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

PROJECT PROPOSAL: ERITREA

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) | UNEP and UNIDO | Individual
consideration |
|---|--|----------------|-----------------------------|

¹ UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Eritrea

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

LATEST ARTICLE 7 DATA (Annex F)	Year: 2024	67.91 mt	169,266 CO ₂ -eq tonnes
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SECTORAL HFC CONSUMPTION DATA (CO ₂ -eq tonnes) AND ACTIVITIES									
	Aerosol	Foam	Fire-fighting	Air-conditioning and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
Latest CP report (2024)							169,266		
KIP stage I activities as agreed (Y/N)							Y		

AVERAGE 2020–2022 HFC CONSUMPTION IN SERVICING	60.61 mt	146,066 CO ₂ -eq tonnes
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BASELINE CONSUMPTION DATA (CO ₂ -eq tonnes)	2020	2021	2022	Average 2020-2022
HFC annual consumption	105,710	187,629	144,858	146,066
HCFC baseline (65%)				23,183
HFC baseline				169,249

HFC CONSUMPTION ELIGIBLE FOR FUNDING (CO ₂ -eq tonnes)	
Starting point for sustained aggregate reductions	n/a
Previously approved HFC phase-down investment projects	No
Aggregate reductions from previously approved projects	n/a

PROJECT DATA AS AGREED			2025*	2026	2027	2028	2029	Total
Consumption (CO ₂ -eq tonnes)	Montreal Protocol limits		169,249	169,249	169,249	169,249	152,324	n/a
	Maximum allowable		169,249	169,249	169,249	169,249	152,324	n/a
	Reduction from baseline (%)		0	0	0	0	10	n/a
Amounts recommended in principle (US \$)	UNEP	Project costs	60,614	0	0	29,616	0	90,230
		Support costs	7,880	0	0	3,850	0	11,730
	UNIDO	Project costs	29,294	0	0	38,476	0	67,770
		Support costs	3,808	0	0	5,002	0	8,810
	Total project costs		89,908	0	0	68,092	0	158,000
	Total support costs		11,688	0	0	8,852	0	20,540
	Total funds		101,596	0	0	76,944	0	178,540

* Recommended for approval at the present meeting

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

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

I. Summary of the proposal as submitted

2. On behalf of the Government of Eritrea, UNEP as the lead implementing agency has submitted a request for stage I of the Kigali HFC implementation plan (KIP), at a total cost of US \$178,540, consisting of US \$96,500, plus agency support costs of US \$12,545 for UNEP and US \$61,500, plus agency support costs of US \$7,995, for UNIDO, as originally submitted.²

3. The implementation of stage I of the KIP will assist the Government of Eritrea 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 \$145,330, consisting of US \$67,111 plus agency support costs of US \$8,724 for UNEP and US \$61,500, plus agency support costs of US \$7,995, for UNIDO, as originally submitted, for the period of January 2026 to December 2027.

II. Background

Status of implementation of the HCFC phase-out management plan

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

Table 1. HPMP implementation status for Eritrea

Particulars	Stage I	Stage II
Meeting when HPMP was approved/updated	67 th /77 th	91 st /96 th
Reduction from baseline	35% by 2020	100% by 2030
Total stage cost (US \$)	210,000	640,000
Date of completion (actual/planned)	31 December 2021	31 December 2031

Status of implementation of previous HFC-related activities

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

² As per the letter of 10 June 2025 from the Ministry of Land, Water and Environment of Eritrea to the Secretariat

Table 2. Previously approved HFC-related activities in Eritrea

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

III. HFC consumption overview

HFC consumption levels

7. Eritrea only imports HFCs for use in the refrigeration and air-conditioning (RAC) servicing sector. The most consumed substances in 2024 were R-404A (60.2 per cent of total HFC consumption in CO₂-equivalent (CO₂-eq) tonnes), HFC-134a (27.9 per cent), R-410A (7.4 per cent), R-507A (2.5 per cent), and other HFCs (1.9 per cent). Table 3 presents the country's HFC consumption as reported to the Ozone Secretariat under Article 7 of the Montreal Protocol and the country's HFC baseline.

Table 3. HFC consumption (2020–2024 Article 7 data) and baseline in Eritrea

HFC	GWP	2020	2021	2022	2023	2024
Metric tonnes (mt)						
HFC-134a	1,430	31.56	28.69	32.59	31.38	33.00
HFC-23	14,800	0.00	0.003	0.00	0.002	0.002
HFC-32	675	0.00	0.00	0.00	0.13	0.00
R-404A	3,921.60	10.60	33.02	19.78	23.56	26.00
R-407C	1,773.85	1.41	1.79	1.40	1.45	1.80
R-410A	2,087.5	6.62	5.87	6.00	6.20	6.03
R-507A	3,985	0.68	0.41	1.43	1.09	1.08
Total (mt)		50.87	69.78	61.19	63.81	67.91
CO₂-eq tonnes						
HFC-134a	1,430	45,131	41,024	46,607	44,879	47,190
HFC-23	14,800	0	44	0	30	30
HFC-32	675	0	0	0	88	0
R-404A	3,921.60	41,549	129,507	77,554	92,401	101,962
R-407C	1,773.85	2,501	3,166	2,475	2,563	3,193
R-410A	2,087.5	13,819	12,254	12,525	12,932	12,588
R-507A	3,985	2,710	1,634	5,699	4,344	4,304
Total (CO₂-eq tonnes)		105,710	187,629	144,858	157,236	169,266
HFC baseline calculation (CO₂-eq tonnes)						
HFC average consumption in 2020–2022					146,066	
HCFC baseline (65%)					23,183	
HFC baseline					169,249	

Country programme implementation report

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

HFC consumption trends

9. HFC consumption in Eritrea showed a slow but upward trend from 2020 to 2024. The low-level of consumption in 2020 can be attributed to the economic slowdown caused by the COVID-19 pandemic, which in turn resulted in an increase of 37 per cent in 2021 as the economy recovered. In 2022, imports decreased again, which is attributed to available stock from the previous year. Imports gradually increased again in 2023 and 2024, reflecting rising demand for HFCs to service the expanding stock of RAC equipment.

HFC consumption by sector

10. HFCs are mainly consumed for servicing in mobile air-conditioning (MAC) (29.47 per cent in mt and 16.91 per cent in CO₂-eq tonnes), followed by industrial refrigeration (23.35 per cent in mt and 33.51 per cent in CO₂-eq tonnes), commercial refrigeration (15.04 per cent in mt and 13.30 per cent in CO₂-eq tonnes), marine refrigeration (13.68 per cent in mt and 21.54 per cent in CO₂-eq tonnes), and other subsectors, as shown in tables 4 and 5.

Table 4. HFC consumption in RAC servicing subsectors in Eritrea in mt (2024)

Sector	HFC-23	HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Refrigeration subsectors								
Domestic	0.00	5.11	0.00	0.00	0.00	0.00	5.11	7.53
Commercial	0.00	6.91	2.93	0.15	0.00	0.22	10.21	15.04
Industrial	0.00	0.80	12.55	1.65	0.00	0.86	15.86	23.36
Marine	0.002	0.00	9.29	0.00	0.00	0.00	9.29	13.68
Transport	0.00	0.14	1.24	0.00	0.00	0.00	1.38	2.03
Air-conditioning subsectors								
Residential	0.00	0.00	0.00	0.00	5.54	0.00	5.54	8.16
Commercial	0.00	0.01	0.00	0.00	0.49	0.00	0.50	0.74
Mobile	0.00	20.01	0.00	0.00	0.00	0.00	20.01	29.47
Total	0.002	32.98	26.01	1.80	6.03	1.08	67.90	100.00

Table 5. HFC consumption in RAC servicing in Eritrea in CO₂-eq tonnes (2024)

Sector	HFC-23	HFC-134a	R-404A	R-407C	R-410A	R-507A	Total	Share of total (%)
Refrigeration subsectors								
Domestic	0	7,307	0	0	0	0	7,307	4.32
Commercial	0	9,881	11,490	266	0	877	22,514	13.30
Industrial	0	1,144	49,216	2,927	0	3,427	56,714	33.50
Marine	30	0	36,432	0	0	0	36,461	21.54
Transport	0	200	4,863	0	0	0	5,063	2.99
Air-conditioning subsectors								
Residential	0	0	0	0	11,565	0	11,565	6.83
Commercial	0	14	0	0	1,023	0	1,037	0.61
Mobile	0	28,614	0	0	0	0	28,614	16.90
Total	30	47,161	102,001	3,193	12,588	4,304	169,276	100

Refrigeration and air-conditioning servicing sector

11. There are an estimated 500 technicians and 63 servicing workshops consuming HFCs in Eritrea, with about 50 per cent of the technicians working in the informal sector. There are about 15 large and 60 small MAC workshops. A technician certification scheme is currently being developed under stage II of the HPMP, in collaboration with the National Confederation of Eritrean Workers (NCEW), and the National Ozone Office (NOO).

12. There are four training centres affiliated with the Ministry of Education and the National Higher Education and Research Institute (NHERI) located across the country, which offer various levels of education, including advanced diplomas, certificate programmes, and on-the-job training. One of these is a national training centre that offers advanced diplomas. In the past two years, 34 students have graduated with advanced diplomas, including 15 women. Two centres provide training and certificates for servicing sector technicians to improve their skills. One centre supports the placement of apprentices in industries and workshops to gain practical work experience after one year of study.

Domestic, commercial, industrial, marine, and transport refrigeration servicing

13. There are over 340,000 domestic refrigeration units consuming HFC-134a in the country, including refrigerators, chest freezers, and portable cooling systems used in households, as well as office buildings and restaurants, which represent 60 per cent of the domestic refrigeration units, with the remaining 40 per cent using R-600a.

14. Commercial refrigeration in the country includes an estimated 100,000 units including stand-alone units and condensing units using HFC-134a, R-404A, R-407C and R-507A. R-404A is the most used refrigerant for condensing units, accounting for 80 per cent of the units, with the remaining 20 per cent based on other HFCs. HFC-134a is the primary refrigerant used in 80 per cent of the stand-alone units, but there has been an uptake of R-600a, which accounts for the other 20 per cent of the market.

15. Industrial refrigeration comprises large centralized systems and process chillers, which are commonly used in industrial processes such as breweries, fish factories, and fishing-related cold storage. While this subsector mainly has HFC-based units with a very few HCFC-based units, ammonia (R-717) has begun to enter the market and is used in a very minor share of the process chillers.

16. Marine refrigeration equipment is used in fishing and leisure vessels. Among 112 vessels, 50 per cent use HCFC-22, 30 per cent use R-404A, and 20 per cent use R-717.

17. In the transport refrigeration subsector, refrigerated trucks are used in the agricultural sector and processed food industry for transporting products to local end users and for export. An estimated 136 refrigerated vehicles are in operation, with 90 per cent using R-404A and 10 per cent using HFC-134a.

Residential and commercial air-conditioning servicing

18. The residential AC subsector has over 130,000 units, 80 per cent of which are based on R-410A as the dominant refrigerant, while the remaining units are HCFC-22-based. HFC-32 has not yet impacted this market. The commercial AC servicing subsector consists of multi-splits, ducted-splits, AC chillers, and centralized systems. These systems are commonly used and found in commercial buildings, large office spaces, airports, large hotels, hospitals, large supermarkets, and about 60 per cent of these are based on HFCs, mainly R-410A, while the remaining are based on HCFCs.

Mobile air-conditioning servicing

19. The MAC subsector comprises approximately 70,000 vehicles, all of which use HFC-134a as the refrigerant. Vehicles equipped with HFO-1234yf systems are not yet available in the local market. The subsector includes both passenger vehicles and large vehicles, such as trucks and trailers, which are used across various industries such as mining.

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

Institutional, policy and regulatory framework

20. The Ministry of Land, Water, and Environment of Eritrea is the national designated authority for the Montreal Protocol. Within this Ministry, the Department of Environment oversees activities through the Climate Change Adaptation Unit (CCAU). The NOO, operating under the CCAU, is the primary entity responsible for managing Eritrea's obligations under the Montreal Protocol including data reporting, operation of the licensing system, quota allocation, and project implementation. The National Steering Committee, comprising representatives from government ministries and the private sector, provides guidance on policies and project implementation. Other key stakeholders include the Refrigeration Association of Eritrea, Customs Department, Ministry of Trade and Industry, Ministry of Health, Ministry of Marine Resources, Ministry of Justice, Ministry of Transport and Communication, and Ministry of Tourism.

21. Eritrea introduced a licensing and quota system which came into effect in 2025 to support its targeted reduction goals and ensure compliance with the HFC phase-down schedule. Customs codes for HFCs have been developed to facilitate the monitoring of HFC imports. The NOO collaborates closely with the Ministry of Trade and Industry and the Customs Department to manage the licensing system, allocate quotas, and monitor the imports and exports of controlled substances. The Ministry of Energy and Mines has developed minimum energy performance standards (MEPS) for domestic refrigerators and residential AC equipment, and efforts are underway for their adoption. While Eritrea has not yet enforced MEPS or labeling requirements, it has implemented several policy measures to support energy efficiency including the Renewable Energy Policy and Development Framework, the National Energy Development Framework and enhancing energy access and energy security in Eritrea.

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

Overarching strategy

22. The Government of Eritrea is proposing a four-stage approach to achieve the planned HFC reduction by 2045. Stage I of the KIP aims to achieve the 10 per cent reduction target by 2029. Subsequent stages of the KIP will address the phase-down targets in 2035, 2040 and 2045. Stage I prioritizes the establishment of an enabling environment to facilitate the transition to low- and zero-global-warming-potential (GWP) technologies in the RAC servicing sector. It will focus on developing a legal framework to regulate HFC imports and use, building capacity among technicians and enforcement agencies, promoting low-GWP alternatives, and creating awareness in stakeholders.

Proposed reductions

23. Stage I proposes to eliminate 16,925 CO₂-eq tonnes of HFCs, reducing the country's HFC consumption by 10 per cent of its baseline level by 2029. The Government of Eritrea and UNEP have forecasted HFC consumption in a business-as-usual (BAU) scenario using an annual growth of 5.2 per cent until 2029. The growth projection takes into consideration sector growth forecasts, input from stakeholders, HCFC phase-out measures and HFCs being phased in, as shown in table 6 below:

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

Particulars	2025	2026	2027	2028	2029
HFC consumption forecast at an annual growth rate of 5.2 %*	178,067	187,327	197,068	207,315	218,096
Montreal Protocol HFC consumption limits	169,249	169,249	169,249	169,249	152,324

Particulars	2025	2026	2027	2028	2029
HFC consumption levels proposed under the KIP	169,249	169,249	169,249	169,249	152,324
Proposed reductions from the HFC consumption baseline (%)	0	0	0	0	10

* Calculated based on a 5.2 per cent increase from the submitted 2024 data due to expected sector growth and inputs from stakeholders during the KIP survey.

Proposed activities

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

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

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
Component 1: Regulatory framework and control mechanism			
1.1 Enforce and monitor HFC licensing and quota system; develop a system for differentiated quotas based on GWP for applications having low-GWP alternatives; engage legal consultant to develop legal documents such as Memoranda of Understanding (MOUs) with KIP key stakeholders	UNEP	9,750	7,750
1.2 Establish and enforce legislation on mandatory use of refrigerant recovery equipment for commercial and industrial RAC operators	UNIDO	5,350	5,350
1.3 Develop control mechanisms to encourage the transition from high-GWP HFC refrigerants to non-HFC refrigerants in residential and commercial refrigeration	UNEP	10,000	10,000
Subtotal component 1		25,100	23,100
Component 2: Capacity building of customs officers			
2.1 Update customs training curriculum to incorporate new Harmonized System (HS) codes, low-GWP refrigerants, and HFCs (hiring of specialist and one workshop for 20 participants)	UNEP	10,100	10,100
2.2 Conduct two workshops for 110 customs officers (50 per cent women) on the updated curriculum	UNEP	6,100	3,050
Subtotal component 2		16,200	13,150
Component 3: Capacity building of RAC and MAC sector			
3.1 Upgrade the training curriculum for RAC vocational and technical institutes to incorporate HFCs and other low-GWP refrigerants (hiring of consultant and one workshop for 34 participants)	UNEP	8,600	8,600
3.2 Organize two training sessions for 130 RAC technicians and students (30 per cent women) on low-GWP energy-efficient RAC technologies	UNEP	10,600	10,600
3.3 Create awareness among RAC importers, distributors, and retailers on HFC phase-down, HFC alternatives and KIP implementation including promoting participation of women in project activities	UNEP	7,800	3,900
3.4 Organize two awareness workshops for 50 importers in the MAC subsector on HFC phase-down and HFC alternatives	UNEP	2,800	1,400
Subtotal component 3		29,800	24,500
Component 4: Pilot demonstration in the commercial refrigeration sector			
4.1 Create awareness in commercial refrigeration subsector about R-290 monobloc initiative and selection of a beneficiary	UNEP	5,000	5,000

Activity	Agency	Cost (US \$)	
		Stage I	First tranche
4.2 Demonstrate the use of an R-290 monobloc unit in an existing small cold room, including procurement, installation, commissioning and training	UNIDO	50,000	50,000
4.3 Monitor and report on the performance of the R-290 monobloc unit and R-404A unit to compare the performance and energy savings	UNEP	16,100	0
Subtotal component 4		71,100	55,000
Component 5: Project coordination and monitoring			
Project monitoring support and implementation coordination (see paragraph 25)	UNEP	9,650	6,711
	UNIDO	6,150	6,150
Subtotal component 5		15,800	12,861
Subtotal for UNEP		96,500	67,111
Subtotal for UNIDO		61,500	61,500
Total		158,000	128,611

Project implementation, coordination and monitoring

25. The institutional arrangements and other infrastructure established under the HPMP will form the basis for the implementation and monitoring of the KIP activities. Project monitoring and coordination of the implementation will be undertaken by the NOO, with support from a hired expert. A budget of US \$15,800 is proposed, which includes consultants (US \$7,500), domestic travel (US \$4,000), meetings and other supplies (US \$4,300).

Total cost of stage I of the Kigali HFC implementation plan

26. The budget for stage I has been proposed at US \$158,000. The costs of activities in the refrigeration servicing sector have been proposed in line with decision 92/37.

Implementation plan for the first tranche

27. The first funding tranche of stage I of the KIP was submitted at a total amount of US \$128,611, as shown in table 7 above, to be implemented between January 2026 and December 2027. Detailed information on the activities to be implemented under the first tranche, including adjustments and the level of funds agreed are presented in paragraph 37 below.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Institutional, policy and regulatory framework

HFC licensing and quota system

28. In line with decision 87/50(g), UNEP has confirmed that Eritrea has an established and enforceable system of licensing and quotas for monitoring HFC imports and exports in place. The country sets its annual quota in CO₂-eq tonnes, while importers receive quotas in metric tonnes, the NOU calculates and monitors the quotas to align with the national limit. The quota for 2025 has been set at 169,249 CO₂-eq tonnes.

29. During the project review process, several adjustments needed to be done in the Article 7 and CP data to address incorrect classification of substances and lack of consistency in the data. Upon correction of the same, the Secretariat noted that the HFC consumption for 2024 (169,266 CO₂-eq tonnes) is slightly above the baseline of 169,249 CO₂-eq tonnes, by 17 CO₂-eq tonnes. The Secretariat discussed with UNEP

the need to improve the operation of the quota system to avoid future deviations and UNEP confirmed that this will be done as part of stage I. In line with precedent cases, the recommendation for approval of the KIP is without prejudice to the operation of the Montreal Protocol mechanism for addressing non-compliance.

Technical and cost-related issues

Component 1: Regulatory framework and control mechanism

30. Considering that alternatives have already penetrated the market (R-600a-based domestic refrigerators and R-290-based stand-alone commercial refrigeration equipment), the Secretariat inquired whether the country had considered implementing bans on the import of HFC-based equipment in these subsectors during stage I. UNEP replied that a direct ban is likely to face resistance due to economic constraints. However, the NOU plans to develop a differentiated quota system that assigns higher quotas for low-GWP refrigerants than for high-GWP refrigerants, where both types of refrigerants are available for a specific RAC application. Following further discussions between the Secretariat and UNEP, UNEP confirmed that the country has agreed to implement a ban on the import of HFC-based domestic refrigerators and stand-alone commercial refrigeration equipment by 1 January 2028. Additionally, the country has committed to develop and implement a ban on the use of HFC-23 in refrigeration applications by 1 January 2029.

Component 3: Capacity-building of RAC and MAC sector

31. The Secretariat, noting the high level of HFC consumption in the MAC and marine refrigeration subsectors, inquired about the plans to address HFC phase-out in these subsectors. UNEP explained that the MAC subsector currently relies entirely on HFC-134a, and that alternative refrigerants have not yet been introduced to the market. As part of stage I of the KIP, two awareness workshops are planned for relevant stakeholders. The marine refrigeration subsector is planned to be addressed in a future stage of the KIP.

32. Following discussions on the need to understand and strengthen these two subsectors for the HFC phase-down, UNEP agreed to expand stage I activities to include targeted interventions for these subsectors, aiming to lay the groundwork for the phase-down in future stages of the KIP. Specific activities incorporated into Component 3 include: training MAC technicians on good servicing practices, an assessment of the MAC subsector to understand potential barriers to the uptake of HFO use in the MAC sector, and a needs assessment of key stakeholders such as technicians, workshops, and importers; awareness activities for the marine refrigeration subsector and a study of the marine refrigeration sector, including collecting user and vessel data, analyzing consumption patterns, assessing training needs, and exploring technology options.

Component 4: Pilot demonstration project in commercial refrigeration sector

33. Regarding the activity to demonstrate the R-290 monobloc unit in an existing cold store, UNIDO explained that the pilot project is proposed to demonstrate the use of low-GWP hydrocarbons (HC) in response to the growing demand for commercial refrigeration, which currently relies on high-GWP refrigerants. The beneficiary's co-funding will cover infrastructure, civil works, and safety adaptations, while the equipment will be funded by the project. The aim is to demonstrate the feasibility of HC-based systems, targeting small cold rooms for storing fruits, vegetables, and frozen goods, and promoting replication in the sector. During the discussion, it was agreed to reduce the cost of equipment based on its type and size, to reduce the cost of monitoring and to increase activities that promote the technology. Based on this, UNEP and UNIDO revised the component by lowering the equipment and monitoring costs and adding new activities, including two safety workshops and three workshops for the dissemination of results.

Upon completion of the end-user project, UNIDO will submit a final report on the implementation of this project, including the HFC phase-out, and energy-efficiency gains achieved, in line with decision 92/36(g).

Tranche distribution

34. The Secretariat noted that the project had initially requested 81 per cent of the cost as the first tranche and 19 per cent as the second tranche. After discussion, this was revised to 57 per cent for the first tranche and 43 per cent for the second and final tranche.

Total project cost

35. At the total cost of US \$158,000, stage I of the KIP for Eritrea will result in a reduction of 16,925 CO₂-eq tonnes from the country's HFC consumption eligible for funding. While no changes were made to the overall budget, the following reallocations within the project budget and additions to the project's activities were agreed, based on the discussion summarized in paragraphs 31 to 34 above:

- (a) Component 1: Reallocation of US \$10,000, initially proposed for developing a mechanism to control high-GWP refrigerants redirected to support activities for the development of regulations to ban the use of HFC refrigerants in domestic and stand-alone commercial refrigeration by 1 January 2028 and to ban the use of HFC-23 in marine refrigeration by 1 January 2029;
- (b) Component 3: Reallocation of US \$21,100 from Component 4, to support the inclusion of the following activities: (i) training of MAC technicians on good servicing practices (UNIDO) (US \$5,600); (ii) an assessment of the readiness of the MAC subsector for the transition to low-GWP alternatives (UNIDO) (US \$7,500); and (iii) a study of the marine refrigeration subsector (UNIDO) (US \$8,000). Further, activity 3.3 (as shown in table 7) was expanded to include an awareness workshop for marine operators on the KIP and HFC phase-down, including the licensing and quota system; and
- (c) Component 4: With a reduction of US \$21,100, the revised total component cost of US \$50,000 will include the following activities: (i) awareness creation and selection of the beneficiary (UNEP) (US \$5,000); (ii) procurement of the R-290 monobloc (UNIDO) (US \$20,000); (iii) two workshops on safety requirements for HC refrigerants for 120 participants (UNIDO) (US \$6,600); (iv) monitoring and reporting on the performance and energy usage of both the baseline and newly installed equipment (UNEP) (US \$10,000); and (v) three workshops for dissemination of results to relevant stakeholders for a total of 150 participants (UNIDO) (US \$8,400).
- (d) Component 5: Based on the above changes, the project monitoring cost was revised between the agencies by US \$170 (decreased for UNEP and correspondingly increased for UNIDO)

36. A summary of the agreed component-wise costs is presented below in table 8:

Table 8: Agreed component-wise costs for stage I

Component	Agency	Original (US \$)	Revised (US \$)
1. Regulatory framework and control mechanisms	UNEP and UNIDO	25,100	25,100
2. Capacity building of customs officers	UNEP	16,200	16,200
3. Capacity building of RAC and MAC sector	UNEP and UNIDO	29,800	50,900
4. Pilot demonstration in commercial refrigeration sector	UNEP and UNIDO	71,100	50,000
5. Project implementation and monitoring	UNEP and UNIDO	15,800	15,800

Component	Agency	Original (US \$)	Revised (US \$)
Subtotal for UNEP		96,500	90,230
Subtotal for UNIDO		61,500	67,770
Total		158,000	158,000

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

37. The agreed plan of action will include the following activities in the total amount of US \$89,908 (US \$60,614 for UNEP and US \$29,294 for UNIDO):

- (a) *Regulatory framework and control mechanism:* Enforcing and monitoring the national HFC quota system; developing a system for differentiated quotas based on GWP for applications using low-GWP alternatives; engaging a legal consultant to develop legal documents such MOUs with key stakeholders; drafting regulations to ban high-GWP HFC refrigerants in residential and commercial refrigeration and to the ban the use of HFC-23 in refrigeration applications (UNEP) (US \$17,750); establishing and enforcing legislation requiring commercial and industrial RAC operators to use refrigerant recovery equipment (UNIDO) (US \$5,350);
- (b) *Capacity-building of customs officers:* Updating the customs training programme to incorporate new HS codes, low-GWP refrigerants, and HFCs; conduct two workshops to train 55 customs officers (50 per cent women) on the updated curriculum (UNEP) (US \$13,150);
- (c) *Capacity building of RAC and MAC sector:* Upgrading training curricula for RAC vocational and technical institutes to incorporate HFCs and other low-GWP refrigerants; conduct two training sessions for 130 RAC technicians and students (30 per cent women) on energy-efficient RAC technologies using low-GWP refrigerants; awareness-raising among RAC importers, distributors, retailers and marine operators on the phase-down of HFCs and KIP implementation; undertaking a study of the marine refrigeration sector; organizing one awareness event for 50 importers in the MAC industry on quota/licensing and HFC-134a alternatives (UNEP) (US \$24,500); conducting two workshops for 50 MAC technicians on good servicing practices; undertaking an assessment of the MAC subsector (UNIDO) (US \$21,100); and
- (d) *Project monitoring support and implementation coordination activities (UNEP) (US \$5,214), (UNIDO) (US \$2,844):* Including consultants (US \$4,000); domestic travel (US \$2,000); and meetings and other supplies (US \$2,058).

Exemption for high-ambient temperature parties

38. Eritrea is one of the countries operating under the high-ambient-temperature (HAT) exemption in line with decision XXVIII/2 of the Parties. The decision allows these countries to request exemptions for any specific subsector or use where suitable alternatives do not exist and indicates, in paragraph 35, that the amount of Annex F substances that are subject to the HAT exemption are not eligible for funding under the Multilateral Fund while they are exempted for that party.

39. While Eritrea had initially indicated its intention to request the HAT exemption, on 24 July 2025, the Government notified the Ozone Secretariat that it was withdrawing its request for the HAT exemption.

Co-financing

40. The country will provide in-kind contributions, covering the use of the existing websites, social media platforms, forums and newsletters of the Government to share information about KIP activities, goals and initiatives. The NOO will closely coordinate with the training centres to explore possible in-kind co-financing for training of technicians. For the demonstration project, plumbing, electrical and civil works will be provided by the beneficiary.

2025–2027 business plan of the Multilateral Fund

41. UNEP and UNIDO are requesting US \$158,000, plus agency support costs, for the implementation of stage I of the KIP for Eritrea. The total value of US \$101,596, including agency support costs, requested for the period of 2025–2027, is US \$11,440 below the amount in the business plan.

Gender policy implementation

42. Eritrea is committed to applying the Multilateral Fund's gender policy in line with decisions 84/92(d), 90/48(c), and 92/40(b), throughout the KIP implementation. The NOO will encourage men and women to participate in capacity-building programmes and encourage participating institutions to nominate women for training, stakeholder consultations, and technical roles. Further, gender targets for the customs and technician training programmes have been included, and the participation of men and women in training, consultations, implementation teams, and awareness-raising sessions will be tracked. Monitoring and reporting mechanisms will be established to ensure progress is documented and aligned with the Multilateral Fund's gender policy objectives.

Sustainability of the HFC phase-down and assessment of risks

43. Potential risks to the sustainability of the HFC phase-down in Eritrea include slow market uptake of alternatives, low availability of low-GWP alternatives, increased demand for high-GWP equipment, delays in implementation, and lack of engagement from non-participating enterprises. These risks are being addressed through strong regulatory support, including bans; ongoing technician training via technical vocational education and training institutions; and operational plans for recycling, recovery, and reclamation (RRR) centres (established under the HPMP). Customs enforcement and industry engagement will further support the adoption of alternatives. The long-term sustainability plan includes the promotion of reclamation centres, strategies for sustained adoption of alternatives, and plans for sustained technician training.

Impact on the climate

44. The activities proposed, including policy measures to ensure mandatory recovery by commercial and industrial RAC operators, regulations to ban HFCs in residential and commercial refrigeration by 2028, building the capacity of customs officers, initiating programmes to improve servicing practices in the RAC sector, implementing a demonstration project to encourage the uptake of alternative technologies, and improving awareness about HFC phase-down among key stakeholders, 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, Eritrea will have reduced its emissions by approximately 16,925 CO₂-eq tonnes of HFCs, calculated as the difference

between the HFC baseline for compliance and the 2029 target, assuming that all HFCs consumed would eventually have been emitted.

Draft Agreement

45. A draft Agreement between the Government of Eritrea 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

46. The Government of Eritrea will implement stage I of the KIP and stage II of the HPMP in a coordinated manner to avoid duplication of activities. Annex II summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

47. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for Eritrea for the period 2025–2029 to reduce HFC consumption by 10 per cent of the country's baseline, in the amount of US \$178,540, consisting of US \$90,230, plus agency support costs of US \$11,730 for UNEP and US \$67,770, plus agency support costs of US \$8,810, for UNIDO, on the understanding that the approval is without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) Noting:
 - (i) That the Government of Eritrea will put in place a ban on import of HFC-based domestic and stand-alone commercial refrigeration by 1 January 2028 and a ban on the use of HFC-23 in refrigeration applications by 1 January 2029;
 - (ii) That, upon completion of the end-user project included in stage I of the KIP, UNIDO will submit a final report on the implementation of this project, including the HFC phase-out, and energy-efficiency gains achieved, in line with decision 92/36(g);
- (c) Approving the draft Agreement between the Government of Eritrea and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex I to the present document; and
- (d) Approving the first tranche of stage I of the KIP for Eritrea and the corresponding tranche implementation plan, in the amount of US \$101,596, consisting of US \$60,614, plus agency support costs of US \$7,880, for UNEP and US \$29,294, plus agency support costs of US \$3,808, for UNIDO.

Annex I

**DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF ERITREA
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 Eritrea (“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 152,324 CO₂-equivalent (CO₂-eq) tonnes by 1 January 2029 in compliance with the Montreal Protocol schedule and the terms of this Agreement.
2. The Country agrees to meet the annual consumption limits of Annex F substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for Annex F substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of Annex F substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for Annex F substances specified in Appendix 1-A.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with stage I of the Kigali HFC implementation plan (“the Plan”) as approved. In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of Annex F substances set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.

Conditions for funding release

5. The Executive Committee will only provide the Funding, in accordance with the Funding Approval Schedule, when the Country satisfies the following conditions at least 10 weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which there are no due country programme implementation reports at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
 - (b) That the meeting of these Targets has been independently verified for all relevant years, unless the Executive Committee decided that such verification would not be required;
 - (c) That the Country had submitted a Tranche Implementation Report in accordance with Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of

activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and

- (d) That the Country has submitted a Tranche Implementation Plan in accordance with Appendix 4-A covering each calendar year until and including the year for which the Funding Approval Schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

Monitoring

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

Flexibility in the reallocation of funds

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

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

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

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

Bilateral and implementing agencies

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

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

Non-compliance with the Targets in the Agreement

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

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

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

Date of completion

14. The completion of the Plan and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should at that time there still be activities that are outstanding, and which were foreseen in the last Tranche Implementation Plan and its subsequent revisions as per subparagraph 5(d) and paragraph 7, the completion of the Plan will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per subparagraphs 1(a), 1(b), and 1(d) of Appendix 4-A will continue until the time of the completion of the Plan unless otherwise specified by the Executive Committee.

Validity

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

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

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

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

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2025	2026	2027	2028	2029	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	freeze	10
		CO ₂ -eq tonnes	169,249	169,249	169,249	169,249	152,324
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	0.0	10.0
		CO ₂ -eq tonnes	169,249	169,249	169,249	169,249	152,324
2.1	Lead IA (UNEP) agreed funding (US \$)	60,614	0	0	29,616	0	90,230
2.2	Support costs for Lead IA (US \$)	7,880	0	0	3,850	0	11,730
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	29,294	0	0	38,476	0	67,770
2.4	Support costs for Cooperating IA (US \$)	3,808	0	0	5,002	0	8,810
3.1	Total agreed funding (US \$)	89,908	0	0	68,092	0	158,000
3.2	Total support costs (US \$)	11,688	0	0	8,852	0	20,540
3.3	Total agreed costs (US \$)	101,596	0	0	76,944	0	178,540

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

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

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

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

- (a) A narrative report, with data provided by tranche, describing the progress achieved since the previous report, reflecting the situation of the Country in regard to phase-down of Annex F substances, how the different activities contribute to it, and how they relate to each other, including, where applicable, activities related to energy efficiency approved in the context of HFC phase-down pursuant to decision 91/65. The report should include the amount of Annex F substances consumption reduced as a direct result of the implementation of activities, by substance, the alternative technology used and the related phase in of alternatives, to allow the Secretariat to inform the Executive Committee on the resulting change in climate relevant emissions. The report should also include quantitative information on the activities implemented and further highlight the successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Tranche Implementation Plan(s), such as delays, use of flexibility for the reallocation of funds during implementation of a tranche as provided for in paragraph 7 of this Agreement, or other changes;
- (b) An independent verification report on the Plan's results and the consumption of Annex F substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification of consumption data must be provided with each tranche request, covering all relevant years for which a verification report has not yet been acknowledged by the Committee, as specified in subparagraph 5(a) of the Agreement;
- (c) A written description of the activities to be undertaken during the period covered by the requested tranche including quantitative information, highlighting implementation milestones, the time of completion and the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the Plan will be provided by calendar year. The description should include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall Plan that are foreseen. The description should also specify and explain in detail such changes to the overall Plan. This description of future activities can be submitted as a part of the same document as the narrative report under subparagraph 1(a) above; and
- (d) An Executive Summary of about five paragraphs, summarizing the information contained in subparagraphs 1(a) to 1(c) above.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The national ozone office, under the Ministry of Land, Water and Environment in the Country is responsible for monitoring the progress of implementation of activities in the Plan.

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

3. The Ministry of Land, Water and Environment in the Country will be responsible for the sustainability of consumption reduction targets achieved through the Agreement.

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (o) Timely releasing funds to the Country/participating enterprises for completing the activities related to the project.

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

APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCIES

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

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

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

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

Annex II

**SIMULTANEOUS IMPLEMENTATION OF THE HCFC PHASE-OUT MANAGEMENT PLAN
AND THE KIGALI HFC IMPLEMENTATION PLAN IN ERITREA**

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Legislative and regulatory measures	Implementation and maintenance of the licensing and quota system; update of current ODS regulations to include HFCs in the import licensing system as of 1 January 2024, and to ban imports of HCFCs (except for the servicing tail) as of 1 January 2030; adoption of the 2022 Harmonized Commodity Description and Coding System (HS 2022) as of 1 January 2024	25,000	- Support the NOO to enforce and monitor the national HFC quota system; update licensing to include quota distribution for refrigerant importers - Draft MOUs with key stakeholders - Establish and enforce legislations requiring commercial and industrial RAC operators to have appropriately sized in-house refrigerant recovery equipment - Development of regulations to ban the use of high-GWP HFC refrigerants in domestic and stand-alone commercial refrigeration by 1 January 2028 and to ban the use of HFC-23 in marine refrigeration by 1 January 2029.	25,100	50,100
Enforcement of HFC controls	Training of 200 customs and other law enforcers	50,000	Training of 110 customs officers on the updated curriculum	6,100	60,100
	Experts to review the customs training manual	15,000	Update and revise the customs training program to incorporate new Harmonized System (HS) codes, low-GWP refrigerants and HFC	10,100	21,100
	Facilitate border dialogues	15,000			15,000
Development and implementation of national standards in the RAC sector for safe use of energy-efficient low-GWP technologies	- Develop technical standards in the RAC servicing sector to incorporate energy efficiency and safety consideration related to the use of Low GWP technologies in the country - Develop a green procurement plan for RAC systems	30,000			30,000
Promotion of Green Procurement of RAC technologies in public and private institution	Capacity-building workshop for standards officers, environmental inspectors and other relevant stakeholders on the enforcement of the technical standards in RAC sector	20,000			20,000
	Conduct capacity-building training workshop for procurement officers aimed at promoting	20,000			20,000

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
	procurement of environmentally friendly technologies				
RAC certification scheme	-Setting-up of the certification program for the RAC servicing sector and revision of refrigeration training curricula - Organize the certification process for trained technicians	40,000			40,000
Strengthening the capacity of RAC technicians	Conduct six technicians training workshops on good refrigeration servicing practices (150 technicians trained)	50,000	- Organise two gender inclusive training for RAC technicians and students at the established Centre of Excellence on new efficient RAC technologies using low-GWP refrigerants. - Upgrade the training curricula for RAC vocational/technical institutes to incorporate HFCs and low-GWP refrigerants - Awareness creation among RAC importers, distributors, retailers of refrigerant and equipment, and marine operators about HFCs, low-GWP refrigerants, and the Kigali Implementation Plan (KIP). Awareness on quota/licensing regime will be discussed	27,000	77,000
Strengthen the Refrigeration Association	Strengthen the Refrigeration Association through training on administering certification scheme and codes of conduct	10,000			10,000
Capacity building in the MAC and marine subsectors			- Awareness-raising in the MAC subsector on HFC-134a, HFOs and quota/licensing regime - Training of MAC technicians on good servicing practice for using HFCs - Assessment of readiness for the MAC subsector to transition to the use of HFO refrigerants - Support training needs of MAC technicians based on recommendations from the HFO readiness assessment -Assessment of the marine subsector by data collection on vessel type, size, age, technologies used, available technologies and training needs	23,900	23,900

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
Strengthening the centres of excellence and technical assistance	- Technical assistance on business model for refrigerant recovery/re-use infrastructure - Procurement and distribution of complementary tools and equipment for 3 Centres of excellence - Procurement and distribution of refrigerant identifiers	105,000			105,000
Establishment of a recycling and reclamation centre	- Establishment of one reclaim centre and capacity building of experts for operational of the reclaim	110,000			110,000
Pilot demonstration projects in commercial refrigeration sector			- Demonstration project for R-290 monoblocs at existing cold store , including identifying beneficiary, procurement, installation, commissioning and training - Two workshops on safety requirements - Awareness-raising in commercial refrigeration regarding the R-290 monobloc initiative - Monitor and report on the performance of R-290 monobloc and R-404A commercial refrigeration systems - Dissemination of results	50,000	50,000
Coordination and monitoring	- Project monitoring support and coordination	50,000	- Project monitoring support and coordination	15,800	65,800
Activities to maintain energy efficiency in the refrigeration servicing sector	- Conduct a national survey to identify administrative and regulatory challenges in promoting energy-efficient and low-GWP technologies - Update customs training materials and conduct one workshop for 30 customs officers - Update technician training materials and hold two workshops (30 participants each) for RAC trainers and technicians - Prepare awareness materials and conduct one information session for 50 technical experts - Develop awareness videos and infographics for consumers on refrigerants' GWP values, energy efficiency labelling, and associated environmental and cost benefits	100,000			100,000

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US \$)
Category of activity	Activity	Cost (US \$)	Activity	Cost (US \$)	
	- Conduct one session with 15 RACHP equipment importers to explain national labelling requirements and the benefits of importing energy-efficient products - Conduct a survey of at least 1,000 households to evaluate awareness and barriers to adopting energy-efficient and low-GWP appliances. Results will inform future labelling programme improvements				
	Total	640,000	Total	158,000	798,000