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EXECUTIVE COMMITTEE OF
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Ninety-ninth Meeting
Montreal, 7–11 December 2026
Items 9(c) and (d) of the provisional agenda[1]

PROJECT PROPOSALS: THE BAHAMAS

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

Energy efficiency		
• Additional activities to maintain energy efficiency in refrigeration-based appliances (decision 89/6)	UNEP	Blanket approval
Phase-down		
• Kigali HFC implementation plan (stage I, first tranche)	UNEP and UNIDO	Individual consideration

[1] UNEP/OzL.Pro/ExCom/99/1

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

PROJECT DESCRIPTION

1. Stage II of the HCFC phase-out management plan (HPMP) for the Bahamas was approved at the 90th meeting[2] to completely phase out HCFC consumption by 2030, in the amount of US $591,680, plus agency support costs for UNEP and UNIDO. The third tranche of the HPMP is scheduled to be submitted to the first meeting of 2028.

2. On behalf of the Government of the Bahamas, UNEP, as the lead implementing agency, has submitted a request for funding additional activities for maintaining energy efficiency in refrigeration-based appliances in line with decisions 89/6(b) and 92/22,[3] in the amount of US $100,000, plus agency support costs of US $13,000.[4] The submission includes a description of proposed activities, targets, and an implementation plan of 24 months from January 2027 to December 2028.

Report on HCFC consumption

3. The Government of the Bahamas reported under both the Article 7 data and the country programme implementation report a consumption of 0.84 ODP tonnes of HCFCs in 2025, which is 82.5 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 the Bahamas (2021–2025 Article 7 data)

HCFC-22	2021	2022	2023	2024	2025	Baseline
Metric tonnes (mt)	45.92	11.46	44.36	35.46	15.27	87.45
ODP tonnes	2.53	0.63	2.44	1.95	0.84	4.81

4. The only HCFC consumed in the country is HCFC-22 in the refrigeration and air-conditioning (RAC) servicing sector. Consumption over the last five years has been fluctuating due to the economic conditions following the COVID-19 pandemic. Despite these fluctuations, the country's HCFC consumption is below the allowable consumption limit of 1.56 ODP tonnes in 2025.

Project description

5. The project related to energy efficiency, submitted in line with decision 89/6, has been designed to strengthen the Bahamas' institutional and technical capacity through building the groundwork to support future minimum energy performance standards (MEPS) and labelling programmes for RAC equipment and piloting a product registration database for RAC equipment as a foundation for market surveillance and future compliance checks for energy efficiency in imported appliances.

6. The Bahamas is a member of the Caribbean Community (CARICOM) and of the CARICOM Regional Organization for Standards and Quality (CROSQ), the centre for promoting efficiency and competitive production in goods and services through standardization and quality verification. CROSQ published energy-efficiency building standards in March 2019 to assist member states in improving energy efficiency and supporting energy conservation efforts. Three energy-efficiency standards for air conditioners, refrigerators, and lighting were approved in May 2019 by CARICOM member states, and MEPS and labelling requirements for LED and CFL[5] light bulbs, refrigerators, and air conditioners were established by the CARICOM Regional Energy Efficiency Scheme; however, the Bahamas has not adopted those standards

[2] Decision 90/35 and document UNEP/OzL.Pro/ExCom/90/19

[3] Decision 92/22 allows for the submission of requests for activities referred to in decision 89/6(b) separately from HPMP tranche requests, including a revised Agreement between the Government of the Article 5 country concerned and the Executive Committee, on the understanding that those activities were integrated into the ongoing tranche implementation plans.

[4] As per the letter of 29 July 2026 from the Ministry of the Environment and Natural Resources of the Bahamas to the Secretariat.

[5] Light-emitting diode and compact fluorescent lamp

nationally nor has it established the MEPS or national energy-labelling for RAC appliances. In the absence of such legislation, the Bahamas continues to rely on international labelling, such as U.S. Energy Star. There has been a push to standardise labels on imported RAC products in alignment with regional codes and labelling standards, led by the Bahamas Bureau of Standards and Quality (BBSQ), which is in the process of examining the adoption of international standards. Any new standard under the BBSQ requires ministerial approval from the Ministry of Labour, adding a procedural step to the standards adoption process beyond the technical committee stage.

7. In 2018, the Bahamas was a beneficiary of the Caribbean Cooling initiative (C-COOL), a project showcasing the benefits of rapid and comprehensive transition to energy-efficient and climate-friendly cooling. Implemented by UNEP's United for Efficiency (U4E), it has supported the market assessment of energy efficiency in RAC equipment, as well as the development of a National Cooling Strategy, the MEPS and energy-labelling recommendations, and training on product registration systems (PRSs).

8. The Bahamas developed an Energy Policy that targets energy efficiency as a priority; however, no active projects specifically targeting energy efficiency in the RAC sector have been identified by the national ozone unit (NOU). While there is no formal coordination mechanism between the NOU and the energy-efficiency counterpart entity (the Energy Department), the head of the Energy Department and the national ozone officer jointly attended a UNEP workshop in 2023, indicating an existing relationship that could be formalised under this project.

9. The description and proposed cost breakdown of activities to maintain energy efficiency in the sector are presented in table 2.

Table 2. Activities, expected outputs and funding requested for the project to maintain energy efficiency for the servicing sector in the Bahamas (as submitted)

Activity	Performance indicators	Cost (US $)
Component 1: Coordination and evidence-building to support future national MEPS and labelling for RAC		
Activity 1.1: Enhanced coordination to further regional MEPS and labels integrating low global-warming potential (GWP) limits	1.1.1: Establish a multi-stakeholder coordination group led by the NOU by building on the existing informal coordination between the NOU and the Energy Department (including Twinning Workshops, C-COOL implementation and National Cooling Strategy draft development); 1.1.2: Coordinate with national Technical and Vocational Education and Training (TVET) institutions to ensure that MEPS and labelling schemes also enable jobs and reskilling opportunities in the country, building on the existing heating, ventilation and air-conditioning certification programme at the national vocational school; and 1.1.3: Organize meetings and dedicated sessions with technical experts to review regional MEPS and labelling frameworks and assess their feasibility for national adoption, operationalisation, and implementation, in particular, the CARICOM Regional Energy-Efficiency Scheme, MEPS and labelling standards for air conditioners and refrigerators, and the Caribbean Community Regional Energy-Efficiency Building Code	15,000
Activity 1.2: Develop an energy-efficiency baseline for RAC systems	Conduct an assessment of RAC equipment in the Bahamas by gathering data from existing sources (e.g., U4E market assessment) and technical visits to importers and retailers to develop an energy-efficiency baseline for the RAC sector focusing on domestic refrigerators and room air conditioners, including a demand assessment to estimate potential energy savings and emissions avoided with the introduction of high efficiency and low-GWP RAC equipment to inform the regulatory roadmap and the prioritisation of sectors for targeted interventions	20,000

Activity	Performance indicators	Cost (US $)
Activity 1.3: Coordinated policy and regulatory roadmap	Develop and publish a policy and a regulatory roadmap for the adoption of MEPS and labels that will include an agreed timeline and an outline of the roles and responsibilities across relevant ministries/agencies for the ministerial approval process and policy implementation	10,000
Subtotal		**45,000**
Component 2: Product registration database for RAC equipment		
Activity 2.1: Designing the product information database pilot	2.1.1: Map equipment importer population (enterprises importing pre-charged RAC appliances), define the scope, institutional home, and minimum requirements for the database, and establish a data-recording workflow where RAC equipment importers submit product model information to the NOU prior to first importation and define the customs' role as a shipment verification and data-collecting point; 2.1.2: Assess potential legal and administrative instruments to make importer registration mandatory; and 2.1.3: Review the U4E open-source PRS prototype and comparable tools as design references for the pilot form and potential assets for scaling up to a PRS	10,000
Activity 2.2: Registration form development, database and guidance materials	2.2.1: Develop a digital data collection form for importer submission to the NOU covering brand, model, product category, refrigerant type and charge, energy-efficiency rating if available, country of origin and importer details, aligned with the existing electronic licensing and quota system data fields to facilitate cross-checking where feasible; and 2.2.2: Establish a centralized NOU product database to consolidate and maintain records, develop a customs verification checklist for cross-checking shipments against the database, and develop user guidance materials for importers, NOU staff, and customs officers	20,000
Activity 2.3: Running and analysis of the pilot scheme	2.3.1: Pilot the data collection process for residential air conditioners and domestic refrigerators in Nassau, New Providence, engaging registered importers as primary registering parties and coordinating with customs for the verification function; and 2.3.2: Analyze pilot data to produce a market intelligence report on the efficiency profile of imported RAC equipment and evaluate the pilot, documenting lessons learned, and develop a roadmap for full national implementation of the registration system, including assessment of the U4E PRS prototype as the technical platform for future compliance	25,000
Subtotal		**55,000**
Total		**100,000**

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

10. The Secretariat has reviewed the project proposal in line with decisions 89/6(b) and 92/22 and sought additional information from UNEP.

Eligibility under decisions 89/6 and 92/22

11. Proposed activities are in line with the eligibility criteria listed in decision 89/6(b)(iii), since they include the creation of a coordination group to consider the regional CARICOM MEPS and labelling schemes applied in neighboring countries, and the preparation of a regulatory roadmap to support the adoption of the regional CARICOM MEPS and full-scale implementation of labels in the Bahamas; and those in decision 89/6(b)(v), since they include a pilot project to develop a product information database to

capture key product data, including refrigerant type, charge, and available efficiency data supporting future market surveillance, MEPS and labelling implementation, and informed public procurement. The pilot project would lay the groundwork for a scaled-up roadmap for full national implementation of the registration system, including the assessment of the U4E PRS prototype as the technical platform for a future compliance-oriented system once MEPS are established. In line with decision 92/22, this project was submitted separately from the next HPMP tranche request, due to be submitted at the first meeting of 2028.

Technical and cost-related issues

Minimum energy performance standards

12. The Secretariat requested information on the readiness of the country to adopt the CARICOM Regional Energy-Efficiency Scheme, MEPS and labeling requirements for air conditioners and household refrigerators, which were approved in May 2019. UNEP provided clarification regarding a date for the adoption of national MEPS and affirmed that the Bahamas was cognizant that adoption would occur once the enabling environment, including a coordinated approach, for the MEPS was provided for through the energy-efficiency project. UNEP further indicated that the Bahamas was a signatory of the Global Cooling Pledge, which commits to "establish MEPS by at the latest 2030 and aim to routinely raise ambition and progress consistent with respective national laws with a view to achieve net-zero emissions by 2050 and noting best available technology and available model regulation guidelines." Because of the existing national commitment, it would be prudent that a specific date for adopting the MEPS be guided by this commitment and wider national consultations. Based on the Global Cooling Pledge commitment, and considering the project's timeframe of 24 months, the Bahamas will establish MEPS in line with their existing national commitment by 2030.

National coordination and pilot refrigeration and air-conditioning product database

13. The Secretariat noted the proposed activities as well as the previous work achieved through the Caribbean Cooling initiative and did not suggest any changes to the budget or the activities.

Gender policy implementation

14. Through the implementation of the project, the Government of the Bahamas will seek to achieve equal male and female representation and participation in workshops and collect and report on disaggregated data. Activities will be implemented in alignment with the action plan developed under stage II of the HPMP, which addresses women's empowerment through the collection and monitoring of sex-disaggregated data; in particular, under the evaluation and reporting tasks.

Updated Agreement

15. 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 the Bahamas and the Executive Committee for stage II of the HPMP 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 90th meeting by decision 90/35, as contained in annex I to the present document. The updated Agreement will be appended to the final report of the 99th meeting.

Conclusion

16. The project has been submitted in accordance with decisions 89/6(b) and 92/22 and is expected to help the Bahamas adopt regional MEPS under the national MEPS and to establish formal coordination for RAC energy-efficiency activities. It is expected that the Bahamas will establish MEPS in line with their existing national commitment by 2030. The project will also support coordinated efforts to advance

energy-efficiency goals in the RAC sector, build the groundwork to support future MEPS and labelling programmes for RAC equipment, and pilot a product registration database to check for energy efficiency in imported appliances. The project will contribute to the overall objectives of the HPMP and help the country sustain the achieved reductions of HCFC consumption while adopting more energy-efficient RAC technologies.

RECOMMENDATION

17. The Fund Secretariat recommends blanket approval of the project for additional activities to maintain energy efficiency in the refrigeration and air-conditioning servicing sector in the Bahamas, and the corresponding 2027–2029 implementation plan, at the funding level shown in the table below, on the understanding that the Fund Secretariat has updated the Agreement between the Government of the Bahamas and the Executive Committee for stage II of the HCFC phase-out management plan, as contained in annex I to the present document, specifically Appendix 2-A, to reflect the revised funding level owing to the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector, and paragraph 17, which has been added to indicate that the updated Agreement supersedes that reached at the 90th meeting by decision 90/35.

	Project title	Project funding (US $)	Support costs (US $)	Implementing agency
(a)	Additional activities for the introduction of alternatives to HCFCs with low global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector	100,000	13,000	UNEP

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

The Bahamas

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

ARTICLE 7 DATA (Annex F)	Year: 2025	45.90 mt	96,200 CO_2-eq tonnes

COUNTRY PROGRAMME SECTORAL DATA (CO_2-eq tonnes) AND ACTIVITIES								Year: 2025	
	Aerosol	Foam	Fire-fighting	Air-conditioning (AC) and refrigeration				Solvent	Other
				Manufacturing			Servicing		
				Refrigeration	AC	Other			
HFCs							96,196		
Planned activities agreed (Y/N)							Y		

AVERAGE 2020–2022 HFC CONSUMPTION IN SERVICING	45.05 mt	124,206 CO_2-eq tonnes

BASELINE DATA (CO_2-eq tonnes)	2020	2021	2022	Average 2020–2022
HFC annual consumption	110,797	60,888	200,934	124,206
HCFC baseline (65%)				102,997
HFC baseline				227,203

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			2026*	2027	2028	2029	2030	Total
Consumption (CO_2-eq tonnes)	Montreal Protocol limits		227,203	227,203	227,203	204,483	204,483	n/a
	Maximum allowable		227,203	227,203	227,203	188,578	186,307	n/a
	Reduction from baseline (%)		0.0	0.0	0.0	17.0	18.0	n/a
Project costs requested in principle (US $)	UNEP	Project costs	50,900	0	55,600	0	0	106,500
		Support costs	6,617	0	7,228	0	0	13,845
	UNIDO	Project costs	43,500	0	8,000	0	0	51,500
		Support costs	5,655	0	1,040	0	0	6,695
Total amounts recommended in principle (US $)		Project costs	94,400	0	63,600	0	0	158,000
		Support costs	12,272	0	8,268	0	0	20,540
		Total funds	106,672	0	71,868	0	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

Secretariat's recommendation	Individual consideration

PROJECT DESCRIPTION

18. 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

19. On behalf of the Government of the Bahamas, 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 $106,500, plus agency support costs of US $13,845, for UNEP and US $51,500, plus agency support costs of US $6,695, for UNIDO, as originally submitted.[6]

20. The implementation of stage I of the KIP will assist the Government of the Bahamas in meeting the target of 17 per cent reduction from its HFC baseline consumption by 1 January 2029.

21. The first tranche of stage I of the KIP being requested at this meeting amounts to US $106,672, consisting of US $50,900, plus agency support costs of US $6,617, for UNEP and US $43,500, plus agency support costs of US $5,655, for UNIDO, as originally submitted, for the period of January 2027 to December 2029.

II. Background

Status of implementation of the HCFC phase-out management plan

22. Table 3 presents information on the HCFC phase-out management plan (HPMP) in the Bahamas as of August 2026.

Table 3. HPMP implementation status for the Bahamas

Particulars	Stage I	Stage II
Meeting when HPMP was approved	65th	90th
Reduction from baseline	35% by 2020	100% by 2030
Total stage cost (US $)	308,320	591,680
Date of completion (actual or planned)	30 June 2023	31 December 2031

Status of implementation of previous HFC-related activities

23. Table 4 presents an overview of activities implemented in the Bahamas in the context of the Kigali Amendment that have been funded by the Multilateral Fund.

[6] As per the letter of 29 July 2026 from the Ministry of Environment and Natural Resources of the Bahamas to the Secretariat.

Table 4. Previously approved HFC-related activities in the Bahamas

Approval meeting	Project title	Implementing agency	Cost (US $)	Date of completion
75th	Survey of ODS alternatives	UNEP	20,000	Sep-2017
82nd	Enabling activities for HFC phase-down	UNEP	95,000	Dec-2021

III. HFC consumption overview

HFC consumption levels

24. The Bahamas only imports HFCs for use in the refrigeration and air-conditioning (RAC) sectors. The most consumed substances in 2025 were R-410A (43.4 per cent of total HFC consumption in CO_2-equivalent (CO_2-eq) tonnes), R-404A (34.2 per cent), and HFC-134a (20.2 per cent). Table 5 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 5. 2020–2025 HFC consumption and baseline for the Bahamas (Article 7 data)

HFC	GWP	2020	2021	2022	2023	2024	2025
Metric tonnes (mt)							
HFC-32	675	0.00	0.00	0.00	0.11	0.00	1.43
HFC-134a	1,430	5.98	5.98	16.69	8.06	11.14	13.58
R-404A	3,921.60	20.06	7.63	31.39	16.10	15.26	8.39
R-407A	2,107	0.00	0.00	0.85	0.00	0.00	0.00
R-407C	1,773.85	0.00	0.00	1.98	0.00	0.00	0.00
R-410A	2,087.50	11.30	10.74	21.70	37.30	26.22	20.00
R-454B	465.075	0.00	0.00	0.00	0.00	0.00	2.50
R-507A	3,985	0.00	0.00	0.85	0.00	0.00	0.00
Total (mt)		**37.34**	**24.35**	**73.45**	**61.57**	**52.62**	**45.90**
CO_2-eq tonnes							
HFC-32	675	0	0	0	74	0	965
HFC-134a	1,430	8,557	8,557	23,870	11,526	15,930	19,419
R-404A	3,921.60	78,652	29,922	123,107	63,138	59,844	32,902
R-407A	2,107	0	0	1,785	0	0	0
R-407C	1,773.85	0	0	3,507	0	0	0
R-410A	2,087.50	23,589	22,409	45,290	77,864	54,734	41,750
R-454B	465.075	0	0	0	0	0	1,163
R-507A	3,985	0	0	3,375	0	0	0
Total (CO_2-eq tonnes)		**110,797**	**60,888**	**200,934**	**152,602**	**130,508**	**96,200**
HFC baseline calculation (CO_2-eq tonnes)							
Average HFC consumption in 2020–2022							124,206
HCFC baseline (65%)							102,997
HFC baseline							**227,203**

Country programme implementation report

25. The sectoral HFC consumption data provided by the Government of the Bahamas in its country programme implementation report for 2025 is consistent with the data reported under Article 7 of the Montreal Protocol.

HFC consumption trends

26. HFC consumption in the Bahamas peaked in 2022 as a result of increased economic activity following the reopening of markets after the COVID-19 shutdown. While there was a slow decline post-2022, 2025 saw a significant drop from 2024 to 2025 of 12.8 percent in metric tonnes (26.3 percent in CO_2-eq tonnes), which is partially a reflection of the Bahamas' dependency on the American markets' transition to alternatives. In 2025, due to a misclassification in the electronic single window (ESW) system, HFC tariffs headings were not flagged properly, and several months of imports were likely not recorded; preliminary investigation indicates that if any amounts were missed, they were likely related to HFC-32. The downward trend from 2023 to 2025 was projected to continue through to 2026, but preliminary 2026 data indicate a spike.

HFC consumption by sector

27. HFCs are mainly consumed for servicing in residential air-conditioning (AC) (41.3 per cent in mt and 39.2 per cent in CO_2-eq tonnes), followed by mobile air-conditioning (MAC) (29.8 per cent in mt and 20.4 per cent in CO_2-eq tonnes), commercial refrigeration (14.7 per cent in mt and 27.6 per cent in CO_2-eq tonnes), and other subsectors, as shown in tables 6 and 7.

Table 6. 2025 HFC consumption in the Bahamas in the servicing subsectors (mt)

Sector	HFC-32	HFC-134a	R-404A	R-410A	R-454B	Total	Share of total (%)
Refrigeration subsectors							
Domestic	0.00	0.00	0.00	0.00	0.00	0.00	0.0
Commercial	0.00	0.00	6.74	0.00	0.00	6.74	14.7
Industrial	0.00	0.00	1.37	0.00	0.00	1.37	3.0
Transport	0.00	0.09	0.10	0.00	0.00	0.19	0.4
Air-conditioning subsectors							
Residential	1.38	0.00	0.00	17.53	0.00	18.91	41.3
Commercial	0.00	0.00	0.00	2.46	2.46	4.92	10.8
Mobile	0.00	13.63	0.00	0.00	0.00	13.63	29.8
Total	**1.38**	**13.72**	**8.21**	**19.99**	**2.46**	**45.76**	**100**

Table 7. 2025 HFC consumption in the Bahamas in the servicing subsectors (CO_2-eq tonnes)

Sector	HFC-32	HFC-134a	R-404A	R-410A	R-454B	Total	Share of total (%)
Refrigeration subsectors							
Domestic	0	0	0	0	0	0	0.0
Commercial	0	0	26,432	0	0	26,432	27.6
Industrial	0	0	5,373	0	0	5,373	5.6
Transport	0	129	392	0	0	521	0.5
Air-conditioning subsectors							
Residential	932	0	0	36,594	0	37,525	39.2
Commercial	0	0	0	5,135	1,144	6,279	6.6
Mobile	0	19,491	0	0	0	19,491	20.4
Total	**932**	**19,620**	**32,196**	**41,729**	**1,144**	**95,621**	**100**

Refrigeration and air-conditioning servicing sector

28. There are approximately 3,000 technicians, both formal and informal, and around 90 workshops consuming HFCs in the Bahamas, with an estimated 10 workshops specializing in MAC servicing. The exact number of practising female technicians is unknown; however, records show that about a quarter of all students enrolled in the heating, ventilation and air-conditioning (HVAC) programme at the Bahamas Technical and Vocational Institute (BTVI) are women. The BTVI is the main technical school training RAC and MAC technicians in the country, with HVAC training also provided by the national chapter of the Refrigeration Service Engineers Society (RSES). In cooperation with the national ozone unit (NOU), the RSES has developed and incorporated a module on ozone in its courses, including the issue of the safe handling of alternatives. There is currently no national certification programme, but both the RSES and the BTVI certify technicians upon course completion. Under the HPMP, the NOU has an established training programme in place that follows UNEP's training programme for training technicians on good refrigeration management practices, refrigerant recovery, recycling and reuse, and alternative technologies. Stage II of the HPMP foresees the development of a unified national model for certification.

Domestic, commercial, industrial and transport refrigeration servicing

29. The domestic refrigeration sector has fully transitioned to isobutane (R-600a), widely available from local suppliers. Commercial refrigeration applications, including stand-alone units, condensers and centralized systems, consume mostly R-404A and propane (R-290), with R-290 becoming more and more widely used. Small amounts of HFC-134a are used in transport refrigeration alone, and R-404A is also used in industrial and transport refrigeration. The commercial refrigeration subsector, especially supermarkets, is the largest HFC consumer in the refrigeration sector.

Residential and commercial air-conditioning servicing

30. The most consumed HFC in the AC servicing sector is R-410A, predominantly used in residential and, to a lesser extent, commercial air conditioners. Other HFCs used in the sector include R-454B and HFC-32. Residential AC accounts for the largest share of HFC consumption in this subsector.

31. Enterprises in the Bahamas are actively promoting and selling HFC-32-based AC units and their uptake is expected to grow. Alternatives to HFC-32 are currently of limited availability in the country. R-454B is not readily available owing to supply chain issues, its classification as mildly flammable (A2L) and a shortage of specialized cylinders needed for its transport and sales. Several local enterprises act as distributors for manufacturers that have committed to transitioning to R-454B in new equipment lines and would therefore be more likely to carry the units. However, R-454B may need to be special-ordered, even if a supplier typically carries refrigerants.

Mobile air-conditioning servicing

32. The MAC servicing subsector has seen rapid transition to HFO-1234yf over the last 10 years, with an estimated two-thirds of the market, driven by regulations banning HFC-based MAC systems in Europe, the United States and Japan. HFC-134a is still used for the remaining one-third of the market.

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

Institutional, policy and regulatory framework

33. The implementation of stage I of the KIP will follow a model similar to that of the HPMP. The NOU, located within and supervised by the Environment Monitoring and Risk Assessment Division, is part of and consults with the Department of Environmental Health Services under the Ministry of the Environment and Natural Resources (MENR). The NOU comprises the national ozone officer, responsible

for day-to-day and administrative functions, and local Government employees that support the implementation of the Montreal Protocol. The NOU is responsible for the implementation of all Montreal Protocol-related projects and programmes.

34. Other key entities include the Bahamas Customs Department; the Department of Environment Planning and Protection within the MENR, responsible for all national projects that have an environmental impact; the Attorney General's Office; the BTVI, which is the country's national technical vocational school; the RSES, an international body that focuses on training for the HVAC sectors; and the Bahamas Bureau of Standards and Quality, responsible for all procedures related to products that require a standard. Further, the Bahamas Refrigeration Association (BASHREE) is currently being reformed and is expected to play an important role in the KIP; consultations are planned under the HPMP to include them in Montreal Protocol activities.

35. The Bahamas has in place an operational licensing and quota system for HFCs since January 2026; HFCs will be included in the ESW system of the customs pending a legislative update. There is no pre-clearance licensing process for HFCs established yet, but the NOU approves all HFCs entering the country through the ESW system. The Bahamas is also part of the Informal Prior Informed Consent system.

36. The Government ratified the Kigali Amendment on 30 May 2023. The umbrella legislation for the control of ozone-depleting substances (ODSs) in the country is the Montreal Protocol (Controlled Substances) Act of 2008, which has also established requirements related to the sales of ODSs and servicing of ODS-based equipment. In addition, the Montreal Protocol regulations of 2008 for the import/export licensing system of controlled substances established the licensing and quota system for ODSs and other ODS import control measures. Those regulations also banned the import of CFC-based equipment and vehicles containing ODS-based AC systems, and established labelling requirements for ODS containers and cylinders.

37. The Bahamas has a regional energy-labelling standard for the RAC equipment under the Caribbean Regional Office of Standards and Quality. While minimum energy performance standards (MEPS) are not yet developed in the country, a project for additional activities to maintain energy efficiency in refrigeration-based appliances has been submitted to the present meeting, aiming *inter alia* to develop the foundation for MEPS and labelling programmes for RAC equipment.[7]

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

Overarching strategy

38. The Bahamas proposes to reduce HFC consumption by 38,625 CO_2-eq tonnes by 2029. This target is 17 per cent below the baseline and 7 per cent over the Montreal Protocol reduction target of 10 per cent (or 22,720 CO_2-eq tonnes).

39. Stage I of the KIP will focus on strengthening the institutional and legal framework to support HFC phase-down, building capacity of customs and enforcement officers on the control of HFCs, and undertaking complementary work on servicing sector areas that were not sufficiently covered by HPMP activities, such as including HFCs in the certification scheme, enhance the online training platform, development of e-booklets for equipment containing flammable alternatives, support to the BTVI and service workshops with HFC recovery equipment for training purposes, and outreach and awareness activities.

[7] Paragraphs 1–17 of the present document

Proposed reductions

40. UNEP provided two business-as-usual (BAU) forecast scenarios, projecting growth by substance starting from the average of 2023–2025 consumption using a 3 per cent and a 7.44 per cent growth rate from 2026 through 2030. The rationale to use the 2023–2025 average consumption is because the COVID-19 pandemic and related lockdown and subsequent lifting of barriers created fluctuations in HFC consumption with a peak in 2022 for some substances and 2023 in other substances. Based on discussions with stakeholders, the proposal concludes that the growth rate is likely to be between 3 and 7.44 per cent in a BAU scenario and notes that the scenario does not account for the expected growth of HFC-32 due to limited available data. The consumption forecast is presented in table 8.

Table 8. HFC consumption forecast under the unconstrained scenario, Montreal Protocol limits, and proposed HFC reductions under stage I (CO_2-eq tonnes)

	2026	2027	2028	2029	2030
HFC consumption forecast at an annual growth rate of 3%*	129,473	133,358	137,359	141,479	145,723
HFC consumption forecast at an annual growth rate of 7.44%**	135,055	145,102	155,898	167,497	179,958
Montreal Protocol HFC consumption limits	227,203	227,203	227,203	204,483	204,483
HFC consumption levels proposed under the KIP	227,203	227,203	227,203	188,578	n/a
Proposed reductions from the HFC consumption baseline (%)	0.0	0.0	0.0	17.0	n/a

* Calculated based on information from document UNEP/OzL.Pro/ExCom/96/16 using a global growth rate of 3 per cent
** Calculated based on information from the 2022 Climate and Clean Air Coalition report ("Sharing of key findings on the Study on HFC Consumption Trends in Article 5 Countries"), using a common growth rate of 7.44 per cent for all HFCs

Proposed activities

41. Activities proposed for implementation in the servicing sector under stage I and in the first tranche and their cost breakdown are presented in table 9.

Table 9. Servicing sector activities and their costs in stage I and in the first and second tranches of stage I of the KIP for the Bahamas, as submitted

Activity	Agency	Cost (US $)		
		Stage I	First tranche	Second tranche
Component 1: Strengthening the regulatory framework		***18,500***	***13,500***	***5,000***
Activity 1.1: Standards development: Develop one standard on refrigerant storage and transportation and one standard on refrigerant handling including installation and maintenance, followed by a stakeholder workshop to introduce the new standards (first tranche activities include the development of standards)	UNEP	3,500	1,500	2,000
Activity 1.2: Policy on incentives for energy-efficient equipment: Develop a new policy to decrease import duties for energy-efficient RAC equipment, in collaboration with the customs department	UNEP	5,000	5,000	0
Activity 1.3: Leak-detection study: Collect baseline data and survey servicing companies working with end users (supermarket chains, hotels, refrigerated trucks) on refrigerant leakage to understand its sources and magnitude, as well as the businesses' readiness to identify leakages and other anomalies of the systems (first tranche activities include data collection and survey)	UNEP	10,000	7,000	3,000

Activity	Agency	Cost (US $)		
		Stage I	First tranche	Second tranche
Component 2: Capacity-building of the customs		***41,000***	***17,000***	***24,000***
Activity 2.1: Customs knowledge upgrade: Hold five train-the-trainer workshops for customs officers on the Kigali Amendment, licensing system, and use of refrigerant identifiers	UNEP	17,000	0	17,000
Activity 2.2: Training for importers and customs brokers: Create an outreach and identification campaign for HFC importers, including one workshop, followed by two training workshops for new and existing customs brokers and importers (first tranche activities include the identification campaign and one workshop for new recruits)	UNEP	14,000	7,000	7,000
Activity 2.3: Procurement and distribution of two additional refrigerant identifiers for customs including training on their use and maintenance (first tranche activities include the purchase and distribution of two identifiers and training on their use)	UNIDO	10,000	10,000	0
Component 3: Capacity-building of servicing technicians		***31,400***	***21,400***	***10,000***
Activity 3.1: Certification scheme enhancement: Integrate HFCs into the national RAC technician certification scheme (first tranche activities include HFCs integration in the certification)	UNEP	5,000	2,000	3,000
Activity 3.2: Online training programme enhancement: Upgrade the online RAC technician training course to incorporate new standards and low-GWP alternatives, including course content development (US $7,000) and platform updates (US $6,400)	UNEP	13,400	13,400	0
Activity 3.3: Booklets on alternatives: Develop and distribute booklets (including e-versions) on alternative refrigerants for technicians and importers using the existing OzonAction tools (first tranche activities include the development of booklets)	UNEP	13,000	6,000	7,000
Component 4: Support to workshops and technical schools		***41,500***	***33,500***	***8,000***
Activity 4.1: Recovery and recycling equipment: Procure and deliver four sets of recovery and recycling equipment[8] for the BTVI and selected servicing workshops (US $33,500); and carry out annual equipment maintenance (US $2,000), two safety inspections (US $3,000), and flammable-refrigerant safety training for 10 technicians (US $3,000) (first tranche activities include the procurement and delivery of HFC multi-refrigerant recovery machines, recovery cylinders, and transportation materials: cylinder carts, securement straps, ventilation equipment, valve protection caps)	UNIDO	41,500	33,500	8,000
Component 5: Awareness-raising and outreach		***10,600***	***2,000***	***8,600***
Activity 5.1: Development of a booklet explaining the role and purpose of the BASHREE, as well as branding, logo, newsletter targeting the RAC/HVAC sector, and a promotional video to support gender mainstreaming in the sector (first tranche activities include booklet development)	UNEP	10,600	2,000	8,600
Project implementation and monitoring		***15,000***	***7,000***	***8,000***
Project implementation and monitoring activities (see paragraph 42)	UNEP	15,000	7,000	8,000
Subtotal for UNEP		**106,500**	**50,900**	**55,600**
Subtotal for UNIDO		**51,500**	**43,500**	**8,000**
Total		**158,000**	**94,400**	**63,600**

[8] Each set will include HFC multi-refrigerant recovery machines, recovery cylinders (30 lb) and transportation materials (cylinder carts, securement straps, ventilation equipment, valve protection caps).

Project implementation, coordination and monitoring

42. The system established under the HPMP will continue to support stage I of the KIP, with the NOU and UNEP monitoring activities, reporting on progress, and working with stakeholders to phase out HFCs. The cost of those activities amounts to US $15,000 for UNEP and includes a consultant (US $5,000), progress reports (US $7,000), and domestic travel monitoring (US $3,000).

Total cost of stage I of the Kigali HFC implementation plan

43. 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

44. The first funding tranche of stage I of the KIP was submitted in the total amount of US $94,400, as shown in table 9 above, to be implemented between January 2027 and December 2029.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

V. Comments

Overarching strategy

45. Stage I of the KIP is designed to cover the first reduction step in 2029 of 10 per cent (22,720 CO_2-eq tonnes). The subsequent stages will be designed based on the lessons learned from stage I of the KIP and the availability of alternatives. Following preliminary consultations with stakeholders, a steady approach with multiple phases seems preferable. The Government aims to address all sectors by establishing foundational support for the RAC sector. Residential AC is rapidly moving to HFC-32 and the KIP will contribute to increasing the awareness around this refrigerant as a near-term alternative. There is a risk that HFC-32 uptake might have longer-term consequences if other alternatives with lower or zero GWP are not introduced simultaneously. In line with decision 92/44, the Government of the Bahamas has expressed strong commitment to supporting reductions in HFC consumption in advance of the Montreal Protocol targets.[9] The Bahamas initially proposed a 17 per cent reduction from the baseline by 2029; after discussions with Secretariat, the country agreed to an additional year of commitment with an 18 per cent reduction from the baseline by 2030 (see paragraph 51).

Institutional, policy and regulatory framework

HFC licensing and quota system

46. In line with decision 87/50(g), UNEP has confirmed that the Bahamas has an established and enforceable system of licensing and quotas for monitoring HFC imports and exports in place. The HFC import quotas for 2026 and 2027 were issued at 45.9 mt (180,000 CO_2-eq tonnes) annually, remaining below the established limits.

47. The Secretariat enquired about the downward consumption trend in 2023–2025 and about the 2026 and 2027 quotas and preliminary HFC consumption data. UNEP explained that the decrease observed over 2023–2025 was projected to largely continue through 2026. However, the Government informed UNEP that 2025 was potentially missing HFC-32 imports owing to changes made to the ESW system or the eLQS (electronic licensing and quota system) related to flagging HFCs. The NOU believes that if

[9] As per the letter of 28 October 2026 from the Ministry of the Environment and Natural Resources of the Bahamas to the Secretariat.

HFC-32 was indeed imported, once revised, the 2025 consumption would still remain well below the baseline and showcase the downward trend. Potentially adjusting 2025 consumption to include HFC-32 is not expected to dramatically impact the figures since it is estimated at approximately 5,000 CO_2-eq tonnes.

48. The preliminary 2026 consumption is higher than predicted, at about 176,000 CO_2-eq tonnes as of October 2026, which is within the allowable limits and below the baseline. The NOU attributes this spike to a single food store enterprise importing large quantities of R-404A for use in 15-17 large supermarkets (80 per cent of all supermarkets in Nassau). This enterprise imports refrigerants in bulk every second year or every few years rather than doing it annually, with the last order recorded during the COVID-19 years (this accounts for the consumption of R-407A, R-407C and R-507a in 2022 only). Given this new information, the NOU decided to exercise due diligence and to cross-check the 2024 and 2025 imports to ensure that no other imports were missed in the system. This information is consistent with trends seen under the HCFC consumption reports, where demand expands and contracts from year to year. The quota levels for 2026 and 2027 were set at 180,000 CO_2-eq tonnes.

49. UNEP provided clarification on the absence of HFCs in the current ESW system pending a legislative update. A policy measure is in place requiring the NOU's clearance in the EWS system for the import of HFCs. There is a flagging of HFCs in the EWS system, that requires consulting with the NOU before the import can be cleared. This policy measure and system ensure that no HFC can be imported without NOU's approval, above national consumption limits, and is a temporary measure until the legislation to support the HFC licensing procedure is approved. Once approved, a licence for HFCs will be required to be applied for in advance, along with the pre-approval process by the NOU currently in place.

50. Regarding activities under component 1, the Bahamas anticipates the adoption of the two standards and the policy on incentives for energy-efficient equipment by September 2028.

Technical and cost-related issues

51. The Secretariat enquired whether the Government considered the additional 20 per cent funding for a reduction of 10 per cent from the HFC portion of the baseline. UNEP explained that, since the 2026 consumption level was at 176,000 CO_2-eq tonnes, the option was not feasible, adding that in view of the unusually high HFC consumption in 2026, going much beyond 17 per cent would be risky. Despite the issues with 2025 and 2026 consumption there is a general downward trend, and the country believes that even with revised numbers (if any) it can commit to a higher reduction in 2029 than its obligations under the Kigali Amendment. The Secretariat and UNEP also discussed the timeline of the KIP, since implementation would occur over three years and a request for preparation funding for stage II of the KIP would need to occur in 2027. Considering the cyclical nature of HFC consumption and the timeline, it was agreed to add an additional year to stage I of the KIP to achieve an 18 per cent reduction from the baseline by 2030.

52. Regarding enquiries about activities in the MAC sector, UNEP clarified that during the KIP preparation, HFO-1234yf was found to have a significant share of the MAC market (about two-thirds). The Bahamas has a moratorium on cars older than 10 years, prohibiting their importation. This policy measure organically addresses the MAC sector without the need for a specific intervention for HFCs. For these reasons, the country did not adopt a sectoral approach for the KIP, addressing all sectors at the same time.

Total project cost

53. At a total cost of US $158,000, stage I of the KIP for the Bahamas will result in a reduction of 18 per cent from the baseline or 40,897 CO_2-eq tonnes by 2030, as summarized in paragraph 51 above.

54. Stage I of the KIP will be implemented in two tranches.

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

55. The agreed plan of action, at a total cost of US $94,400, will include activities listed in table 9. There are no changes to the implementation plan as submitted.

Co-financing

56. The Government provides in-kind contribution in the form of office space and utilities. As a co-financing contribution, the BTVI could undertake the maintenance of the HFC recovery machines provided to the Institute under the project after initial training and installation. For recovery machines distributed to other beneficiaries, including servicing workshops, the BTVI could provide maintenance services on a cost-recovery basis, thereby supporting long-term sustainability of the equipment beyond the project implementation period.

2026–2028 business plan of the Multilateral Fund

57. UNEP and UNIDO are requesting US $158,000, plus agency support costs, for the implementation of stage I of the KIP for the Bahamas. The total value of US $178,540, including agency support costs, requested for the period of 2026–2028, is US $40,584 above the amount in the business plan.

Gender policy implementation

58. In line with decisions 84/92, 90/48 and 92/40, the Government of the Bahamas has incorporated gender policy in the preparation and formulation of stage I of the KIP. During project preparation, an assessment of women in the RAC sector workforce was carried out and its recommendations for continued support to female technicians have been incorporated into project activities. During stage I of the KIP, the NOU will continue tracking the number of women and men engaged in project implementation, collecting sex-disaggregated data, and documenting progress through annual progress reports and tranche implementation reports. There is only one known female RAC technician currently practicing in the country, and that stage I of the KIP includes a dedicated activity to document her experience, career journey and lessons learned, to be shared publicly to help identify barriers to participation and encourage other women to enter the sector. The Government will continue to promote women's involvement across project activities, including as presenters and consultants.

Sustainability of the HFC phase-down and assessment of risks

59. The Bahamas established a good precedent under stage I of the HPMP with incorporating an Ozone Module into the customs training programme, which ensured that for 10 years no additional training was needed. Under the KIP, the country plans a similar approach, building on the foundation for customs that ensures continuous training and coverage of HFCs. With regard to the training of service technicians, both stage II of the HPMP and stage I of the KIP aim to create an online training platform intended to reach all technicians in the country. Under the KIP, the reestablished BASHREE will play a central role in all Montreal Protocol activities in future, ensuring the sustainability of activities and independence from the NOU as well as embedding sustainability into industry practices. Involving the BTVI in the KIP will further support sustainability of the Montreal Protocol activities in the long term. Residential AC is rapidly moving towards HFC-32, and activities aim to increase awareness around this refrigerant as a near-term alternative. There is a risk that HFC-32 uptake might have a longer-term consequence if other alternatives with lower or zero GWP are not introduced simultaneously. Campaigns to raise stakeholder awareness that substances such as HFC-32, while lower-GWP than many HFCs, are still not zero-GWP, as well as campaigns to promote clear messaging towards ultra-low/zero-GWP alternatives to avoid technology lock-in will help to ensure longer-term sustainability of the HFC phase-down.

60. Potential risks to the sustainability of KIP outcomes in the Bahamas include limited institutional and financial capacity, weak implementation or enforcement of HFC licensing and quotas, market preference for lower-cost HFC-based equipment, inadequate refrigerant recovery and recycling infrastructure, proliferation of high-GWP technologies, and reliance on imported technologies. To mitigate those risks, the KIP prioritises institutional strengthening, permanent integration of RAC training into technical curricula, enforcement of import licensing and energy-efficiency standards, support for refrigerant recovery and recycling, and sustained stakeholder awareness.

Impact on the climate

61. The activities proposed, including efforts to promote low-GWP alternatives, refrigerant recovery and recycling, leak-detection study and capacity-building of customs and servicing technicians, indicate that the implementation of stage I of the KIP will reduce refrigerant emissions in the atmosphere, resulting in climate benefits. A calculation of the impact on the climate of the activities in the KIP indicates that by 2030, the Bahamas will have reduced its HFC emissions by approximately 40,897 CO_2-eq tonnes, calculated as the difference between the HFC baseline for compliance and the 2030 target, assuming that all consumed HFCs would have eventually been emitted.

Draft Agreement

62. A draft Agreement between the Government of the Bahamas and the Executive Committee for stage I of the KIP is contained in annex II to the present document.

Coordination of activities in the servicing sector under HCFC phase-out and HFC phase-down plans

63. Stage I of the KIP for the Bahamas has been designed for harmonized implementation with stage II of the HPMP. The NOU will be responsible for the coordination and monitoring of both projects, and technicians will benefit from training related to both HCFC phase-out and HFC phase-down. The KIP extends the scope of certification to HFCs and the enhancement of the online training programme. Annex III summarizes the simultaneous implementation of activities under the HPMP and the KIP.

VI. Recommendation

64. The Executive Committee may wish to consider:

(a) Approving, in principle, stage I of the Kigali HFC implementation plan (KIP) for the Bahamas for the period 2026–2030 to reduce HFC consumption by 17.0 per cent of the country's baseline by 2029 and 18.0 per cent by 2030, in the amount of US $178,540, consisting of US $106,500, plus agency support costs of US $13,845, for UNEP and US $51,500, plus agency support costs of US $6,695, for UNIDO;

(b) Noting the strong commitment of the Government of the Bahamas to support reductions in HFC consumption in advance of the Montreal Protocol targets;

(c) Approving:

(i) The draft Agreement between the Government of the Bahamas and the Executive Committee for the reduction in consumption of HFCs in accordance with stage I of the KIP, contained in annex II to the present document; and

(ii) The first tranche of stage I of the KIP for the Bahamas and the corresponding tranche implementation plan, in the amount of US $106,672, consisting of US $50,900, plus agency support costs of US $6,617, for UNEP and US $43,500, plus agency support costs of US $5,655, for UNIDO.

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE BAHAMAS 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 the Bahamas and the Executive Committee at the 90th meeting of the Executive Committee.**

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	3.13	3.13	3.13	1.56	1.56	1.56	1.56	1.56	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	3.13	3.13	3.13	1.56	1.56	1.56	1.56	1.56	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	81,200	0	0	75,500	**100,000**	0	136,000	0	68,900	**461,600**
2.2	Support costs for Lead IA (US $)	10,556	0	0	9,815	**13,000**	0	17,680	0	8,957	**60,008**
2.3	Cooperating IA (UNIDO) agreed funding (US $)	97,000	0	0	133,080	0	0	0	0	0	230,080
2.4	Support costs for Cooperating IA (US $)	8,730	0	0	11,977	0	0	0	0	0	20,707
3.1	Total agreed funding (US $)	178,200	0	0	208,580	**100,000**	0	136,000	0	68,900	**691,680**
3.2	Total support costs (US $)	19,286	0	0	21,792	**13,000**	0	17,680	0	8,957	**80,715**
3.3	Total agreed costs (US $)	197,486	0	0	230,372	**113,000**	0	153,680	0	77,857	**772,395**
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										3.13
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)										1.68
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										0.00

*Date of completion of stage I: 30 June 2023

Annex II

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF THE BAHAMAS 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: 2026–2030)

Purpose

1. This Agreement represents the understanding of the Government of the Bahamas ("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 186,307 CO_2-equivalent (CO_2-eq) tonnes by 1 January 2030 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 CO_2-eq tonnes to be phased down if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would accordingly decrease the overall funding level under this Agreement;

(b) Reallocations not categorized as major changes may be incorporated into the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the subsequent Tranche Implementation Report; and

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

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

Bilateral and implementing agencies

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. 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 evaluation work programme 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 CO_2-eq kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement and take related decisions. Once decisions are taken, the specific case of non-compliance with this Agreement will not be an impediment for the provision of funding for future tranches as per paragraph 5 above.

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

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA 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		2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex F substances	%	freeze	freeze	freeze	10	10	n/a
		CO_2-eq tonnes	227,203	227,203	227,203	204,483	204,483	n/a
1.2	Maximum allowable total consumption of Annex F substances	Reduction in %	0.0	0.0	0.0	17.0	18.0	n/a
		CO_2-eq tonnes	227,203	227,203	227,203	188,578	186,307	n/a
2.1	Lead IA (UNEP) agreed funding (US $)		50,900	0	55,600	0	0	106,500
2.2	Support costs for Lead IA (US $)		6,617	0	7,228	0	0	13,845
2.3	Cooperating IA (UNIDO) agreed funding (US $)		43,500	0	8,000	0	0	51,500
2.4	Support costs for Cooperating IA (US $)		5,655	0	1,040	0	0	6,695
3.1	Total agreed funding (US $)		94,400	0	63,600	0	0	158,000
3.2	Total support costs (US $)		12,272	0	8,268	0	0	20,540
3.3	Total agreed costs (US $)		106,672	0	71,868	0	0	178,540

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second 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 unit (NOU), located within the Environment Monitoring and Risk Assessment Division, which is part of the Department of Environmental Health Services (DEHS) under the Ministry of the Environment and Natural Resources (the Ministry), will be responsible for the day-to-day execution of project activities.

2. In carrying out this function, the NOU will follow the supervision and reporting procedures established by the Ministry during the implementation of stage I and II of the Country's HCFC phase-out management plan (HPMP). The national ozone officer (NOO), acting as head of the NOU, will provide monthly reports on the Plan's implementation to the DEHS Director, who directly supervises the NOU. The NOO will also consult and submit comprehensive annual reports on the implementation of the HPMP and the Plan to the DEHS Director. The Ministry 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 CO_2-eq tonne of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the Target specified in row 1.2 of Appendix 2-A has not been met, on the understanding that the maximum funding reduction would not exceed the funding level of the tranche being requested. Additional measures might be considered in cases where non-compliance extends for two consecutive years. Where the Country has failed to comply with the Agreement due to illegal trade, the reduction in funding would not be applied if the illegally traded controlled substances are seized and subsequently confiscated, destroyed, exported, or returned to the country of origin.

Annex III

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

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
Policy and legal framework	Recruitment of a consultant to develop a legislative package (amendment to the ODS Act and the ODS regulations) including a ban on the imports of HCFCs from 1 January 2030 except those required for servicing tail; organization of 8 awareness and consultative workshops with stakeholders on the prohibition of imports of HCFC-based equipment from 1 January 2023 and other legislative measures; and updates to the code of practice for technicians on the safe use of flammable refrigerants	22,000	Development of 2 standards on refrigerant handling, storage and transportation, followed by a workshop for stakeholders to introduce the new standards; development of a policy on incentives for energy-efficient equipment; and a leak detection study, including baseline data collection and a survey	18,500	40,500
Capacity building for the customs and import controls	Updating of the "Ozone Module"; development of pocket cards for customs and enforcement officers relating to HCFC import controls and monitoring; development and implementation of an e-licensing system; and organization of workshops with customs brokers	31,200	Organization of 5 train-the-trainers workshops for customs officers on the Kigali Amendment, licensing system, and use of refrigerant identifiers; outreach and identification campaign for HFC importers, including 1 workshop, followed by 2 training workshops for new and existing customs brokers and importers; and procurement and distribution of 2 additional refrigerant identifiers for the customs, followed by training on their use and maintenance	41,000	72,200
Capacity building for refrigeration technicians	Work with the Department of Inland Revenue to ensure that service workshops hire at least 1 certified technician and involvement of RAC association; training of 300 RAC technicians on good servicing practices and refrigerant recovery and reuse; online course development for training technicians; development and implementation of a certification programme for servicing technicians; and monitoring of the sales and uses of R-22a to prevent unsafe use	238,400	Integration of HFCs into the national RAC technician certification scheme; upgrading of the online training course for RAC technicians to incorporate new standards and low-GWP alternatives, including course content development and platform updates; and development and distribution of booklets (including e-versions) on alternative refrigerants for technicians and importers using the existing OzonAction tools	31,400	269,800
Refrigerant recovery and reclamation and	Business viability assessment and business model development for refrigerant recovery and reclamation; procurement of equipment	230,080	Procurement and delivery of refrigerant recovery and recycling equipment for BTVI and selected servicing workshops, including 4 multi-refrigerant recovery	41,500	271,580

	HPMP – stage II		KIP – stage I		HPMP+KIP combined cost (US $)
Category of activity	**Activity**	**Cost (US $)**	**Activity**	**Cost (US $)**	
support to workshops and technical schools	(e.g., recovery machines, refrigerant cylinders, manifold gauge, leak detectors) for the Bahamas' technical and vocational institute (BTVI); distribution of tools to refrigeration technicians for good servicing practices and refrigerant recovery and reuse; and procurement and distribution of 5 identifiers		machines and 30 recovery cylinders, transportation materials, annual equipment maintenance, safety inspections, and safety training for technicians on flammable refrigerants		
Awareness-building and outreach	Printing of materials for RAC technicians and development of public awareness activities	12,000	Development of a booklet explaining the role and purpose of the RAC association (BASHREE); branding and logo development for BASHREE; and development of a newsletter targeting the RAC/HVAC sector	7,000	19,000
Gender mainstreaming	Scholarships for 7–10 female technicians at the BTVI and/or the Refrigeration Service Engineers Society	8,000	Interview and a promotional video featuring a female RAC technician	3,600	11,600
Project coordination and monitoring	Project staff and consultants (US $26,000), progress reporting (US $14,000), domestic travel (US $5,000) and miscellaneous expenses (US $5,000)	50,000	Consultant (US $5,000), progress reports (US $7,000), and monitoring-related travel (US $3,000)	15,000	65,000
Total		**591,680**		**158,000**	**749,680**
Percentage of total (%)		**79**		**21**	**100**