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

PROJECT PROPOSAL: SOMALIA

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

Phase-down

Kigali HFC implementation plan (stage I,
first tranche)

UNIDO and UNEP

Individual
consideration

¹ UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Somalia

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

LATEST ARTICLE 7 DATA (Annex F)	Year: 2024	530.78 mt	1,015,385 CO ₂ -eq tonnes
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SECTORAL HFC CONSUMPTION DATA (CO ₂ -eq tonnes) AND ACTIVITIES									
	Aerosol	Foam	Fire-fighting	Air-conditioning and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
Latest CP report (2024)		122,465					892,920		
KIP stage I activities as agreed (Y/N)		N					Y		

AVERAGE 2020–2022 HFC CONSUMPTION IN SERVICING*	298.52 mt	594,262 CO ₂ -eq tonnes
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BASELINE CONSUMPTION DATA (CO ₂ -eq tonnes)	2020	2021	2022*	Average 2020-2022
HFC annual consumption	894,881	883,056	348,650	708,862
HCFC baseline (65%)				567,810
HFC baseline				1,276,672

* The country has submitted a request for a revision of the 2022 data to 949,474 CO₂-eq tonnes (501.41 mt).

HFC CONSUMPTION ELIGIBLE FOR FUNDING (CO ₂ -eq tonnes)	
Starting point for sustained aggregate reductions	TBD
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		1,276,672	1,276,672	1,276,672	1,276,672	1,149,005	n/a
	Maximum allowable		1,276,672	1,276,672	1,276,672	1,276,672	1,149,005	n/a
	Reduction from baseline (%)		0	0	0	0	10	0
Amounts recommended in principle (US \$)	UNIDO	Project costs	151,000	0	0	87,000	0	238,000
		Support costs	19,630	0	0	11,310	0	30,940
	UNEP	Project costs	43,000	0	0	44,000	0	87,000
		Support costs	5,590	0	0	5,720	0	11,310
	Total project costs		194,000	0	0	131,000	0	325,000
	Total support costs		25,220	0	0	17,030	0	42,250
	Total funds		219,220	0	0	148,030	0	367,250

* Recommended for approval at the present meeting

Reduction from remaining consumption eligible for funding in stage I (CO ₂ -eq tonnes)	127,667
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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 Somalia, UNIDO 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 \$406,800, consisting of US \$268,000 plus agency support costs of US \$34,840, for UNIDO and US \$92,000, plus agency support costs of US \$11,960, for UNEP, as submitted.²

3. The implementation of stage I of the KIP will assist the Government of Somalia 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 \$244,080 consisting of US \$165,000, plus agency support costs of US \$21,450, for UNIDO and US \$51,000, plus agency support costs of US \$6,630, for UNEP, 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 Somalia as of October 2025.

Table 1. HPMP implementation status for Somalia

Particulars	Stage I	Stage II
Meetings when HPMP was approved/updated	67 th /77 th	95 th
Reduction from baseline	35% by 2020	100% by 2030
Total stage cost (US \$)	315,000	1,285,000
Date of completion (actual/planned)	30 June 2023*	31 December 2031

*As extended by decision 91/14(b)(iii)

² As per the letter of 31 July 2025 from the Ministry of Environment and Climate Change of Somalia to UNIDO.

Status of implementation of previous HFC-related activities

6. Enabling activities for HFC phase-down were approved at the 80th meeting of the Executive Committee in the amount of US \$150,000 for UNIDO and these were completed by December 2021.

III. HFC consumption overviewHFC consumption levels

7. Somalia imports HFCs for use in the servicing sector and the polyurethane (PU) foam manufacturing sector. The most consumed substances in 2024 were HFC-134a (37 per cent of total HFC consumption in CO₂-equivalent (CO₂-eq) tonnes), R-407A (32 per cent), R-404A (17 per cent), R-410A (11 per cent), and R-407C (2 per cent). Table 2 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 2. HFC consumption (2020–2024 Article 7 data) and baseline in Somalia

HFC	GWP	2020	2021	2022	2023	2024
Metric tonnes (mt)						
HFC-134a	1,430	256.00	250.00	88.00	260.85	265.00
R-404A	3,922	34.00	33.00	11.40	43.39	45.00
R-407A	2,107	150.20	151.00	60.00	156.31	155.10
R-407C	1,774	5.11	5.60	5.60	13.58	12.56
R-410A	2,088	33.50	32.60	20.00	77.38	53.12
Total (mt)		478.81	472.20	185.00	551.51	530.78
CO₂-eq tonnes						
HFC-134a	1,430	366,080	357,500	125,840	373,016	378,950
R-404A	3,922	133,334	129,413	44,706	170,158	176,490
R-407A	2,107	316,471	318,157	126,420	329,345	326,796
R-407C	1,774	9,064	9,934	9,934	24,089	22,280
R-410A	2,088	69,931	68,053	41,750	161,531	110,888
Total (CO₂-eq tonnes)		894,881	883,056	348,650	1,058,139	1,015,385
HFC baseline calculation (CO₂-eq tonnes)						
HFC average consumption in 2020–2022					708,862	
HCFC baseline (65%)					567,810	
HFC baseline					1,276,672	

8. The Government of Somalia submitted a request to the Ozone Secretariat to revise its HFC consumption data for 2022 (to 949,474 CO₂-eq tonnes (501.41 mt) . The request was made based on a comprehensive survey and verification conducted during the project preparation. It was concluded that the 2022 reported HFC consumption is incorrect due to limitations in data collection at the time of the Article 7 data submission.³ This revision, if approved by the Parties, would result in a change of the HFC baseline from 1,276,672 to 1,477,017 CO₂-eq tonnes. The matter was considered at the 75th meeting of the Implementation Committee for the Montreal Protocol. However, due to insufficient information provided by Somalia to support the request, the Implementation Committee subsequently requested Somalia to submit to the Ozone Secretariat the outstanding information that is needed to meet the requirements of decision XV/19, for consideration by the Implementation Committee at its 76th meeting.

³ For HFCs on 19 October 2023.

Country programme implementation report

9. The sectoral HFC consumption data provided by the Government of Somalia 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

10. Over the past five years, HFC consumption in Somalia has shown a general increasing trend, with the exception of 2022, when a 60 per cent reduction was reported under Article 7 of the Montreal Protocol. The increasing trend has been attributed to usual growth in refrigeration and air-conditioning (RAC) equipment and the phase-out of HCFCs, which is expected to continue causing a shift to HFCs if guidance and other interventions are not implemented to promote the adoption of low-global-warming-potential (GWP) alternatives.

HFC consumption by sector

11. In Somalia, HFC consumption in 2024 was found primarily in the servicing sector (83.9 per cent CO₂-eq tonnes) with some consumption in the manufacturing of PU foam (16.1 per cent). HFCs consumed for servicing are mainly in commercial refrigeration (22.8 per cent in mt and 28.8 per cent of CO₂-eq tonnes) followed by mobile air-conditioning (MAC) (20.2 per cent in mt and 15.1 per cent of CO₂-eq tonnes), industrial refrigeration (16.5 per cent in mt and 21.0 per cent of CO₂-eq tonnes), domestic refrigeration (8.8 per cent in mt and 6.5 per cent of CO₂-eq tonnes), residential air-conditioning (AC) (8.4 per cent in mt and 9 per cent of CO₂-eq tonnes), and other subsectors as shown in tables 3 and 4.

Table 3. HFC consumption in Somalia by sector in metric tonnes (2024)

Sector	HFC-134a	R-404A	R-407A	R-407C	R-410A	Total	Share of total (%)
Manufacturing							
Foam	85.64	0.00	0.00	0.00	0.00	85.64	16.1
Subtotal manufacturing	85.64	0.00	0.00	0.00	0.00	85.64	16.1
Refrigeration and AC servicing							
Refrigeration subsectors							
Domestic	46.45	0.00	0.00	0.00	0.00	46.45	8.8
Commercial	10.76	24.75	85.30	0.00	0.00	120.82	22.8
Industrial	1.79	16.20	69.80	0.00	0.00	87.79	16.5
Transport	12.02	4.05	0.00	0.00	0.00	16.07	3.0
Air-conditioning subsectors							
Residential	0.00	0.00	0.00	7.54	37.18	44.72	8.4
Commercial	0.90	0.00	0.00	5.02	15.94	21.86	4.1
Mobile	107.44	0.00	0.00	0.00	0.00	107.44	20.2
Subtotal servicing	179.36	45.00	155.10	12.56	53.12	445.14	83.9
Total	265.00	45.00	155.10	12.56	53.12	530.78	100.00

Table 4. HFC consumption in Somalia by sector in CO₂-eq tonnes (2024)

Sector	HFC-134a	R-404A	R-407A	R-407C	R-410A	Total	Share of total (%)
Manufacturing							
Foam	122,465	0	0	0	0	122,465	12.1
Subtotal manufacturing	122,465	0	0	0	0	122,465	12.1

Sector	HFC-134a	R-404A	R-407A	R-407C	R-410A	Total	Share of total (%)
Refrigeration and AC servicing							
Refrigeration subsectors							
Domestic	66,424	00	0	0	0	66,424	6.5
Commercial	15,387	97,060	179,727	0	0	292,174	28.8
Industrial	2,560	63,530	147,069	0	0	213,158	21.0
Transport	17,189	15,882	0	0	0	33,071	3.3
Air-conditioning subsectors							
Residential	0	0	0	13,375	77,613	90,988	9.0
Commercial	1,287	0	0	8,905	33,275	43,466	4.3
Mobile Air conditioning	153,639	0	0	0	0	153,639	15.1
Subtotal servicing	256,485	176,472	326,796	22,280	110,888	892,920	87.9
Total	378,950	176,472	326,796	22,280	110,888	1,015,385	100

Manufacturing sectors

12. The 2024 national survey confirmed that HFC-134a is used as a blowing agent in the production of PU flexible foams. Its continued use in this sector in Somalia is largely driven by technical and operational factors, as production lines in the foam sector rely on older equipment designed for physical blowing agents such as HFC-134a. Transitioning to water-based systems would require substantial equipment modifications, formulation adjustments, and specialized technical expertise, which are currently limited. HFC-134a has been in use for over 30 years, whereas commercially viable water-based alternatives only emerged in the past 10 to 15 years due to environmental regulations.

13. A total of 19 small and medium-sized foam manufacturing enterprises using HFC-134a, mainly producing mattresses, were identified during the KIP survey. A more detailed assessment will be conducted during stage I to better understand the sector and identify opportunities for transitioning to low-GWP alternatives.

Refrigeration and air-conditioning servicing sector

14. There are approximately 8,600 RAC servicing technicians in Somalia, of whom around 25 per cent received formal training in technical vocational institutions, while 75 per cent have been informally trained on the job. It is estimated that 2,500 to 3,000 technicians are engaged in MAC servicing. The recent national survey identified 1,432 refrigeration servicing workshops operating in the country whereby approximately 60 per cent are considered as small enterprises, 30 per cent as medium, and 10 per cent as large. There are 15 vocational training institutes that offer RAC programmes in various regions of the country.

Domestic, commercial, industrial and transport refrigeration servicing

15. The majority of domestic refrigerators use HFC-134a, accounting for about 85 to 90 per cent of the total stock. A small but growing share (10 to 15 per cent) consists of R-600a-based units, mainly new appliances entering the market from Asia and the Middle East.

16. Regarding commercial refrigeration, almost all stand-alone and condensing-unit systems rely on HFC blends (R-404A, R-407A). A few plug-in display units using R-290 are present in urban supermarkets, estimated at less than 5 per cent of installed capacity. The industrial refrigeration subsector relies primarily on R-407A (79.5 per cent of the consumption in the subsector) and R-404A (18.5 per cent), with some use of HFC-134a (2.0 per cent). In addition to the use of high-GWP HFCs, both the commercial and industrial subsectors have the highest leakage rate (of 50 per cent) accounting for 20 per cent of the annual servicing demand, despite having the smallest equipment stock of all the subsectors.

17. The transport refrigeration subsector uses R-404A almost exclusively, as alternatives are not yet present.

Residential and commercial air-conditioning servicing

18. In Somalia, R-407C and R-410A are commonly used refrigerants in stationary AC units within the residential and commercial AC subsectors, with the residential subsector accounting for the larger share of use (60 per cent of R-407C mt and 70 per cent of the R-410A mt in 2024). While a majority of AC equipment operates with R-410A, older units continue to use HCFC-22. Split AC systems using HFC-32 are reported to have very recently become available on the market, although HFC-32 has not yet been reported in the country's HFC consumption.

Mobile air-conditioning servicing

19. The MAC servicing subsector predominantly uses HFC-134a, as there is a very limited presence of vehicles with HFO-1234yf, estimated at less than 1 per cent.

20. The low uptake of low-GWP technologies in Somalia is attributed to the inadequate capacity of RAC technicians to handle such technologies especially, in the informal sector. Additionally, obstacles to the introduction of alternative refrigerants include the cost of new units compared to older second-hand technologies, insufficient technical knowledge, and a lack of information coupled with misperceptions about the flammability of alternatives.

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

Institutional, policy and regulatory framework

21. The Government of Somalia ratified the Kigali Amendment on 27 November 2019 and has been reporting HFC consumption since 2019 under Article 7 of the Montreal Protocol. A licensing system for the import/export of HFCs was established through regulation on 19 October 2023. It includes provisions for data reporting and the distribution of HFCs, mandatory training for technicians working on RAC equipment, and the recovery and re-use of all fluorinated refrigerants. The quota system is fully operational since 1 January 2024.

22. The Ministry of Environment and Climate Change (MoECC) is the lead agency for the Montreal Protocol and coordinates all related activities. The National Ozone Unit (NOU) operates under the Ministry and provides logistical and enforcement mechanisms to support the ODS and HFC regulations. The NOU is responsible for the implementation of all HPMP- and KIP-related activities, including the collection and analysis of data; public awareness campaigns; monitoring and coordination; training of enforcement officers and refrigeration technicians; the establishment of monitoring and evaluation systems for the import, export and use of controlled substances; and the licensing system. The National Steering Committees (NSC) assists in coordination of the country's phase-out programmes, formulating strategies and plans, monitoring imports and exports of controlled substances, and the evaluation of all activities.

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

Overarching strategy

23. Somalia's KIP is planned to be implemented in three stages until 2045 to meet the compliance target of an 80 per cent reduction from the HFC baseline. Stage I of the KIP will meet the compliance target of a 10 per cent reduction of the HFC baseline by 2029. Stage I aims to maximize integration with the implementation of the HPMP and to establish the enabling conditions for the adoption of low-GWP

technologies through activities focusing on capacity-building and regulatory strengthening which are directly linked to promoting alternatives.

Proposed reductions

24. Under a "business as usual" (BAU) scenario, HFC consumption is projected to increase by 3.7 per cent per year, in addition to the phase-in of HFCs from the HCFC phase-out, in line with the projected economic and population growth,⁴ as presented in table 5.

Table 5. 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 3.7%*	1,217,725	1,262,274	1,308,561	1,356,653	1,406,620
Montreal Protocol HFC consumption limits	1,276,672	1,276,672	1,276,672	1,276,672	1,149,005
HFC consumption levels proposed under the KIP	1,276,672	1,276,672	1,276,672	1,276,672	1,149,005
Proposed reductions from the HFC consumption baseline (%)	0	0	0	0	10

* Calculated based on estimated increase per year based on economic and sector growth of 3.7 per cent and the estimated amount of 75,443 CO₂-eq tonnes of HFC phase-in due to HCFC phase-out

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 6.

Table 6: Servicing sector activities and their costs in stage I and the first tranche of the KIP for Somalia as submitted

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
Component 1: Strengthening enforcement of HFC legislation and regulation - Strengthen enforcement of licensing and quota system through the establishment of an HFC data collection system and a study on quota system for the import of equipment based on controlled substances (US \$5,000); - Develop standards and labelling for refrigerants (US \$5,000); and - Provision of four refrigerant identifiers to customs (US \$20,000).	UNIDO	30,000	27,000
Component 2: Strengthening technical capacity for import controls - Revise the Customs' training curriculum to incorporate control measures for HFCs (US \$5,000); - Ten training sessions for a total of 250 customs and enforcement officers, on HFCs, new Harmonized System (HS) codes, and identification of low-GWP alternatives; including 20 per cent women (US \$65,000); - Workshops for importers, clearing agents and stakeholders on the implementation of quotas for HFCs and other provisions (US \$10,000); - Strengthen record-keeping by customs through training and improving the exchange of information on the control of HFCs at the ports of entry and improving reporting by enterprises	UNEP	92,000	51,000

⁴ World Bank, 2025

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
(US \$6,000); and			
Continuous monitoring of HFC consumption and illegal HFC trade including through surveys and study on illegal trade of HFCs with recommendations (US \$6,000).			
Component 3(a): Building-capacity in the RAC sector (strengthening training) - Support the industry association to formalize the sector, including at least two annual meetings to address sector challenges, and strengthen collaboration between the association, technicians, and regulatory stakeholders (US \$5,000); - Update code of practice to incorporate HFCs, recovery and recycling of refrigerants, reducing emission/venting of refrigerants, reducing energy consumption, the latest technological developments, and safe use of alternatives (US \$5,000); and - Develop training manuals and guidelines and training modules on safe handling on R-600a and R-290 in commercial refrigeration, including printing and dissemination and a sensitization workshop (US \$15,000).	UNIDO	25,000	21,000
Component 3(b): Building-capacity in the RAC sector (training of RAC technicians) Five training workshops for a total of 250 RAC technicians with emphasis on domestic, commercial and industrial refrigeration.	UNIDO	70,000	40,000
Component 3(c): Building capacity in the RAC sector (upgrading training centre with tools and equipment) Provide equipment and tools for one training centre on flammable refrigerants for residential and commercial stand-alone applications.⁵	UNIDO	53,000	33,000
<i>Subtotal for component 3</i>		<i>148,000</i>	<i>94,000</i>
Component 4: Awareness-raising campaign to end users and small- and medium-sized enterprises (SMEs) An awareness-raising campaign with four targeted information events for refrigeration end users and SMEs on the safe use, availability and energy efficiency of alternative technologies and encourage replacement of high-GWP HFC equipment.	UNIDO	20,000	10,000
Component 5: Capacity-building in the MAC sector - Development of a MAC servicing training manual on good practices (US \$5,000); - Procure five MAC servicing tool kits⁶ (US \$40,000); and - Conduct two training workshops for MAC technician instructors (US \$5,000).	UNIDO	50,000	29,000

⁵ Including two combustible gas detectors for hydrocarbons (HC) (2), five Class B fire extinguishers, two R-290-based commercial stand-alone refrigeration units, two domestic R-600a-based refrigerators, three recovery machines, four vacuum pumps for flammable refrigerants, two digital vacuum gauge sets with exhaust filters, cartridges, and replacement oil, 10 recovery cylinders for R-290 and R-600a, 10 venting hoses with adapters for HC, two digital manifold sets, four manifold gauge sets for R-600a, R-290 and R-1270, two adapters and refrigerant transfer hoses, two electronic refrigerant charging scales, two valve core removal tools, two portable nitrogen sets with regulators, cylinders and hoses, five portable welding torch kits, 10 piping cutters, crimpers and crimping valves, two leak detectors, 10 sets of general tools; 12 portable air blowers, 20 sets of safety goggles and gloves.

⁶ Including a professional-grade, fully automated recovery, recycling, and recharging unit for MAC systems; refrigerant recovery machines; vacuum pumps; set of hoses, adapters and valves.

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
Component 6: Project management activities Coordination and management of KIP implementation (see paragraph 26).	UNIDO	20,000	5,000
Subtotal for UNIDO		268,000	165,000
Subtotal for UNEP		92,000	51,000
Total		360,000	216,000

Project implementation, coordination and monitoring

26. The NOU under MoECC is responsible for the project management, coordination and monitoring activities including obtaining inputs and approvals required from other ministerial departments and the preparation of annual action plans and progress reports. UNIDO will assist the NOU and counterpart enterprises in the procurement of equipment. The NOU shall produce quarterly reports on the progress in the implementation of the KIP project. The cost of these activities has been requested at US \$20,000 to ensure effective implementation of all activities within the KIP through regular monitoring and collection of data to measure progress against performance.

Total cost of stage I of the Kigali HFC implementation plan

27. The budget for stage I has been proposed at US \$360,000. The costs of activities in the refrigeration servicing sector have been proposed in line with decision 92/37.⁷

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 \$216,000, as shown in table 6 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 45 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Overarching strategy

Baseline revision

29. The country has submitted a request for revision of 2022 HFC consumption, as indicated in paragraph 8, which if approved, would result in a revised baseline from 1,276,672 to 1,477,017 CO₂-eq tonnes. As per the established practice, the Secretariat has used the established HFC baseline as the basis for the calculating of the HFC reductions (table 5) and the funding level as described in paragraph 40 below. If the revised consumption data is approved, following the consideration of the Implementation Committee and the Meeting of the Parties, the Secretariat and the implementing agencies will revise the Agreement for stage I of the KIP accordingly.

⁷ The project cost, as submitted, is calculated based on a revised baseline which, if approved, would increase the average consumption in the servicing sector in baseline years to 373.30 mt. Although this would put the country above the threshold of a low-volume-consuming (LVC) country under decision 92/37 by 13.30 mt, the country has opted to be funded as an LVC country.

Reduction targets and funding level

30. Stage I of the KIP proposes to reach an HFC consumption level of 1,149,005 CO₂-eq tonnes by 2029, corresponding to a 10 per cent reduction of the established baseline of 1,276,672 CO₂-eq tonnes. If the HFC baseline is revised to 1,477,017 CO₂-eq tonnes per the Government's request, the country agreed to maintain the HFC consumption level of 1,149,005 to be achieved by 2029, which would correspond to a 22 per cent reduction from the revised baseline.

31. As per the established baseline, the average HFC consumption in baseline years in the servicing sector is 298.52 mt. In line with decision 92/37(b)(ii) the country is eligible to receive US \$325,000. If the revised HFC consumption for 2022 is approved, the average HFC consumption in baseline years in the servicing sector will be 373.30 mt. Noting that Somalia has confirmed that it would like to continue being funded for the refrigeration servicing sector as an LVC country in line with decision 92/37(c), the level of funding could be adjusted to US \$360,000.

32. The Secretariat noted that, at the time of submission, the CP reports previously submitted by the country were inconsistent with the sectoral data presented in the proposal. UNIDO explained that the previous HFC sectoral data had been submitted prior to the survey and verification of sector information carried out during the KIP preparation. UNIDO worked with the NOU and resubmitted the corrected CP reports covering the period 2020 to 2024.

Institutional, policy and regulatory framework*HFC licensing and quota system*

33. In line with decision 87/50(g), UNIDO has confirmed that Somalia has an established and enforceable system of licensing and quotas for monitoring HFC imports/exports in place. The HFC quotas set for 2025 and 2026 are 557.32 mt (1,047,697 CO₂-eq tonnes) and 585.18 mt (1,087,289 CO₂-eq tonnes), respectively. In response to the Secretariat's enquiry regarding the possibility of establishing a ban on HFC-based domestic refrigeration equipment, UNIDO replied that Somalia intends to take the necessary measures to put in place such a ban by 31 December 2028.

Technical and cost-related issues

34. Regarding the PU flexible foam manufacturing sector, UNIDO confirmed that there was no import of HFC-based pre-blended polyol during the baseline years, and that a further in-depth study will be conducted in stage I to assess the feasibility of converting from HFC-134a to water-based or other low-GWP alternatives solutions during stage II of the KIP.

35. In response to the Secretariat's enquiry about the servicing sector analysis, especially the high leakage rates in some sectors, and information on chillers and offshore fisheries applications, UNIDO explained that the high leakage rate for commercial and industrial refrigeration applications reflects the actual operating conditions, with most of the equipment being old or second-hand units with large refrigerant charges and extensive piping networks, in addition to limited preventative maintenance and servicing that is often carried out by informal technicians with inadequate resources. UNIDO also responded that the commercial AC mainly relies on split, packaged and rooftop systems used in offices, hotels and institution buildings, and that chillers are very limited in number in Somalia. As for the offshore fisheries applications, the sector primarily consists of onshore cold storage and ice-making facilities near major ports. There are no offshore or vessel-based refrigeration capacities identified during the survey.

36. The Secretariat enquired about how the introduction of alternative technologies will be promoted through stage I of the KIP to facilitate a strong market transformation to alternatives, UNIDO explained that stage I aims to establish the enabling conditions for the adoption of low-GWP technologies through

training programmes to support the sound and safe use of flammable refrigerants such as R-290, R-600a and HFC-32, and strengthening the regulatory framework through the establishment of a data collection system for HFCs and a study to consider controls for HFC-based equipment. In stage II, once market readiness and safety frameworks are in place, demonstration and investment activities in low-GWP alternatives will be considered.

37. The Secretariat enquired about the activity to develop standards and labelling of refrigerants and the modest cost proposed for this activity. UNIDO clarified that this activity would focus on developing safety standards for flammable refrigerants (R-290, R-600a, R-32), and on introducing proper labelling requirements for refrigerant cylinders and equipment, consistent with international standards (ISO 817 and ISO 5149), and that the cost in stage I would fund technical assistance and a consultation workshop to adapt existing international standards to Somalia's context. Full implementation and enforcement of the standards would be addressed in stage II, once the regulatory framework is in place.

38. UNIDO also clarified that the customs training under the KIP will be coordinated and implemented jointly with the ongoing stage of the HPMP, in a combined approach regarding the materials and the training sessions, to strengthen overall border control capacity by using existing HPMP resources and funding to be provided under the KIP.

39. Regarding the provision of equipment and tools for one training centre and for the MAC sector, UNIDO explained that five training centres are being supported under stage II of the HPMP, and with the additional centre, the training capacities will be sufficient to provide training in the most populated regions of the country during stage I of the KIP. Further support to additional training centres will be assessed during stage I for implementation under future stages of the KIP. As for the MAC sector, servicing equipment and kits are intended to be placed in key large workshops in five regions (Mogadishu, Hargeisa, Bosaso, Kismayo and Galkayo) and will serve as demonstration units and for on-the-job training and reference in each region.

40. The Secretariat noted that the proposal, as submitted, had calculated the consumption for the servicing sector and the proposed costs based on the revised data for the baseline years, which were submitted to the Ozone Secretariat. However, as per the established practice, the Secretariat has used the established HFC baseline as the basis for calculating HFC reductions and the cost of the project. As per the data for the baseline years, the average HFC consumption in servicing during the baseline years is 298.48 mt. Accordingly, the eligibility for funding, as per decision 92/37, is considered at the level of US \$325,000 instead of US \$360,000 as included in the submitted proposal.

41. Subsequently the proposal and budget were revised. The adjustments were made to: component 2 (strengthening technical capacity for import controls) from US \$92,000 to US \$87,000; component 3 (building capacity in the RAC sector) from US \$148,000 to of US \$128,000; and component 4 (awareness-raising campaign to end users and SMEs) from US \$20,000 to US \$10,000. Both agencies confirmed that the overall intended deliverables and objectives of the related activities have not been updated; however, the reduction in the funding level has resulted in slight adjustment to some of the specific targets, i.e., 200 customs officers to be trained instead of 250, 200 technicians to be trained instead of 250, and the number of awareness events has been reduced to two.

42. The Secretariat also noted that the project had initially requested three tranches with implementation until 2031, as follows: 60 per cent of the cost in the first tranche, in 2025, to be implemented until 2027; 30 per cent in the second tranche, in 2027, to be implemented until 2029; and 10 per cent for the last tranche, in 2029, to be implemented until 2031. After discussion, it was agreed to adjust the distribution of funding into two tranches, in addition to the revised costs referred to in paragraph 40, with the last tranche to be implemented until 2030. A summary of the original and the agreed component costs for the stage and in the first tranche is presented below in table 7 and changes have been bolded for ease of reference.

Table 7: Components and their costs for stage I and the first tranche of the KIP for Somalia as agreed

Activity	Agency	Stage I costs (US \$)		First tranche costs (US \$)	
		Original	Revised	Original	Revised
Component 1: Strengthening enforcement of HFC legislation and regulation	UNIDO	30,000	30,000	27,000	30,000
Component 2: Strengthening technical capacity for import controls	UNEP	92,000	87,000	51,000	43,000
Component 3(a): Building capacity in the RAC sector (strengthening training)	UNIDO	25,000	25,000	21,000	19,000
Component 3(b): Building capacity in the RAC sector (training of RAC technicians)	UNIDO	70,000	60,000	40,000	30,000
Component 3(c): Building capacity in the RAC sector (upgrading training centre with tools and equipment)	UNIDO	53,000	43,000	33,000	28,000
<i>Subtotal for component 3</i>		<i>148,000</i>	<i>128,000</i>	<i>94,000</i>	<i>77,000</i>
Component 4: Awareness-raising campaign to end users and SMEs	UNIDO	20,000	10,000	10,000	5,000
Component 5: Capacity-building in the MAC sector	UNIDO	50,000	50,000	29,000	29,000
Component 6: Project management activities	UNIDO	20,000	20,000	5,000	10,000
Subtotal for UNIDO		268,000	238,000	165,000	151,000
Subtotal for UNEP		92,000	87,000	51,000	43,000
Total		360,000	325,000	216,000	194,000

Total project cost

43. At the total cost of US \$325,000 stage I of the KIP for Somalia will result in a reduction of 127,667 CO₂-eq tonnes from the country's HFC consumption eligible for funding.

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

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

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

- (a) Strengthening enforcement of HFC legislation and regulation (UNIDO): Strengthen enforcement of licensing and quota system through the establishment of an HFC data collection system and a study on quota system for the import of equipment based on controlled substances (US \$5,000); develop standards for flammable refrigerants and labelling for refrigerant cylinders (US \$5,000); provision of four refrigerant identifiers to customs (US \$20,000);
- (b) Strengthening technical capacity for import controls (UNEP): Revise the Customs' training curriculum to incorporate control measures for HFCs (US \$5,000); training workshops for a total of 100 customs and enforcement officers on HFCs, new HS codes, and identification of low-GWP alternatives (US \$30,000); workshop for importers, clearing agents and stakeholders on the implementation of quotas for HFCs and other provisions (US \$4,000); strengthen record-keeping by customs through training and improving the exchange of information on the control of HFCs at the ports of entry and improving reporting by enterprises; continuous monitoring of HFC consumption and illegal HFC trade including through surveys and study on illegal trade of HFCs with recommendations (US \$4,000);
- (c) Strengthening training (UNIDO): Support the industry association to formalize the sector, including two annual meetings to address sector challenges, and strengthen collaboration between the association, technicians, and regulatory stakeholders (US \$2,000); update code

of practice to incorporate HFCs, recovery and recycling of refrigerants, reducing emission/venting of refrigerants, reducing energy consumption, the latest technological developments, and safe use of alternatives (US \$5,000); and develop training manuals and guidelines and training modules on safe handling on R-600a and R-290 in commercial refrigeration, including printing and dissemination and a sensitization workshop (US \$12,000);

- (d) Training of RAC technicians (UNIDO): Two training workshops for 50 RAC technicians per session with emphasis on domestic, commercial and industrial refrigeration (US \$30,000);
- (e) Upgrading training centre with tools and equipment (UNIDO): Provide equipment and tools for one training centre on flammable refrigerants for residential and commercial stand-alone applications (US \$28,000);
- (f) Awareness-raising campaign to end users SMEs (UNIDO): Awareness campaign targeting refrigeration end users and SMEs disseminate information on the safe use, availability and energy efficiency of alternative technologies and encourage replacement of high GWP HFC equipment (US \$5,000);
- (g) Capacity-building in the MAC sector (UNIDO): Develop a MAC servicing training manual on good practices (US \$5,000); procure two MAC servicing tool kits (US \$20,000); conduct one training workshops for MAC technician instructors (US \$4,000); and
- (h) Project monitoring (UNIDO) (US \$10,000), to be allocated for local technical/consultancy support (US \$5,000), local travel (US \$2,500), and logistical and administrative costs (US \$2,500).

Co-financing

46. The contribution of the Government of Somalia under the HPMP to support monitoring and evaluation will be extended to stage I of the KIP. This support will be mainly in-kind, in the form of office rental, the assignment of local temporary staff to assist in meetings and workshops, and transportation for meeting and workshop participants. It may also be noted that the NOU is closely linked with the focal points of other multilateral environmental agreements within the Ministry, and that it collaborates on a number of projects to ensure synergies, which has direct and indirect environmental and climate benefits.

2025–2027 business plan of the Multilateral Fund

47. UNIDO and UNEP are requesting US \$325,000 plus agency support costs, for the implementation of stage I of the KIP for Somalia. The total value of US \$219,220, including agency support costs, requested for the period of 2025–2027, is US \$10,820 lower than the amount in the business plan.

Gender policy implementation

48. In line with decisions 84/92(d), 90/48(c) and 92/40(b), the Government of Somalia has incorporated the Multilateral Fund gender policy into the project preparation and formulation for stage I of the KIP. A gender assessment was carried out, and it was found that a very limited number of women participate in the RAC sector and numerous societal barriers were identified to their entry into the field. During stage I of the KIP, the NOU will collect and report disaggregated data, in the RAC sector in its publications, encourage women to participate in training sessions and consultations, set a target to have women as 20 per cent of the participants in customs training, support women-owned enterprises in certain activities, update the technician code of practice to remove misconceptions, encourage women to join the RAC association, and

work with educational institutions and government stakeholders to remove barriers and encourage the participation of women.

Sustainability of the HFC phase-down and assessment of risks

49. The sustainability of Somalia's KIP is underpinned by a comprehensive approach that integrates regulatory enforcement, capacity-building and continuous stakeholder engagement. Strengthening the HFC licensing and the quota system ensures that the phase-down is strictly monitored and controlled, preventing regression in progress. By focusing on strengthening the technical capacities of RAC technicians through extensive training programmes, the KIP ensures that the transition to low-GWP refrigerants is prioritized and that this will be sustained over the long term. Concurrently, the stakeholder awareness campaigns and institutional frameworks reinforce a widespread understanding of and adoption of environmentally sustainable practices across all sectors. These efforts, combined with ongoing monitoring and the flexibility to adapt regulatory measures as needed, provide a strong foundation for the long-term sustainability of HFC reductions in Somalia.

50. The Secretariat noted the discussion, during the approval of stage II of the HPMP, regarding the status of instability and security in the country and agencies' ability to implement activities, UNIDO responded that, given the ongoing security challenges in the country, it is critical to establish centralized training facilities within each region's designated safe zone to ensure smooth implementation. All activities conducted within safe zones should be supported with adequate security personnel, reliable transport and suitable facilities, ensuring the safety of participants and effective delivery of services across all targeted regions.

Impact on the climate

51. The activities proposed, including provision of tools and equipment for training in the RAC sector, capacity-building programs in the MAC sector and strengthening technical capacity for import controls 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, Somalia will have reduced its emissions by approximately 127,667 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

52. A draft Agreement between the Government of Somalia 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

53. The activities for stage II of the HPMP include strengthening and enforcement of the legislation and regulations on HCFCs through the review of existing HCFC policy and regulation; strengthening the licensing and quota system; supporting the establishment of RAC associations; strengthening technical capacity for import controls through the provision of ODS identifiers; training customs officers; organizing an awareness workshop for importers on new regulatory measures; training RAC technicians in good servicing practices; the provision of equipment and tools to training centres; developing a national recovery, recycling and reclamation (RRR) scheme; and monitoring evaluation and reporting. Annex II summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

54. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for Somalia for the period 2025–2029, to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US \$367,250, consisting of US \$238,000, plus agency support costs of US \$30,940, for UNIDO and US \$87,000, plus agency support costs of US \$11,310, for UNEP;
- (b) Noting
 - (i) That 127,667 CO₂-equivalent tonnes of HFCs will be deducted from the starting point for sustained aggregate reductions in HFC consumption that will be established on the basis of guidance provided by the Executive Committee;
 - (ii) That the Government of Somalia had submitted to the Ozone Secretariat a request for revision of the country's HFC baseline which would continue to be considered by the Implementation Committee at its 76th meeting;
- (c) Approving the draft Agreement between the Government of Somalia 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;
- (d) Requesting the Fund Secretariat, in the event that the country's baseline is revised, to update Appendix 2-A of the Agreement to include the revised figures for maximum allowable consumption and funding level, and to notify the Executive Committee of the resulting levels of maximum allowable consumption, with any necessary adjustments being made at the 99th meeting; and
- (e) Approving the first tranche of stage I of the KIP for Somalia and the corresponding tranche implementation plan, in the amount of US \$219,220 consisting of US \$151,000, plus agency support costs of US \$19,630 for UNIDO and US \$43,000, plus agency support costs of US \$5,590 for UNEP.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF SOMALIA 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 Somalia (“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 1,149,005 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, and in respect to any consumption of Annex F substances that exceeds the level defined in row 4.1.3 (remaining consumption eligible for funding).
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;

- (c) Any enterprise included in the Plan that would be found to be ineligible under the policies of the Multilateral Fund (i.e., due to foreign ownership or establishment after the applicable cut off date) would not receive financial assistance. This information would be reported as part of the Tranche Implementation Plan; and
- (d) 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. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP 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 IAs 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	TBD

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	1,276,672	1,276,672	1,276,672	1,276,672	1,149,005	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	1,276,672	1,276,672	1,276,672	1,276,672	1,149,005	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)		151,000	0	0	87,000	0	238,000
2.2	Support costs for Lead IA (US \$)		19,630	0	0	11,310	0	30,940
2.3	Cooperating IA (UcNEP) agreed funding (US \$)		43,000	0	0	44,000	0	87,000
2.4	Support costs for Cooperating IA (US \$)		5,590	0	0	5,720	0	11,310
3.1	Total agreed funding (US \$)		194,000	0	0	131,000	0	325,000
3.2	Total support costs (US \$)		25,220	0	0	17,030	0	42,250
3.3	Total agreed costs (US \$)		219,220	0	0	148,030	0	367,250
4.1.1	Deductions of HFCs agreed under this Agreement (CO ₂ -eq tonnes)							127,667
4.1.2	Deductions of HFCs from previously approved projects (CO ₂ -eq tonnes)							n/a
4.1.3	Remaining eligible consumption for HFCs (CO ₂ -eq tonnes)							TBD

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 (NOU), under the Ministry of Environment and Climate Change in the Country is responsible for monitoring the progress of implementation of activities in the Plan.

2. The monitoring will be conducted during the implementation of the Plan to ensure efficient and effective implementation; overall project coordination; stakeholder engagement and coordination; smooth implementation of activities planned under various tranches; delivery of trainings and other expected outcomes; and facilitation of the HFC consumption verification undertaken by the Lead IA.

3. The Ministry of Environment and Climate Change in the Country will be responsible for the sustainability of consumption reduction targets achieved through 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 the 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 SOMALIA**

Category of activity	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
	Activity	Cost (US \$)	Activity	Cost (US \$)	
Review the existing HCFC policy and regulations	- Develop new policy/regulation to sustain the country's HCFC phase-out schedule including a ban on the import of HCFC-141b in imported pre-blended polyols and on the import of HCFC-based equipment by 1 January 2025, the introduction of requirements for labelling of HCFC containers and equipment and a ban on the re-use of disposable containers by 1 January 2027, and the preparation of regulations to ban HCFCs by 2030 except for the servicing tail; and assess other regulations ⁸ to mitigate significant emissions associated with the servicing sector	40,000			40,000
Strengthen technical capacity for import controls	- Assessment to determine the adjustments to the HCFC licensing system; develop and implement an e-licencing system with linked access to customs systems - Awareness-raising training of 20 government officials to enhance data exchange and requirements between the NOU and the Customs Department	40,000	- Strengthen enforcement of licensing and quota system through the establishment of an HFC data collection system and a study on quota system for the import of equipment based on controlled substances - Develop safety standards for flammable refrigerants and labelling for refrigerant cylinders	10,000	50,000
Establishment/support RAC associations	- Feasibility study on creating two RAC associations and two stakeholder consultations	40,000	- Supporting the industry association to formalize the sector	5,000	45,000

⁸ For instance: recovery of HCFCs during the servicing of RAC equipment, leak checking for larger equipment, and prohibition of venting of HCFCs during installation, servicing and decommissioning of RAC equipment.

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Provide ODS identifiers to Customs and train in the use of equipment	- Refrigerant identifiers to cover five customs entry points and related training to at least 20 front line officers	30,000	- Provide four refrigerant identifiers to customs	20,000	50,000
Train Customs and enforcement officers	- Train 10 customs trainers - Update training material - Train 200 customs and enforcement officers on the Montreal Protocol, the procedures of the licensing system, new policies and regulations, enforcement mechanisms, and inspection techniques for HCFCs and HCFC-based equipment in addition to training on the safe handling of hazardous refrigerants	65,000	- Revise training curriculum for Customs Schools to include HFCs - Additional training components on HFCs, new Harmonized System (HS) codes, and identification of low-GWP alternatives added to training programme for customs and law enforcement officers - Strengthen record keeping by customs and reporting by enterprises - Continuous market monitoring, including surveys	77,000	142,000
Information workshop for importers	- Two information and awareness-raising workshops on new regulatory measures for 25 importers of refrigerants and equipment	10,000	- Workshops for importers, clearing agents and stakeholders additional content added on implementation of quotas for HFC imports and other provisions	10,000	20,000
Building-capacity in the RAC sector (strengthening training)			- Update code of practice to incorporate HFCs, recovery and recycling of refrigerants, reducing emission/venting of refrigerants, reducing energy consumption, the latest technological developments, and safe use of alternatives (US \$5,000); and - Develop training manuals and guidelines and training modules on safe handling on R 600a and R-290 in commercial refrigeration, including printing and dissemination and a sensitization workshop	20,000	20,000
Train of trainers and technicians	- Train 10 trainers and 200 technicians in good servicing practices, recovery and recycling of refrigerants and the safe handling of flammable refrigerants; and prepare training material in local languages	140,960	- Training of refrigeration technicians: 5 sessions of 50 technicians, a total of 250 technicians with emphasis on domestic, commercial and industrial refrigeration	60,000	200,960
Provision of tools and equipment to trained technicians	- Acquire and distribute tools and equipment to 175 trained technicians	468,400			468,400

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Provision of tools and equipment to servicing workshops	- Acquire and distribute tools and equipment for 175 selected servicing workshops	242,000			242,000
Provision of tools and equipment to training institutes	- Acquire and distribute five sets of tools/equipment for selected technical training institutes	50,000	- Equipment and tools for one training centre on flammable refrigerants for residential and commercial stand-alone applications	43,000	93,000
Awareness-raising campaign to end users and small- and medium-sized enterprises			- Awareness campaign targeting refrigeration end users and SMEs disseminate information on the safe use, availability and energy efficiency of alternative technologies and encourage replacement of high GWP HFC equipment	10,000	10,000
Develop a national RRR scheme	- Develop a business model for assessing the establishment of a reclamation facility and prepare guidelines for recovery and re-use - Provision of equipment and tools to promote recovery and re-use	74,640			74,640
Capacity-building in the MAC sector			- Development of a MAC servicing training manual on good practices - Procure five MAC servicing tool kits - Conduct two training workshops for MAC technician instructors	50,000	50,000
Coordination and monitoring	- Cost of staff and consultants, domestic travel, and organization of monitoring and evaluation meetings	84,000	-Coordination and Management of KIP Implementation	20,000	104,000
Total		1,285,000		325,000	1,610,000
Percentage of total (%)		80		20	100