UNITED
NATIONS

EP

United Nations
Environment
Programme

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/98/46
31 May 2026

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-eighth Meeting
Montreal, 22–26 June 2026
Item 8(d) of the provisional agenda[1]

PROJECT PROPOSAL: SAINT KITTS AND NEVIS

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

Phase-out

• HCFC phase-out management plan (stage II, first tranche)	UNEP and UNIDO	Individual consideration

[1] UNEP/OzL.Pro/ExCom/98/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Saint Kitts and Nevis

PROJECT TITLE	AGENCY
HCFC phase-out management plan (stage II)	UNEP (lead), UNIDO

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

COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2025
Substance	Aerosol	Foam	Firefighting	Refrigeration		Solvent	Total sector consumption
				Manufacturing	Servicing		
HCFC-22					0.04		0.04

CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	0.50	Starting point for sustained aggregate reductions:	0.50
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	0.18	Remaining:	0.32

ENDORSED BUSINESS PLAN		2026	2027	2028	Total
UNEP	ODS phase-out (ODP tonnes)	0.07	0.00	0.00	0.07
	Funding (US $)	*134,677	0	0	134,677
UNIDO	ODS phase-out (ODP tonnes)	0.10	0.00	0.00	0.10
	Funding (US $)	30,000	0	0	30,000

*Including US $78,948 for UNEP for additional activities to maintain energy efficiency in line with decision 89/6.

PROJECT DATA AS AGREED			2026*	2027	2028	2029	2030	Total
Consumption (ODP tonnes)	Montreal Protocol limits		0.16	0.16	0.16	0.16	0.00	n/a
	Maximum allowable		0.16	0.16	0.16	0.16	0.00	n/a
Project costs requested in principle (US $)	UNEP	Project costs	108,900	0	111,000	0	13,800	233,700
		Support costs	14,157	0	14,430	0	1,794	30,381
	UNIDO	Project costs	35,000	0	17,000	0	5,300	57,300
		Support costs	3,150	0	1,530	0	477	5,157
Total amounts recommended in principle (US $)		Project costs	143,900	0	128,000	0	19,100	291,000
		Support costs	17,307	0	15,960	0	2,271	35,538
		Total funds	161,207	0	143,960	0	21,371	326,538

*Funding for 2026 and 2028 includes a total of US $100,000, plus agency support costs of US $13,000, for UNEP for additional activities to maintain energy efficiency in line with decision 89/6.

Request for funding for the first tranche (2026)		
Implementing agency	**Funds recommended (US $)**	**Support costs (US $)**
UNEP	108,900	14,157
UNIDO	35,000	3,150
Total	143,900	17,307

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

1. On behalf of the Government of Saint Kitts and Nevis, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US $585,914, consisting of US $396,100, plus agency support costs of US $51,493 for UNEP and US $126,900, plus agency support costs of US $11,421 for UNIDO, as originally submitted.[2] The submission includes a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector.[3] The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US $351,290, consisting of US $253,000, plus agency support costs of US $32,890, for UNEP and US $60,000, plus agency support costs of US $5,400, for UNIDO, as originally submitted.

Status of implementation of stage I of the HCFC phase-out management plan

3. Stage I of the HPMP for Saint Kitts and Nevis was approved at the 64th meeting[4] to phase out 0.18 ODP tonnes of HCFCs used in the refrigeration and air-conditioning (RAC) servicing and to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US $164,500, plus agency support costs. Stage I of the HPMP was completed in June 2024, as extended by the Executive Committee at the 93rd meeting.[5] The project completion report was received in February 2025.

<u>Report on HCFC consumption</u>

4. The Government of Saint Kitts and Nevis reported under the country programme (CP) implementation report a consumption of 0.04 ODP tonnes of HCFCs in 2025, which is 91 per cent below the HCFC baseline for compliance. The Article 7 data for 2025 has not been reported yet. The 2021–2025 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in 2021–2025 in Saint Kitts and Nevis (Article 7 data)

HCFC-22	2021	2022	2023	2024	2025*	Baseline
Metric tonnes (mt)	0.68	2.04	2.34	0.00	0.82	9.09
ODP tonnes	0.04	0.11	0.13	0.00	0.04	0.50

*CP data.

5. There has been a significant decrease in HCFC consumption over the years due to the implementation of the HPMP, the increasing prices of HCFCs, and the low import of HCFC-based equipment into the country. There is considerable year-to-year variation in HCFC consumption levels, which had declined during the COVID-19 pandemic and recovered in 2022 and 2023, but consumption declined sharply again in 2024 and 2025. There was no reported consumption in 2024, and in 2025 a small quantity of HCFC-22 was reported at 72 per cent below the compliance target for 2025. This indicates residual servicing demand from legacy HCFC-based RAC equipment is still in operation.

[2] As per the letter of 13 February 2026 from the Ministry of Environment, Climate Action and Constituency Empowerment of Saint Kitts and Nevis to the Secretariat.
[3] In line with decision 89/6, low-volume-consuming countries can include in their HPMPs additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector.
[4] Decision 64/36
[5] As per Annex XIV of document UNEP/OzL.Pro/ExCom/93/105

Country programme implementation report

6. The Government of Saint Kitts and Nevis reported HCFC sector consumption data under the 2024 CP report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Status of progress and disbursement

Legal framework

7. In Saint Kitts and Nevis, the Department of the Environment (DOE), through the national ozone unit (NOU), serves as the national focal point for implementation of the Montreal Protocol, and the NOU is responsible for licensing and quota allocation. Under stage I of the HPMP, the country updated its legislative and regulatory framework for the control of ODS, to cover HCFCs and HCFC-based equipment (since 2014). A number of other regulatory measures were also introduced, including a registration system for importers, mandatory reporting by licensed importers, a prohibition of use of disposable cylinders for ODS, and a labelling system for ODS containers and ODS-based equipment. The Government ratified the Kigali Amendment in August 2025, and an HFC licensing and quota system is administratively in place pending formal legislative adoption.

8. Saint Kitts and Nevis is a member of the Caribbean Community (CARICOM) Regional Organization for Standards and Quality (CROSQ). CROSQ promotes the harmonization and dissemination of regional standards, supports competitiveness and trade, and enables sustainable production within the CARICOM Single Market and Economy. In March 2019, CROSQ published building energy efficiency standards establishing minimum energy efficiency requirements for buildings, including the building envelope, RAC systems, ventilation, pumping, lighting, and service water heating systems, to assist member states in energy conservation. In 2019, the CARICOM Regional Energy Efficiency Labelling Scheme established minimum energy performance standards (MEPS) and labelling requirements, inter alia, for refrigerators and air conditioners. However, these have not yet been incorporated into national legislation.

9. During stage I of the HPMP, 133 customs officers (including 28 women) were trained on the monitoring and control of trade in ODS and ODS-containing equipment. In the last tranche, a public awareness campaign on the license and quota system was conducted, and 30 importers (including 6 women) and 15 brokers were trained on ODS regulation. Three consultation meetings were held with the Customs and Excise Department in Saint Kitts and two in Saint Nevis on the development of an electronic licensing and quota system; two follow-up sensitization training sessions for the judiciary took place in 2020 on the Montreal Protocol regulations; and three refrigerant identifiers were procured and will remain with the customs authority for training purposes and to enhance monitoring roles at the borders. A memorandum of understanding between the customs authority and the NOU on the implementation of a framework related to improving monitoring and reporting on illegal trade has been prepared and cleared for signature in late June 2026.

Refrigeration servicing sector

10. During the implementation of stage I of the HPMP, 62 RAC technicians and 15 trainers (including two women) received training on good servicing practices and flammable refrigerant safety readiness. Fifteen technicians received advanced training on safe handling of zero- and low-global-warming-potential (GWP) refrigerants, such as hydrocarbon (HC), and refrigerant recovery practices. The safe handling of HC-based equipment was integrated into the national curriculum for RAC and a code of practice for flammable refrigerants was drafted. RAC equipment was purchased[6] for the technical vocational institutes

[6] Including one trainer unit each for refrigeration, domestic refrigeration, commercial refrigeration, and residential air-conditioning; two units each of selected specialized tools and equipment, including, inter alia, electronic refrigerant scales, digital vacuum gauges, charging scales, recovery machines, and compressor analyzers; six refrigerant cylinders and vacuum/charge units; and eight units each of basic servicing tools.

to enhance practical training and recovery capacity. Training of 15 technicians from the hotel, fishing and yachting sectors, who could not be trained within the stage I timeframe due to administrative transitions within the NOU, will be completed during stage II.

Verification report

11. As reported at the 93rd meeting, the Secretariat considered that, while the licensing and quota system in Saint Kitts and Nevis was operational and capable of ensuring compliance, addressing the recommendations from the 2015-2022 verification report submitted at that meeting would assist the Government in having a more accurate recording of data and reducing errors in reporting. The plan of action for the third tranche of stage I was subsequently revised to focus on the implementation of these recommendations and additional activities that would address the remaining shortcomings raised in the verification report. In approving the third tranche of stage I of the HPMP, the Executive Committee requested UNEP to continue to assist the Government in fully implementing such recommendations during its implementation, and that it report on the progress made, when submitting stage II of the HPMP.[7]

12. In the submission for stage II, UNEP has confirmed that all activities recommended, and corrective actions identified through the 2015-2022 verification report, had been completed. These actions have strengthened operational aspects of quota allocation, monitoring, and enforcement. Since the completion of stage I, HCFC consumption has remained confined to the servicing of existing equipment.

Project implementation and monitoring

13. The NOU oversees the implementation of the HPMP, assesses progress and produces reports, while ensuring adherence to the Multilateral Fund and Government policies and procedures. The NOU has developed and implemented a mechanism to ensure activities remain on track and phase-out targets are met.

Level of fund disbursement

14. As of February 2025, of the US $164,500 approved for stage I, the entire amount had been disbursed.

Stage II of the HCFC phase-out management plan

<u>Remaining consumption eligible for funding</u>

15. After deducting 0.18 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding stage II would amount to 0.32 ODP tonnes of HCFC-22.

<u>Sector distribution of HCFCs</u>

16. There are approximately 140 technicians operating in the servicing sector, consuming HCFC-22 to service residential split and unitary air-conditioning (AC) systems; commercial AC (roof-top units, multi-split systems); commercial refrigeration (supermarkets, hospitality); and light industrial refrigeration applications. Of the estimated 140 technicians, approximately 45 are formally registered with relevant authorities, while the remainder operate informally or as self-employed service providers. In 2025, HCFC-22 represented 2.5 per cent of refrigerants used in the servicing sector, along with HFC-134a (68.8 per cent), R-410A (12.2 per cent), R-404A (11.9 per cent), and HFC-32 (4.5 per cent), as shown in table 2.

[7] Decision 93/36

Table 2. Refrigerant use in the RAC servicing sector in Saint Kitts and Nevis 2025 (CP data)

Refrigerant	2025 CP data (mt)	Per cent of total
HFC-32	1.47	4.5
HFC-134a	22.26	68.8
R-404A	3.85	11.9
R-407A	0.01	0.0
R-410A	3.96	12.2
HCFC-22	0.82	2.5
Total	**32.37**	**100**

Phase-out strategy

17. Stage II of the HPMP aims to maintain the HCFC consumption reductions achieved in recent years and ensure compliance with the total phase-out by 2030. Stage II will have three tranches and will focus on further strengthening the enforcement of the HCFC licensing and quota system; continuing to enhance institutional coordination between the NOU and the customs authority; delivering training for customs and enforcement officers and providing enforcement tools; as well as enhancing institutional coordination to support the implementation of regional energy efficiency and labelling standards; integrating energy efficiency competencies into the national vocational qualification framework; and continuing to promote the transition to low-GWP technologies in the RAC sector and building the capacity of RAC servicing technicians.

Proposed activities

18. Activities proposed for implementation in the servicing sector under stage II and in the first tranche and their cost breakdown are presented in table 3.

Table 3. Servicing sector activities and their costs under stage II of the HPMP for Saint Kitts and Nevis, as submitted

Component	Activity	Agency	Cost (US $)	
			Stage II	First tranche
Strengthening the policy, regulatory and institutional framework	*Policy and regulatory strengthening*: • Targeted regulatory or administrative amendments beginning with development and adoption of an HCFC-based equipment import ban to be implemented by 2027; • Introduction of certification-linked controls on refrigerant sales, including drafting regulations and development of a technician registry integrated into sales verification systems; and • Adoption of standard operating procedures (SOPs) to strengthen coordination among the NOU, customs, and maritime authorities; and reinforcement of documentation for quota monitoring and reconciliation.	UNEP	20,000	20,000
	Enforcement of licensing and quota system: • Review and updating of licensing, quota allocation and monitoring procedures to improve early detection of discrepancies and illegal trade and enhance compliance and risk-profiling; • Training for a total of 60 customs and enforcement officers (targeting 25 per cent women) on identification of controlled substances, licensing and quota procedures; • Update the national harmonized system (HS) codes for HCFCs, HFCs, HFC-blends, and HC refrigerants;	UNEP	80,000	28,000

Component	Activity	Agency	Cost (US $)	
			Stage II	First tranche
	• Integration of risk-profiling criteria into ASYCUDA;[8] • Issuance of guidance on declaration practices and engagement workshops for ten customs brokers (targeting 25 per cent women); and • Training of two to three officers per island in the use of refrigerant identifiers and coordination of enforcement authorities between islands.			
Specialized support to the RAC servicing sector	*RAC technician training and certification*: • Assessment of the integration of certification requirements into the regulatory framework and the development and formalization of national competency standards; • Development of the structure and operationalize a certification scheme, including standardized training; assessment procedures and certification authority; development of standardized trainer guides and assessment tools; issuance of certification (target of 40 to 50 technicians including two women) and development of a process for renewals; • Rollout of an HC certification module and pilot training with up to 20 technicians (with a target of 5 per cent women); • Establishment of a technician registry including HC-qualified technicians; • Updating of training curriculum and orientation of instructors on revised modules; • A train-the-trainer programme for up to two nationally certified instructors, three to four training workshops for up to 50 technicians (with a target of 2 women) and piloting of an after-hours instructor module to increase access to certification for working technicians.	UNEP	110,000	55,000
	Institutional coordination and RAC association: • Re-establishment, legal registration, and operational strengthening of the national RAC Association; • Development of governance and membership structures, a constitution and bylaws, a reporting framework, and a financial sustainability model; • One strategic planning workshop;[9] • Establishment of technician outreach procedures; and • Definition of coordination mechanisms between institutions on both islands and clarification of institutional roles in certification, reporting, and compliance oversight.	UNEP	25,000	20,000
	National recovery and recycling (R&R) scheme: • Operationalization of recovery systems through business model development across the two islands; needs assessment, including	UNIDO	126,900	60,000

[8] Automated System for Customs Data (ASYCUDA) is a computerized system designed by the United Nations Conference on Trade and Development to administer a country's customs.

[9] The strategic planning process involves key stakeholders, including representatives from the RAC servicing sector and key government institutions (customs authority, Bureau of Standards, Ministry of Industry and Commerce, Ministry of Trade, ministry with responsibility for women, and the Department of Environment).

Component	Activity	Agency	Cost (US $)	
			Stage II	First tranche
	an equipment inventory survey; procurement of equipment,[10] and technician training; • Embedding recovery practices within the national technician certification framework; • Establishment of coordinated inspection procedures; and establishment of an equipment tracking and tagging system; • Maintenance, storage, end-use, and reporting protocols; and • Training for at least 34 technicians (with a target of 5 per cent women) on recovery, cylinder management, leak detection and prevention, safe handling of low-GWP refrigerants, record-keeping and reporting.			
Public awareness and youth engagement	*Public awareness, youth programme, and targeted gender awareness campaign:* • Public awareness initiatives on ozone protection and climate-friendly alternatives, RAC careers and low-GWP technology including public engagement related to stage II implementation; • Youth programme to train youth ambassadors on ozone and climate themes including education toolkit and short video production; and • Campaign to promote participation of women in the RAC sector and relevant training programmes including developing awareness material.	UNEP	21,100	10,000
Energy efficiency	Activities to maintain energy efficiency in the RAC servicing sector (see paragraph 19)	UNEP	100,000	100,000
Monitoring and reporting	Project monitoring activities (see paragraph 20)	UNEP	40,000	20,000
	Subtotal for UNEP		**396,100**	**253,000**
	Subtotal for UNIDO		**126,900**	**60,000**
	Total		**523,000**	**313,000**

Activities to maintain energy efficiency in the refrigeration servicing sector

19. The project related to energy efficiency, submitted in line with decision 89/6, is designed to enhance institutional coordination and cooperation needed to support the implementation of regional energy efficiency and labelling standards, to integrate energy efficiency competencies into the national vocational qualification framework for RAC technicians, and to raise public awareness about the benefits of these measures, including low-GWP systems. The following activities are proposed by UNEP to maintain energy efficiency in the sector:

(a) *Institutional coordination and cooperation*: Establishment of a national coordination mechanism for the RAC sector, organization of three workshops to facilitate the adoption of MEPS and labelling; development a roadmap for MEPS and labelling adoption with reference to the CARICOM regional standards, assessment of the baseline for low-GWP and energy-efficient equipment and demand in the country, development of recommendations for alignment of refrigerant transition with energy efficiency

[10] Such as at least eight recovery machines for HCFCs and HFCs and digital charging scales (six for Saint Kitts; two for Nevis); 40 refillable recovery cylinders (small and large sizes); three refrigerant identifiers and cylinder storage racks; tagging and logging materials; and essential hoses, adaptors and basic servicing kits.

enhancements (US $40,000);

(b) *Integration of energy efficiency competencies into RAC technician training curricula*: Coordination among relevant authorities of the national training curricula update to include energy efficiency and low-GWP refrigerant competencies; and develop training modules for the certification process being introduced; provision of training for a total of 20 technicians (with a target of 5 to 10 per cent participation by women) (US $30,000); and

(c) *Awareness campaign:* Development of awareness-raising materials; an online platform/application for RAC technicians; and a national media campaign to raise awareness on the benefits and long-term cost savings of energy-efficient technologies (US $30,000).

Project implementation and monitoring

20. The system established under stage I of the HPMP will continue into stage II, with the NOU coordinating activities and reporting to the Department of Environment and UNEP on progress and working with stakeholders to phase out HCFCs. The cost of those activities amounts to US $40,000 for UNEP, including project staff and consultants (US $20,000), domestic travel (US $7,000), meetings and workshops (US $6,000), and reports (US $7,000).

Total cost of stage II of the HCFC phase-out management plan

21. The total cost of stage II of the HPMP for Saint Kitts and Nevis has been estimated at US $523,000 (plus agency support costs), as originally submitted, for achieving a 100 per cent reduction by 2030 and incorporating additional activities to maintain energy efficiency in line with decision 89/6. The proposed activities and cost breakdown are summarized in table 3 above.

Implementation plan for the first tranche of stage II of the HCFC phase-out management plan

22. The first funding tranche of stage II of the HPMP in the total amount of US $313,000, as originally submitted, will be implemented between July 2026 and June 2028. Detailed information on the activities included in the first tranche, indicating adjustments made and the level of funds agreed, is presented in paragraph 36 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

23. The Secretariat reviewed stage II of the HPMP in light of stage I, the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decision 74/50), and the 2026–2028 business plan of the Multilateral Fund.

Overarching strategy

24. The Government of Saint Kitts and Nevis proposes to meet the 100 per cent reduction of its HCFC baseline consumption by 2030, and to maintain a maximum annual consumption of HCFCs in the period of 2030 to 2040 at a level consistent with Article 5, paragraph 8 ter(e)(i), of the Montreal Protocol.[11] The

[11] HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline.

Government is committed to continue implementing strict import and control methods to monitor the levels of import and the uses of HCFCs during that period to ensure that they are limited to the conditions established by the Montreal Protocol.

25. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Saint Kitts and Nevis agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040, and the expected annual HCFC consumption in Saint Kitts and Nevis for the period 2030–2040.

Legal framework

26. The Government of Saint Kitts and Nevis has issued HCFC import quotas for 2026, in accordance with the Montreal Protocol control targets, at 0.16 ODP tonnes.

Technical and cost-related issues

27. The Secretariat held detailed discussions with UNEP and UNIDO on the total cost for stage II of the HPMP, noting that the proposed costs were based on the difference between the eligible costs for the complete phase-out and the net funding received in stage I, plus US $100,000 for additional energy efficiency activities in line with decision 89/6. The Secretariat noted that stage II of the HPMP was being submitted in 2026, that the 2020 and 2025 targets had been achieved, and that the country's consumption had been sustained below the latter target. The Secretariat also noted that the country will still require assistance to support an enabling environment to sustain the phase-out, prevent re-emergence of demand, carefully manage the servicing tail, and consolidate a structured inter-island engagement mechanism to ensure uniform implementation and sustained compliance nationwide, while keeping in mind that the full amount agreed by the Executive Committee to reach the 2025 target, as reflected in decision 74/50, would not apply to this case. The Secretariat therefore recommended US $191,000, as the costs for stage II of the HPMP, based on decision 74/50(c)(xii), plus US $100,000 for additional energy efficiency activities in line with decision 89/6.

28. UNEP indicated that the recommendation made by the Secretariat represents a 55 per cent reduction of the originally requested amount of US $523,000, and that while appreciating the rationale behind the proposed reallocation, it is important to highlight that Saint Kitts and Nevis has historically operated under constrained financial support. UNEP highlighted that the country had received US $164,500 for stage I of the HPMP, which added to US $191,000 for stage II and further constrained by external shocks, would not allow the scale of transformation required in the RAC servicing sector. Notably, the COVID-19 pandemic had significantly affected the country's economy and institutional capacity, delayed implementation and weakened the ability of the RAC sector to transition as originally planned. In addition, the country had experienced multiple governmental changes, reflected in a continuous turnover of national ozone officers, which further disrupted continuity and implementation momentum. These cumulative challenges had resulted in a backlog of critical activities that must now be addressed within stage II. UNEP referred in particular to the limited investment support made available to date, i.e., under stage I, the investment component amounted to US $40,000, which proved insufficient to establish the foundational infrastructure required for sustainable refrigerant management. As a result, the country still lacks the necessary equipment, tools, and systems to implement an effective refrigerant R&R system. Without such infrastructure, efforts to control and reduce HCFC consumption in the servicing sector will remain severely constrained. UNEP emphasized that the final stage towards full phase-out and the servicing tail thereafter are complex and resource-intensive, requiring strong regulatory frameworks, enforcement mechanisms, technician capacity-building and certification, and operational R&R systems. UNEP stated that there will be no other opportunity to put in place the systems and capacities necessary to ensure the transition to low-GWP alternatives and long-term sustainability in the country.

29. Given the above considerations, the Government of Saint Kitts and Nevis and UNEP proposed, on an exceptional basis, a request for an additional allocation of US $60,000 to support essential and core HCFC phase-out activities to help bridge critical gaps in investment and non-investment components, enabling the country to establish the minimum infrastructure required for refrigerant management, strengthen institutional and regulatory frameworks, and effectively engage the RAC servicing sector.

30. The Secretariat recalled that under decision 74/50(c)(xii) low-volume-consuming (LVC) countries would be provided with funding consistent with the level of consumption in the RAC servicing sector on the understanding that project proposals would still need to demonstrate that the funding level was necessary to achieve the phase-out targets. US $191,000 is the result of deducting the maximum funding eligible for achieving the 2025 target from the maximum funding eligible for total phase out. As stated in document UNEP/OzL.Pro/ExCom/96/16, countries submitting their request for stage II after 2025 will be unable to demonstrate that funding is needed to achieve the 2025 target, and thus, in line with decision 74/50, funding in such cases would only be considered for achieving the total phase-out by 2030. At the same meeting, the Committee decided to encourage those LVC countries that had not yet submitted stage II of the HPMPs for their countries, for achievement of the 67.5 per cent reduction in 2025, to submit it at the 97th meeting.[12] Thus, the costs for stage II of the HPMP were agreed at US $191,000, based on decision 74/50(c)(xii), plus US $100,000 for additional energy efficiency activities in line with decision 89/6.

Estimation of demand for HCFC-22 in the RAC servicing sector

31. The Secretariat confirmed with UNEP that a limited stock of HCFC-based equipment remains in operation in selected public and commercial facilities, and that any future HCFC demand would be confined to the servicing of this residual equipment. A breakdown was also requested to understand the servicing demand in the country. UNEP indicated that updated equipment inventory and servicing demand data were not currently available for the country, and that the most recent comprehensive inventory data dated from 2014, as during the preparation of stage II, it was not feasible to update this information due to insufficient resources to conduct a detailed equipment survey. UNEP therefore proposed to include the conduct of a detailed HCFC-based equipment inventory survey as part of the national technical assessment to be undertaken in the framework of the national R&R scheme to be implemented by UNIDO during stage II. The updated equipment inventory data will inform the design, scale and deployment of the national R&R scheme, including equipment procurement quantities and allocation across both islands. UNEP also indicated that under the project to develop a national inventory of banks of used and unwanted controlled substances and a national plan, one of the activities of the data collection phase is to undertake an inventory of equipment in the country and the estimation of banks. These two activities, duly implemented in a coordinated fashion, would be complementary and allow for an updated equipment inventory and servicing demand.

Banning imports of HCFC-based equipment

32. The Secretariat enquired with UNEP about the Government's commitment to ban the import of HCFC-based equipment, which was a measure alluded to but not included among the activities for the first tranche. UNEP clarified that the development and adoption of the ban were activities under the component aiming at strengthening the legal and regulatory framework in the country and confirmed the Government's commitment to have the ban adopted in 2027.

Certification of technicians

33. The Secretariat enquired how the technician certification scheme will be designed and implemented. UNEP explained that a phased approach had been devised. Activities will start by

[12] Decision 96/23

establishing an inter-institutional coordination mechanism and integrating certification requirements into the regulatory framework, including recognition of certification as the national servicing standard. This will be followed by the development and operationalization of the certification scheme, i.e., preparation of training modules and labour competency standards, drafting of assessment procedures, selection of a certification authority, development of standardized trainer guides, establishment of a technician registry, and conducting standardized training of trainers and technicians. Content-wise, certification will progress from foundational to specialized levels.

Activities to maintain energy efficiency in the refrigeration servicing sector

34. In line with decision 89/6(d), UNEP has included in the tranche implementation plan the specific actions, performance indicators and funding associated with additional activities to maintain energy efficiency, which has been incorporated into the draft Agreement between the Government of Saint Kitts and Nevis and the Executive Committee for stage II of the HPMP in annex I of the present document.

35. While regional MEPS and labelling standards are in place through CROSQ, national adoption into Saint Kitts and Nevis legislation and enforcement mechanisms are needed to enhance energy efficiency in the RAC sector and unlock its benefits. Information on available technologies and proper installation and maintenance practices for energy-efficient equipment is limited in the country, as is awareness among consumers, businesses, the tourism industry, and policymakers about the economic benefits of energy efficiency and the lifecycle cost advantages of efficient equipment.

36. The proposal is aligned with decision 89/6(b) and aims to strengthen inter-ministerial coordination; integrate refrigerant GWP considerations and energy efficiency competencies into the HPMP training curricula; provide recommendations for the certification scheme being introduced under the HPMP to ensure national technical capacities to maintain and install low-GWP and energy-efficient equipment for optimal performance throughout their operational lifetime; and to raise consumer awareness on the benefits of energy-efficient and low-GWP RAC systems, good servicing practices and the technician certification programme.

Total project cost

37. In response to the comments and suggestions from the Secretariat, detailed in paragraphs 27 to 36 above, UNEP, UNIDO and the Government of Saint Kitts and Nevis agreed to revise the activities, and all costs proposed for stage II of the HPMP, which are presented in table 4 below.

Table 4. Adjusted activities and their costs to be implemented in stage II of the HPMP in Saint Kitts and Nevis

Component	Activity	Agency	Cost (US $)	
			Stage II	First tranche
Strengthening the policy, regulatory and institutional framework	*Policy and regulatory strengthening*: • Regulatory review and amendments, and development and adoption of an HCFC-based equipment import ban to be implemented by 2027; and • Introduction of certification-linked controls on refrigerant sales, including drafting regulations and development of a sales verification system and reporting obligations for refrigerant importers and distributors.	UNEP	9,000	9,000
	Enforcement of licensing and quota system: • Adoption of standard operating procedures (SOP) to strengthen coordination among the NOU, customs, and maritime authorities; and reinforcement of documentation for quota monitoring and reconciliation;	UNEP	33,100	9,600

Component	Activity	Agency	Cost (US $)	
			Stage II	First tranche
	• Training for a total of 30 customs and enforcement and maritime officers (targeting 25 per cent women) on identification of controlled substances, enforcement of licensing and quota procedures; • Update the national HS codes for HCFCs, HFCs, HFC-blends, and HC refrigerants; • Integration of risk-profiling criteria into ASYCUDA;[13] • Issuance of guidance on declaration practices and engagement workshops for five customs brokers (targeting 25 per cent women); and • Formalize coordination mechanisms in the dual-island governance structure, and training of two to three officers per island in the use of refrigerant identifiers and coordination of enforcement authorities between islands.			
Specialized support to the RAC servicing sector	*RAC technician training and certification*: • Assessment of the integration of certification requirements into the regulatory framework, and development and formalization of national competency standards; • Development of the structure and operationalization of a certification scheme, including standardized training; assessment procedures; development of standardized trainer guides and assessment tools; • Rollout of an HC certification module and pilot training with 8-10 technicians (with target of 1woman); • Establishment of a technician registry including HC-qualified technicians; • Updating of training curriculum to include good servicing practices, low-GWP/HC safety, and R&R; • A train-the-trainer programme for 1-2 nationally certified instructors, two training workshops for up to 20-25 technicians (with a target of 1-2 women).	UNEP	52,200	27,300
	Institutional coordination and RAC association: • Re-establishment, legal registration, and operational strengthening of the national RAC Association; • Development of governance and membership structures, a constitution and bylaws, a framework to report to the NOU, and a financial sustainability model; • One strategic planning workshop;[14] and • Definition of coordination mechanisms between institutions on both islands and clarification of institutional roles in certification, reporting, and compliance oversight.	UNEP	11,300	9,000
	National R&R scheme: Operationalization of recovery systems through needs assessment to produce a business model and sustainability framework; and HCFC-equipment inventory survey;	UNIDO	57,300	35,000

[13] Automated System for Customs Data (ASYCUDA) is a computerized system designed by the United Nations Conference on Trade and Development to administer a country's customs, which is used in Saint Kitts and Nevis.
[14] The strategic planning process involves key stakeholders, including representatives from the RAC servicing sector and key government institutions (customs authority, Bureau of Standards, Ministry of Industry and Commerce, Ministry of Trade, ministry with responsibility for women, and the Department of Environment).

Component	Activity	Agency	Cost (US $)	
			Stage II	First tranche
	• Phased procurement of equipment to operationalize recovery systems;[15] • Embedding of recovery practices within the national technician certification framework; • Establishment of coordinated inspection procedures; and establishment of an equipment tracking and tagging system; • Maintenance, storage, end-use, and reporting protocols; and • Training for at least 15 technicians (with a target of 5 per cent women) on recovery, cylinder management, leak detection and prevention, safe handling of low-GWP refrigerants, record-keeping and reporting.			
Public awareness and youth engagement	*Public awareness, youth programme, and women-targeted awareness campaign:* • Public awareness initiatives across both islands on ozone protection and climate-friendly alternatives, RAC careers and low-GWP technologies including public engagement related to stage II implementation, and development and distribution of awareness materials; • Youth engagement activities16, programme to train youth ambassadors on ozone and climate themes including education toolkit and short video production; and targeted outreach to promote participation of women in the RAC sector including a dedicated career awareness session targeting female students at participating secondary schools and vocational institutions, profiling technical career pathways in the RAC sector.	UNEP	9,530	5,000
Energy efficiency	*Activities to maintain energy efficiency in the RAC servicing sector:* (see paragraph 19 above)	UNEP	100,000	40,000
Monitoring and reporting	*Project monitoring activities*: Including project staff and consultants (US $9,000), domestic travel (US $3,200), meetings and workshops (US $2,700), and reports (US $6,670)	UNEP	18,570	9,000
	Subtotal for UNEP		**233,700**	**108,900**
	Subtotal for UNIDO		**57,300**	**35,000**
	Total		**291,000**	**143,900**

38. The Secretariat discussed with UNEP the proposed tranche distribution for stage II noting the adjustments made to activities and costs. Based on these discussions, a revised tranche distribution was agreed to reflect the balance of amounts requested in each tranche.

[15] Such as recovery machines for HCFCs and HFCs and digital charging scales (3 for Saint Kitts; 1 for Nevis); 20 refillable recovery cylinders (small and large sizes); refrigerant identifiers and cylinder storage racks (one per island); tagging and logging materials; and essential hoses, adaptors and basic servicing kits.

[16] Implementation of these activities is aligned with UNEP CAP's regional Pathway to Increase Youth Participation in the RAC servicing sector, adopted in June 2025, which specifically targets younger persons and female technicians.

Agreed implementation plan for the first tranche of stage II of the HCFC phase-out management plan

39. The agreed plan of action to be implemented between July 2026 and June 2028 will include the following activities:

(a) *Policy and regulatory strengthening*: Conduct stakeholder consultations and draft ban on HCFC-based equipment imports, and regulatory amendments for certification-linked controls on refrigerant sales and integration of the technician registry into sales verification systems; review and potential regulatory amendments as identified (UNEP) (US $9,000);

(b) *Enforcement of licensing and quota system*: Adoption of SOP to strengthen coordination among the NOU, customs, and maritime authorities; training for a total of 8-10 customs and enforcement officers and an updated enforcement manual on identification of controlled substances; review of licensing and quota procedures; one engagement workshop for five brokers; update the national HS codes for HCFCs, HFCs, blends, and hydrocarbon refrigerants; integration of risk-profiling criteria into ASYCUDA; and initial training for one to two officers per island in use of refrigerant identifiers (UNEP) (US $9,600);

(c) *Institutional coordination and RAC association*: Re-establishment, legal registration and operational strengthening of the national RAC Association; development of governance and membership structures, a constitution and bylaws, a reporting framework, and a financial sustainability model; one strategic planning workshop to plan coordination mechanisms between institutions on both islands and clarification of institutional roles in certification, reporting, and compliance oversight (UNEP) (US $9,000);

(d) *RAC technician training and certification:* Two training workshops for a target of 15-20 technicians; development of national labour competency standards, standardized trainer guides, updating of raining modules to reflect low-GWP and recovery practices, and assessment tools for certification; a train-the-trainer programme for up to 1-2 nationally certified instructors; updating of training curriculum and orientation of instructors on revised modules *(*UNEP) (US $27,300);

(e) *National R&R scheme*: Operationalization of recovery systems through needs assessment to produce a business model, and equipment inventory survey; procurement of initial batch of equipment based on results of the assessment and survey , basic operator orientation (initial cohort of technicians training on use of equipment); establishment of equipment tracking and tagging system; maintenance, storage, end-use and reporting protocols; (UNIDO) (US $35,000);

(f) *Public awareness and youth programme*: Training for youth ambassadors; awareness materials developed and disseminated; social media campaign around the licensing and quota system and low-GWP transition, including outreach activities to promote the RAC sector among the youth, and women joining technical careers in the RAC sector (UNEP) (US $5,000);

(g) *Activities to maintain energy efficiency in the RAC servicing sector:* Establishment of a national coordination mechanism for the RAC sector, organization of three workshops to facilitate the adoption of MEPS and labelling; development a roadmap for MEPS and labelling adoption with reference to the CARICOM regional standards, assessment of the baseline for low-GWP and energy-efficient equipment and demand in the country, development of recommendations for alignment of refrigerant transition with energy efficiency enhancements (US $40,000); and

(h) *Project monitoring activities* (UNEP) (US $9,000): Including annual work plan, progress reports, financial tracking, sex-disaggregated data collection; verification support and reporting (US $4,900); domestic travel (US $1,500); coordination meetings ($1,400); reporting, documentation and administration (US $1,200).

Co-financing

40. During the implementation of stage II, the Government of Saint Kitts and Nevis will provide in-kind support such as office space, utilities, administrative support to the NOU, the use of Government meeting spaces and venues; logistical support such as transportation, where applicable, and staff time from relevant ministries participating in project coordination and oversight. Additionally, during stage II, the Government will explore opportunities to leverage complementary resources, where feasible, to enhance the impact and sustainability of project activities, and will seek to coordinate HPMP activities, where appropriate, with national policies and programmes related to climate change, sustainable energy, technical and vocational education, and environmental management.

2026–2028 draft business plan of the Multilateral Fund

41. UNEP and UNIDO are requesting US $291,000, plus agency support costs, for the implementation of stage II of the HPMP for Saint Kitts and Nevis. The total requested value of US $305,167, including agency support costs for the period of 2026–2028, is US $170,490 above the amount in the business plan.

Gender policy implementation

42. In line with decisions 84/92, 90/48 and 92/40, the Government of Saint Kitts and Nevis has incorporated the policy into the project preparation and formulation for stage II of the HPMP. During the implementation of the previous stage, the NOU reported on the participation of women in the training for customs and enforcement officers. During the project preparation, an assessment of the barriers to the participation of women in the RAC sector was carried out and the recommendations from this assessment have been incorporated in the project activities under stage II. The overall target of women participation across stage II activities is 20 per cent, with the exception of RAC training activities, where the current rates of women involvement remain low. The NOU will undertake awareness-raising activities to encourage women to join the RAC sector and participate in training sessions and consultations; and continue tracking the number of women and men engaged in project implementation. To encourage the participation of women in HPMP activities scheduling, venue selection and communication methods will consider accessibility for women. Communication campaigns will highlight women in technical and environmental fields and promote technical careers for women in refrigeration and climate-friendly technologies. Efforts will also be undertaken under stage II to identify and support women candidates for future instructor roles.

Sustainability of the HCFC phase-out and assessment of risks

43. Institutional arrangements established and strengthened under stage II, including certification mechanisms, training curricula updates, enforcement cooperation, and stakeholder coordination, will be integrated into routine government and sectoral functions to support long-term sustainability. The combination of strengthened regulatory controls, institutional capacity-building, servicing-sector engagement and structured monitoring will provide a sound basis for the sustainable phase-out of HCFC consumption in Saint Kitts and Nevis.

44. UNEP further emphasized that the fact that the management structure for stage II relies on existing national institutions and does not create parallel implementation bodies, minimizes long-term dependency on external project structures, and supports institutional sustainability. The capacities built within customs, training institutions, and the RAC association during stage II will remain embedded in national systems beyond the completion of the HPMP. Monitoring functions undertaken by the NOU will continue as part

of its core mandate following completion of the HPMP, ensuring sustainability of achievements and compliance.

45. To ensure sustainability of certification beyond project funding, the certification scheme will transition toward a cost-recovery model, and recurrent costs (e.g., examiner fees, venue costs, registry maintenance, curriculum updates) will be incorporated into institutional operating structures. The sustainability of recovery and recycling practices will be ensured by the integration of relevant requirements into technician certification.

46. Risks associated with the logistical challenges between the island of Saint Kitts and the island of Nevis will be addressed by establishing an institutional requirement that all national-level activities include participation from both islands, and that consultation and coordination take place for the scheduling and organization of activities.

Impact on the climate

47. The activities proposed in the servicing sector, including better refrigerant containment through training and provision of equipment, will reduce the use of HCFC-22 in servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO_2-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Saint Kitts and Nevis, including its efforts to enhance the enforcement capacity of the licensing and quota systems, promote low-GWP alternatives and refrigerant recovery and reuse, and continue building service technician capacity to reduce leakage and ensure safety when working with HCFC-alternatives indicate that the implementation of the HPMP will reduce refrigerant emissions into the atmosphere, resulting in climate benefits.

Draft Agreement

48. A draft Agreement between the Government of Saint Kitts and Nevis and the Executive Committee for stage II of the HPMP is contained in annex I to the present document.

RECOMMENDATION

49. The Executive Committee may wish to consider:

(a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Saint Kitts and Nevis for the period from 2026 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $326,538, consisting of US $233,700, plus agency support costs of US $30,381, for UNEP and US $57,300, plus agency support costs of US $5,157, for UNIDO, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs;

(b) Noting the commitment of the Government of Saint Kitts and Nevis:

(i) To completely phase out HCFCs by 1 January 2030, and that HCFCs will not be imported after that date except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;

(ii) To adopt a ban on the import of HCFC-based equipment by December 2027;

(c) Noting also that stage II of the HPMP includes funding for additional activities to maintain energy efficiency in the refrigeration servicing sector in the amount of US $100,000, plus agency support costs of US $13,000, for UNEP;

(d) Deducting 0.32 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

(e) Approving the draft Agreement between the Government of Saint Kitts and Nevis and the Executive Committee for the reduction in consumption of HCFCs, in accordance with stage II of the HPMP, contained in annex I to the present document;

(f) That, to allow for consideration of the final tranche of its HPMP, the Government of Saint Kitts and Nevis should submit:

(i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030–2040;

(ii) The expected annual HCFC consumption in Saint Kitts and Nevis for the period 2030–2040; and

(g) Approving the first tranche of stage II of the HPMP for Saint Kitts and Nevis, and the corresponding tranche implementation plan, in the amount of US $161,207, consisting of US $108,900, plus agency support costs of US $14,157, for UNEP, and US $35,000, plus agency support costs of US $3,150, for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF SAINT KITTS AND NEVIS AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH STAGE II OF THE HCFC PHASE-OUT MANAGEMENT PLAN

Purpose

1. This Agreement represents the understanding of the Government of Saint Kitts and Nevis (the "Country") and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A ("The Substances") to a sustained level of 0 ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.

2. The Country agrees to meet the annual consumption limits of the 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 all 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 the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the 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 II of the HCFC phase-out management plan approved ("the Plan"). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as 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 eight 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 the form of 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 the form of Appendix 4-A covering each calendar year until and including the year for which the funding 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 of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

(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 eight 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 which would modify any clause of this Agreement;

    (iii) Changes in the annual levels of funding allocated to 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 to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

(b) Reallocations not categorized as major changes may be incorporated in 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.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

(a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and

(b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

Bilateral and implementing agencies

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

10. The Lead IA will be responsible for ensuring coordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to 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 Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the 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 of 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 ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

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

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), 1(d), and 1(e) 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 of the 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 between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.50

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.16	0.16	0.16	0.16	0	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.16	0.16	0.16	0.16	0	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	108,900	0	111,000	0	13,800	233,700
2.2	Support costs for Lead IA (US $)	14,157	0	14,430	0	1,794	30,381
2.3	Cooperating IA (UNIDO) agreed funding (US $)	35,000	0	17,000	0	5,300	57,300
2.4	Support costs for Cooperating IA (US $)	3,150	0	1,530	00	477	5,157
3.1	Total agreed funding (US $)	143,900	0	128,000	0	19,100	291,000
3.2	Total support costs (US $)	17,307	0	15,960	0	2,271	35,538
3.3	Total agreed costs (US $)	161,207	0	143,960	0	21,371	326,538
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						0.32
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						0.18
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00

*Date of completion of stage I as extended by the Executive Committee at the 93rd meeting: 30 June 2024

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five 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 out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight 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, uses of the flexibility for 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 of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

(c) A written description of the activities to be undertaken during the period covered by the requested tranche, 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 also 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 (a) above;

(d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

(e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

(a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

(b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Responsibility for implementing the Plan lies with the Ministry of the Environment, Climate Action and Constituency Empowerment, within which the National Ozone Unit (NOU) is located. The Permanent Secretary of the Ministry, under the guidance of the Director, shall have overall responsibility for the project. Day-to-day project execution will be the responsibility of the National Ozone Officer who will be assisted by a National Ozone Assistant to be hired for this purpose. The design of project activities will be undertaken in consultation with identified stakeholders.

2. Implementation will involve the Lead IA throughout the project life. This will include receiving guidance from the Lead IA, submission of periodic progress, including financial reports, and coordination of tranche requests in accordance with this Agreement. The NOU and the Lead IA will coordinate with the Cooperating IA to deliver the investment component of the project. These agencies will utilize the established procedures governing procurement, financial management, reporting and monitoring of the relevant implementing agency and international funding facilities, specifically the Multilateral Fund. Implementation will be further supported by various administrative and service bodies within the Government, international and national consultants, suppliers of equipment and services, and beneficiary enterprises.

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 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 is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;

(e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include 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 HCFC consumption targets had been met;

(g) Ensuring that appropriate independent technical experts carry out the technical reviews;

(h) Carrying out required supervision missions;

(i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;

(j) Coordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;

(k) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of the Lead IA and each Cooperating IA;

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

(m) Providing assistance with 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 the consumption of the 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 refer to the Lead IA to ensure a coordinated sequence in the 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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $180 per ODP kg 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.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.