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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Ninety-eighth Meeting  
Montreal, 22–26 June 2026  
Item 8(c) of the provisional agenda<sup>1</sup>

**PROJECT PROPOSAL: MALAWI**

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, third tranche)      UNEP and UNIDO      Blanket approval

<sup>1</sup> UNEP/OzL.Pro/ExCom/98/1

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS****Malawi**

| PROJECT TITLE                  | AGENCY             | MEETING APPROVED | CONTROL MEASURE        |
|--------------------------------|--------------------|------------------|------------------------|
| HCFC phase-out plan (stage II) | UNEP (lead), UNIDO | 85 <sup>th</sup> | 100% phase-out by 2030 |

|                                          |                   |                 |
|------------------------------------------|-------------------|-----------------|
| <b>ARTICLE 7 DATA (Annex C, Group I)</b> | <b>Year: 2025</b> | 1.30 ODP tonnes |
|------------------------------------------|-------------------|-----------------|

| COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes) |         |      |              |               |           |         | Year: 2025               |
|----------------------------------------------|---------|------|--------------|---------------|-----------|---------|--------------------------|
| Substance                                    | Aerosol | Foam | Firefighting | Refrigeration |           | Solvent | Total sector consumption |
|                                              |         |      |              | Manufacturing | Servicing |         |                          |
| HCFC-22                                      |         |      |              |               | 1.30      |         | 1.30                     |

| CONSUMPTION DATA (ODP tonnes)    |      |                                                    |      |
|----------------------------------|------|----------------------------------------------------|------|
| 2009–2010 baseline:              | 10.8 | Starting point for sustained aggregate reductions: | 10.8 |
| CONSUMPTION ELIGIBLE FOR FUNDING |      |                                                    |      |
| Already approved:                | 10.8 | Remaining:                                         | 0.00 |

| ENDORSED BUSINESS PLAN |                            | 2026   | 2027 | 2028 | Total  |
|------------------------|----------------------------|--------|------|------|--------|
| UNEP                   | ODS phase-out (ODP tonnes) | 0.59   | 0.00 | 0.00 | 0.59   |
|                        | Funding (US \$)            | 73,217 | 0    | 0    | 73,217 |
| UNIDO                  | ODS phase-out (ODP tonnes) | 0.00   | 0.00 | 0.00 | 0.00   |
|                        | Funding (US \$)            | 0      | 0    | 0    | 0      |

| PROJECT DATA                                                 |                          |               | 2020    | 2021–2022 | 2023*   | 2024 | 2025 | 2026   | 2027–2029 | 2030   | Total   |
|--------------------------------------------------------------|--------------------------|---------------|---------|-----------|---------|------|------|--------|-----------|--------|---------|
| Consumption (ODP tonnes)                                     | Montreal Protocol limits |               | 7.02    | 7.02      | 7.02    | 7.02 | 3.51 | 3.51   | 3.51      | 0.27   | n/a     |
|                                                              | Maximum allowable        |               | 7.02    | 7.02      | 7.02    | 7.02 | 3.51 | 3.51   | 3.51      | 0.00   | n/a     |
| Amounts approved in principle (US \$)                        | UNEP                     | Project costs | 180,000 | 0         | 260,000 | 0    | 0    | 65,000 | 0         | 65,000 | 570,000 |
|                                                              |                          | Support costs | 23,400  | 0         | 32,866  | 0    | 0    | 8,217  | 0         | 8,217  | 72,700  |
|                                                              | UNIDO                    | Project costs | 100,000 | 0         | 100,000 | 0    | 0    | 0      | 0         | 0      | 200,000 |
|                                                              |                          | Support costs | 9,000   | 0         | 9,000   | 0    | 0    | 0      | 0         | 0      | 18,000  |
| Funds approved by ExCom (US \$)                              |                          | Project costs | 280,000 | 0         | 360,000 | 0    | 0    | 0      | 0         | 0      | 640,000 |
|                                                              |                          | Support costs | 32,400  | 0         | 41,866  | 0    | 0    | 0      | 0         | 0      | 74,266  |
| Total funds recommended for approval at this meeting (US \$) |                          | Project costs |         |           |         |      |      | 65,000 |           |        | 65,000  |
|                                                              |                          | Support costs |         |           |         |      |      | 8,217  |           |        | 8,217   |

\*Funding for 2023 includes US \$120,000, plus agency support costs of US \$15,169, for UNEP for additional activities to maintain energy efficiency (decision 89/6).

|                                      |                  |
|--------------------------------------|------------------|
| <b>Secretariat's recommendation:</b> | Blanket approval |
|--------------------------------------|------------------|

## PROJECT DESCRIPTION

1. On behalf of the Government of Malawi, UNEP as the lead implementing agency has submitted a request for funding for the third tranche of stage II of the HCFC phase-out management plan (HPMP), in the amount of US \$65,000, plus agency support costs of US \$8,217, for UNEP only.<sup>2</sup> The submission includes a progress report on the implementation of the second tranche and the tranche implementation plan for 2026 to 2030.

### Report on HCFC consumption

2. The Government of Malawi reported a consumption of 1.30 ODP tonnes of HCFCs in 2025, which is 88 per cent below the country's HCFC baseline for compliance. The 2021–2025 HCFC consumption is shown in table 1.

**Table 1. HCFC consumption in 2021–2025 in Malawi (Article 7 data)**

| HCFC-22                   | 2021  | 2022  | 2023  | 2024  | 2025  | Baseline |
|---------------------------|-------|-------|-------|-------|-------|----------|
| <b>Metric tonnes (mt)</b> | 51.20 | 45.60 | 34.20 | 28.30 | 23.70 | 196.4    |
| <b>ODP tonnes</b>         | 2.82  | 2.51  | 1.88  | 1.56  | 1.30  | 10.8     |

3. The consumption of HCFC-22 has shown a consistent decline over the past five years, supported by effective and strengthened enforcement of ODS regulations, customs monitoring and stakeholder engagement to prevent illegal trade and ensure that national consumption has remained within the allocated quotas. In addition, HFCs and HFC-blends are being adopted in the domestic refrigeration and air-conditioning (RAC) sectors. There has also been some recent penetration of HFCs and HFC-blends in the industrial and commercial RAC sectors, though HCFC-22 remains prominent. Adoption of low-GWP alternatives in the transport refrigeration and mobile air-conditioning subsectors remains low.

### *Country programme implementation report*

4. The HCFC consumption data provided by the Government of Malawi in its CP implementation report for 2025 is consistent with the data reported under Article 7 of the Montreal Protocol.

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

### *Legal framework*

5. The Government of Malawi is updating the ODS regulations in line with revisions of Environment Management Act. The regulations outline the quota and licensing systems and the rules on imports and exports of ODS and ODS-dependent equipment. The ban on imports of new and used HCFC-based equipment will be implemented by 31 December 2026.

6. The Government of Malawi has developed Minimum Energy Performance Standards (MEPS) for domestic and commercial refrigerating appliances. There are voluntary certification standards for RAC servicing technicians in the country, with the draft revised ODS regulations intending to make the standards mandatory in 2027.

7. During the second tranche, one border dialogue for eight customs officers (five from Malawi and three from Zambia) on collaboration between the two countries on implementation of Montreal Protocol activities was conducted; two training sessions were conducted for a total of 50 customs and law enforcement officers (including 17 women) on enforcement of legislation relating to controlled substances.

<sup>2</sup> As per the letter of 10 February 2026 from the Ministry of Environmental Affairs of Malawi to the Secretariat.

*Refrigeration servicing sector*

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

- (a) *Development of national technical standards and promotion of green procurement of RAC systems:* Conducted training for 20 enforcement officers (including eight women) on MEPS for refrigerating appliances; held one workshop for 30 participants (including eight women) on RAC certification standards; provided training for 20 procurement officers (including nine women) on green procurement practices; conducted two compliance monitoring inspections to a total of 60 institutions on implementation of regulations on management of controlled substances;
- (b) *Capacity building of the RAC sector:* Conducted training for 167 RAC technicians (including 44 women) through five training sessions on good servicing practices; conducted one training session for 20 participants (including six women) on the national certification scheme; held one meeting for 39 participants (including 18 women) aimed at increasing adoption of low-GWP and energy-efficient technologies;
- (c) *Technical assistance and strengthening of centres of excellence:* Procurement and provision of tools and equipment<sup>3</sup> to two regional centres of excellence for use by RAC students and graduates and informal technicians; establishment of one reclamation centre including procurement and installation of a reclaim machine and training of 14 trainers (including two women);
- (d) *Activities to maintain energy efficiency:* Completion of all activities under the component; the final deliverables achieved are described in detail in table 3; and
- (e) *Project implementation and monitoring:* Project monitoring activities including personnel and consultants (US \$5,000), travel and compliance monitoring visits (US \$5,000) and consultative workshops (US \$5,000).

Level of fund disbursement

9. As of February 2026, of the US \$640,000 approved so far, US \$566,482 had been disbursed (US \$440,000 for UNEP and US \$126,482 for UNIDO) as shown in table 2. The balance of US \$73,518 will be disbursed in 2026.

**Table 2. Financial report of stage II of the HPMP for Malawi (US \$)**

| Agency                       | First tranche  |                | Second tranche |                | Total          |                |               |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
|                              | Approved       | Disbursed      | Approved       | Disbursed      | Approved       | Disbursed      | Balance       |
| UNEP                         | 180,000        | 180,000        | 260,000        | 260,000        | 440,000        | 440,000        | 0             |
| UNIDO                        | 100,000        | 100,000        | 100,000        | 26,482         | 200,000        | 126,482        | 73,518        |
| <b>Total</b>                 | <b>280,000</b> | <b>280,000</b> | <b>360,000</b> | <b>286,482</b> | <b>640,000</b> | <b>566,482</b> | <b>73,518</b> |
| <b>Disbursement rate (%)</b> | <b>100</b>     |                | <b>79.6</b>    |                | <b>88.5</b>    |                |               |

<sup>3</sup> Initial supply to the centres of excellence included one set of refrigerant identifier, recovery and recycling unit, vacuum pump, recovery unit, nitrogen purging set and toolboxes (including manifold gauges, adapters, pinching, piercing, tube-cutting and flaring tools, tube benders, reamers, etc.).

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

10. The following activities will be implemented by UNEP between July 2026 and June 2030:

- (a) Conduct one training session for 20 officers on enforcement and technical standards in the RAC sector; carry out two monitoring inspections on 60 institutions including borders, shops, warehouses and storage facilities to ensure compliance with technical standards and ODS regulations (US \$15,000);
- (b) Conduct training for 50 law enforcement officers over two sessions on Montreal Protocol issues (US \$10,000);
- (c) Conduct three training sessions for 60 RAC technicians on alternative technologies; conduct one training session for 20 participants on the certification scheme and codes of conduct for the RAC industry; conduct one awareness meeting for 30 participants on benefits of using low-GWP energy-efficient technologies (US \$30,000); and
- (d) Project monitoring activities including consultants and a technical advisor to assist with the implementation of the HPMP (US \$10,000).

**SECRETARIAT'S COMMENTS AND RECOMMENDATION****COMMENTS**Progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan*Legal framework*

11. The Government of Malawi has issued HCFC import quotas for 2026 at 15 metric tonnes (0.83 ODP tonnes) which is lower than the Montreal Protocol control targets.

12. The Secretariat enquired about the progress in issuing the ban on HCFC-based equipment, UNEP clarified that the draft regulation is being finalized by the Ministry of Justice and Constitutional Affairs and is expected to be approved by June 2026. Implementation of the ban is expected by 31 December 2026. UNEP added that public sensitization on the implementation of the ban has been initiated and the country is currently benefiting from the regional Southern African Development Community (SADC) MEPS<sup>4</sup> which has already limited the introduction of HCFC-based appliances to local market.

*Refrigeration servicing sector*

13. In relation to the Secretariat's enquiry about the level of enforcement and modality of implementation of the green procurement policy, UNEP indicated that notwithstanding that the policy is currently being implemented on voluntary basis, the Public Procurement and Disposal of Assets Authority has incorporated issues of green procurement as a requirement during government procurement processes. The National Ozone Unit is conducting sensitization activities for the public on the benefits of green procurement, especially on refrigeration technologies, and is further promoting the mainstreaming of the policy considerations into the public and private procurement processes.

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<sup>4</sup> SADC HT 110:2023 for Air Conditioners and SADC HT 111:2023 for Refrigerating Appliances – December 2023

14. In response to the Secretariat's enquiry about status of implementation of the RAC certification and the established certification levels, UNEP clarified that currently, the scheme is being implemented as voluntary and is in the process of being mandated by mid-2026. The Technical, Entrepreneurial and Vocational Education and Training Authority will be the certifying authority, with the National Refrigeration Association providing technical support throughout the process. There are four established categories for the certification scheme, which are (i) Gold Card (for experts with a minimum of bachelor's degree in refrigeration along with knowledge and skills in good servicing practices, (ii) Green Card (holders of Trade Test Grade 1 or Diploma in refrigeration and competent in servicing, installation and maintenance of refrigeration equipment), and (iii) Blue or (iv) Yellow Cards, which are more commonly assigned to technicians with informal, on-the-job experience and are based on qualifications, knowledge and skills related to installation and maintenance of RAC appliances. UNEP further clarified that the next trainings conducted under the HPMP will be linked with the certification scheme.

15. The Secretariat requested further details about the support to strengthen local refrigeration associations, and UNEP reported that the support included delivery of one training session for 20 members of the RAC association on the certification scheme for RAC technicians. Additionally, one further training session is planned for 20 association members to strengthen their capacity to support the certification process, and to promote the adoption of good servicing practices nationwide.

16. In relation to the operation of the established reclamation centre, UNEP clarified that the centre is now operational; however, it remains under-utilized due to its recent establishment. The volume of refrigerants recovered to date is minimal and is largely sourced from commercial entities. Ongoing sensitization efforts aim to increase awareness and encourage broader use of the centre and its facilities. The centre is still in the process of designing the best business model of operation, considering all possible tracks including reclaiming refrigerant for re-use at a fee or buying recovered refrigerants and re-introducing them in the market at lower price, compared to virgin refrigerants.

17. In relation to the support of the centre of excellence, UNEP clarified that in addition to the equipment supplied and reported under the current progress, additional equipment<sup>5</sup> is under purchase to complete the basic requirements for the centre of excellence and reclamation centre.

18. Noting that the additional activities to support energy efficiency under decision 89/6 are reported as completed and all funds are fully disbursed, the Secretariat requested UNEP to provide additional details about the final deliverables achieved, and the breakdown of funds against activities implemented under this project. Accordingly, UNEP provided details as per table 3 below.

**Table 3: Report on the activities to maintain energy efficiency under decision 89/6**

| Activity                                               | Description of work undertaken during reporting period | Deliverables achieved                                                                                                                                                                                                                                             | Expenditure (US \$) |
|--------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Capacity building of key staff and stakeholders</b> | Coordination meetings with key stakeholders            | Four coordination meetings were conducted with enforcement agencies on implementation of the standards on refrigerating appliances, and roles of the enforcement agencies were identified. A total of 78 participants (including 36 women) attended the meetings. | 20,000              |
|                                                        | Training of enforcement officers                       | Four training sessions of enforcement officers were undertaken. The officers were oriented on new standards on refrigerating appliances. The trainings enhanced the capacity and understanding for                                                                | 30,000              |

<sup>5</sup> This includes refrigerant identifiers, electronic leak detectors, recovery units, recovery cylinders, weighing scales, charging stations, large storage tanks, training rigs (including CO<sub>2</sub> learning system), vacuum pumps, manifold gauges, refrigeration and air-conditioning units for training purposes and several tubing and hand tools.

| Activity                              | Description of work undertaken during reporting period                         | Deliverables achieved                                                                                                                                                                                                                                                                                               | Expenditure (US \$) |
|---------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
|                                       |                                                                                | effective enforcement. A total of 80 officers (including 25 women) were trained.                                                                                                                                                                                                                                    |                     |
|                                       | Sensitization of importers and retail suppliers                                | Two sensitization meetings were held with importers and suppliers of refrigeration technologies. A total of 38 participants (including 17 women) attended the meetings. The stakeholders were sensitized on the standards for refrigerating appliances to enhance uptake of high energy efficient RAC technologies. | 10,000              |
| <b>Outreach and Impact Assessment</b> | Development of outreach materials                                              | Outreach materials highlighting the provisions of the refrigerating standards and other energy efficient related issues were developed and disseminated to key stakeholders. The materials included posters, jingles which were aired in local radios and televisions, T-shirts and caps.                           | 20,000              |
|                                       | Survey on consumer behaviour on purchasing RAC appliances                      | A survey on consumer behaviour was conducted, and priority behaviour issues were identified.                                                                                                                                                                                                                        | 10,000              |
|                                       | Awareness campaigns on low-GWP and energy-efficient technologies and standards | Five awareness meetings were held with officers from district councils, consumer protection and bureau of standards. A total of 120 participants (including 39 women) attended the meetings.                                                                                                                        | 30,000              |
| <b>Total</b>                          |                                                                                |                                                                                                                                                                                                                                                                                                                     | <b>120,000</b>      |

#### Gender policy implementation

19. The Government of Malawi, UNEP and UNIDO are fully committed to the implementation of the Multilateral Fund's policy in line with decisions 84/92(d) and 90/48(c). During the first tranche, eight female enforcement officers, 17 female customs officers and 44 female RAC technicians engaged in capacity building and training activities. An action plan was developed and is currently being implemented which includes integrating responsive indicators and reporting into HPMP implementation, and adopting approaches for encouraging women's participation in training, data collection, stakeholder consultations and decision-making processes to address inequalities in project design, implementation and accessibility.

#### Sustainability of the HCFC phase-out and assessment of risks

20. The key risks and mitigation measures are built on approaches successfully applied in previous tranches of the HPMP and will be further strengthened in subsequent tranches to ensure continuity and sustainability of HCFC phase-out activities. It includes the following aspects:

- (a) Institutional and technical capacity limitations which are mitigated through targeted training, ensuring clarity and fostering roles and institutional collaboration amongst different relevant entities;
- (b) Slow market uptake of alternatives due to higher upfront costs which is being addressed through strengthening supplier engagement and awareness campaigns highlighting both short- and long-term benefits;
- (c) Regulatory enforcement challenges which are being addressed through strengthened monitoring, customs training, and inter-agency coordination as well as inspection campaigns on the implementation of ODS regulations; and

- (d) Safety and technical risks associated with flammable or high-pressure refrigerants which are being mitigated through comprehensive training, adoption of international standards, and incorporation of safety requirements into national regulations and enterprise procedures, as well as the establishment of the RAC certification scheme.

### Conclusion

21. The Government of Malawi has reduced its consumption of HCFCs to 1.3 ODP tonnes in 2025 which is 88 per cent below the HCFC baseline and 70 per cent below the Agreement target for the same year. The activities relating to the service sector, customs training and enforcement, and operation of the national reclamation centres are progressing as planned. The additional activities to maintain energy efficiency under decision 89/6 are completed with targets fully achieved and detailed reporting provided. All funds approved under the first tranche have been fully disbursed, and 80 per cent of the funds approved under the second tranche have been disbursed, including full utilization of the funds allocated for the additional activities to maintain energy efficiency. Stage II activities facilitated the establishment of the technicians' certification scheme, the monitoring of HCFC imports, including training of enforcement officers, and implementation of green procurement policies, as well as inspection campaigns on the implementation of the ODS regulations. It also facilitated the support of two centres of excellence and the establishment of the reclamation centre. The additional energy efficiency activities under decision 89/6 facilitated creating the necessary momentum towards deploying energy-efficient RAC applications, especially in residential and light commercial sectors, in support of the regional SADC MEPS.

### **RECOMMENDATION**

22. The Fund Secretariat recommends that the Executive Committee note the progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Malawi, and further recommends blanket approval of the third tranche of stage II of the HPMP and the corresponding 2026–2030 tranche implementation plan for Malawi at the funding level shown in the table below.

|     | <b>Project title</b>                                     | <b>Project funding<br/>(US \$)</b> | <b>Support costs<br/>(US \$)</b> | <b>Implementing<br/>agency</b> |
|-----|----------------------------------------------------------|------------------------------------|----------------------------------|--------------------------------|
| (a) | HCFC phase-out management plan (stage II, third tranche) | 65,000                             | 8,217                            | UNEP                           |