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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-sixth Meeting
Montreal, 26-30 May 2025
Item 9(d) of the provisional agenda[1]

PROJECT PROPOSAL: BOSNIA AND HERZEGOVINA

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	Individual consideration

[1] UNEP/OzL.Pro/ExCom/96/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Bosnia and Herzegovina

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

LATEST ARTICLE 7 DATA (Annex F)	Year: 2023	942.22 mt	1,854,872 CO_2-eq tonnes

SECTORAL HFC CONSUMPTION DATA (CO_2-eq tonnes) AND ACTIVITIES								
	Aerosol	Foam	Fire-fighting	AC and refrigeration			Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
Latest CP report (2023)							1,854,872		
KIP stage I activities as agreed (Y/N)							Y		

AVERAGE 2020-2022 HFC CONSUMPTION IN SERVICING	398.01 mt	991,920 CO_2-eq tonnes

BASELINE CONSUMPTION DATA (CO_2-eq tonnes)	2020	2021	2022	Average 2020-2022
HFC annual consumption	1,039,114	599,128	1,340,919	993,054
HCFC baseline (65%)				73,599
HFC baseline				1,066,653

HFC CONSUMPTION ELIGIBLE FOR FUNDING	
Starting point for sustained aggregate reductions	TBD
Previously approved HFC phase-down investment projects	No
Aggregate reductions from previously approved projects (CO_2-eq tonnes)	n/a

PROJECT DATA AS AGREED			2025*	2026	2027	2028	2029	Total
Consumption (CO_2-eq tonnes)	Montreal Protocol limits		1,066,653	1,066,653	1,066,653	1,066,653	959,988	n/a
	Maximum allowable		1,066,653	1,066,653	1,066,653	1,066,653	959,988	n/a
	Reductions from baseline (%)		0	0	0	0	10	n/a
Amounts recommended in principle (US $)	UNIDO	Project costs	216,000	0	144,000	0	0	360,000
		Support costs	28,080	0	18,720	0	0	46,800
	Total project costs		216,000	0	144,000	0	0	360,000
	Total support costs		28,080	0	18,720	0	0	46,800
	Total funds		244,080	0	162,720	0	0	406,800

* Recommended for approval at the present meeting

Reduction from remaining consumption eligible for funding in stage I (CO_2-eq tonnes)	106,665

Secretariat's recommendation:	Individual consideration

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 Bosnia and Herzegovina, UNIDO as the designated implementing agency has submitted a request for stage I of the Kigali HFC implementation plan (KIP), in the amount of US $360,000, plus agency support costs of US $46,800, as originally submitted.[2]

3. The implementation of stage I of the KIP will assist the Government of Bosnia and Herzegovina 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 $232,500, plus agency support costs of US $30,225 for UNIDO, as originally submitted, for the period of July 2025 to July 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 Bosnia and Herzegovina as of April 2025.

Table 1. HPMP implementation status for Bosnia and Herzegovina

	Stage I	**Stage II**
Meetings when HPMP was approved/updated	66th /72nd	87th
Reduction from baseline	35% by 2020	100% by 2026
Total project cost (US $)	953,284	473,934
Date of completion (actual/planned)	1 December 2022	31 December 2027

Status of implementation of previous HFC-related activities

6. Table 2 presents an overview of activities implemented in Bosnia and Herzegovina in the context of the Kigali Amendment that have been funded by the Multilateral Fund.

[2] As per the letter of 31 January 2025 from the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina to UNIDO.

Table 2. Previously approved HFC-related activities in Bosnia and Herzegovina

Approval meeting	Project title	Implementing agency	Cost (US $)	Date of completion
74th	Survey of ODS alternatives	UNIDO	$40,000	Jun 2017
80th	Enabling activities for HFC phase-down	UNIDO	$95,000	Dec 2021

III. HFC consumption overview

HFC consumption levels

7. Bosnia and Herzegovina imports HFCs for use in the refrigeration servicing sector; in addition, the last import of HFC-152a for foam manufacturing use occurred in 2021. The most consumed substances in 2023 were HFC-134a (41.6 per cent of total HFC consumption in CO_2-equivalent (CO_2-eq) tonnes), R-404A (39.5 per cent), R-410A (13.2 per cent), R-407C (3.0 per cent), HFC-32 (2.4 per cent), and others (0.3 per cent). Table 3 presents the country's 2020-2023 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 (2020–2023 Article 7 data) and baseline in Bosnia and Herzegovina

HFC	GWP	2020	2021	2022	2023
Metric tonnes (mt)					
HFC-32	675	9.80	22.51	15.57	65.75
HFC-134a	1,430	150.42	41.88	285.91	539.44
HFC-152a	124	0.00	27.44	0.00	0.00
R-404A	3,922	165.36	113.36	201.13	187.00
R-407C	1,774	29.90	14.83	14.09	31.23
R-410A	2,088	55.52	23.85	47.31	117.56
R-507A	3,985	0.00	0.00	1.70	1.24
Others*		0.00	0.00	0.93	0.00
Total (mt)		**410.99**	**243.87**	**566.62**	**942.22**
CO_2-eq tonnes					
HFC-32	675	6,615	15,192	10,506	44,383
HFC-134a	1,430	215,095	59,888	408,857	771,393
HFC-152a	124	0	3,403	0	0
R-404A	3,922	648,480	444,553	788,736	733,331
R-407C	1,774	53,035	26,297	24,995	55,404
R-410A	2,088	115,890	49,795	98,751	245,407
R-507A	3,985	0	0	6,755	4,953
Others**		0	0	2,320	0
Total (CO_2-eq tonnes)		**1,039,114**	**599,128**	**1,340,919**	**1,854,872**
HFC baseline calculation (CO_2-eq tonnes)					
HFC average consumption in 2020-2022					993,054
HCFC baseline (65%)					73,599
HFC baseline					**1,066,653**

* Includes HFC-125 (0.08mt), R-407F (0.28 mt), R-422D (0.57 mt) all in 2022 only

8. Bosnia and Herzegovina submitted to the Ozone Secretariat a correction of its HFC consumption data in baseline years, which will be considered at the 74th Implementation Committee in July 2025. The revised baseline request is based on an import that occurred in 2022 that was recorded in 2023, GWP values used by the Ozone Secretariat for 2020 and 2021 and a misclassified tariff code. This revision if approved by the Parties will result in change of the HFC baseline from 1,066,653 to 1,105,000 CO_2-eq tonnes.

Country programme implementation report

9. The sectoral HFC consumption data provided by the Government of Bosnia and Herzegovina in its country programme (CP) implementation report for 2023 is consistent with the data reported under Article 7 of the Montreal Protocol for 2023. The 2024 CP data will be reported by 1 May 2025.

HFC consumption trends

10. The general trend since 2020 is increasing. From the first year of data in 2020, HFC consumption in CO_2-eq tonnes decreased by 42 per cent in 2021 due to the COVID-19 pandemic, increased 124 per cent in 2022 and further increased 38 per cent in 2023. These increases are attributable to postponed projects which commenced in 2023 and stockpiling in anticipation of the 2024 quota established in line with the Montreal Protocol targets. The country anticipates that they will use the stockpile to normalize their consumption in the early years of the KIP. The complete phase-out of HCFCs is scheduled to occur in 2026 and HFCs are used as the main alternative to ODS.

HFC consumption by sector

11. In 2020, 2022, and 2023, HFCs were 100 per cent consumed in the refrigeration and air-conditioning (RAC) servicing sector. CP data reported HFCs used in the foam manufacturing sector only in 2021. Small quantities of HFC-134a and R-404A are used for the initial charge of locally assembled units but are included in servicing consumption. Consumption is in commercial refrigeration (28.0 per cent in mt and 36.4 per cent in CO_2-eq tonnes), followed by commercial air-conditioning (26.5 per cent in mt and 22.1 per cent in CO_2-eq tonnes), industrial refrigeration (18.1 per cent in mt and 19.4 per cent in CO_2-eq tonnes), residential air-conditioning (10.3 per cent in mt and 5.9 per cent in CO_2-eq tonnes), and other subsectors, as shown in tables 4 and 5.

Table 4. HFC consumption in Bosnia and Herzegovina in the refrigeration and AC servicing subsectors in mt (2023)

Sector	HFC-32	HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Refrigeration servicing subsectors								
Domestic	0.00	1.68	0.00	0.00	0.00	0.00	**1.68**	0.2
Commercial	0.00	144.89	119.29	0.00	0.00	0.00	**264.17**	28.0
Industrial	0.00	123.29	45.40	0.00	0.00	1.24	**169.93**	18.1
Transport	0.00	6.12	22.32	0.00	0.00	0.00	**28.44**	3.0
Subtotal for refrigeration	***0.00***	***275.99***	***187.01***	***0.00***	***0.00***	***1.24***	***464.23***	***49.3***
Air-conditioning servicing subsectors								
Residential	65.75	0.00	0.00	2.50	29.11	0.00	**97.36**	10.3
Commercial	0.00	156.37	0.00	28.74	64.38	0.00	**249.49**	26.5
Heat pumps/Heating	0.00	17.38	0.00	0.00	24.06	0.00	**41.44**	4.4
Mobile	0.00	89.70	0.00	0.00	0.00	0.00	**89.70**	9.5
Subtotal for air-conditioning	***65.75***	***263.45***	***0.00***	***31.23***	***117.56***	***0.00***	***477.99***	***50.7***
Total	**65.75**	**539.44**	**187.00**	**31.23**	**117.56**	**1.24**	**942.22**	**100**

Table 5. HFC consumption in Bosnia and Herzegovina in the refrigeration and AC servicing subsectors in CO_2-eq tonnes (2023)

Sector	HFC-32	HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Refrigeration servicing subsectors								
Domestic	0	2,406	0	0	0	0	2,406	0.1
Commercial	0	207,194	467,781	0	0	0	674,975	36.4

Sector	HFC-32	HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Industrial	0	176,306	178,038	0	0	4,953	359,297	19.4
Transport	0	8,755	87,512	0	0	0	96,267	5.2
Subtotal for refrigeration	***0***	***394,661***	***733,331***	***0***	***0***	***4,953***	***1,132,945***	***61.1***
Air-conditioning servicing subsectors								
Residential	44,383	0	0	4,428	60,776	0	109,587	5.9
Commercial	0	223,606	0	50,977	134,395	0	408,977	22.1
Heat Pumps/Heating	0	24,855	0	0	50,227	0	75,082	4.0
Mobile	0	128,271	0	0	0	0	128,271	6.9
Subtotal for air-conditioning	***44,383***	***376,732***	***0***	***55,405***	***245,398***	***0***	***721,918***	***38.9***
Total	**44,383**	**771,393**	**733,331**	**55,405**	**245,398**	**4,953**	**1,854,863**	**100**

Foam manufacturing sector

12. One enterprise manufacturing extruded polystyrene (XPS) foam used HFC-152a and has since switched to isobutane. The last imports of HFC-152a occurred in April 2021.

Firefighting sector

13. Based on the survey, there is no use of HFCs in the firefighting sector; however, due to limited available data, the proposal includes an activity to further examine consumption in the sector.

Refrigeration and air-conditioning servicing sector

14. There are approximately 1,500-2,000 technicians and about 500-600 workshops consuming HFCs in Bosnia and Herzegovina. A total of 230 technicians have been certified under stages I and II of the HPMP. The country is pursuing mandatory certifications for all technicians to handle flammable/low global-warming potential (GWP) alternatives and are revising their regulations to this end.

Domestic, commercial, industrial and transport refrigeration servicing

15. In domestic refrigeration installed equipment, R-600a dominates the market at over 70 per cent market penetration, while HFC-134a represents the rest of units in operation. In commercial refrigeration installed equipment, 93 per cent of the units in operation use HFCs (HFC-134a and R-404A), followed by HCFC-22 at 5 per cent and hydrocarbons (HCs) at 2 per cent. In industrial refrigeration, over 90 per cent of the units in operation use HFCs (HFC-134a, R-404A, and R-507A) and about 9 per cent use HCFC-22. In transport refrigeration, virtually 100 per cent of the units in operation use HFCs.

Residential and commercial air-conditioning servicing

16. In air-conditioning installed equipment, 96 per cent of the units in operation use HFCs (HFC-32, R-407C and R-410A) and 4 per cent use HCFC-22. In chillers installed equipment, HFC units in operation comprise over 99 per cent of the market (HFC-134a, R-407C, and R-410A). In heat pumps installed equipment, HFC units in operation comprise over 99 per cent of the market (HFC-134a and R-410A).

Mobile air-conditioning servicing

17. In mobile air-conditioning (MAC) installed equipment, 94 per cent of the units in operation use HFC-134a and 6 per cent use HFO-1234yf.

Local installation and assembly subsector

18. In Bosnia and Herzegovina there are four enterprises[3] that assemble customized RAC systems where they design certain projects (for example, cold storage), order/import components, assemble them and charge the systems. These amounts are calculated and reported as servicing needs. In 2022, 262 pieces of condensing units and 50 pieces of large central pack systems in commercial refrigeration and 28 units of small/medium-sized systems in industrial refrigeration were assembled locally, using R-404A. Additional equipment charging after installation use HFC-32 and R-410A in AC units such as larger/multi-splits, including variable refrigerant flow systems were also calculated as servicing needs.

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

Institutional, policy and regulatory framework

19. The state of Bosnia and Herzegovina is comprised of two entities, Federation of Bosnia and Herzegovina and Republika Srpska, and one district, Brčko District. Federation of Bosnia and Herzegovina is decentralized into 10 Cantons with their own governments, parliaments and courts. Republika Srpska is centralized and has two levels of governance: the republican and local/municipal level. Brčko District is a self-governing administrative unit and formally a part of both entities.

20. Environmental policy and the use of natural resource falls under the jurisdiction of the entities and the district while the state has responsibility for defining policy, coordinating activities, and harmonizing plans. The state-level act that enables the implementation of Montreal Protocol is the Decision of Council of Ministers on Conditions and Procedures for the Implementation of the Montreal Protocol and Phase-out of Substances that Deplete the Ozone Layer.[4] The Decision includes the list of controlled substances from Annex F of the Montreal Protocol (alternative substances) and regulates the condition for import and export including the licensing system, import quotas, and issuing import permits; conditions for import and export of products; monitoring and controlling import and export of these substances and products; and reporting procedures and standard formats for reporting.

21. The national ozone unit (NOU) of Bosnia and Herzegovina is the focal point for coordinating the implementation of all policies, regulations, projects and national and international activities related to ODS phase-out and HFC phase-down in the country on behalf of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina (MoFTER). NOU activities are annually planned as part of the annual plan of activities of MoFTER, which is adopted by the Council of Ministers. The NOU has two branches located in each of the ministries for environmental protection in each entity (the Federal Ministry of Environment and Tourism in Federation of Bosnia and Herzegovina and the Ministry of Spatial Planning, Civil Engineering and Ecology in Republika Srpska). The NOU is also responsible for ensuring vertical and horizontal cooperation and coordination.

22. Bosnia and Herzegovina ratified the Kigali Amendment on 26 May 2021. The HFC licensing system has been in place since 2015, but the quota system started from 1 January 2024. The MoFTER issues licenses and allocates annual quotas. The NOU is responsible for issuing permits for import and export. The country does not have minimum energy performance standards (MEPS) or MEPS labelling requirements. Bosnia and Herzegovina is a candidate country for the membership of the European Union (EU) since 2022 and is aiming to harmonize their regulations with the EU's F-Gas regulation on fluorinated greenhouse gases.

[3] Electrofrigo and Soko RKT in the commercial and industrial refrigeration sector, Inova doo in the heat pump sector, and Ordagic in the refrigeration and air conditioning sector.

[4] Official Gazette of Bosnia and Herzegovina, No. 36/07 and 67/15

23. A robust regulatory structure exists in each of the entities and district to regulate the import/export of HFCs and ODS and make mandatory reporting and recordkeeping, obligations for equipment owners and operators, obligations for recover/recycle/reuse, disposal and emissions controls, as well as pursuing regulations on professional training and training institutes. The country has also adopted or in the process of adopting over 40 international and regional standards related to safety, handling, and testing for RAC and heat pump (RACHP) equipment.

24. The country has recently approved regulations and bans on equipment containing high-GWP refrigerants; however, they have not been introduced yet.

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

Overarching strategy

25. Stage I proposes to eliminate 106,665 CO_2-eq tonnes of HFCs, reducing the country's consumption by 10 per cent of the baseline by 2029.

Proposed reductions

26. The Government of Bosnia and Herzegovina and UNIDO have forecasted "business-as-usual" HFC consumption using a growth rate of 2.72 per cent per year, as shown in table 6. The forecast shows that HFC demand is already above the HFC baseline in 2025.

Table 6. HFC consumption forecast under an unconstrained scenario, Montreal Protocol limits, and proposed HFC reductions under stage I (CO_2-eq tonnes)

	2025	2026	2027	2028	2029
HFC consumption forecast at an annual growth rate of 2.72 per cent*	1,456,739	1,497,528	1,539,459	1,582,564	1,626,876
Montreal Protocol HFC consumption limits	1,066,653	1,066,653	1,066,653	1,066,653	959,988
HFC consumption levels proposed under the KIP	1,066,653	1,066,653	1,066,653	1,066,653	959,988
Proposed reductions from the HFC baseline (%)	0	0	0	0	10

* Calculated based on HFC use projected to increase starting from 2022 estimates of 1,340,919 CO_2eq tonnes, in line with the projected economic growth (2.8 per cent per year) and population decline (0.5 per cent per year), both according to the World Bank data.

Proposed activities

27. The phase-down of HFCs will be achieved through policy instruments, regulations and controls consisting of import quotas and permits, price control through environmental taxes for HFCs, further development of national standards for safety in dealing with toxic or flammable refrigerants, as well as the training of customs and enforcement officers; trainings of RAC technicians, including the operation of a certification scheme, to improve good servicing practices and reduce leakage, as well as promotion of recovery and recycling (R&R); promotion of low-GWP alternatives and improved data reporting thereon; and engaging all relevant stakeholders and encouraging them to better integrate the KIP with their business plans while taking into consideration mainstreaming gender into all KIP activities. Activities in the servicing sector proposed for implementation under stage I, the first tranche, and their cost breakdown are presented in table 7.

Table 7: Servicing sector activities and their costs in stage I and tranches of the KIP for Bosnia and Herzegovina as submitted

Activity	Cost (US $)		
	Tranche 1	Tranche 2	Stage I
1. Strengthening of the legal and regulatory framework	**50,000**	**40,000**	**90,000**
1.1 Expanding and improving the licensing and quota system, including strengthening the existing HFC legislation, harmonizing legislation across jurisdictions, introducing environmental fees for HFC imports, stakeholder meetings, and workshops on import bans	15,000	15,000	30,000
1.2. Enhancing data collection, analysis and reporting on HFC consumption, including developing data reporting guidelines, stakeholder meetings, and data analysis for HFCs and alternatives	5,000	5,000	10,000
1.3. Further work on adjustment of legal framework, use of Rulebooks and certification of RAC service technicians: Update/Draft Rulebook on criteria for sustainable technician training centres including minimum equipment requirements, a requirement for on-site practical testing as part of the technician certification, and minimum educational requirements and experience for trainers	10,000	10,000	20,000
1.4. Further develop codes of practice and standards on handling low-GWP technologies	20,000	10,000	30,000
2. Capacity building of customs, environmental inspectors and importers	**4,750**	**7,250**	**12,000**
2.1. Training for 50 customs officers and environmental inspectors	2,500	5,000	7,500
2.2 Information and awareness-raising workshops for 60 economic operators (importers and distributors)	2,250	2,250	4,500
3. Capacity building of RAC technicians	**40,000**	**40,000**	**80,000**
3.1. Training on flammable refrigerant safety and working procedures for 200 RAC technicians	40,000	40,000	80,000
4. Facilitating the introduction of low-GWP technologies	**55,000**	**10,000**	**65,000**
4.1. Sectoral studies on HFC consumption and use in firefighting and initial charge of RACHP custom assembled equipment, including preparation of targeted subsector materials on available low-GWP alternatives/technologies, and targeted stakeholder workshops for firefighting and local assembly manufacturers	15,000	10,000	25,000
4.2 Assessment of two training centres where flammable refrigerants will be handled – Facility assessment, modification and safety inspections	40,000	0	40,000
5. Strengthening technical and human capacities for refrigeration management	**52,500**	**0**	**52,500**
5.1. Ten sets of tools and equipment for R&R[5]	45,500	0	45,500
5.2. Training of 20 trainers on newly developed training curricula for working with flammable refrigerants	7,000	0	7,000
6. Awareness-raising	**30,250**	**30,250**	**60,500**
6.1 Campaigns on import bans, KIP activities, and HFC phase-down	10,000	10,000	20,000
6.2 Support to activities of Bosnia and Herzegovina RAC associations through annual technical seminars/workshops	17,750	17,750	35,500
6.3 Maintaining and updating NOU web page and social media on the KIP progress	2,500	2,500	5,000
Total for UNIDO	**232,500**	**127,500**	**360,000**
Per cent of funding per tranche	**65%**	**35%**	**100%**

[5] Indicative list of equipment for each set includes: recycling machine, manifold, two cylinders, etc.

Project implementation, coordination and monitoring

28. The monitoring activities will build upon the mechanisms established under the implementation of the HPMP, where the NOU monitors activities, reports progress and collaborates with stakeholders to phase out HFCs with the assistance of UNIDO. The level of funding requested for stage I activities already includes project coordination and monitoring.

Total cost of stage I of the Kigali HFC implementation plan

29. 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. The proposed activities and cost of stage I of the KIP are summarized in table 7.

Implementation plan for the first tranche

30. The first funding tranche of stage I of the KIP was submitted at a total amount of US $232,500, as shown in table 7 above, to be implemented between July 2025 and July 2027. Detailed information on the activities to be implemented under the first tranche, including adjustments and level of funds agreed are presented in paragraphs 40 and 41.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Overarching strategy

31. Stage I of the KIP in Bosnia and Herzegovina aims to meet the 10 per cent reduction from its HFC baseline consumption by 2029. Subsequent stages of the KIP will address the phase-down targets in 2035, 2040 and 2045.

32. The HFC baseline is comprised of 93 per cent HFC component and 7 per cent HCFC component. While Bosnia and Herzegovina was aware of the possibility of receiving additional funding for further reductions from actual HFC use levels, the country has opted to not pursue it because of the large fluctuations in consumption between 2021 and 2023 which provides the country a low level of confidence to commit to additional reductions. The country will focus on better understanding and normalizing its consumption in the early years of the HFC phase-down, be cautious on what can be achieved in stage I, and thus need the HCFC portion of the baseline to guard against use fluctuations.

Implementation of stage II of the HPMP

33. The Secretariat inquired about the low level of certification and training in the country. UNIDO indicated that during the HPMP implementation, the country faced challenges in aligning regulations with the certification programme and training facilities were not able to perform on-site practicals as needed to teach technicians about the safe handling of ODS and HFC alternatives. UNIDO clarified that Republika Srpska's licensing and registration of servicing enterprises is in the final stage of approval and will provide a two-year grace period for technicians to receive certification. The expected date of the regulation to take effect is mid-2027. Their first target is to have at least one certified technician for each registered workshop. The other entity, Federation of Bosnia and Herzegovina, has also prepared draft legislation on Professional Training of Persons who Handle Ozone Depleting Substances and Alternative Substances; however, the process for adoption has not yet commenced. The Brčko District needs to update their regulations and adopt by-laws to regulate certification. The resolution of this issue will allow continue the provision of RAC training and certification under the HPMP and the KIP. Mandatory certification will ensure that the training and certification continues sustainably.

Request for revision of the HFC baseline

34. On the request of corrections in HFC consumption during baseline years indicated in paragraph 8, the Secretariat noted that the revision will result in an increase of 3.6 per cent in the HFC baseline, from 1,066,653 to 1,105,000 CO_2-eq tonnes. This change corresponds to a change in HFC consumption in servicing from 398.01 mt to 413.40 mt and will not represent changes to the funding requested for stage I of the KIP. As per existing practice, the Secretariat has considered the established baseline as the basis for calculation of HFC reductions (table 3). If the consideration of the revised HFC consumption data by the 37th Meeting of the Parties in November 2025 results in changes to the HFC consumption data in baseline years, the Agreement between the country and the Executive Committee will be revised accordingly.

Institutional, policy and regulatory framework

HFC licensing and quota system

35. In line with decision 87/50(g), UNIDO has confirmed that Bosnia and Herzegovina has an established and enforceable system of licensing and quotas for monitoring HFC imports/exports in place. Based on the request to revise HFC consumption in baseline years, the country has adjusted the import quota for 2024 and 2025 to the estimated baseline of 1,105,000 CO_2-eq tonnes. The Secretariat informed UNIDO that this quota level could potentially place the country at risk of non-compliance if the Parties do not approve the change. UNIDO explained that for 2024, since it has already passed, the country may be in non-compliance until the baseline change. However, for 2025 the country will make an adjustment using the quota reserved for newcomers, i.e., 10 per cent of the total quota, to balance the difference as the country is committed to staying within the current baseline consumption until the request for changes is approved.

36. Bosnia and Herzegovina began negotiations for EU membership on 21 March 2024. Noting the limitations imposed by the EU F-gas regulation on the GWP levels for certain types of RAC equipment, the Secretariat inquired about strengthening the strategy to include bans or restrictions on equipment in line with such regulations. UNIDO informed that while efforts are underway to align national legislation with EU regulations, experience suggests this process will take time. The regulation is expected to be incorporated into the country's legislation during stage II, after 2029. Therefore, no impact on HFC consumption limits is anticipated during stage I. However, the country is working on legislation for split AC units that would limit the GWP of less than 700 for all products put on the market, including both new and used equipment. The country can commit during stage I of the KIP to start the process of approval for this legislation on split ACs.

Technical and cost-related issues

37. The Secretariat noted that under the HPMP, seven enterprises received funding for the manufacturing sector. One enterprise received funding for polyurethane (PU) foam sandwich panels at a small-scale systems house and converted from HCFC-141b to pentane. Six small and medium enterprises (SMEs) received funding for commercial refrigeration equipment and converted from HCFC-22 to R-410A for compact cooling equipment and chillers and R-404A for low temperature food conservation equipment. They all received technical assistance for their foaming machines to convert from HCFC-141b to methyl formate. The Secretariat inquired about these enterprises and their current state. Two of the enterprises are not operational anymore and the remaining four enterprises did not import much refrigerant in the baseline years or in 2023. These enterprises produce custom-made small refrigeration equipment and typically assemble for Balkan countries in the region. The country is not seeking any additional assistance for these enterprises and any technical assistance is incorporated into the current proposal.

38. The Secretariat noted the prevalence of R-404A in industrial refrigeration and the high proportion of consumption in CO_2-eq tonnes due to its GWP and requested further clarification on why stage I activities do not focus on R-404A reductions. UNIDO explained the country's concern on the current ability of

technicians to safely handle low-GWP alternatives in large applications where R-404A is used, and the need to first ensure that certification for low-GWP alternatives is in place for technicians across the country. The proposed activities such as the prioritization of technician certification, upgrading teaching equipment and curriculums in technical and vocational schools for practical training sessions on flammable refrigerants, licensing workshops and harmonization of the recognition of licenses across the country are precursors to building capacity for stage II. During stage I, the country will also prepare a project to demonstrate energy efficiency while phasing down HFCs in an end user.

Total project cost

39. Bosnia and Herzegovina's average HFC consumption in the servicing sector during the baseline years (398.01 mt) is above 360 mt. However, Bosnia and Herzegovina have opted to request US $360,000 to reach the 10 per cent reduction target in HFC consumption in line with decision 92/37(c). Stage I of the KIP for Bosnia and Herzegovina will result in a reduction of 106,665 CO_2-eq tonnes from the country's HFC consumption eligible for funding.

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

40. Stage I of the KIP will be implemented in two tranches. In line with decision 94/59(c), the Secretariat adjusted the proportion of funding for the first tranche to be 60 per cent instead of 65 per cent of the total funding as originally requested.

41. The agreed plan of action will include the following activities as per table 7 but with slight adjustments to funding for the first tranche for a total amount of US $216,000 excluding support costs:

(a) Strengthening of the legal and regulatory framework to support HFC phase-down: updating the system of issuance of permits related to implementation of Kigali Amendment including licensing and reporting of imports of HFOs, HCs and other low- or zero-GWP refrigerants; at least one stakeholder workshop on adding a new list of controlled substances to the licensing system; introduction of environmental fees for imports of HFCs, meetings with all stakeholders and distributors on import bans; developing data reporting guidelines, including stakeholder meetings on the guidelines; data analysis for HFCs and alternatives; drafting a rulebook on criteria for establishment of sustainable technician training centres, including minimum equipment requirements, a requirement for on-site practical testing as part of the technician certification in line with EU requirements, and minimum educational requirements and experience for trainers; stakeholder workshops on updated/new Rulebooks; monitoring and support to the introduction and management of the technician and company certification scheme; one study on codes of practice and standards for the safe management of low-GWP technologies; stakeholder meetings; writing, publishing and dissemination of two publications; campaign targeted towards end users, SMEs and industries in the RAC sector on low-GWP and high-efficiency alternatives and their economic and environmental benefits, including awards; targeted campaign for RAC servicing technicians, importers of equipment and installers with a particular emphasis on energy efficiency, codes of practice and standards on flammability and toxicity of low-GWP alternatives (US $50,000);

(b) Capacity building of customs officers, environmental inspectors and importers: one training session for custom and enforcement officers for approximately 16 officers; one information and awareness-raising workshops for 20 economic operators (importers and distributors) (US $4,750);

(c) Capacity building of RAC technicians on safety and working procedures with flammable refrigerants: five training sessions on flammable refrigerants for a total of 100 RAC technicians (US $40,000);

(d) Facilitating the introduction of low-GWP technologies: one study on the consumption and use of HFCs for initial charge of RACHP customized assembled equipment; one study on the consumption and use of HFCs in firefighting; preparation of materials related to consumption and use of HFCs in the RACHP customized assembling sector including overview of available low-GWP technology for RACHP subsectors and subsectors systems; facility assessment, modification and safety inspections for two training centres (US $55,000);

(e) Strengthening the technical and human capacities for refrigeration management: procurement of 10 sets of tools for recycling and recovery of refrigerants; two trainings for a total of 20 trainers on newly developed training materials for working with flammable refrigerants (US $52,500); and

(f) Awareness-raising strengthen Bosnia and Herzegovina RAC Association through organization of at least one technical seminar and/or workshop to promote planned activities and projects, including preparation and printing of workshop materials; maintaining and upgrading NOU web page and disseminating information on KIP activities on social media (US $13,750).

2025-2027 business plan of the Multilateral Fund

42. UNIDO is requesting US $360,000, plus agency support costs, for the implementation of stage I of the KIP for Bosnia and Herzegovina. The total value of US $406,800, including agency support costs, requested for the period of 2025–2027, is the same amount as was submitted in the business plan.

Gender policy implementation

43. In line with decision 84/92(d), the implementation programme of stage II of the HPMP for Bosnia and Herzegovina addressed several of the identified gender issues including promoting gender-balanced participation of government counterparts and industry representatives in the consultative process to develop a conducive environment for enterprises and collecting sex-disaggregated data. Building on the achievements under the HPMP, further efforts will be made during stage I of the KIP to involve female trainees in vocational schools and in awareness-raising activities. Further activities include collecting and monitoring sex-disaggregated data, ensuring that all training and information materials are gender sensitive, recording and following up on any gender related discussions, proposals or recommendations coming out of the training sessions for RAC technicians, customs officers, environmental inspectors and importers, encouraging the participation of female traders in the trainings, and ensuring that the plans for the certification scheme pay adequate attention to the involvement of female RAC technicians.

Sustainability of the HFC phase-down and assessment of risks

44. The main potential risks to the sustainability of the HFC phase-down in Bosnia and Herzegovina include slow introduction of alternative technologies to the market and proliferation of high-GWP technologies; and factors external to the project impact the ability of the country and/or implementing agency to implement stage I of the KIP in a timely manner.

45. To address these risks, the country plans to influence the demand aspect of the technology uptake by putting an emphasis on including importers and distributors in the planned activities and encouraging them to acquire alternative technologies to increase their supply to the market and raising the awareness of

end users of the advantages of shifting to new technologies, and by maintaining constant communication among project stakeholders to ensure that external factors do not compromise the implementation and sustainability of the achieved results. Furthermore, the NOU and MoFTER continue to play a vital role in facilitating communication, strengthening collaboration and building trust between key stakeholders, to successfully coordinate and manage the implementation of the country's obligations.

Impact on the climate

46. The activities proposed, including efforts to promote low-GWP alternatives and refrigerant recovery and reuse 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, Bosnia and Herzegovina will have reduced its emissions by approximately 106,665 CO_2-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

47. A draft Agreement between the Government of Bosnia and Herzegovina 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

48. Noting that the ongoing stage II of the HPMP and stage I of the KIP will be implemented simultaneously between 2025 and 2026, and both included activities related to training, certification and refrigerant management, the Secretariat sought to better understand how activities across the two projects would complement and not duplicate each other. UNIDO clarified that the KIP activities have been harmonized with the HPMP activities and that activities build upon the achievements of the HPMP. Not all regulations are harmonized across the entities and district, thus, continued work on their legal and regulatory framework appears justified between their HPMP and KIP. The activities are complementary and do not appear duplicative. Annex II summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

49. The Executive Committee may wish to consider:

(a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for Bosnia and Herzegovina for the period 2025-2029 to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US $360,000, plus agency support costs of US $46,800, for UNIDO;

(b) Noting that the Government of Bosnia and Herzegovina had submitted to the Ozone Secretariat a request for revision of the country's HFC baseline for consideration at the 74th meeting of the Implementation Committee;

(c) Approving the draft Agreement between the Government of Bosnia and Herzegovina 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 was revised, to update Appendix 2-A of the Agreement to include the revised figures for the Montreal Protocol HFC consumption limits and maximum allowable consumption for stage I of the

KIP, and to notify the Executive Committee of the resulting levels of maximum allowable consumption, with any necessary adjustments being made at the 98th meeting; and

(e) Approving the first tranche of stage I of the KIP for Bosnia and Herzegovina and the corresponding tranche implementation plan, in the amount of US $216,000, plus agency support costs of US $28,080, for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BOSNIA AND HERZEGOVINA 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 Bosnia and Herzegovina ("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 959,988 CO_2-equivalent (CO_2-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[s] defined in row[s] 4.1.3 [and 4.2.3] (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 CO_2-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. UNIDO has agreed to be the lead implementing agency (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 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 role of the Lead IA is contained in Appendix 6-A. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 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 CO_2-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 to facilitate implementation of this Agreement. In particular, it will provide the Lead 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
To be determined	

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	1,066,653	1,066,653	1,066,653	1,066,653	959,988	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0	0	0	0	10	n/a
		CO_2-eq tonnes	1,066,653	1,066,653	1,066,653	1,066,653	959,988	n/a
2.1	Lead IA (UNIDO) agreed funding (US $)		216,000	0	144,000	0	0	360,000
2.2	Support costs for Lead IA (US $)		28,080	0	18,720	0	0	46,800
3.1	Total agreed funding (US $)		216,000	0	144,000	0	0	360,000
3.2	Total support costs (US $)		28,080	0	18,720	0	0	46,800
3.3	Total agreed costs (US $)		244,080	0	162,720	0	0	406,800
4.	To be determined							

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 of the above subparagraphs 1(a) to 1(c).

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the national ozone unit (NOU).

2. The NOU is the focal point for coordinating the implementation of all ODS phase-out and HFC phase-down activities in the Country on behalf of the Ministry of Foreign Trade and Economic Relations. Implementation of the planned project activities and the sustainability of results will thus be allocated to the NOU in cooperation with the Lead IA.

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;

(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) 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, the allocation of the reductions to the different budget items and to the funding of the Lead IA;

(k) Ensuring that disbursements made to the Country are based on the use of the indicators;

(l) Providing assistance with the policy, management and technical support when required; and

(m) 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 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 CO_2-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 BOSNIA AND HERZEGOVINA

	HPMP – stage II		KIP – stage I		HPMP+ KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
Strengthening of the legal and regulatory framework	Update and harmonization of legislation and standards of HCFC phase-out, implement regulations requiring HCFC recovery and mandatory record keeping, adopt safety standards for the introduction of low-GWP alternatives, implement the 1 January 2026 ban on HCFC imports, incorporate HFCs into the licensing and quota system, and develop a ban on disposable refrigerant cylinders, and labelling requirements for cylinders and equipment containing HCFCs and ODS alternatives	50,092	Strengthening of licensing	30,000	140,092
			Strengthening of record-keeping: data collection, analysis and reporting	10,000	
			Further work on adjustment of legal framework, use of Rulebooks and certification of RAC service technicians	20,000	
			Development of codes of practice and standards for handling low-GWP technologies	30,000	
Capacity building of RAC service technicians	Training workshops for trainers and annual training workshops, including certification, for RAC technicians on good refrigeration practices; R&R; the safe use of low-GWP alternatives, including flammable and toxic refrigerants; energy efficiency; and regulations on fluorinated gases	61,201	Training for RAC technicians on good servicing practices safety and working procedures with flammable refrigerants	80,000	141,201
Capacity building of Customs officers, environmental inspectors and importers	Training for customs officers on the use of refrigerant identifiers and customs' internal electronic database to track imports of controlled substances, and on identifying, reporting, and combating illegal trade, including mislabelled refrigerants	24,000	Training for 50 Customs and enforcement officers (3 training sessions x US $2,500)	7,500	60,000
	Training for environmental administration and inspection officers on identification of ODS and HFCs, and ODS- and HFC-based equipment	24,000	Awareness-raising meetings for 60 economic operators, importers and distributors (2 meetings x US $2,250)	4,500	
Facilitating the introduction of low-GWP technologies		0	Studies on the consumption and use of HFCs in firefighting, and for initial charge of RACHP customized assembled equipment	25,000	249,049

	HPMP – stage II		KIP – stage I		HPMP+ KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
	Improving the equipment in training centres	54,049	Facility assessment, modification and safety inspections for two training centres	40,000	
	Purchase of six refrigerant identifiers for environmental inspectors and customs	30,000			
	Equipping vocational schools, and training of trainers and lecturers in vocational schools	100,000			
R&R activities	Development of procedures for the collection, recycling and recovery of refrigerants and technical assistance	20,000	Purchase of 10 sets of tools and equipment for R&R	45,500	103,983
	Trainings on importance of recovery, recycling and reclamation	31,483	Training of trainers for conducting trainings on HC based on new developed training curricula (20 trainers, 2 training sessions)	7,000	
Awareness–raising	Four technical seminars (20 participants each) on low-GWP technologies and the Kigali Amendment	26,000		0	116,568
	Support to activities of Bosnia and Herzegovina RAC Association	15,500	Support to activities of Bosnia and Herzegovina RAC association	35,500	
	Establishment of NOU Bosnia and Herzegovina web site	5,068	Maintaining and upgrade on NOU Bosnia and Herzegovina web page and dissemination information on activities on social media	5,000	
	Promotional activities on the HCFC phase-out, the importance of proper servicing practices and using certified technicians, and changes to standards and legislation AND/OR Upgrade of the code of good practice in the RAC sector to address regulations to support the HCFC phase-out that will be developed under stage II and flammable refrigerants	9,500	Awareness-raising campaign on import bans, and preparation, printing, distribution and dissemination of public awareness materials related to KIP activities and HFC phase-down	20,000	
Coordination and monitoring		23,041		0	23,041
Total		**473,934**		**360,000**	**833,934**
Per centage of total (%)		**56.8**		**43.2**	**100**