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

PROJECT PROPOSAL: TÜRKIYE

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

Phase-out

- | | | | |
|---|--|----------------|------------------|
| • | HCFC phase-out management plan
(stage I, fifth tranche) | UNIDO and UNEP | Blanket approval |
|---|--|----------------|------------------|

¹ UNEP/OzL.Pro/ExCom/96/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Türkiye

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage I)	UNIDO (lead), UNEP	68 th / 84 th	100% phase-out by 2025

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	2.59 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2024	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					2.59				2.59

(IV) CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	551.47	Starting point for sustained aggregate reductions:	641.43
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	641.43	Remaining:	0

(V) ENDORSED BUSINESS PLAN		2025	2026	2027	Total
UNIDO	ODS phase-out (ODP tonnes)	34.6	0.0	0.0	34.6
	Funding (US \$)	685,000	0	0	685,000
UNEP	ODS phase-out (ODP tonnes)	0	0.0	0.0	0.0
	Funding (US \$)	0	0	0	0

(VI) PROJECT DATA			2010	2011	2012	2013	2014	2015	2016	2017-2018	2019	2020	2021	2022	2023*	2024	2025	Total
Montreal Protocol consumption limits (ODP tonnes)			n/a	n/a	n/a	551.40	551.40	496.26	496.26	496.26	496.26	358.50	358.50	358.50	358.50	358.50	179.20	n/a
Maximum allowable consumption (ODP tonnes)			n/a	n/a	n/a	456.10	360.80	265.50	170.20	74.99	74.99	50.00	40.00	30.00	20.00	10.00	0.00	n/a
Funding agreed in principle (US \$)	UNIDO	Project costs	7,713,490	0	807,750	0	0	2,500,000	0	0	1,598,850	0	0	859,400	0	0	640,600	14,120,090
		Support costs	578,512	0	56,543	0	0	175,000	0	0	111,920	0	0	60,158	0	0	44,842	1,026,975
	UNEP	Project costs	0	0	103,450	0	0	0	0	0	0	0	0	0	0	0	0	103,450
		Support costs	0	0	13,449	0	0	0	0	0	0	0	0	0	0	0	0	13,449
Funds approved by ExCom (US \$)		Project costs	7,713,490	0	911,200	0	0	2,500,000	0	0	1,598,850	0	0	0	859,400	0	0	13,582,940
		Support costs	578,512	0	69,992	0	0	175,000	0	0	111,920	0	0	0	60,158	0	0	995,582
Total funds recommended for approval at this meeting (US \$)		Project costs															640,600	640,600
		Support costs															44,842	44,842

*Tranche initially planned in 2022.

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Türkiye, UNIDO as the lead implementing agency has submitted a request for funding for the fifth and final tranche of stage I of the HCFC phase-out management plan (HPMP), in the amount of US \$640,600, plus agency support costs of US \$44,842, for UNIDO only.² The submission includes a progress report on the implementation of the fourth tranche, the verification report on HCFC consumption for 2023–2024 and the tranche implementation plan for 2025–2026.

Report on HCFC consumption

2. While the Government of Türkiye has not yet reported its HCFC consumption for 2024, the verified consumption for the year is 2.75 ODP tonnes, which is 99.5 per cent below the country's HCFC baseline for compliance. The 2020–2024 HCFC consumption is shown in table 1.

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

HCFC-22	2020	2021	2022	2023	2024*	Baseline
Metric tonnes (mt)	33.15	63.96	47.16	42.48	50.00	8,007.00
ODP tonnes	1.82	3.52	2.59	2.34	2.75	551.47

* Data from the verification report on HCFC consumption

3. Türkiye phased out the consumption of HCFCs by 1 January 2025. Over the last years, the country only consumed HCFC-22 in the refrigeration servicing sector. HCFC consumption has been phased out through activities implemented under stage I of the HPMP, including in the manufacturing of polyurethane (PU) (219.8 ODP tonnes) and extruded polystyrene (XPS) foam (194.7 ODP tonnes); the phase-out of HCFC-22 in the refrigeration and air-conditioning (RAC) manufacturing sector; the ban on imports of HCFC-141b in bulk or contained in pre-blended polyols starting 1 January 2013; the ban on HCFC-22 used for the manufacturing of RAC equipment sold in the local market starting 1 January 2015; the implementation of the import and export licensing and quota system; and activities in the refrigeration servicing sector.

Country programme implementation report

4. The Government of Türkiye reported HCFC sector consumption data under the 2023 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol. The 2024 CP implementation report will be submitted on 1 May 2025.

Verification report

5. The verification report confirmed that the Government was implementing a licensing and quota system for HCFC imports and exports, and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2023 and the available records on HCFC consumption for 2024 are both correct and below the maximum allowable consumption levels set in the Agreement with the Executive Committee.

Progress report on the implementation of the fourth tranche of the HCFC phase-out management plan

Legal framework

6. Türkiye continues to operate its HCFC licensing and quota system, with import quotas of 50 mt (2.75 ODP tonnes) in 2023 and 2024, followed by the ban on imports of HCFC-22 from 1 January 2025. The licensing system for the imports and exports of HFCs has been operational since May 2023, with HFC quotas effective since 1 January 2024.

² As per the letter of 14 March 2025 from the Ministry of the Environment, Urbanization, and Climate Change of Türkiye to UNIDO.

7. Türkiye ratified the Kigali Amendment on 10 November 2021. Regulation 2022/31881 on fluorinated gases (F-gases), compliant with the European Union (EU) regulation 517/2014 and with the Kigali Amendment, entered into force on 29 June 2022.

Manufacturing sector

8. During the previous tranches, Türkiye completed the conversion of nine enterprises included in the umbrella PU and XPS foam projects, and the conversion of systems houses and provision of technical assistance to supply suitable non-HCFC polyol systems to their downstream users.

Refrigeration servicing sector

9. During the fourth tranche, the following activities continued to be implemented:

- (a) *Training of customs and enforcement officers:* Training was provided to 109 customs enforcement and inspection officers (including 29 women) on current regulations, prevention of illegal trade, and identification of banned ozone-depleting substances (ODSs) using refrigerant identifiers, with seven identifiers procured and pending delivery and distribution;
- (b) *Training and certification of RAC technicians:* National standard TS13905 for servicing workshops and technicians' certification programme were revised to include F-gases; 1,684 technicians were certified³ by the Vocational Qualifying Authority, with an additional 2,500 to be certified after April 2025; and
- (c) *Recovery, recycling and reclamation (RRR) programme:* The RRR scheme was finalized after two regional study visits to RRR centres, disposal facilities, key end-users and government departments. The visits, involving personnel from RRR facilities, environmental inspectors and government officers, aimed to enhance technical expertise, understand regulatory and legislative measures, ensure compliance with EU standards, and explore financial incentives and business models for operating the RRR scheme.

Project implementation and monitoring

10. Of the US \$54,400 approved for programme monitoring, a total of US \$25,286 was disbursed on a national consultant to assist implementation of planned activities, including training workshops, travel related to visiting demonstration sites, and coordination of the verification of HCFC consumption.

Level of fund disbursement

11. As of February 2025, of the US \$13,582,940 approved so far, US \$11,963,925 had been disbursed (US \$11,860,475 for UNIDO and US \$103,450 for UNEP), and US \$318,150 had been returned, as shown in table 2. The balance of US \$1,300,865 will be disbursed in 2025 and 2026.

Table 2. Financial report of stage I of the HPMP for Türkiye (US \$)

Project/Tranche		UNIDO	UNEP	Total	Disbursement rate (%)
Umbrella project for PU and XPS foam	Approved	7,713,490	0	7,713,490	96.2
	Disbursed	7,419,768	0	7,419,768	
First tranche	Approved	807,750	103,450	911,200	99.7
	Disbursed	805,351	103,450	908,801	

³ Technicians are certified according to the 19UY0401-5 National Qualification of Technical Personnel for Fluorinated Greenhouse Gas Devices.

Project/Tranche		UNIDO	UNEP	Total	Disbursement rate (%)
Second tranche	Approved	2,500,000	0	2,500,000	97.6
	Disbursed	2,440,571	0	2,440,571	
Third tranche	Approved	1,598,850	0	1,598,850	63.8
	Disbursed	1,020,157	0	1,020,157	
Fourth tranche	Approved	859,400	0	859,400	20.3
	Disbursed	174,628	0	174,628	
Total	Approved	13,479,490	103,450	13,582,940	88.1
	Disbursed	11,860,475	103,450	11,963,925	

* Investment projects at PU and XPS foam enterprises were completed in December 2019, with the unused balances of US \$293,722 returned to the Fund at the 84th meeting. Unused balances of US \$1,605, US \$794, and US \$22,029 from the first and second tranches were returned to the Fund at the 79th, 81st, and 87th meetings.

Implementation plan for the fifth and final tranche of the HCFC phase-out management plan

12. The following activities will be implemented between July 2025 and December 2026:

- (a) *Enforcement of online reporting system, training of customs officers, and training and certification of technicians:* Continued enforcement and updates to the online HFC reporting system; development of online training for importers on HFC reporting; training of an additional 200 customs officers on the identification and prevention of illegal trade in banned ODSs; training of an additional 500 technicians on good servicing practices; preparation and dissemination of awareness materials on good servicing practices, refrigerant RRR, and alternative technologies; and organization of two awareness workshops on RRR and alternatives to HCFCs (US \$335,000);
- (b) *RRR programme:* Enhancement of the RRR operation through upgrading a substance-testing laboratory, including needs assesment, facility rehabilitation, procurement of laboratory equipment (including *inter alia* gas chromatographer, moisture analyser, contamination and acid test kits, scales, leak detectors, and refrigeration probe set), and training technicians on equipment operation (US \$170,000); and
- (c) *Project implementation and monitoring:* Continued coordination of the remaining HPMP activities to ensure the sustainability of the HCFC phase-out with the support of national technical consultants (US \$63,000), a technical advisor (US \$47,000) and audits (US \$25,600) (for a total of US \$135,600).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Progress report on fourth tranche implementation and completion of the HCFC phase-out management plan

13. The Secretariat noted that Türkiye was implementing all activities proposed in the plan of action for the fourth tranche. Regarding the undisbursed balances of US \$1,300,865, UNIDO explained that the balance of US \$578,793 from the third tranche was being used for the ongoing training and certification of 800 technicians and provision of tool kits, while the balance of US \$684,772 from the fourth tranche was allocated to the training and certification of an additional 2,500 technicians planned in the coming months. UNIDO also indicated that, as of March 2025, a total of 7,289 technicians had been certified.

14. UNIDO reaffirmed that the implementation of activities continued progressing without disruption, with the Government committed to completing all ongoing and planned activities of the HPMP by the 31 December 2026 completion date established in the Agreement, without the need for extension.

Legal framework and servicing tail

15. The Government of Türkiye has issued HCFC import quotas for 2024 and 2025 at 50 and 0 mt, respectively, reflecting the total phase-out achieved in 2025 in accordance with the Agreement and ahead of the Montreal Protocol control targets. The country does not intend to consume HCFCs for the servicing tail during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol.

Plan of action for the fifth and final tranche of the HCFC phase-out management plan

16. The Secretariat discussed with UNIDO the relevance and cost of activities proposed under the fifth tranche. On the updates to the online reporting system, UNIDO explained that it was critical in effectively tracking the imports and exports of controlled substances, while also serving as a registry for both certified technicians and equipment owners reporting on leakage monitoring and servicing. The system still needs improvement, and additional training needs to be provided to its different users to ensure the accuracy of data entry and monitoring. Developments proposed include integration with the Ministry of Trade's system to allow for automatic cross-verification of the import and export data, and the addition of a stock module to improve the traceability of controlled substances across the supply chain and a tracking module for reclaimed gases, in line with the environmental compliance requirements.

17. Regarding the strengthening of the RRR operation, UNIDO explained that the priority under the last tranche of the HPMP would be improving the laboratory facilities, while additional tools and consumables needed for the RRR centres would be mainly covered under the Kigali HFC implementation plan (KIP). The budget proposed only includes equipment, tools and limited safety adaptations (e.g., fire alarm system, smoke and gas detectors, and fire extinguishers), while other costs related to the rehabilitation civil works are to be covered by the beneficiary.

18. On the issue of regulatory support for RRR operations, UNIDO explained that the Government was preparing a circular to ensure the environmentally sound handling of F-gases, including their collection, temporary storage, transport and reclamation. The regulation, to be published in September 2025, will also establish physical operational requirements for RRR centres, noting that refrigerant venting is forbidden in Türkiye. UNIDO further reported that the study visit provided the information required to determine the business model for RRR operations in the country.

19. The Secretariat notes that, with the US \$135,600 requested for the project management unit (PMU) under the final tranche, the cumulative level of funds allocated to the PMU under stage I of the HPMP for Türkiye is US \$500,000, as approved in principle.

Gender policy implementation

20. Türkiye has integrated the Multilateral Fund gender policy in the implementation of its HPMP *inter alia* through monitoring women's participation in recruitment processes, including in recruitment panels, and encouraging women to apply. Gender balance is also monitored in capacity-building and awareness activities, with specific attention to female participation. An assessment conducted on gender equality in the implementation of the HPMP recommended several strategies for the national ozone unit (NOU) to promote equality, including creating a digital repository for gender-sensitive best practices and recognition programmes to highlight gender equality champions, facilitating mentorship and networking programmes for female professionals, advocating for gender-inclusive policies, incorporating gender-specific key performance indicators into project goals, monitoring gender disparities, and offering continuous training on gender equality. Under the fifth tranche gender-mainstreaming efforts will be expanded to ensure that all project documents, platforms, events, and activities are gender-responsive.

Sustainability of the HCFC phase-out and assessment of risks

21. The long-term sustainability of the complete phase-out of HCFCs will be ensured through measures such as continuous operation of the licensing and quota system to prevent the import of banned substances, training customs officers to prevent illegal imports, adhering to F-gas regulations to reduce refrigerant leakage and emissions, operating RRR centers for refrigerant servicing, continuing the technician certification scheme, and harmonizing HPMP activities with stage I of the KIP to ensure a smooth transition to alternatives with low global-warming potential. The main risk identified for the fifth tranche is potential delays in technician certification and awareness campaigns, which can be mitigated by increased cooperation between the NOU and UNIDO.

Conclusion

22. The Secretariat notes that Türkiye remains in compliance with the Montreal Protocol targets and its Agreement with the Executive Committee. The ban on HCFC imports entered into force on 1 January 2025. Activities in the refrigeration servicing sector are proceeding as planned and the level of funds disbursed is 20.3 per cent for the fourth tranche and 88.1 for all funds approved under stage I. The proposed updates to the online system for recording imports and exports as well as keeping track of certified technicians and equipment leakage, continued customs training and technician certification, and enhancements to the RRR programme, will ensure the sustainability of the accelerated phase-out of HCFCs.

RECOMMENDATION

23. The Fund Secretariat recommends that the Executive Committee:

- (a) Note the progress report on the implementation of the fourth tranche of stage I of the HCFC phase-out management plan (HPMP) for Türkiye; and
- (b) Request the Government of Türkiye, UNIDO and UNEP to submit, on a yearly basis, progress reports on the implementation of the work programmes associated with the final tranche and verification reports through completion of the project, and the project completion report to the first meeting of the Executive Committee in 2027.

24. The Fund Secretariat further recommends blanket approval of the fifth and final tranche of stage I of the HPMP for Türkiye and the corresponding 2025–2026 tranche implementation plan at the funding level shown in the table below.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	HCFC phase-out management plan (stage I, fifth tranche)	640,600	44,842	UNIDO