



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/96/52

28 April 2025

ORIGINAL: ENGLISH



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: SEYCHELLES

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

Phase-out

- | | | | |
|---|--|---------|------------------|
| • | HCFC phase-out management plan
(fourth tranche) | Germany | Blanket approval |
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¹ UNEP/OzL.Pro/ExCom/96/1

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 EVALUATION SHEET – MULTI-YEAR PROJECTS

Seychelles

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase-out plan	Germany (lead)	63 rd	100% phase-out by 2025

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year: 2024	0.00 ODP tonnes
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2024	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					0.00				0.00

(IV) 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

(V) ENDORSED BUSINESS PLAN		2025	2026	2027	Total
Germany	ODS phase-out (ODP tonnes)	0.12	0.00	0.00	0.12
	Funding (US \$)	66,975	0	0	66,975

(VI) PROJECT DATA			2011	2012	2013	2014	2015	2017-2020	2021-2022	2023*	2024	2025	Total
Montreal Protocol consumption limits (ODP tonnes)			n/a	n/a	1.40	1.40	1.26	1.26	0.91	0.91	0.91	0.46	n/a
Maximum allowable consumption (ODP tonnes)			1.25	1.25	0.94	0.70	0.53	0.30	0.30	0.30	0.30	0.00	n/a
Funding agreed in principle (US \$)	Germany	Project costs	200,000	0	160,000	0	180,000	0	0	100,000	0	60,000	700,000
		Support costs	25,333	0	20,267	0	22,800	0	0	11,625	0	6,975	87,000
Funds approved by ExCom (US \$)		Project costs	200,000	0	160,000	0	180,000	0	0	100,000	0	0	640,000
		Support costs	25,333	0	20,267	0	22,800	0	0	11,625	0	0	80,025
Total funds recommended for approval at this meeting (US \$)		Project costs	0	0	0	0	0	0	0	0	0	60,000	60,000
		Support costs	0	0	0	0	0	0	0	0	0	6,975	6,975

*Approved funding for additional activities to maintain energy efficiency (decision 89/6)

Secretariat's recommendation:	Blanket approval
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PROJECT DESCRIPTION

1. On behalf of the Government of Seychelles, the Government of Germany as the designated implementing agency has submitted a request for funding for the fourth and final tranche of the HCFC phase-out management plan (HPMP), in the amount of US \$60,000, plus agency support costs of US \$6,975.² The submission includes a progress report on the implementation of the third tranche, the verification report on HCFC consumption for 2016 to 2024, and the tranche implementation plan for 2025 to 2026.

Report on HCFC consumption

2. The Government of Seychelles reported a consumption of 0.00 ODP tonnes of HCFCs in 2024, which is 100 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 Seychelles (2020-2024 Article 7 data)

HCFC	2020	2021	2022*	2023	2024	Baseline
Metric tonnes (mt)						
HCFC-22	0.00	0.00	-0.01	0.00	0.00	24.70
HCFC-141b	0.00	0.00	0.00	0.00	0.00	0.20
Total (mt)	0.00	0.00	-0.01	0.00	0.00	24.90
ODP tonnes						
HCFC-22	0.00	0.00	0.00	0.00	0.00	1.40
HCFC-141b	0.00	0.00	0.00	0.00	0.00	0.00
Total (ODP tonnes)	0.00	0.00	0.00	0.00	0.00	1.40

* The negative value indicates that quantities destroyed or exported in that year exceeded the imports.

3. Seychelles has completely phased out HCFC use following the implementation of a ban on imports of HCFCs and HCFC-based equipment in 2018 and has consistently maintained zero consumption since 2019. The consumption of -0.01 ODP tonnes reported in 2022 was due to an illegal trade attempt that was then re-shipped back to the country of origin.

Country programme implementation report

4. The Government of Seychelles reported HCFC sector consumption data under the 2024 country programme (CP) implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Verification report

5. The verification report confirmed that the Government was implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs reported under Article 7 of the Montreal Protocol for 2016 to 2024 was correct (2020-2024 as also shown in table 1 above). The verification concluded that Seychelles has complied with its commitment under the Montreal Protocol, achieving an accelerated HCFC phase-out by and maintaining zero imports since 2019. The country has a robust regulatory framework and effective institutional mechanisms in place, particularly through the national ozone unit (NOU), customs, and the import permit unit. Procedures for licensing, quota allocation, and enforcement are well established and functioning effectively, with data found to be consistent across government agencies. The existing control mechanisms are considered adequate, and the NOU has demonstrated strong enforcement capabilities, including detection and interception of illegal imports.

² As per the letter of 11 March 2025 from the Ministry of Agriculture, Climate Change and Environment of Seychelles to the Secretariat.

Progress report on the implementation of the third tranche of the HCFC phase-out management plan*Legal framework*

6. Seychelles ratified the Kigali Amendment on 20 August 2019, reinforcing its commitment to phasing down HFCs in line with international obligations. The country has established a comprehensive regulatory and licensing framework to control the import of HCFCs. HCFCs were completely phased out by 2019, with a ban on HCFC-based equipment. Additionally, Seychelles has amended its legislation to include environmental levies based on the global-warming potential (GWP) of refrigerants,³ incentivizing the adoption of low-GWP alternatives. The country has also taken active measures to combat illegal trade, having intercepted 15 cases of mislabeled HCFC-based equipment and four cases of HCFC gas imports, all of which were re-exported to the country of origin.

Refrigeration servicing sector

7. During the third tranche, the following activities were undertaken:

- (a) Five training courses for 50 customs officers focusing on the identification of new refrigerants and the prevention of illegal trade;
- (b) Procurement and delivery of two gas identifiers equipment to support customs and enforcement activities;
- (c) Five training sessions for 250 technicians on good servicing practices and the safe use of natural refrigerants;
- (d) Procurement of tools and equipment (e.g., leak detectors, charging stations, piping tools, recovery units, and safety gear) to technicians and the Seychelles Institute of Technology (SIT) to enhance their capacity for refrigerant recovery, reuse, and conversion to hydrocarbons (HCs); and
- (e) Two stakeholder workshops and public awareness-raising events promoting the use of HC-290.

Project implementation, coordination and monitoring

8. Monitoring and coordination of activities planned under the HPMP were conducted by the NOU to ensure efficient implementation. A consultant was employed to carry out field visits and collect information. Of the US \$35,132 approved for this component, US \$31,632 has been disbursed.

Level of fund disbursement

9. As of April 2025, of the US \$640,000 approved so far, US \$461,222 had been disbursed, as shown in table 2. The balance of US \$178,778 will be disbursed in 2025 and 2026.

Table 2. Financial report of the HPMP for Seychelles (US \$)

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)	Fund balance
First	200,000	200,000	100.0	0
Second	160,000	160,000	100.0	0

³ GWP-based environmental levies are financial charges applied to refrigerants according to their GWP, with higher-GWP substances incurring higher levies. This measure, implemented in Seychelles, aims to discourage the use of high-GWP refrigerants and promote the adoption of low-GWP alternatives, thereby supporting climate-friendly cooling solutions in line with the Kigali Amendment.

Funding tranche	Funds approved	Funds disbursed	Disbursement rate (%)	Fund balance
Third	180,000	101,222	56.2	78,778
Additional activities (decision 89/6)	100,000	0	0.0	100,000
Total	640,000	461,222	72.1	178,778

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

10. The following activities will be implemented between June 2025 and December 2026:

- (a) Support to SIT: Procurement of one R-290 monoblock⁴ unit, including tools and equipment to enable a hands-on training on new low- or zero-GWP refrigerant technologies; one train-of-trainers session on monoblock installation and servicing (US \$15,000);
- (b) Conduct five training courses for 50 RAC technicians on the installation, servicing, and safe handling of R-290 air conditioners and monoblocks (US \$20,000);
- (c) Demonstration of alternative technologies through the procurement of two R-290 monoblock units in the private sector, aimed at increasing industry awareness and encouraging adoption of these technologies (US \$15,000); and
- (d) Project implementation and monitoring (US \$10,000): Support to the NOU for project monitoring and coordination, including stakeholder engagement, reporting, and oversight of all HPMP activities.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

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

Legal framework and servicing tail

11. The Government of Seychelles implemented a ban on the import of HCFCs and HCFC-based equipment in 2018, reflecting the accelerated phase-out achieved in 2019 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.

Refrigeration servicing sector

12. While the transition to alternative technologies initially faced delays due to limited market availability and high costs of low-GWP equipment, these challenges were addressed through regulatory incentives, such as environmental levies based on GWP, and capacity-building efforts. The country worked closely with industry stakeholders to promote the adoption of low- or zero-GWP refrigerants, including through demonstration projects and technical training. Under the third tranche, the implementation of end-user projects, such as the planned demonstration of R-290 monoblocks, is aligned with decision 92/36(b), (c), and (e), focusing on scalable, replicable models and private sector engagement. Although the demonstration projects are ongoing, preparatory steps such as site identification, stakeholder consultation, and procurement planning have been completed.

⁴ Refrigeration equipment pre-charged with refrigerant and containing all components required for cooling (i.e., compressor, condenser, evaporator, expansion valves and fans) in a single unit.

Additional activities to maintain energy efficiency in the servicing sector

13. The Secretariat noted that no fund disbursements has been made for the additional activities to maintain energy efficiency in the servicing sector approved at the 93rd meeting. The Government of Germany explained that the contract to recruit technical experts in connection with the energy efficiency project is scheduled to be awarded during the second quarter of 2025, following a comprehensive recruitment exercise, enabling full implementation of activities to commence immediately thereafter.

Gender policy implementation

14. In line with decisions 84/92(d) and 90/48(c), the Government of Seychelles has taken steps to incorporate gender considerations throughout the implementation of the HPMP. While the RAC sector in Seychelles remains predominantly male-dominated, the NOU and the SIT have initiated efforts to promote greater awareness and participation of women. Awareness sessions targeting schools are being conducted to encourage young women to consider careers in the RAC sector. Notably, in customs and enforcement-related training activities supported under the HPMP, women represented the majority of participants, reflecting their strong presence in administrative and enforcement roles within government institutions.

Sustainability of the HCFC phase-out and assessment of risks

15. The Government of Seychelles has implemented a comprehensive set of regulatory and institutional measures to ensure the long-term sustainability of HCFC phase-out achieved under the HPMP. These include a permanent ban on imports of HCFCs and HCFC-based equipment, enforced through a licensing and quota system, and reinforced by regular customs and enforcement training. Sustainability efforts have focused on the servicing sector, with the SIT now fully equipped and institutionally capable of continuing technician training beyond the HPMP period. The integration of Recognition of Prior Learning assessments and the rollout of a technician licensing system are expected to further institutionalize training and compliance. Challenges and risks such as limited market uptake of low-GWP alternatives, high initial costs, and reluctance among some private sector actors have been mitigated through targeted awareness campaigns, regulatory disincentives, such as GWP-based environmental levies, and demonstration projects, including those promoting low- and zero-GWP technologies. The demonstration projects for the promotion of R-290 monoblock and air-conditioning systems align with the country's broader energy efficiency transition goals. Overall, the measures in place suggest that the risks to the sustainability of the phase-out are very low.

Conclusion

16. Seychelles is in compliance with the Montreal Protocol targets, having maintained zero consumption since 2019 as the import ban on both HCFCs and HCFC-based equipment was enforced in 2018. The disbursement rate of funds from the previous tranche exceeds 20 per cent, and significant progress has been achieved, particularly in capacity-building and the promotion of low- or zero-GWP alternatives. Notably, the country has trained 250 RAC technicians, exceeding the original target of 125 for the third tranche, and approximately 500 customs and enforcement officers across all tranches to strengthen regulatory enforcement and prevent illegal trade. In addition, the groundwork for the additional activities to maintain energy efficiency in the servicing sector has been initiated and these activities will be implemented together with the fourth tranche. The country remains fully committed to sustaining its HCFC phase-out and advancing HFC phase-down activities under the Kigali Amendment.

RECOMMENDATION

17. The Fund Secretariat recommends that the Executive Committee:

- (a) Note the progress report on the implementation of the third tranche of the HCFC phase-out management plan (HPMP) for Seychelles; and
- (b) Request the Government of Seychelles and the Government of Germany to submit a final progress report on the implementation of the work programme associated with the final tranche and the project completion report to the first meeting of the Executive Committee in 2027.

18. The Fund Secretariat further recommends blanket approval of the fourth and final tranche of the HPMP for Seychelles 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 (fourth tranche)	60,000	6,975	Germany