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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-sixth Meeting
Montreal, 26-30 May 2025
Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: ERITREA

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, second tranche) UNEP and UNIDO Blanket approval

¹ UNEP/OzL.Pro/ExCom/96/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Eritrea

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO	91 st	100% phase-out by 2030

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2023	0.52 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2024	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.39				0.39

(IV) CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	1.09	Starting point for sustained aggregate reductions:	1.09
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	1.09	Remaining:	0.00

(V) ENDORSED BUSINESS PLAN		2025	2026	2027	Total
UNEP	ODS phase-out (ODP tonnes)	0.18	0.00	0.00	0.18
	Funding (US \$)	231,650*	0	0	231,650*
UNIDO	ODS phase-out (ODP tonnes)	0.14	0.00	0.00	0.14
	Funding (US \$)	152,000*	0	0	152,000*

*Including US \$79,100 for UNEP and US \$32,100 for UNIDO for additional activities to maintain energy efficiency (decision 89/6)

(VI) PROJECT DATA			2022	2023-2024	2025*	2026-2029	2030	Total
Montreal Protocol consumption limits (ODP tonnes)			0.71	0.71	0.35	0.35	0.00	n/a
Maximum allowable consumption (ODP tonnes)			0.67	0.60	0.35	0.35	0.00	n/a
Funding agreed in principle (US \$)	UNEP	Project costs	115,000	0	235,000	0	75,000	425,000
		Support costs	14,950	0	30,550	0	9,750	55,250
	UNIDO	Project costs	105,000	0	110,000	0	0	215,000
		Support costs	9,450	0	9,900	0	0	19,350
Funds approved by ExCom (US \$)	Project costs		220,000	0	0	0	0	220,000
	Support costs		24,400	0	0	0	0	24,400
Total funds recommended for approval at this meeting (US \$)	Project costs		0	0	345,000	0	0	345,000
	Support costs		0	0	40,450	0	0	40,450

*Funding for 2025 includes US \$100,000, plus agency support costs of US \$13,000, for UNEP, for additional activities to maintain energy efficiency (decision 89/6)

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Eritrea, UNEP as the lead implementing agency has submitted a request for funding for the second tranche of stage II of the HCFC phase-out management plan (HPMP), at a total cost of US \$385,450, consisting of US \$235,000, plus agency support costs of US \$30,550, for UNEP and US \$110,000, plus agency support costs of US \$9,900, for UNIDO.² The submission includes a progress report on the implementation of the first tranche, the verification report on HCFC consumption for 2020 to 2023, a request for funding additional activities to maintain energy efficiency in the refrigeration servicing sector,³ and the tranche implementation plan for 2025 to 2030.

Report on HCFC consumption

2. The Government of Eritrea reported under the country programme (CP) implementation report a consumption of 0.39 ODP tonnes of HCFCs in 2024, which is 64.2 per cent below the country's HCFC baseline for compliance. The Article 7 data for 2024 has not been reported yet. The 2020-2024 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Eritrea (2020-2024 Article 7 data)

HCFC-22	2020	2021	2022	2023	2024*	Baseline
Metric tonnes (mt)	11.20	11.00	10.30	9.50	7.10	19.70
ODP tonnes	0.62	0.61	0.57	0.52	0.39	1.09

* CP data

3. The effective implementation of HPMP activities in Eritrea, coupled with the increasing availability of ODS alternative technologies, has led to a steady decline in HCFC-22 consumption. In domestic and commercial air conditioning, HCFC-22 is being replaced with R-410A, HFC-32, and R-290, while R-404A is being adopted in the industrial sector.

Country programme implementation report

4. The Government of Eritrea reported HCFC sector consumption data under the 2023 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government was implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2020 to 2023 was correct (as shown in table 1 above). The verification concluded that Eritrea is in compliance with the Montreal Protocol reduction schedule. Effective enforcement of the 2010 ODS Regulations, coupled with the operational licensing and quota system implemented since 2013, has enabled the country to control and monitor HCFC imports. Collaboration among the national ozone office, customs department, and other stakeholders has significantly contributed to maintaining compliance, supported by the use of refrigerant identifiers and regular data reconciliation. Despite challenges such as difficulties in importer record-keeping, gaps in information sharing among enforcement bodies, and customs staff turnover, Eritrea has demonstrated a strong commitment and institutional capacity in advancing the environmentally sound management of ODS. UNEP confirmed that the challenges have been addressed as part of the HPMP activities.

² As per the letter of 12 March 2025 from the Ministry of Land, Water and Environment of Eritrea 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.

Progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan

Legal framework

6. The Government of Eritrea has enacted a regulation (Legal Notice 117/2010) banning the import of ODS-based equipment, requiring registration of ODS importers and establishing import quotas on an annual basis. With the ratification of the Kigali Amendment on 7 February 2023, the regulatory framework⁴ was revised in 2023 to include HFCs and their blends. Harmonized systems (HS) 2022 tariff codes were also adopted.

7. Training was conducted for 37 customs and law enforcement officers, including six females, covering updates to legislation, capacity-building in monitoring and preventing illegal trade of HCFCs and other controlled substances under the Montreal Protocol, and recognizing counterfeit refrigerants. Additionally, refrigerant identification services were provided to technicians and sectors from offices located in Asmara and Massawa. In 2024, the national ozone unit (NOU) participated in border dialogues in Mozambique with representatives from neighboring countries to exchange information on the potential illegal trade of HCFCs.

Refrigeration servicing sector

8. During the implementation period, the following activities were implemented:

- (a) *Strengthening the capacity of RAC servicing technicians:* The voluntary RAC technician certification scheme⁵ was finalized and is pending government approval. A technicians' training manual was developed and distributed to more than 70 RAC technicians. In total, 131 RAC technicians, including 21 females, received training on good refrigeration servicing practices, including the use of low-global-warming-potential (GWP) alternatives, hydrocarbons, and other low- or zero-GWP refrigerants;
- (b) *Developing national technical standards and promoting green procurement:* A team of national consultants⁶ was hired to develop technical standards for RAC servicing, incorporating energy efficiency measures and the safe use of low-GWP technologies. A capacity-building workshop was conducted for 30 environmental inspectors and other relevant stakeholders to introduce the newly developed standards; and
- (c) *Technical assistance and strengthening the centres of excellence:* One refrigerant identifier was procured; one two-week training programme was conducted for 74 RAC technicians; and RAC training institutes were strengthened through the provision of RAC tools and instruments.

Project implementation and monitoring

9. A total of US \$20,000 was disbursed to conduct monitoring and follow-up activities, which includes expenditures for project staff and consultants (US \$10,000), travel (US \$2,000), and meetings (US \$8,000).

⁴ Regulations for the issuance of permits, quota system for the importation or exportation of ODS and ODS-based equipment or products.

⁵ One consultant and one expert from the National Confederation of Eritrean Workers led the development of the voluntary RAC technician certification scheme, completing assessments and preparing all required documentation.

⁶ Including experts from the vocational training centre and environmental experts within the country.

Level of fund disbursement

10. As of March 2025, of the US \$220,000 approved so far (US \$115,000 for UNEP and US \$105,000 for UNIDO), US \$213,000 (96.8 per cent) had been disbursed (US \$115,000 for UNEP and US \$98,000 for UNIDO). The balance of US \$7,000 will be disbursed in 2025.

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

11. The following activities will be implemented between June 2025 and June 2030:

- (a) *Updating ODS legislation and strengthening enforcement of regulations:* Conduct two border dialogue workshops with neighboring countries to exchange information on potential illegal trade in HCFCs; conduct training workshops for 80 customs officers and other law enforcement agencies on legislation updates, prevention of illegal trade and recognizing counterfeit refrigerants (UNEP) (US \$55,000);
- (b) *Strengthening the capacity of RAC servicing technicians:* Conduct certification programme⁷ for 150 technicians (UNEP) (US \$35,000);
- (c) *Developing national technical standards and promoting green procurement:* Conduct two capacity-building workshops for 40 participants, including NOU staff, trainers, standards officers and environment inspectors, and other relevant regulating agencies on the enforcement of technical standards; conduct five inspection visits to monitor compliance with the standards and green procurement (UNEP) (US \$25,000);
- (d) *Technical assistance and strengthening the centres of excellence:* Engage a consultant to assist the NOU in implementing HPMP activities; provide technical assistance to promote the uptake of alternative low- or zero-GWP refrigerants; procure and distribute tools and equipment⁸ to the centres of excellence; procure seven refrigerant identifiers (UNIDO) (US \$110,000);
- (e) *Activities to maintain energy efficiency:* These activities are described in detail in the following section (UNEP) (US \$100,000); and
- (f) *Project monitoring (UNEP):* Project coordination, stakeholder engagement and implementation of planned HPMP activities (US \$20,000), which includes costs for project staff and consultants (US \$10,000), travel (US \$2,000), and meetings (US \$8,000).

Activities to maintain energy efficiency in the refrigeration servicing sector

12. The project related to energy efficiency, submitted in line with decision 89/6, is designed to promote the adoption of energy-efficient and low-GWP alternatives in the RAC sector through strengthened coordination among key national stakeholders, including consumers. The capacity-building activities aim to improve collaboration among stakeholders by providing targeted training and information exchange sessions focused on energy efficiency and low-GWP refrigerants. The outreach and impact assessment activities are intended to maximize public and consumer engagement and to measure the effectiveness of

⁷ This includes a procedure for the certification process, identification of subjects to be examined through either theory or practice and establishing the required level of knowledge.

⁸ Includes vacuum pumps, manifold gauges and standard hoses (HCFCs, HCs, and HFCs), portable leak detectors for HCs, charging station for HC, brazing unit, compression fitting tool, portable recovery and recycling machines, piercing pliers and tube cutters, multi-metres, and safety-related servicing tools.

the project interventions. A detailed description of the proposed activities and their associated cost breakdown for maintaining energy efficiency in the sector are presented in table 2.

Table 2. Additional activities proposed to maintain energy efficiency in the servicing sector

Activity	Performance indicators	Cost (US \$)
Capacity-building		
<i>Survey and assessment:</i> Conduct a national survey involving the NOU and relevant ministries (e.g., Energy Efficiency Department, Ministry of Energy and Mineral Development) to identify administrative and regulatory challenges in promoting energy-efficient and low-GWP technologies	Survey findings and recommendations developed by the NOU and partners	18,000
<i>Customs training:</i> Update training materials and conduct one workshop for 30 customs officers on monitoring imports of refrigeration, air-conditioning and heat pumps (RACHP) equipment, with a focus on refrigerant type, charge quantity, GWP, and flammability	One workshop (30 participants)	16,000
<i>RAC technicians training:</i> Update materials and hold two workshops (30 participants each) for RAC trainers and technicians, emphasizing energy-efficient practices and monitoring tools	Two workshops (30 participants each)	23,000
<i>Technical experts' workshop:</i> Prepare awareness materials and conduct one information session for 50 technical experts (e.g., utility agencies, designers, developers) on low-GWP and energy-efficient technologies	One workshop (50 participants)	3,000
Subtotal		60,000
Outreach and impact assessment		
<i>Outreach materials:</i> Develop two awareness videos and two infographics for consumers highlighting refrigerants' GWP values, energy efficiency labelling, and associated environmental and cost benefits	Two videos; two infographics	10,000
<i>Importer awareness session:</i> Conduct one session with 15 RACHP equipment importers to explain national labelling requirements and the benefits of importing energy-efficient products	One awareness session (15 participants)	10,000
<i>Consumer behaviour survey:</i> 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	One survey conducted	20,000
Subtotal		40,000
Total		100,000

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Verification report

13. UNEP submitted a verification report which covered only 2020 –2023. UNEP indicated that the preparation of the verification report for 2024 is ongoing, and the Government of Eritrea is committed to completing the verification exercise as soon as possible and resubmitting by 30 May 2025 a revised verification report pursuant to decision 72/19(a)⁹ to include data for 2024.

⁹ Lead bilateral and implementing agencies submitting HPMP tranche requests to the first meeting of the year were encouraged to include a verification report of national consumption targets for the year immediately preceding the year during which the tranche was submitted.

Progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan

Legal framework

14. The Government of Eritrea has already issued HCFC import quotas for 2025 in accordance with the Montreal Protocol control targets.

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

Activities to maintain energy efficiency in the refrigeration servicing sector

15. 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. The project focuses on three main components: (a) strengthening institutional capacity through training of RAC technicians and customs officers on how to promote energy efficiency and the use of low-GWP refrigerants in RAC equipment, and enhancing their skills through information exchange sessions focused on energy efficiency and low-GWP refrigerants; (b) enhancing coordination among national stakeholders, through surveys and strategy development to support informed decision-making and sustain the HCFC phase-out; and (c) conducting public awareness campaigns to educate consumers and importers on the importance of energy-efficiency ratings, refrigerant types, and the environmental benefits of adopting energy-efficient and low-GWP technologies.

16. The Secretariat inquired about the timeline for the development of minimum energy performance standards (MEPS) for the RACHP sector, noting that the country has not yet established MEPS. UNEP clarified that Eritrea plans to develop MEPS for the RACHP sector as part of its broader energy efficiency strategy, with activities aligned with the additional activities proposed under decision 89/6. It is envisaged that the MEPS will be finalized and ready by January 2026. The Secretariat also sought clarification on whether Eritrea intends to implement a mandatory labelling programme for imported RACHP equipment. UNEP confirmed that Eritrea does not currently plan to introduce such a labelling requirement. While a labelling programme could contribute to future policy development by enhancing market transparency and informing consumer choice, no initiatives are currently underway to establish this standard.

17. UNEP confirmed that there are no other activities being implemented with non-Multilateral Fund funding sources that could overlap with the activities planned under this project.

Gender policy implementation

18. The Government of Eritrea and UNEP remain committed to implementing the Multilateral Fund's operational policy on gender mainstreaming and plan to incorporate gender equality into the activities and management of stage II of the HPMP. The Government's own gender policy, the National Gender Policy of Eritrea, will serve as a guideline. Gender-disaggregated data will be collected and reviewed during project monitoring, and outreach activities will target a gender balance. The NOU will seek input from stakeholders on how to incorporate gender-specific indicators into the planning, implementation, and reporting process of each component of stage II and will focus on supporting gender-balanced participation in training and capacity-building activities by reserving quotas for women.

Updated Agreement

19. In view of the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the accordingly revised funding schedule, the Agreement between the Government of Eritrea and the Executive Committee has been updated. Specifically, Appendix 2-A has been revised, and paragraph 17 has been added to indicate that the updated Agreement supersedes that

reached at the 91st meeting by decision 91/44, as contained in annex I to the present document. The updated Agreement will be appended to the final report of the 96th meeting.

Sustainability of the HCFC phase-out and assessment of risks

20. The Government of Eritrea continues to enforce and monitor the implementation of national regulations governing HCFCs, including operational licensing and quota systems introduced through the updated 2023 legislation. Through targeted training of customs officers and enforcement personnel, and by adopting the HS 2022 codes, Eritrea has maintained HCFC consumption below the levels agreed with the Executive Committee. To mitigate risks related to the sustainable phase-out of HCFCs, the Government will continue to strengthen regulatory enforcement and expand capacity-building efforts, including finalizing and operationalizing a RAC technician certification scheme. Further training programmes are planned to promote good servicing practices and the safe handling of low-GWP alternatives. Activities under the project component pursuant to decision 89/6 will support the uptake of energy-efficient, climate-friendly technologies, contributing to the long-term sustainability of HCFC reductions in the refrigeration servicing sector.

Conclusion

21. Eritrea remains in compliance with the maximum allowable consumption levels for HCFCs during the reporting period, with consumption steadily decreasing from 11.20 metric tonnes in 2020 to 7.10 metric tonnes in 2024, well within the limits stipulated under its Agreement with the Executive Committee. The disbursement rate for the first tranche exceeds 96 per cent. Progress was achieved under the first tranche, including the revision of the national legislation to incorporate HCFCs and HFCs, the establishment of a technician certification scheme, the training of 37 customs officers and 131 RAC technicians, strengthening of training institutions, and the procurement of key equipment to support refrigerant recovery and reuse.

RECOMMENDATION

22. The Fund Secretariat recommends that the Executive Committee note:

- (a) The progress report on the implementation of the first tranche of stage II of the HCFC phase-out management plan (HPMP) for Eritrea;
- (b) The submission of 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; and
- (c) That the Fund Secretariat has updated the Agreement between the Government of Eritrea and the Executive Committee, as contained in annex I to the present document, specifically: Appendix 2-A, to reflect the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector referred to in subparagraph (b) above; and paragraph 17, which has been added to indicate that the updated Agreement supersedes that reached at the 91st meeting (decision 91/44).

23. The Fund Secretariat further recommends blanket approval of the second tranche of stage II of the HPMP for Eritrea, and the corresponding 2025-2030 tranche implementation plan, at the funding levels shown in the table below on the understanding that UNEP will submit an updated verification report to include 2024 consumption data by 30 May 2025.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage II, second tranche)	235,000	30,550	UNEP
(b)	HCFC phase-out management plan (stage II, second tranche)	110,000	9,900	UNIDO

Annex I

TEXT TO BE INCLUDED IN THE AGREEMENT BETWEEN THE GOVERNMENT OF ERITREA 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

(Relevant changes are in bold font for ease of reference)

17. This updated Agreement supersedes the Agreement reached between the Government of Eritrea and the Executive Committee at the 91st meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2022	2023-2024	2025	2026-2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	0.71	0.71	0.35	0.35	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.67	0.60	0.35	0.35	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	115,000	0	235,000	0	75,000	425,000
2.2	Support costs for Lead IA (US \$)	14,950	0	30,550	0	9,750	55,250
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	105,000	0	110,000	0	0	215,000
2.4	Support costs for Cooperating IA (US \$)	9,450	0	9,900	0	0	19,350
3.1	Total agreed funding (US \$)	220,000	0	345,000	0	75,000	640,000
3.2	Total support costs (US \$)	24,400	0	40,450	0	9,750	74,600
3.3	Total agreed costs (US \$)	244,400	0	385,450	0	84,750	714,600
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)						0.71
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)						0.38
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						0.00

*Date of completion of stage I as per stage I Agreement: 31 December 2021