



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/97/82
30 October 2025

ORIGINAL: ENGLISH



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

PROJECT PROPOSAL: THE UNITED REPUBLIC OF TANZANIA

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

Phase-down

- | | | |
|---|----------------|--------------------------|
| <ul style="list-style-type: none">• Kigali HFC implementation plan (stage I, first tranche) | UNEP and UNIDO | Individual consideration |
|---|----------------|--------------------------|

¹ UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

United Republic of Tanzania

PROJECT TITLE				AGENCY			
Kigali HFC implementation plan (stage I)				UNEP (lead), UNIDO			

LATEST ARTICLE 7 DATA (Annex F)	Year: 2024	82.51 mt	143,372 CO ₂ -eq tonnes
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SECTORAL HFC CONSUMPTION DATA (CO₂-eq tonnes) AND ACTIVITIES									
	Aerosol	Foam	Fire-fighting	Air-conditioning and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
Latest CP report (2024)							143,372		
KIP stage I activities as agreed (Y/N)							Y		

AVERAGE 2020–2022 HFC CONSUMPTION IN SERVICING	112.24 mt	182,400 CO ₂ -eq tonnes
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BASELINE CONSUMPTION DATA (CO₂-eq tonnes)	2020	2021	2022	Average 2020-2022
HFC annual consumption	252,760	151,133	143,307	182,400
HCFC baseline (65%)				36,211
HFC baseline				218,611

HFC CONSUMPTION ELIGIBLE FOR FUNDING (CO₂-eq tonnes)	
Starting point for sustained aggregate reductions	n/a
Previously approved HFC phase-down investment projects	No
Aggregate reductions from previously approved projects	n/a

PROJECT DATA AS AGREED		2025*	2026	2027	2028	2029	Total	
Consumption (CO ₂ -eq tonnes)	Montreal Protocol limits	218,611	218,611	218,611	218,611	196,750	n/a	
	Maximum allowable	218,611	218,611	218,611	218,611	196,750	n/a	
	Reduction from baseline (%)	0	0	0	0	10	n/a	
Amounts recommended in principle (US \$)	UNEP	Project costs	61,500	0	0	44,500	0	106,000
		Support costs	7,995	0	0	5,785	0	13,780
	UNIDO	Project costs	34,000	0	0	30,000	0	64,000
		Support costs	4,420	0	0	3,900	0	8,320
	Total project costs		95,500	0	0	74,500	0	170,000
	Total support costs		12,415	0	0	9,685	0	22,100
	Total funds		107,915	0	0	84,185	0	192,100

* Recommended for approval at the present meeting

Reduction from remaining consumption eligible for funding in stage I (CO ₂ -eq tonnes)	n/a
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Secretariat's recommendation	Individual consideration
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PROJECT DESCRIPTION

1. The present document contains the following sections:
 - I. Summary of the proposal as submitted
 - II. Background: Status of implementation of the HCFC phase-out management plan and previous HFC-related activities
 - III. HFC consumption overview: HFC consumption levels, trends, and consumption by sector
 - IV. Stage I of the Kigali HFC implementation plan, as submitted: Regulatory framework, phase-down strategy, total stage cost, and implementation plan for the first tranche
 - V. Secretariat's comments, including the agreed cost of activities
 - VI. Recommendation

I. Summary of the proposal as submitted

2. On behalf of the Government of the United Republic of Tanzania, UNEP as the lead implementing agency has submitted a request for stage I of the Kigali HFC implementation plan (KIP), at a total cost of US \$192,100, consisting of US \$106,000, plus agency support costs of US \$13,780 for UNEP and US \$64,000, plus agency support costs of US \$8,320, for UNIDO, as originally submitted.²
3. The implementation of stage I of the KIP will assist the Government of the United Republic of Tanzania in meeting the target of 10 per cent reduction from its HFC baseline consumption by 1 January 2029.
4. The first tranche of stage I of the KIP being requested at this meeting amounts to US \$107,915, consisting of US \$61,500, plus agency support costs of US \$7,995 for UNEP and US \$34,000, plus agency support costs of US \$4,420, for UNIDO, as originally submitted, for the period of January 2026 to December 2027.

II. Background

Status of implementation of the HCFC phase-out management plan

5. Table 1 presents information on the HCFC phase-out management plan (HPMP) in the United Republic of Tanzania as of October 2025.

Table 1. HPMP implementation status for the United Republic of Tanzania

Particulars	Stage I	Stage II
Meeting when HPMP was approved	67 th	87 th
Reduction from baseline	35% by 2020	100% by 2030
Total stage cost (US \$)	210,000	540,000
Date of completion (actual/planned)	31 December 2022	31 December 2031

² As per the letter of 1 August 2025 from the Vice-President's Office of the United Republic of Tanzania to the Secretariat.

Status of implementation of previous HFC-related activities

6. Table 2 presents an overview of activities implemented in the United Republic of Tanzania in the context of the Kigali Amendment that have been funded by the Multilateral Fund.

Table 2. Previously approved HFC-related activities in the United Republic of Tanzania

Approval meeting	Project title	Implementing agency	Cost (US \$)	Date of completion
74 th	Survey of ODS alternatives	UNEP	40,000	September 2017
81 st	Enabling activities for HFC phase-down	UNEP	95,000	December 2021

III. HFC consumption overviewHFC consumption levels

7. The United Republic of Tanzania only imports HFCs for use in the refrigeration and air-conditioning (RAC) sector. The most consumed substances in 2024 were HFC-134a (54.7 per cent of total HFC consumption in CO₂-equivalent (CO₂-eq) tonnes), R-410A (28.1 per cent), R-404A (11.2 per cent), R-407C (4.8 per cent), and other HFCs (1.3 per cent). Table 3 presents the country's HFC consumption as reported to the Ozone Secretariat under Article 7 of the Montreal Protocol and the country's HFC baseline.

Table 3. HFC consumption (2020–2024 Article 7 data) and baseline in the United Republic of Tanzania

HFC	GWP	2020	2021	2022	2023	2024
Metric tonnes (mt)						
HFC-134a	1,430	154.05	61.64	57.30	156.13	54.84
R-404A	3,922	3.30	5.23	4.24	0.00	4.08
R-407C	1,774	2.50	2.26	2.30	0.00	3.84
R-410A	2,088	7.23	17.13	18.18	0.00	19.27
R-507A	3,985	0.00	0.68	0.68	0.00	0.48
Total (mt)		167.08	86.94	82.70	156.13	82.51
CO₂-eq tonnes						
HFC-134a	1,430	220,292	88,145	81,939	223,266	78,421
R-404A	3,922	12,941	20,510	16,628	0	16,000
R-407C	1,774	4,435	4,009	4,080	0	6,812
R-410A	2,088	15,093	35,759	37,951	0	40,226
R-510A	3,985	0	2,710	2,710	0	1,913
Total (CO₂-eq tonnes)		252,760	151,133	143,307	223,266	143,372
HFC baseline calculation (CO₂-eq tonnes)						
HFC average consumption in 2020–2022					182,400	
HCFC baseline (65%)					36,211	
HFC baseline					218,611	

Country programme implementation report

8. The sectoral HFC consumption data provided by the Government of the United Republic of Tanzania in its country programme (CP) implementation report for 2024 is consistent with the data reported under Article 7 of the Montreal Protocol.

HFC consumption trends

9. HFC consumption in the United Republic of Tanzania has shown fluctuating trends in recent years, largely influenced by market dynamics and the ongoing phase-out of HCFCs. Consumption peaked in 2020 and 2023 due to bulk imports and delayed shipments, reflecting importers' tendency to respond to market

demand through the import of large batches, rather than maintaining steady supply flows. The decline observed in 2024 resulted from the use of existing refrigerant stocks accumulated in previous years, rather than a reduction in servicing demand, as sectoral data indicate that actual HFC use remained higher than the reported consumption levels for that year.

HFC consumption by sector

10. HFCs are mainly consumed for servicing in commercial refrigeration (36.9 per cent in mt and 36.9 per cent in CO₂-eq tonnes), followed by mobile air-conditioning (MAC) (33.1 per cent in mt and 30.4 per cent in CO₂-eq tonnes), industrial and transport refrigeration (14.1 per cent in mt and 14.7 per cent in CO₂-eq tonnes), residential air-conditioning (AC) (7.8 per cent in mt and 10.5 per cent in CO₂-eq tonnes), and other subsectors, as shown in tables 4 and 5.³

Table 4. HFC consumption in the United Republic of Tanzania in the refrigeration and AC servicing subsectors in metric tonnes (2024)

Sector		HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Refrigeration and AC servicing								
Refrigeration subsectors								
Domestic		9.14	0.00	0.00	0.00	0.00	9.14	7.5
Commercial	Stand-alone units	37.85	1.69	0.00	0.00	0.00	39.54	32.7
	Condenser units	0.56	0.07	0.01	0.00	0.00	0.64	0.5
	Centralized systems	4.00	0.46	0.07	0.00	0.00	4.53	3.7
Industrial and transport		14.16	0.91	1.61	0.18	0.18	17.04	14.1
Air-conditioning subsectors								
Residential		0.00	0.00	0.00	9.46	0.00	9.46	7.8
Commercial		0.00	0.00	0.00	0.58	0.00	0.58	0.5
Mobile		40.13	0.00	0.00	0.00	0.00	40.13	33.1
Total		105.84	3.13	1.69	10.22	0.18	121.06	100

Table 5. HFC consumption in the United Republic of Tanzania in the refrigeration and AC servicing subsectors in CO₂-eq tonnes (2024)

Sector		HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Refrigeration and AC servicing								
Refrigeration subsectors								
Domestic		13,070	0	0	0	0	13,070	6.9
Commercial	Stand-alone units	54,127	6,626	0	0	0	60,753	32.2
	Condenser units	794	270	11	0	0	1,076	0.6
	Centralized systems	5,725	1,811	131	0	0	7,666	4.1
Industrial and transport		20,249	3,569	2,856	376	717	27,766	14.7
Air-conditioning subsectors								
Residential		0	0	0	19,748	0	19,748	10.5
Commercial		0	0	0	1,211	0	1,211	0.6
Mobile		57,386	0	0	0	0	57,386	30.4
Total		151,351	12,276	2,998	21,335	717	188,676	100

³ The sectoral data for 2024 included in tables 4 and 5 differs from the Article 7 data, as the former pertains to the use of HFCs in servicing, while the latter presents the consumption of HFCs

Refrigeration and air-conditioning servicing sector

11. There are approximately 3,556 technicians (including 261 women) and 250 workshops servicing RAC equipment in the United Republic of Tanzania. The country has over 17 vocational training institutes offering RAC courses. Under stage II of the HPMP, a mandatory and competency-based technician certification scheme is being developed. Recovery and recycling centres established through the HPMP are being expanded to cover HFCs, supported by stage I of the KIP.

Domestic, commercial, industrial and transport refrigeration servicing

12. The refrigeration servicing sector in the United Republic of Tanzania is characterized by a wide range of applications, from small domestic units to large commercial and industrial systems. Domestic refrigeration represents a minor share of total HFC consumption, mainly using HFC-134a in household refrigerators and freezers, with an estimated 4,668,200 units in operation nationwide.

13. Commercial refrigeration, including stand-alone units, condenser units, and centralized systems, accounts for around 37 per cent (in CO₂-eq tonnes) of the total HFC use, with approximately 257,900 units operating across the country. The dominant refrigerants in this subsector are HFC-134a and R-404A, reflecting the replacement of HCFC-22. These systems are typically installed in supermarkets, butcheries, hotels, hospitals, and food processing facilities, where centralized systems in supermarkets and cold storage facilities are the main contributors. At present, R-600a is used in domestic refrigeration and stand-alone commercial units in the country.

14. The industrial refrigeration subsector includes chillers, cold storage facilities, food processing industries, and fisheries, with approximately 3,325 units operating nationwide. Transport refrigeration includes refrigerated trucks, containers, and reefers, with about 320 units in operation. The dominant refrigerants used in industrial and transport refrigeration are HFC-134a, R-404A, and R-407C, while the use of R-410A remains limited to specific industrial applications. Leakage rates in transport systems are relatively high due to aging fleets and poor maintenance practices.

Residential and commercial air-conditioning servicing

15. The AC servicing sector is expanding rapidly, particularly in residential and commercial buildings. R-410A is the dominant refrigerant, with an estimated 154,700 units in use. Air-conditioning units using HFC-32-based refrigerants are available in the country, though their presence remains limited. The transition to hydrocarbon alternatives remains slow due to safety and capacity constraints.

Mobile air-conditioning servicing

16. The MAC subsector accounts for the second largest share of HFC consumption for around 30 per cent (in CO₂-eq tonnes) and depends entirely on HFC-134a for servicing. The sector consists mainly of small garages and informal workshops servicing approximately 155,600 MAC systems each year. While the transition to HFO-1234yf systems has not yet occurred, imports of newer vehicles equipped with this refrigerant are expected to increase in the coming years.

IV. Stage I of the Kigali HFC implementation plan as submitted

Institutional, policy and regulatory framework

17. The Vice President's Office is the national authority responsible for environmental management in the United Republic of Tanzania. It oversees the integration of provisions of Multilateral Environmental Agreements into national policies and regulatory frameworks to ensure effective implementation. This

mandate is executed through the institutional framework established by the Environmental Management Act of 2004.

18. Within the Vice President's Office, the Division of Environment oversees the development and enforcement of environmental policy and regulatory measures. The national ozone unit (NOU), operating under this Division, coordinates all activities under the Montreal Protocol, including the collection and reporting of data on the consumption of controlled substances. To support effective implementation of the Protocol, a National Ozone Committee (NOC) was established to provide guidance and policy direction. The Committee includes representatives from the Tanzania Revenue Authority, Tanzania Bureau of Standards, the Ministry of Agriculture, Livestock and Fisheries, the Ministry of Justice and Constitutional Affairs, the Ministry of Home Affairs, the Ministry of Education, Science and Technology, the Ministry of Health, and the Government Chemist Laboratory Agency.

19. Additional institutions critical to the Protocol's implementation include refrigeration associations and training colleges. The Ministry of Energy will also be integrated into the NOC to provide oversight on energy-efficiency related matters.

20. The United Republic of Tanzania enacted the Environmental Management Act in 2004 as a legislative framework for environmental governance, including the control of ODS, in line with constitutional provisions. The Environmental Management (Control of ODS and HFCs) Regulations were updated in 2022 to incorporate national obligations under the Kigali Amendment.

21. The United Republic of Tanzania has an operational licensing and quota system for the import of controlled substances, including HFCs. National quotas will be set in accordance with the maximum allowable limits under the Montreal Protocol and the country's Agreement with the Executive Committee on annual reduction targets under the KIP.

22. Import quota applications are submitted to the NOU for processing and reviewed by the NOC for approval. The NOU maintains a register of all licensed importers of HCFCs and HFCs and issues licenses for the import of HFCs and HFC-dependent equipment in accordance with the ODS regulations.

Phase-down strategy for stage I of the Kigali HFC implementation plan

Overarching strategy

23. The KIP for the United Republic of Tanzania outlines a pragmatic, phased approach to achieving compliance with the Kigali Amendment, by prioritizing capacity-building, regulatory strengthening and enforcement, and the gradual adoption of low global-warming potential (GWP) alternatives. The strategy targets a 10 per cent reduction in HFC consumption by 2029, following the baseline freeze in 2024. To achieve this, the country will strengthen its HFC import licensing and quota system, established under the 2022 ODS and HFC regulations, and implement measures such as stricter monitoring on imports, data reporting, and customs enforcement. The plan also foresees the promotion of energy-efficient, low-GWP technologies through demonstration projects in commercial refrigeration and residential AC. Technician training and certification, awareness campaigns for importers and end users, and the expansion of recovery and recycling centres to handle HFCs are key components. Complementing these efforts, training initiatives under both the KIP and the HPMP aim to enhance technician skills in handling flammable refrigerants, improve servicing practices, reduce refrigerant losses, and ensure readiness for the transition to low-GWP alternatives, thereby supporting environmental goals and economic development.

Proposed reductions

24. The United Republic of Tanzania, UNEP and UNIDO have forecasted HFC consumption under a business-as-usual (BAU) scenario, assuming a consistent annual growth rate of 7 per cent through 2029.

This projection takes into consideration the consumption of each substance based on its primary applications, population and economic growth trends, current and future HCFC phase-out measures, and the adoption of alternatives to HFCs occurring independently of the Kigali Amendment. Under this scenario, HFC consumption is anticipated to exceed the control level by 2029, as shown in table 6.

Table 6. HFC consumption forecast under the unconstrained scenario, Montreal Protocol limits, and proposed HFC reductions under stage I (CO₂-eq tonnes)

	2025	2026	2027	2028	2029
HFC consumption forecast at an annual growth rate of 7%*	153,408	164,147	175,637	187,931	201,087
Montreal Protocol HFC consumption limits	218,611	218,611	218,611	218,611	196,750
HFC consumption levels proposed under the KIP	218,611	218,611	218,611	218,611	196,750
Proposed reductions from the HFC consumption baseline (%)	0	0	0	0	10

* Calculated based on the 2024 consumption reported under the CP implementation report and taking into account the expected economic growth, alongside the shift from HCFCs to HFCs.

Proposed activities

25. Activities in the servicing sector proposed for implementation under stage I and the first tranche and their cost breakdown are presented in table 7.

Table 7. Servicing sector activities and their costs in stage I and the first tranche of the KIP for the United Republic of Tanzania as submitted

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
Regulatory framework strengthening and capacity-building for customs officers Conduct five training sessions, each targeting 25 customs and enforcement officers, on HFC control measures and the prevention of illegal trade (US \$25,000); engage a consultant to strengthen the HFC licensing and quota system, improve continuous market monitoring of HFC consumption, and enhance knowledge of market conditions, trends and illegal trade of HFCs (US \$12,000); and improve record-keeping by training 150 customs officers on the HFC import registration system, enhancing information exchange at ports of entry, and conducting workshops for importers on data collection and reporting (US \$8,000)	UNEP	45,000	26,000
Capacity-building of RAC technicians Conduct five training and certification sessions, each targeting 25 RAC technicians, on good servicing practices and the safe handling of low-GWP refrigerants (US \$25,000); support the RAC associations and technicians to formalize the refrigeration sector (US \$5,000); update codes of practice and technician training curricula to promote refrigerant recovery and recycling, improve energy efficiency, and integrate safety practices for alternative refrigerants (US \$5,000); and conduct targeted awareness-raising activities for importers, technicians, installers and end users to enhance their understanding of the impact of high-GWP technologies, while promoting low-GWP alternatives and their benefits (US \$11,000)	UNEP	46,000	28,000
Capacity-building for the MAC sector Purchase and supply nine recovery units with associated cylinders, four leak detectors, and four electronic scales to selected workshops (US \$17,400); and provide technical training for 40 MAC technicians on the safe and effective use of recovery and servicing tools (US \$10,000)	UNIDO	27,400	22,500

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
Promote low-GWP technologies in the commercial refrigeration sector Conduct a market survey on potential candidates for the replacement of the existing stand-alone units (US \$1,500); implement a demonstration project to replace an existing commercial refrigeration installation with R-290-based equipment through the procurement and installation of 10 stand-alone units, including energy monitoring before and after installation, and documentation (US \$22,000); and safe disposal of old units, ensuring proper recovery of refrigerants by applying best servicing and safety practices (US \$1,500)	UNIDO	25,000	1,500
Promote low-GWP and energy-efficient technologies in the AC sector Implement a demonstration project to replace existing residential AC units with R-290-based equipment through the procurement and installation of 20 units, including energy monitoring before and after installation, and documentation (US \$10,000); and safe disposal of old units, ensuring proper recovery of refrigerants by applying best servicing and safety practices (US \$1,600)	UNIDO	11,600	10,000
Project coordination and monitoring (see paragraph 26)	UNEP	15,000	7,500
Subtotal for UNEP		106,000	61,500
Subtotal for UNIDO		64,000	34,000
Total		170,000	95,500

Project implementation, coordination and monitoring

26. The NOU and the NOC will be responsible for the overall administration of the KIP implementation and monitoring, in addition, the NOU shall be producing quarterly reports on the progress in the implementation of the KIP project. A budget of US \$15,000 is proposed for the recruitment of national consultants (US \$8,000), domestic travel and meetings (US \$5,000), and other costs (US \$2,000).

Total cost of stage I of the Kigali HFC implementation plan

27. The budget for stage I has been proposed at US \$170,000. The costs of activities in the refrigeration servicing sector have been proposed in line with decision 92/37.

Implementation plan for the first tranche

28. The first funding tranche of stage I of the KIP was submitted at a total amount of US \$95,500, as shown in table 7 above, to be implemented between January 2026 and December 2027. Detailed information on the activities to be implemented under the first tranche, including adjustments and level of funds agreed are presented in paragraph 39 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Overarching strategy

29. UNEP informed the Secretariat that the Government of the United Republic of Tanzania has developed the National HFC Phase-down Strategy as part of its KIP to ensure compliance with its obligations under the Kigali Amendment.

HFC consumption trends

30. The Secretariat requested clarification on the fluctuations observed in HFC consumption trends between 2020 and 2024 and the measures that the Government of the United Republic of Tanzania will implement to mitigate such variations in the future. UNEP explained that the fluctuations were primarily driven by irregular import patterns, bulk purchases ahead of regulatory changes, and shipment delays, rather than shifts in actual servicing demand. To address this, the implementation of the HFC licensing and quota system, together with the activities proposed under stage I of the KIP, will play a key role in stabilizing consumption. These include strengthening customs monitoring, improving data collection and verification, training enforcement officers, and raising awareness among importers and technicians. Collectively, these measures will ensure more consistent import practices, enhance compliance, and support the long-term sustainability of HFC reductions in line with the Kigali Amendment.

Institutional, policy and regulatory framework

HFC licensing and quota system

31. In line with decision 87/50(g), UNEP has confirmed that the United Republic of Tanzania has an established and enforceable system of licensing and quotas for monitoring HFC imports/exports in place. The country has issued HFC import quotas for 2025 at 218,611 CO₂-eq tonnes, which is equal to the Montreal Protocol control targets.

Regulatory framework

32. The Secretariat requested clarification regarding the enforcement of bans on the import of HFC-based domestic refrigerators, stand-alone commercial refrigeration units, and residential AC equipment, noting the availability of low-GWP alternative technologies currently on the market, and inquired about the timeline for the introduction of such bans. UNEP explained that the United Republic of Tanzania is currently managing HFC consumption through an import quota system rather than through outright bans. This approach reflects market readiness and safety considerations, as the adoption of hydrocarbon technologies remains limited, and national safety standards, certification systems, and regulatory frameworks for flammable refrigerants are still under development. In parallel, the country is prioritizing capacity-building through technician training, the establishment of safety codes, and the strengthening of technical institutions to enable the safe handling and servicing of hydrocarbon-based systems. On further discussion, it was agreed that the request for the second tranche of the KIP would include a detailed report on the development of those bans, including a specific timeline for their implementation.

33. On the five training and certification sessions, UNEP indicated that these will be implemented following the mandatory certification scheme for RAC technicians under stage II of the HPMP, expected to be finalized by the end of 2025, after comprehensive consultations with key national stakeholders.

Demonstration projects

34. Two demonstration activities are proposed under stage I of the KIP to introduce R-290 technologies in the refrigeration and AC sectors. The first, an end-user incentive project in stand-alone commercial refrigeration, will support particularly small- and medium-sized enterprises and women-owned enterprises, to replace existing HFC-134a-based stand-alone units with R-290 systems. This initiative is co-financed through cost-sharing with importers and end users and will demonstrate the technology's safety, performance, and energy efficiency, supported by technician training and awareness activities under stage II of the HPMP. The second activity is a technology demonstration of R-290-based residential split air conditioners for installation in training institutes and selected public buildings such as ministries, hospitals, and customs offices. These units will serve both for demonstration and for hands-on technician training.

Together, these projects aim to overcome market barriers related to availability, safety perceptions, and cost, build local technical capacity, and create initial market demand to enable the future uptake of low-GWP alternatives in the United Republic of Tanzania.

35. The Secretariat inquired on the scalability and future sustainability, and monitoring arrangement of the demonstration project. UNEP and UNIDO explained that the demonstration activities include a robust monitoring and replication strategy. Monitoring will compare energy consumption before and after installation of the R-290 units, as well as servicing costs, including refrigerant replacement, to assess performance, and energy efficiency. The results will serve as practical evidence to support replication and policy formulation. The replication strategy aims to incentivize distributors to stock and supply R-290-based equipment, improving market availability and confidence in the technology. By showcasing tangible energy and cost benefits, the demonstration will attract private investment, encourage broader adoption, and create the conditions for scaling up low-GWP technologies nationwide. Additionally, importers will benefit from preferential access to suppliers through pricing arrangements negotiated by UNIDO, further enhancing long-term market sustainability.

36. In line with decision 92/36(g), the Secretariat requested UNEP and UNIDO, upon completion of the project, to submit a final report on its implementation, including the HFC phase-out and energy efficiency gains achieved.

Total project cost

37. At the total cost of US \$170,000, stage I of the KIP for the United Republic of Tanzania will result in a reduction of 21,861 CO₂-eq tonnes from the country's HFC consumption eligible for funding.

38. Stage I of the KIP will be implemented in two tranches.

Implementation plan for the first tranche of the Kigali HFC implementation plan

39. The agreed plan of action will include the following activities:

- (a) *Regulatory framework strengthening and capacity-building for customs officers:* Conduct three training sessions, each targeting 25 customs and enforcement officers, on HFC control measures and the prevention of illegal trade; engage a consultant to strengthen the HFC licensing and quota system, improve continuous market monitoring of HFC consumption, and enhance knowledge of market conditions, trends and illegal trade of HFCs; and improve record-keeping by training 150 customs officers on the HFC import registration system, enhancing information exchange at ports of entry, and conducting workshops for importers on data collection and reporting (UNEP) (US \$26,000);
- (b) *Capacity-building of RAC technicians:* Conduct three training and certification sessions, each targeting 25 RAC technicians, on good servicing practices and the safe handling of low-GWP refrigerants; support the RAC associations and technicians to formalize the refrigeration sector; update codes of practice and technician training curricula to promote refrigerant recovery and recycling, improve energy efficiency, and integrate safety practices for alternative refrigerants; and conduct targeted awareness-raising activities for importers, technicians, installers and end-users to enhance their understanding of the impact of high-GWP technologies, while promoting low-GWP alternatives and their benefits (UNEP) (US \$28,000);
- (c) *Capacity-building for the MAC sector:* Purchase and supply nine recovery units with associated cylinders, four leak detectors, and four electronic scales to selected workshops;

and provide technical training for 20 MAC technicians on the safe and effective use of recovery and servicing tools (UNIDO) (US \$22,500);

- (d) *Promote low-GWP technologies in the commercial refrigeration sector*: Conduct a market survey on potential candidates for the replacement of the existing stand-alone units (UNIDO) (US \$1,500);
- (e) *Promote low-GWP and energy-efficient technologies in the AC sector*: Implement a demonstration project to replace existing residential AC units with R-290-based equipment through the procurement and installation of 18 units, including performance and energy monitoring, documentation and sharing of results with end-users; and safe disposal of old units, ensuring proper recovery of refrigerants by applying best servicing and safety practices (UNIDO) (US \$10,000); and
- (f) *Project coordination and monitoring* (UNEP) (US \$7,500): Recruitment of national consultants (US \$4,000); domestic travel and meetings (US \$2,500); and other costs (US \$1,000).

Co-financing

40. The Government of the United Republic of Tanzania, in collaboration with the private sector, is promoting co-financing initiatives that generate mutual benefits for both ozone protection and climate mitigation. The Government's in-kind contribution includes logistical support, provision of personnel, and facilitation of national coordination to ensure the effective implementation of project activities.

2025–2027 business plan of the Multilateral Fund

41. UNEP and UNIDO are requesting US \$170,000, plus agency support costs, for the implementation of stage I of the KIP for the United Republic of Tanzania. The total value of US \$107,915, including agency support costs, requested for the period of 2025–2027, is US \$24,610 below the amount in the business plan.

Gender policy implementation

42. Stage I of the KIP for the United Republic of Tanzania has been prepared in line with decisions 84/92(d), 90/48(c) and 92/40(b) on the Multilateral Fund's operational policy on gender mainstreaming. The Government is committed to promoting women participation across all KIP activities. Women will be actively engaged through targeted technician training, with a participation target of 30 per cent, and through inclusive outreach and awareness initiatives. Training curricula and awareness programmes will incorporate approaches and safety modules to support female technicians working with alternative refrigerants. Priority will be given to enterprises owned by or employing women. The Government continues to strengthen national policies that promote the participation of women in environmental management, while the NOU will collect data to monitor participation and assess project impact.

Sustainability of the HFC phase-down and assessment of risks

43. Potential risks to the successful implementation and long-term sustainability of the United Republic of Tanzania's HFC phase-down include limited market availability and affordability of low-GWP alternatives, safety concerns associated with flammable refrigerants, and the need for continuous capacity development to sustain technician competency. Delays in the adoption of national standards and limited private-sector investment in alternative technologies may also hinder market uptake.

44. These risks will be mitigated through a combination of policy, institutional, and capacity-building measures designed to ensure the sustainability of HFC reductions achieved under the KIP. The 2022 Environmental Management Regulations provide a strong regulatory foundation through the enforcement of HFC import licensing and quota system, while KIP activities will further strengthen customs enforcement, customs monitoring, and data reporting. Training and certification programmes will be institutionalized within national vocational curricula to ensure long-term capacity retention beyond stage I. Demonstration projects and awareness campaigns will promote the safe adoption of low-GWP alternatives, and recovery and recycling initiatives will enhance refrigerant management across sectors. The NOU will monitor progress through annual verification of HFC consumption and ongoing stakeholder engagement, ensuring that phase-down achievements are sustained and built upon in subsequent KIP stages.

Impact on the climate

45. The activities proposed, including efforts to promote low-GWP alternatives, capacity-building for the safe handling of alternatives to HFCs and refrigerant recovery and reuse in the RAC and MAC servicing sectors, the initiation of programmes to improve servicing practices in the MAC sector, and the strengthening of the regulatory framework, indicate that the implementation of stage I of the KIP will reduce refrigerant emissions into the atmosphere, resulting in climate benefits. A calculation of the impact on the climate of the activities in the KIP indicates that by 2029, the United Republic of Tanzania will have reduced its emissions by approximately 21,861 CO₂-eq tonnes of HFCs, calculated as the difference between the HFC baseline for compliance and the 2029 target, assuming that all consumed HFCs would eventually have been emitted.

Draft Agreement

46. A draft Agreement between the Government of the United Republic of Tanzania and the Executive Committee for stage I of the KIP is contained in annex I to the present document.

Coordination of activities in the servicing sector under HCFC phase-out and HFC phase-down plans

47. The implementation of stage I of the KIP in the United Republic of Tanzania will be closely coordinated with the ongoing stage II of the HPMP to ensure alignment, efficiency, and optimal use of resources within the servicing sector. Both plans are overseen by the NOU, which serves as the central coordinating body and ensures unified management and oversight. A shared project coordination and monitoring mechanism will support coordination of activities under both plans, assisted by the existing centres of excellence established during the HPMP for technician training and certification. Joint planning, implementation, and reporting mechanisms will be adopted to prevent overlap and maximize synergies between the two plans, particularly in regulatory enforcement, technician training, and the adoption of low-GWP refrigerants. The use of shared technical expertise, monitoring tools, and integrated evaluation frameworks will further ensure consistency, effective communication, and coherent progress tracking toward the country's obligations under the Montreal Protocol. Annex II summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

48. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for the United Republic of Tanzania for the period 2025–2029 to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US \$192,100, consisting of US \$106,000, plus agency support costs of US \$13,780, for UNEP and US \$64,000, plus agency support costs of US \$8,320, for UNIDO;

- (b) Noting that, upon completion of the end-user project included in stage I of the KIP, UNIDO would submit a final report on the implementation of this project, including the HFC phase-out and energy-efficiency gains achieved, in line with decision 92/36(g);
- (c) Approving the draft Agreement between the Government of the United Republic of Tanzania and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex I to the present document; and
- (d) Approving the first tranche of stage I of the KIP for the United Republic of Tanzania and the corresponding tranche implementation plan, in the amount of US \$107,915, consisting of US \$61,500, plus agency support costs of US \$7,995, for UNEP and US \$34,000, plus agency support costs of US \$4,420, for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROFLUOROCARBONS IN ACCORDANCE WITH STAGE I OF THE KIGALI HFC IMPLEMENTATION PLAN (Period: 2025–2029)

Purpose

1. This Agreement represents the understanding of the Government of the United Republic of Tanzania (“the Country”) and the Executive Committee with respect to the reduction of controlled use of Annex F substances set out in Appendix 1-A (“The Substances”) to a sustained level of 196,750 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.
2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan (“the Plan”) as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
- (d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous Tranche Implementation Plans in accordance with their roles and responsibilities set out in the same appendix.

Flexibility in the reallocation of funds

7. The Executive Committee agrees that the Country may have the flexibility to reallocate part or all approved funds, according to the evolving circumstances, to achieve the smoothest reduction of consumption and phase-down of Annex F substances specified in Appendix 1-A, in accordance with the following considerations:

- (a) Reallocations categorized as major changes must be documented in advance, either in a Tranche Implementation Plan as foreseen in subparagraph 5(d) above, or as a revision to an existing Tranche Implementation Plan to be submitted 10 weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Changes that would modify any clause of this Agreement;
 - (iii) Changes in the annual levels of funding allocated to the individual bilateral or implementing agencies for the different tranches;
 - (iv) Provision of funding for activities not included in the current endorsed Tranche Implementation Plan, or removal of an activity in the Tranche Implementation Plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
 - (v) Changes in alternative technologies, on the understanding that any submission for such a request would identify the associated incremental costs, the potential impact on the climate, and any differences in CO₂-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;
- (b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

- (c) Any remaining funds held by the bilateral or implementing agencies or the Country under the Plan will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

8. Specific attention will be paid to the execution of activities in the refrigeration servicing sector included in the Plan, in particular that the Country may use the flexibility available under this Agreement to address specific needs that might arise during project implementation.

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of the Lead IA and/or Cooperating IA taking part in this Agreement.

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to the independent verification as per subparagraph 5(b). The Cooperating IA will support the Lead IA by implementing the Plan under the overall coordination of the Lead IA. The roles of the Lead IA and Cooperating IA are contained in Appendix 6-A and Appendix 6-B, respectively. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

Non-compliance with the Targets in the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of Annex F substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each CO₂-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the Country.

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access to the information necessary to verify compliance with this Agreement.

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in

the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

15. All conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This Agreement may be modified or terminated only by mutual written agreement of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substances	Starting point for aggregate reductions in consumption (CO ₂ -eq tonnes)
HFCs	n/a

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars		2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	10	n/a
		CO ₂ -eq tonnes	218,611	218,611	218,611	218,611	196,750	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	10.0	n/a
		CO ₂ -eq tonnes	218,611	218,611	218,611	218,611	196,750	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)		61,500	0	0	44,500	0	106,000
2.2	Support costs for Lead IA (US \$)		7,995	0	0	5,785	0	13,780
2.3	Cooperating IA (UNIDO) agreed funding (US \$)		34,000	0	0	30,000	0	64,000
2.4	Support costs for Cooperating IA (US \$)		4,420	0	0	3,900	0	8,320
3.1	Total agreed funding (US \$)		95,500	0	0	74,500	0	170,000
3.2	Total support costs (US \$)		12,415	0	0	9,685	0	22,100
3.3	Total agreed costs (US \$)		107,915	0	0	84,185	0	192,100

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

APPENDIX 4-A: FORMAT OF THE TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of four parts:

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-down of

Annex F substances, how the different activities contribute to it, and how they relate to each other, including, where applicable, activities related to energy efficiency approved in the context of HFC phase-down pursuant to decision 91/65. The report should include the amount of Annex F substances consumption reduced as a direct result of the implementation of activities, by substance, the alternative technology used and the related phase in of alternatives, to allow the Secretariat to inform the Executive Committee on the resulting change in climate relevant emissions. The report should also include quantitative information on the activities implemented and further highlight the successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, use of flexibility for the reallocation of funds during implementation of a tranche as provided for in paragraph 7 of this Agreement, or other changes;

- (b) An independent verification report on the Plan's results and the consumption of Annex F substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification of consumption data must be provided with each tranche request, covering all relevant years for which a verification report has not yet been acknowledged by the Committee, as specified in subparagraph 5(a) of the Agreement;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche including quantitative information, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the Plan will be provided by calendar year. The description should include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall Plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph 1(a) above; and
- (d) An Executive Summary of about five paragraphs, summarizing the information contained in subparagraphs 1(a) to 1(c) above.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone unit, under the Division of Environment of the Vice President's Office of the Country, is responsible for monitoring the progress of implementation of activities under the Plan. Monitoring will be carried out throughout the implementation period to ensure efficient and effective execution of activities, overall project coordination, stakeholder engagement, timely delivery of training sessions and other expected outputs, and to facilitate the HFC consumption verification undertaken by the Lead IA.

2. The Division of Environment of the Vice President's Office of the Country will be responsible for ensuring the sustainability of the consumption reduction targets achieved under the Agreement.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities, including at least the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's Plan;
 - (b) Assisting the Country in the preparation of the Tranche Implementation Reports and Plans as per Appendix 4-A;
 - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated tranche activities have been completed as indicated in the Tranche Implementation Plan, consistent with Appendix 4-A;
 - (d) Ensuring that the experiences and progress are reflected in the updates to the overall Plan and in the future Tranche Implementation Plans, consistent with subparagraph 1(c) of Appendix 4-A;
 - (e) Fulfilling the reporting requirements of the Tranche Implementation Reports and Plans and of the overall Plan as specified in Appendix 4-A for submission to the Executive Committee including the activities implemented by the Cooperating IA;
 - (f) In the event that the last funding tranche is requested one or more years prior to the last year for which a consumption target had been established, annual Tranche Implementation Reports and, where applicable, verification reports on the current stage of the Plan should be submitted until all activities foreseen had been completed and HFC consumption targets had been met;
 - (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
 - (h) Carrying out the required supervision missions;
 - (i) Ensuring the presence of an operating mechanism to allow for an effective and transparent implementation of the Tranche Implementation Plan and accurate data reporting;
 - (j) Coordinating the activities of the Cooperating IA and ensuring the appropriate sequence of activities;
 - (k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;
 - (l) Ensuring that disbursements made to the Country are based on the use of the indicators;
 - (m) Providing assistance with the policy, management and technical support when required;
 - (n) Reaching consensus with the Cooperating IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan; and
 - (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the Plan's results and of the consumption of Annex F substances mentioned in Appendix 1-A, as per subparagraph 5(b) of the Agreement and subparagraph 1(b) of Appendix 4-A.

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

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

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and referring to the Lead IA to ensure a coordinated sequence of activities;
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A; and
- (d) Reaching consensus with the Lead IA on any planning, coordination and reporting arrangements required to facilitate the implementation of the Plan.

APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY WITH THE TARGETS IN THE AGREEMENT

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$7.00 per CO₂-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently confiscated, destroyed, exported, or returned to the country of origin.

Annex II

**SIMULTANEOUS IMPLEMENTATION OF THE HCFC PHASE-OUT MANAGEMENT PLAN
AND THE KIGALI HFC IMPLEMENTATION PLAN
IN THE UNITED REPUBLIC OF TANZANIA**

Category of activity	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
	Activity	Cost (US \$)	Activity	Cost (US \$)	
Regulatory framework strengthening and capacity-building for customs officers					
Improvement of the licensing and quota system	Setting up an online HCFC licensing and quota system	170,000	Engage a consultant to strengthen the HFC licensing and quota system, improve continuous market monitoring of HFC consumption, and enhance knowledge of market conditions, trends and illegal trade of HFCs	45,000	215,000
Border dialogues with neighbouring countries	Conduct one border dialogue with customs officers from neighbouring countries to prevent illegal trade				
Import ban and development of national standards	Ban the imports of HCFC-based equipment and development of national standards for the safe use of zero and low-GWP technologies in the RAC sector				
Training of standards and environmental officers	Build the capacity standard officers, environmental inspectors and key stakeholders on technical standards and Government officers on the sustainable public procurement policy				
Workshops for importers and end-users	Organize information workshops for importers and end-users on the country’s ODS policy and revised law				
Training material	Organize one meeting to review the customs training curriculum				
Training of customs officers	Training customs officers and other enforcement officers on regulatory measures and identification, monitoring and controlling imports of HCFCs and HCFC-based equipment		Train customs and enforcement officers on HFC control measures and prevention of illegal trade		
Procurement of ODS identifiers	Procurement and distribution of ODS identifiers and spare parts				
Public procurement policy	Adopt sustainable public procurement policy for acquiring RAC systems in the public sector				
Training of customs officers on record-keeping			Improve record-keeping by training customs officers on the HFC import registration system, enhancing information exchange at ports of entry, and conducting workshops for importers on data collection and reporting		

Category of activity	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
	Activity	Cost (US \$)	Activity	Cost (US \$)	
Capacity-building of RAC technicians					
Training material and certification scheme	Update the training manual and the national refrigeration codes of practice; conduct consultations with main stakeholders and establishment of a mandatory certification scheme, building the capacity for key stakeholders involved in the certification process	190,000	Update codes of practice and technician training curricula to promote refrigerant recovery and recycling, improve energy efficiency, and integrate safety practices for alternative refrigerants	46,000	236,000
Training of RAC technicians	Training and certification of refrigeration technicians on good servicing practices		Train and certify RAC technicians on good servicing practices and the safe handling of low-GWP refrigerants		
Servicing tools	Provide servicing tools and ODS identifiers to the refrigeration association of technician				
Workshops for end-users	Organize workshops for end-users on the latest development of alternative technology				
Awareness campaigns			Conduct targeted awareness-raising activities for importers, technicians, installers and end-users to enhance their understanding of the impact of high-GWP technologies, while promoting low-GWP alternatives and their benefits		
Capacity-building for the MAC sector					
Provision of equipment and tools			Purchase and supply recovery units, cylinders, leak detectors, and electronic scales to selected workshops	27,400	27,400
Training of MAC technicians			Provide technical training for MAC technicians on the safe and effective use of recovery and servicing tools		
Promote low-GWP technologies in the commercial refrigeration sector					
Promotion of low-GWP technologies			Implement a demonstration project replacing existing commercial refrigeration units with R-290-based equipment	25,000	25,000
Market survey			Conduct a market survey on potential candidates for the replacement of the existing stand-alone units		
Safe disposal and recovery			Safe disposal of old units, ensuring proper recovery of refrigerants by applying best servicing and safety practices		
Promote low-GWP and energy-efficient technologies in the AC sector					
Promotion of low-GWP technologies			Implement a demonstration project replacing existing residential AC units with R-290-based equipment	11,600	11,600
Safe disposal and recovery			Safe disposal of old units, ensuring proper recovery of refrigerants by applying best servicing and safety practices		

Category of activity	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
	Activity	Cost (US \$)	Activity	Cost (US \$)	
Strengthening the centres of excellence and technical assistance					
Provision of equipment and tools	Procurement and distribution of complementary tools and equipment to set up reclaiming centres, and providing equipment and tools to regional centres for managing HCs	120,000			120,000
Training of trainers	Training of trainers from vocational training institutes in the safe handling of flammable refrigerants and service of hydrocarbon (HC)-based commercial refrigeration and domestic AC				
Development of business model for reclamation centres	Development of a business model to set up a refrigerant recovery/re-use infrastructure, conduct a comparative study of performance for various equipment running with alternative refrigerants				
Awareness-raising and outreach	Develop and implement a national strategy to promote the containment of refrigerants and the benefits of using alternative substances in their RAC equipment through publications, mass media articles, broadcast radio messages, and being present in television programmes	30,000			30,000
Coordination, monitoring, reporting and evaluation					
Coordination and monitoring	Project coordination and monitoring	30,000	Project coordination and monitoring	15,000	45,000
Total		540,000		170,000	710,000
Percentage of total (%)		76.1		23.9	100.0