technician certification, training programmes and support to training institutions through equipment and demonstration units.

Conclusion

26. The Government of Bosnia and Herzegovina is in compliance with the maximum allowable consumption levels during the reporting period, the disbursement level of funds approved in the previous tranche is above 20 per cent, and significant progress has been achieved during the implementation of the tranche. There is no import of HCFCs since 2021. The servicing need of existing HCFC based equipment is met through use of recycled refrigerant. The extension of stage II of the HPMP up to June 2028 will allow time required for implementation of additional activities to maintain energy efficiency (decision 89/6) requested at this meeting.

RECOMMENDATION

27. The Fund Secretariat recommends that the Executive Committee:

(a) Note:

(i) The progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Bosnia and Herzegovina;

- (ii) The submission of additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US \$100,000, plus agency support costs of US \$7,000, for UNIDO;
- (iii) That the Fund Secretariat has updated the Agreement between the Government of Bosnia and Herzegovina and the Executive Committee, as contained in annex I to the present document, specifically Appendix 2-A, to reflect 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 (a)(ii) above and the extension of the project implementation period, and paragraph 17 that has been added to indicate that the updated Agreement supersedes that reached at the 87th meeting;
- (b) Request the Government of Bosnia and Herzegovina and UNIDO to submit a final progress report on the implementation of the work programme associated with the final tranche and the project completion report to the second meeting of the Executive Committee in 2028; and
- (c) Request UNIDO to submit a funding request in 2027, in the amount of US \$30,000, plus agency support costs, for the verification report of Bosnia and Herzegovina's 2026-2027 consumption, to be submitted to the second meeting of 2028.

28. The Fund Secretariat further recommends blanket approval of the third and final tranche of stage II of the HPMP for Bosnia and Herzegovina, and the corresponding 2026–2028 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)	150,000	10,500	UNIDO

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF BOSNIA AND HERZEGOVINA 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 Bosnia and Herzegovina and the Executive Committee at the 87th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2021	2022	2023	2024	2025	2026	2027	2028	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.06	3.06	3.06	3.06	1.53	1.53	1.53	1.53	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.18	1.18	0.94	0.94	0.47	0	0	0	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	126,140	0	297,794	0	0	150,000	0	0	573,934
2.2	Support costs for Lead IA (US \$)	8,830	0	20,846	0	0	10,500	0	0	40,176
3.1	Total agreed funding (US \$)	126,140	0	297,794	0	0	150,000	0	0	573,934
3.2	Total support costs (US \$)	8,830	0	20,846	0	0	10,500	0	0	40,176
3.3	Total agreed costs (US \$)	134,970	0	318,640	0	0	160,500	0	0	614,110
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)									1.59
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)									1.61
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)									0
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)									0
4.2.2	Phase-out of HCFC-141b to be achieved in the previous stage (ODP tonnes)									1.50
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)									0
4.3.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)									0
4.3.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in the previous stage (ODP tonnes)									3.47
4.3.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)									0

* Date of completion of stage I as per stage I Agreement: 31 December 2022