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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-ninth Meeting
Montreal, 7–11 December 2026
Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: MONGOLIA

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

Phase-out

- | | | | |
|---|---|----------------|------------------|
| • | HCFC phase-out management plan
(stage II, third tranche) | UNEP and Japan | Blanket approval |
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¹ UNEP/OzL.Pro/ExCom/99/1

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

PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan (stage II)	UNEP (lead), Japan	86 th	100% phase-out by 2030

ARTICLE 7 DATA (Annex C, Group I)	Year: 2025	0.30 ODP tonnes
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COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)							Year: 2025
Substance	Aerosol	Foam	Firefighting	Refrigeration		Solvent	Total sector consumption
				Manufacturing	Servicing		
HCFC-22					0.30		0.30

CONSUMPTION DATA (ODP tonnes)			
2009–2010 baseline:	1.40	Starting point for sustained aggregate reductions:	1.40
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	1.40	Remaining:	0.00

ENDORSED BUSINESS PLAN		2026	2027	2028	Total
UNEP	ODS phase-out (ODP tonnes)	0.07	0.00	0.00	0.07
	Funding (US \$)	122,040	0	0	122,040
Japan	ODS phase-out (ODP tonnes)	0.00	0.00	0.00	0.00
	Funding (US \$)	0	0	0	0

PROJECT DATA			2020	2021– 2022	2023	2024	2025	2026	2027– 2029	2030	Total
Consumption (ODP tonnes)	Montreal Protocol limits		0.91	0.91	0.91	0.91	0.46	0.46	0.46	0	n/a
	Maximum allowable		0.40	0.40	0.40	0.40	0.30	0.30	0.30	0	n/a
Amounts approved in principle (US \$)	UNEP	Project costs	116,000	0	192,000	0	0	108,000	0	54,000	470,000
		Support costs	15,080	0	24,960	0	0	14,040	0	7,020	61,100
	Japan	Project costs	110,000	0	60,000	0	0	0	0	0	170,000
		Support costs	14,300	0	7,800	0	0	0	0	0	22,100
Funds approved by ExCom (US \$)		Project costs	226,000	0	252,000	0	0	0	0	0	478,000
		Support costs	29,380	0	32,760	0	0	0	0	0	62,140
Total funds recommended for approval at this meeting (US \$)		Project costs	0	0	0	0	0	108,000	0	0	108,000
		Support costs	0	0	0	0	0	14,040	0	0	14,040

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Mongolia, UNEP as the lead implementing agency has submitted a request for funding for the third tranche of stage II of the HCFC phase-out management plan (HPMP), in the amount of US \$108,000, plus agency support costs of US \$14,040, for UNEP only.² The submission includes a progress report on the implementation of the second tranche, and the tranche implementation plan for 2027 to 2030.

Report on HCFC consumption

2. The Government of Mongolia reported consumption of 0.30 ODP tonnes of HCFCs in 2025, which is 78 per cent below the Mongolia's HCFC baseline for compliance. The 2021–2025 HCFC consumption is shown in table 1.

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

HCFC-22	2021	2022	2023	2024	2025	Baseline
Metric tonnes (mt)	3.29	0.90	1.29	7.00	5.44	23.73
ODP tonnes	0.18	0.05	0.07	0.39	0.30	1.4

3. In Mongolia, all HCFC are used in the refrigeration and air-conditioning (RAC) servicing sector, primarily to maintain existing HCFC-based equipment. Year-to-year variations in HCFC-22 imports reflect the HCFC quota system and market conditions. In 2022 and 2023, small individual quotas and trade restrictions made separate shipments economically unviable. From 2024, importers began pooling their quotas and consolidating shipments through a single importer, resulting in higher imports in 2024 and 2025, while consumption remained within the applicable control targets of the Agreement between the Government and the Executive Committee.

Country programme implementation report

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

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

Legal framework

5. The Ministry of Environment and Climate Change manages the licensing and quota systems for ODS, HFCs and alternative refrigerants, including setting quota limits, and issuing licences for the import, use and sale of these substances and RAC equipment. The ban on imports of HCFC-based equipment is under review by the Ministry of Justice and is expected to be submitted to the Cabinet Secretariat by the end of 2026. In the meantime, the Government has not authorized imports of HCFC-based equipment since 1 January 2022. An online licensing system for Montreal Protocol-controlled substances and alternatives was launched on 10 February 2025, supported by a Ministerial Decree authorizing online licence issuance.

Refrigeration servicing sector

6. During the second tranche, the following activities were implemented:

- (a) *Strengthening of HCFC licensing and quota system:* The National Ozone Authority (NOA) facilitated three meetings, with the online license system developer and the relevant ministry,

² As per the letter of 1 September 2026 from the Ministry of Environment and Climate Change of Mongolia to UNEP

and supported the approval of the online license system; four virtual training sessions were held for 71 importers and customs brokers (46 women and 25 men) to strengthen record-keeping and reporting under the approved online licensing system; several coordination meetings were also held in 2026 to improve the system, including enterprise self-registration, integration with national customs information systems and automatic deduction of issued licences from approved national quotas;

- (b) *Capacity-building of customs and enforcement:* In 2024, a total of 64 customs officers (including 44 women) received training on ODS-related regulations, enforcement, identification of refrigerants and HCFC-based equipment, use of refrigerant identifiers, and data monitoring and reporting; a revised training module on identifying Montreal Protocol-controlled substances and alternatives was approved by customs and incorporated into the customs training curriculum; and the World Customs Organization guidance on risk-profiling for Montreal Protocol-controlled substances was translated into Mongolian, reviewed and printed to support customs training; a Customs Working Group updated the customs risk-profiling programme, including the information of relevant enterprises and goods to support trade facilitation risk indicators; and 200 awareness posters were distributed to customs for nationwide dissemination, with a public awareness video on controlled substances and related equipment published online;
- (c) *Capacity building for the RAC servicing sector:* A curriculum based on the national occupational standard for RAC technicians was developed and delivered to three technical and vocational education and training (TVET) institutes; training on good servicing practices was provided to 52 technicians, and a train-the-trainers workshop on flammable refrigerants, good servicing practices and recognition of prior learning (RPL³) assessment was held for 31 participants (14 women and 17 men); the voluntary certification scheme for RAC technicians was advanced, with 12 of the 15 technicians assessed certified as competent, and assessment responsibilities are now being transferred to the Ministry of Education;
- (d) *Provision of equipment and training:* A needs assessment of cold storage workshops and training institutes was completed in August 2025; procurement of the first batch of tools and equipment⁴ for four TVET institutes is underway, with delivery expected by December 2026; in addition, three workshops on good practices in commercial and industrial refrigeration were organized in collaboration with the Mongolian Refrigeration Association and TVET partners, training 60 RAC technicians, including one woman;
- (e) *Enhancing awareness and outreach:* A draft information document on air-conditioning (AC) in the building sector was prepared, which remains under revision; 1,500 policy briefing notes on the cold-chain meat sector were finalized, printed and disseminated; and sensitization events for 57 stakeholders from the cold chain meat and food processing industry (29 women and 28 men) and 18 participants from the foam manufacturing sector (11 women and 7 men) were conducted to promote awareness of HCFC-free, HFC-free and low-global-warming-potential (GWP) alternatives; and a total of 60 participants (17 women and 43 men) from government agencies, universities, professional associations and the private sector attended a stakeholder meeting organized in collaboration with the Mongolian University of Science and Technology to mark World Refrigeration Day 2026, with

³ The RPL certification system covers the commercial refrigeration and AC sectors, focusing on technicians' practical skills and technical competencies.

⁴ Cold storage and mini-split AC demonstration units, rotary vacuum pump, leak detectors, scales, gauges, recovery machine and cylinders, brazing kits, thermostatic expansion and ball valves, ferrule set and pressure regulator for high pressure, nitrogen and oxygen regulators, oxygen regulator, other general tools and safety equipment

discussions on global cooling technology trends, challenges facing Mongolia's refrigeration sector, and future workforce need; and

- (f) *Activities to maintain energy efficiency under decision 89/6:* Implementation of the project commenced, with a cooperation framework established between the Energy Regulatory Commission and the NOA to support a future development and implementation of minimum energy performance standards (MEPS) and energy efficiency policies for the RAC sector; consultants engaged to support the MEPS gap analysis and the development of awareness-raising materials; a study visit to China undertaken to strengthen national capacity in MEPS, energy labelling, product certification and testing systems for RAC equipment; and a stakeholder consultation workshop conducted to support the MEPS gap analysis and strengthen energy efficiency policies.

Project implementation and monitoring

7. The project implementation monitoring activities included reporting on progress, and meetings with stakeholders to phase out HCFCs. Of the US \$27,000 approved for project monitoring activities under the second tranche, US \$22,484 was disbursed for project staff and consultants.

Level of fund disbursement

8. As of August 2026, of the US \$478,000 approved so far, US \$184,532 had been disbursed (US \$170,532 for UNEP and US \$14,000 for Japan), as shown in table 2. The balance of US \$293,468 will be disbursed in 2027.

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

Agency	First tranche		Second tranche		Total		
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed	Balance
UNEP	116,000	91,150	192,000	79,382	308,000	170,532	137,468
Japan	110,000	14,000	60,000	0	170,000	14,000	156,000
Total	226,000	105,150	252,000	79,382	478,000	184,532	293,468
Disbursement rate (%)	47		32		39		

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

9. The following activities will be implemented between January 2027 and December 2030:

- (a) *Strengthening of HCFC control policies and regulations:* Conduct a needs assessment of relevant international standards for flammable refrigerants applicable to Mongolia; support the finalization of the ban on imports of HCFC-based equipment; ensure regular maintenance and updates of the online licensing system; and organize two consultation workshops with key stakeholders on regulatory amendments to promote high-energy-efficiency equipment using low-GWP refrigerant (UNEP) (US \$8,000);
- (b) *Capacity-building of customs:* Train 80 customs and enforcement officials on the amended regulations for ODS control, including risk-profiling for ODS trade; complete the procurement and distribution of four refrigerant identifiers; participate in one regional border dialogue on cross-border trade and import controls; develop online training for officers in remote locations on the regulatory amendments for ODS control; and develop a risk-profiling training module for customs officers on ODS trade, supported by videos and other information materials (UNEP) (US \$9,000);

- (c) *Capacity-building for the refrigeration servicing sector:* Train 175 RAC technicians on good servicing practices including safety handling of new-generation refrigerants through seven training workshops; provide specialized training to approximately 35 RAC technicians on servicing cold storage applications; certify 35 technicians under the RPL scheme; conduct two train-the-trainers workshops to strengthen the skills of 40 RAC trainers and assessors in supporting the RPL certification; develop training modules for commercial and industrial refrigeration under the RPL certification scheme; and develop an online database connecting end-users with certified service technicians (UNEP) (US \$40,500 plus funds from previous tranches);
- (d) *Provision of equipment to the RAC sector:* Procure the second batch of tools and equipment⁵ for at least 10 workshops servicing large cold storage facilities in the food processing industry (Japan) (funds from previous tranches);
- (e) *Enhancing awareness and outreach:* Develop, produce and disseminate outreach materials, including sector-specific policy briefing notes for residual users of HCFC (mainly in the mining sector and commercial refrigeration sectors) explaining the HCFC phase-out, the servicing tail period and the related national policy framework; organize one awareness-raising event for 40 participants of these users; conduct one capacity-building workshop for 20 importers on the use of the online licensing and quota system and another for 20 customs brokers on HS codes, record-keeping and reporting; develop an awareness video for consumers and end-users on substances being phased out and alternative technologies; conduct a stakeholder awareness workshop on the HCFC phase-out outlook beyond 2030 and the regulatory requirements applicable to the RAC servicing sector from 2030 to 2040; and continue stakeholder engagement to promote women's participation in training opportunities (UNEP) (US \$13,500 plus from funds from previous tranches);
- (f) *Activities to maintain energy efficiency:* Conduct a gap analysis to identify international best practices and barriers to support the development MEPS;⁶ undertake an economic analysis of the cost savings for consumers from energy-efficient equipment based on low-GWP alternatives, to encourage the adoption of these technologies in RAC applications; organize one awareness-raising workshop for equipment importers and retailers to promote energy-efficient equipment using low-GWP refrigerants; organize two targeted workshops for end-users including information on potential cost savings; and develop information and awareness materials for retailers and importers, including nine short videos and nine posters, translate these materials into the local language, and disseminate them through websites and public and social media channels (UNEP) (funds from the previous tranche); and
- (g) *Project monitoring:* overall coordination, monitoring, and reporting of HPMP implementation (UNEP) (US \$37,000).

⁵ Electronic leak detectors, vacuum pumps, recovery cylinders

⁶ The study will cover domestic refrigeration, residential AC and heat pump appliances

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework

10. The Government of Mongolia has issued HCFC import quotas for 2026 and 2027 at 0.30 ODP tonnes for each year, which is equal to the maximum allowable consumption under the Agreement and lower than the Montreal Protocol control targets.

Refrigeration servicing sector

11. The Secretariat requested an update on the procurement of equipment and toolkits, and the measures planned to address delays. UNEP reported that the procurement contract for tools for TVET institutes under the first tranche had been awarded and the purchase order was signed in February 2026. However, the vendor had postponed delivery several times, with delivery now expected in December 2026. The procurement contract for tools for workshops under the second tranche would be finalized once the first delivery had been completed. UNEP would continue to follow up with vendors to ensure delivery in accordance with the revised schedule.

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

12. In response to the Secretariat's question on how technicians would be encouraged to participate in the voluntary RPL certification process and who would cover the associated costs, UNEP explained that participation would continue to be encouraged through the existing mechanism while the Government considers developing regulations that could eventually make certification mandatory. To date, RAC companies and workshops have covered the assessment costs. To facilitate the participation of informal and self-employed technicians, possible incentives or support for assessment costs would be considered in coordination with the relevant vocational authorities.

Gender policy implementation

13. In line with decisions 84/92(d) and 90/48(c), equal representation of women and men was pursued in project committees and management where possible. Opportunities for women's participation in training and consultation activities were identified and promoted. The main outputs included the recruitment of 10 consultants, 80 per cent of whom were women, and the establishment of a database of women experts. In major capacity-building and stakeholder activities, women accounted for 43 per cent of participants across three stakeholder and awareness-raising events. Women's participation reached 69 per cent in customs training and 65 per cent in training for importers and customs brokers. However, women's participation in RAC servicing technician training was 18 per cent, reflecting the male-dominated RAC sector. The NOA will continue to encourage men and women's participation in future technical training, competency-based assessment and professional development opportunities in the RAC sector.

Sustainability of the HCFC phase-out and assessment of risks

14. The country is making efforts to ensure the long-term sustainability of HPMP activities while phasing out the remaining HCFC consumption. To reduce national demand for HCFCs, the country is no longer authorizing imports of HCFC-based equipment as of 2022 and the related ban is expected to be submitted to the Cabinet Secretariat by the end of 2026. HCFC-22 is the only remaining HCFC imported and used in the servicing sector. Equipment importers, distributors, and retailers are already being engaged

and sensitized on RAC technology with high energy efficiency and using low-GWP refrigerants. The capacity-building of customs and border enforcement agencies, improved import monitoring, and an HCFC online license system are in place.

15. The procurement of tools and equipment for RAC training institutes is intended to ensure the long-term sustainability of technician training and strengthen capacity to work with natural refrigerants. The procurement list was adapted in consultation with the training institutes. In parallel, the National Employment Council adopted two National Occupational Standards: one for Refrigeration Servicing Technicians and another for Air-Conditioning Servicing Technicians. These efforts, together with the RPL certification scheme in place, contribute to improving training quality and strengthening the servicing sector's capacity to adapt to the technology transition.

Conclusion

16. Mongolia reduced its HCFC consumption to 0.30 ODP tonnes in 2025, 78 per cent below the HCFC baseline and in line with the maximum allowable consumption for the year. Progress has been achieved in implementing the first and second tranches, including strengthening the licensing and quota system; capacity building for customs and enforcement authorities; training and certification of RAC technicians; support to TVET institutes; awareness-raising; and initiation of activities on energy efficiency and MEPS, and with 47 per cent and 32 per cent of the approved funding disbursed, respectively. Implementation of the third tranche, together with the remaining activities from previous tranches, will support Mongolia in maintaining HCFC consumption at low levels and achieving the complete phase-out of HCFCs by 2030.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee note the progress report on the implementation of the second tranche of stage II of the HCFC phase-out management plan (HPMP) for Mongolia, and further recommends blanket approval of the third tranche of stage II of the HPMP and the corresponding 2027–2030 tranche implementation plan for Mongolia 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 II, third tranche)	108,000	14,040	UNEP