UNITED NATIONS

EP

United Nations Environment Programme

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/95/44
23 October 2024

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-fifth Meeting
Montreal, 4-8 December 2024
Item 9(d) of the provisional agenda[1]

PROJECT PROPOSAL: BURUNDI

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, first tranche)	UNEP and UNIDO	Individual consideration

[1] UNEP/OzL.Pro/ExCom/95/1

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Burundi

(I) PROJECT TITLE	**AGENCY**
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO

(II) LATEST ARTICLE 7 DATA (Annex C, Group I)	Year:2023	0.66 ODP tonnes

(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)									**Year: 2023**
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22	0.00	0.00	0.00	0.00	0.66	0.00	0.00	0.00	0.66

(IV) CONSUMPTION DATA (ODP tonnes)			
2009-2010 baseline:	7.15	Starting point for sustained aggregate reductions:	2.10
CONSUMPTION ELIGIBLE FOR FUNDING			
Already approved:	0.73	Remaining:	1.37

(V) ENDORSED BUSINESS PLAN		**2024**	**2025**	**2026**	**Total**
UNEP	ODS phase-out (ODP tonnes)	0.10	0.00	0.00	0.10
	Funding (US $)	69,777	0	0	69,777
UNIDO	ODS phase-out (ODP tonnes)	1.25	0.00	0.00	1.25
	Funding (US $)	84,134	0	0	84,134

(VI) PROJECT DATA			**2024**	**2025-2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Montreal Protocol consumption limits (ODP tonnes)			4.65	2.32	2.32	2.32	2.32	0.00	n/a
Maximum allowable consumption (ODP tonnes)			0.70	0.68	0.68	0.68	0.68	0.00	n/a
Project costs requested in principle (US $)	UNEP	Project costs	114,000	0	130,000	0	0	34,000	278,000
		Support costs	14,820	0	16,900	0	0	4,420	36,140
	UNIDO	Project costs	101,600	0	25,000	0	0	13,400	140,000
		Support costs	9,144	0	2,250	0	0	1,206	12,600
Total project costs recommended in principle (US $)			215,600	0	155,000	0	0	47,400	418,000
Total support costs recommended in principle (US $)			23,964	0	19,150	0	0	5,626	48,740
Total funds recommended in principle (US $)			239,564	0	174,150	0	0	53,026	466,740

(VII) Request for approval of funding for the first tranche (2024)		
Implementing agency	**Funds recommended (US $)**	**Support costs (US $)**
UNEP	114,000	14,820
UNIDO	101,600	9,144
Total	215,600	23,964

Secretariat's recommendation:	Individual consideration

PROJECT DESCRIPTION

Background

1. On behalf of the Government of Burundi, UNEP as the lead implementing agency has submitted a request for stage II of the HCFC phase-out management plan (HPMP), at a total cost of US $466,740, consisting of US $278,000, plus agency support costs of US $36,140 for UNEP and US $140,000, plus agency support costs of US $12,600 for UNIDO, as originally submitted.[2] The implementation of stage II of the HPMP will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP being requested at this meeting amounts to US $239,564, consisting of US $114,000, plus agency support costs of US $14,820 for UNEP and US $101,600, plus agency support costs of US $9,144 for UNIDO, as originally submitted.

Status of implementation of stage I of the HCFC phase-out management plan

3. Stage I of the HPMP for Burundi was originally approved at the 65th meeting[3] and revised at the 81st meeting[4] to phase out 0.73 ODP tonnes of HCFCs used in the refrigeration and air conditioning (RAC) servicing sector, to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US $332,000,[5] plus agency support costs.

4. The fifth and final tranche of stage I was approved at the 93rd meeting, and stage I of the HPMP was extended until 31 December 2024 on an exceptional basis, given the delays in implementing phase-out activities and noting that no further extension of project implementation would be requested.

<u>Report on HCFC consumption</u>

5. The Government of Burundi reported a consumption of 0.66 ODP tonnes of HCFCs in 2023, which is 91 per cent below the HCFC baseline for compliance and 69 percent below the starting point. The 2019-2023 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Burundi (2019-2023 Article 7 data)

HCFC-22	2019	2020	2021	2022	2023	Baseline
Metric tonnes (mt)	32.50	24.30	21.40	14.03	12.00	0.00
ODP tonnes	1.79	1.34	1.18	0.77	0.66	7.15

6. Burundi has made progress in the phase-out of HCFCs, which are exclusively used in the RAC servicing sector. The decrease in consumption can be attributed to effective implementation of the licensing and quota system, the implementation of the HPMP activities and the introduction of non-HCFC technologies (HFCs and low-GWP refrigerants).

[2] As per the letter of 31 July 2024 from the Ministry of Environment, Agriculture and Livestock of Burundi to the Secretariat.

[3] Decision 65/23

[4] Decision 81/42

[5] Per decision 81/42 total funding approved for stage I of the HPMP to meet the 35 per cent reduction of the HCFC baseline was adjusted from US $332,000 to US $210,000, in line with decision 60/44(f)(xii); and maximum eligible funding balance for the country for the total phase out of HCFCs was determined at US $418,000, in line with decision 74/50(c)(xii), with necessary funding adjustments to be made during the approval of the stage II of the HPMP for the country.

Country programme implementation report

7. The Government of Burundi 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.

Status of progress and disbursement

8. During stage I, the following was achieved:

(a) *Strengthening the regulatory framework:* Adoption of Joint Ministerial Order No. 710/750/540/2035 of 9/12/2022, amending Ministerial Order No. 770/2148/cab/2017 of 3/10/2017, which regulates the import, marketing and distribution of HCFCs and HFCs;

(b) *Strengthening the capacity of customs and law enforcement officers:* Training of customs and law enforcement officers on identification and control of HCFCs and HCFC-based equipment, the use of electronic identifiers, the implementation of Joint Ministerial Order No. 710/750/540/2035, with formation of ten trainers, including five women, and reaching 666 customs, law enforcement and environmental inspection officers, of which 272 were women;

(c) *Strengthening the capacity of import traders on the procedures for issuance of import licenses and granting of annual quotas:* 51 traders were trained, including 20 women;

(d) *Training of environmental journalists from different media, on the implementation of the Montreal Protocol and the Kigali Amendment:* 33 journalists, including 14 women were trained;

(e) *Strengthening the capacity of refrigeration technicians:* Five trainers were trained. They delivered workshops for technicians covering topics such as good servicing practices, safe handling of flammable refrigerants, and the use of hydrocarbon-based technologies. 656 technicians were trained, of which 103 were women; and

(f) *Strengthening of the centre of excellence:* The centre of excellence and training centre of Bujumbura was strengthened through the provision of equipment,[6] which is regularly used for the training of technicians and customs officers as part of the activities of the Burundi training programme, contributing to increase the capacity of technicians in the sound management of refrigerants. Two refrigerant analysers were also procured and delivered to the national ozone unit (NOU).

Project coordination and monitoring

9. The NOU recruited consultants to assist in the continuous monitoring of project implementation and regular collection of data to measure progress against performance criteria, to ensure effective implementation of the HPMP stage I activities.

[6] Including ratchet wrench sets, flaring and swaging tools, expander tools, brazing kits, valve manifold gauge sets, four-way digital manifolds with hoses, vacuum pumps, portable charging stations for hydrocarbons (HC), recovery machines, recovery units for refrigerants including A3 flammable refrigerants.

Level of fund disbursement

10. As of September 2024, the totality of the US $332,000 approved has been disbursed (US $172,000 for UNEP and US $160,000 for UNIDO).

Stage II of the HCFC phase-out management plan

Remaining consumption eligible for funding

11. After deducting 0.73 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding, in stage II, amounts to 1.37 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

12. There are approximately 700 technicians (out of which 350 are informal) and 41 workshops operating in the servicing sector, consuming HCFC-22 to service unitary and split air-conditioning (AC) systems, commercial and industrial refrigeration including chillers, as shown in table 2. HCFC-22 represents 24.2 per cent of refrigerants used in the servicing sector, followed by HFC-134a with 24.0 per cent and R-410A with 20.2 per cent and other refrigerants, including low-GWP refrigerants.

Table 2. Estimation of demand for HCFC-22 in the RAC servicing sector in Burundi in 2023

Sector/Application	(a) Equipment inventory	(b) Average charge (kg)	(c)=(a)*(b) HCFC bank (mt)	(d) Estimated bank refilled during servicing (%)	(e)=(c)*(d) Annual needs for servicing (mt)
Residential AC (mono-split, portable units)	14,184	1.5	21.27	25	5.32
Commercial AC (multi-split, central systems, cabinets)	2,341	8	18.73	22	4.12
Commercial refrigeration (cold rooms, freezers, refrigerated tanks, chillers, display cabinets)	1,226	5.5	6.74	15	1.01
Industrial refrigeration (cold storage, refrigerated tanks, chillers, ice production)	239	1.6	0.38	20	0.08
Total	**17,990**	**-**	**47.13**	**-**	**10.53**

Phase-out strategy

13. Stage II of the HPMP will focus on further strengthening the legal framework and capacity of enforcement officers, technical capacities of technicians in the servicing sector through increased training opportunities, new centres of excellence, the establishment of a certification scheme for technicians; and promoting the introduction and use of systems that use refrigerants with low/zero GWP and lead to energy benefits.

14. The following activities are proposed for stage II:

(a) *Strengthening the regulatory framework and capacity of customs and law enforcement officers:*[7] Development and adoption of a ban to import new and used HCFC-based

[7] Activities proposed have taken into account the recommendations of the verification report at the 93rd meeting including further awareness-raising and capacity building for importers and customs officers on the licensing and quota system; the development of an online permitting system for more efficient tracking; and providing additional refrigerant identification equipment for customs officers at the borders.

equipment by 1 January 2027; design of legal and regulatory provisions for the certification process; development of national technical standards and protocols on the safe handling and use of flammable and toxic refrigerants; establishment of a regulatory measure to control intended emission of refrigerants during installation, servicing and decommissioning of RAC equipment; introduction of an online tool to connect customs with the NOU to increase efficiency of HCFC import controls; training sessions with up-to-date materials for 160 customs and law enforcement officers, including one third of women participation, for monitoring, control and identification of HCFCs and HCFC-based equipment; six workshops for importers and distributors awareness and sensitization on the HCFCs phase-out and the handling, storing and repackaging of these substances; translation of regulations and legal texts into main local languages (UNEP) (US $105,000);

(b) *Strengthening the capacity of refrigeration technicians on good practices in refrigeration:* Revision of the technician training programme and update on manuals to include safety aspects of new refrigerants and equipment; training for 350 RAC technicians including 100 females, on good practices in refrigeration, including recovery of refrigerants; design and establishment of a certification scheme for refrigeration technicians and certification of 75 technicians; and targeted campaigns to attracting students to the field encouraging women to join vocational training schools, technical high schools and universities (UNEP) (US $147,000); and

(c) *Reinforcement of the existing centre of excellence and establishment of three new ones, and strengthening of refrigerant recovery capability:* Procurement and delivery of equipment to set up three new centres of excellence (Kamenge, Kiryama, Ngazi), and updating the existing one in Bujumbura; procurement and delivery of tools and equipment to strengthen recovery capabilities at the centres; training on the use of relevant equipment and technologies (UNIDO) (US$140,000).[8]

Project implementation and monitoring

15. The system established under stage I of the HPMP will continue into stage II, with the NOU and UNEP monitoring activities, reporting on progress, and working with stakeholders to phase out HCFCs. The cost of those activities for UNEP amounts to US $26,000, and includes project staff and consultants, domestic travel, meetings and workshops.

Gender policy implementation

16. The Government of Burundi, UNEP and UNIDO are fully committed to implementing the gender mainstreaming policy of the Multilateral Fund and their own gender policies. In stage I, especially dedicated information and awareness-raising campaigns for the promotion of gender balance in the RAC servicing profession were held, with the aim of introducing a 50 per cent quota for women when recruiting to specialized vocational and technical training schools in RAC servicing. The implementation plan for stage II also includes tailor-targeted campaigns to attracting students to the field encouraging women to join vocational and technical training schools, as well as universities. During stage II a gender assessment will be undertaken in accordance with decision 92/40, and the relevant recommendations implemented. Stage II also includes activities that will address gender equality and women's empowerment systematically, i.e., collection and monitoring of gender-disaggregated data; in particular, under the

[8] Equipment to be procured includes filter dryers, vacuum pumps, electronic scale, hoses, infrared leak detectors, compact clamp meter fieldpieces, tube cutters, ratchets wrench sets, flaring and swaging tools, brazing kits, portable digital multimeters, valve manifold gauge sets, recovery unit, cylinders refrigerant.

monitoring and evaluation tasks, specific reporting on gender requirements and progress made to address them both quantitatively and qualitatively, will be undertaken.

17. It is to be highlighted that, at the level of educational institutions, around 25 per cent of women were trained in the RAC training centres in the period from 2017 to 2022. Women have now an important presence in this profession, and some have even established their own servicing workshops in the large cities of the country.

Total cost of stage II of the HCFC phase-out management plan

18. The total cost of stage II of the HPMP for Burundi has been estimated at US $418,000 (plus agency support costs), as originally submitted, for achieving a 67.5 per cent reduction from its HCFC baseline consumption by 2025 and a 100 per cent reduction by 2030. The proposed activities and cost breakdown are summarized in paragraphs 14 and 15 above.

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

19. The first funding tranche of stage II of the HPMP in the total amount of US $215,600, as originally submitted, will be implemented between December 2024 and December 2027 and will include the following activities:

(a) *Strengthening the regulatory framework and capacity of customs and law enforcement officers:* Development of a ban on new and used HCFC-based equipment; design of legal provisions for the certification process; development of national technical standards and protocols on the safe handling of flammable and toxic refrigerants; training sessions with up-to-date materials on monitoring and control of HCFCs and HCFC-based equipment for 60 customs and law enforcement officers including 20 females; two workshops on awareness and sensitization for importers and distributors on the procedures for issuing import licenses and quotas and on the potential risks and dangers of certain refrigerants; translation of regulations and legal texts into main local languages (UNEP) (US $54,000);

(b) *Strengthening the capacity of refrigeration technicians in good practices in refrigeration:* Revision of the technician training programme and update of manuals to include safety aspects of new refrigerants and equipment, and training for 120 RAC technicians including 30 female technicians on good practices in refrigeration, including recovery of refrigerants; scoping and design of the certification scheme including its institutional setup, stakeholder consultation and capacity building for the certification process; targeted campaigns for students to pursue careers in RAC fields with a special focus on attracting women (UNEP) (US $50,000);

(c) *Reinforcement of the existing centre of excellence and establishment of three new ones, and strengthening of refrigerant recovery capability:* Procurement and delivery of equipment to set up three new centres of excellence (Kamenge, Kiryama, Ngazi), and updating the existing one in Bujumbura; procurement and delivery of tools and equipment to strengthen recovery capabilities at the centres; training on the use of relevant equipment and technologies (UNIDO) (US $101,600); and

(d) *Project monitoring:* Staff and consultants, domestic travel, meetings and workshops. (UNEP) (US $10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

20. The Secretariat reviewed stage II of the HPMP in light of stage I, the policies and guidelines of the Multilateral Fund, including the criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs (decisions 74/50 and 90/31), and the 2024-2026 business plan of the Multilateral Fund.

Overarching strategy

21. The Government of Burundi confirmed its commitment to achieve a 100 per cent reduction of its HCFC baseline consumption and attain compliance with the Montreal Protocol measures by 2030.

22. In line with decision 86/51, to allow for consideration of the final tranche of its HPMP, the Government of Burundi agreed to submit a detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption is in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol[9] for the period 2030–2040, and, if Burundi intends to have consumption during the period 2030–2040, in line with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol, proposed modifications to its Agreement with the Executive Committee covering the period beyond 2030.

Legal framework

23. The Government of Burundi issued HCFC import quotas for 2024 at 12mt (0.66 ODP tonnes) which is lower than the Montreal Protocol control targets.

24. The Government of Burundi confirmed its commitment to ban the import of HCFCs by 1 January 2030, and the import of new and used HCFC-based equipment by 1 January 2027.

Technical and cost-related issues

Technician certification scheme

25. Regarding the establishment of a certification scheme for RAC technicians, UNEP explained that during the first tranche, after conducting an assessment of the situation and needs, the scoping and design of the certification scheme will start, including its institutional setup and stakeholder consultation to ensure that the scheme is sustainable beyond the end of stage II. The Government will focus on the development of the certification procedures, the enabling of the centre of excellence in Bujumbura to perform the functions of certifier, and the design of relevant legal and regulatory provisions. The scheme is envisaged to be completed by the end of the second tranche, when the capacity of key stakeholders involved in the certification process will have been built. The last tranche of the HPMP will be used to ensure that the scheme is implemented nation-wide and that it can continue to be functional beyond 2030. UNEP will assist the country in this respect. It is expected that the certification starts running from 2028, when around 75 technicians would be certified by the centre of excellence in Bujumbura until 2030. The Government will then assess the capacity of the centre of excellence and decide on the number of the technicians that will be certified from 2030. Initiatives will be implemented to ensure that technicians are motivated to undergo the certification process.

Strengthening of the recovery capabilities of the centres of excellence

26. The initial submission referred to the establishment of a reclamation centre, however; after the Secretariat's enquiries on the amounts already reclaimed and the existence of a regulatory framework to

[9] HCFC consumption may exceed zero in any year so long as the sum of its calculated levels of consumption over the ten-year period from 1 January 2030 to 1 January 2040, divided by 10, does not exceed 2.5 per cent of the HCFC baseline,

ensure the sustainability of a reclamation centre, UNEP clarified that it would be difficult to operate a reclamation centre profitably in the context of the high level of informality in the country, added to the fact that there was no regulatory framework associated, but that notwithstanding, Burundi's HCFC control and phase-out plan provides an opportunity for the strengthening of the recovery capabilities in the existing centre of excellence in Bujumbura and the three new centres of excellence to be established under stage II. Sustainability can be ensured through continued training, capacity building and the gradual adoption of best practices as these centres are integrated into the refrigerant management strategy of the country. The agencies also confirmed the commitment from the Government to establish regulatory measures to control intended emission of refrigerant during installation, servicing and decommissioning of RAC equipment, within stage II of the HPMP.

Total project cost

27. The total cost for stage II of the HPMP amounts to US $ 418,000, based on decision 74/50(c)(xii) on the eligible funding level for a low volume consuming country and decision 81/42. The funding for the first tranche was agreed as submitted.

Impact on the climate

28. The activities proposed in the servicing sector, which include better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC22 used for RAC servicing. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO_2-eq tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by Burundi, including its efforts to promote low-GWP alternatives, as well as refrigerant recovery, indicate that the implementation of the HPMP will reduce the emission of refrigerants into the atmosphere, resulting in climate benefits.

Sustainability of the HCFC phase-out and assessment of risks

29. UNEP confirmed that the country can implement the activities in stage II of the HPMP, considering Burundi’s long and positive history of commitment to the Montreal Protocol. The activities envisaged under stage II would contribute to the country’s ability to phase out HCFCs by 2030 and to use HCFC-free and possibly also low-GWP alternatives.

30. Through the HPMP activities, a large number of RAC technicians have gained awareness of good RAC servicing practices, contributing to strengthening the RAC servicing sector, encouraging low-GWP alternatives, and ensuring that the licensing and quota systems are effective and efficient to meet the targets. The formal certification of RAC technicians, that is part of stage II, will support the sustainability of this achievement, which will be further supported by the national RAC association, which has been actively involved in the implementation of the HPMP. The sustainability and institutionalization of customs training is being secured through the already incorporated Montreal Protocol obligations in the curricula for the training of customs officers and the direct involvement of the Burundian Revenue Office, which, in collaboration with the customs authority is involved in the training of customs officers, the planning of workshops and the selection of participants. The country implemented a ban on the import of ODS and equipment containing such substances, that have already been phased out. The training of customs officers and awareness activities for importers and the public are undertaken to ensure the effective implementation of the ban. Under stage II a ban on the import of new and used HCFC-base equipment will be introduced by 1 January 2027, and the import of HCFCs will be banned by 1 January 2030.

31. The main challenges that the RAC servicing sector face arise in terms of strengthening institutional and human capacities for the safe and environmentally sound management of refrigerants, as well as related materials and equipment. The plan for stage II includes activities that will further address and strengthen such capacities.

Co-financing

32. The contribution provided by the Government of Burundi will be extended also to stage II, in particular as it relates to its support to the monitoring and evaluation of the HPMP. The anchoring of the NOU within the Ministry of Environment ensures smooth running of the HPMP implementation, as do the in-kind support provided in the form of office rent, assignment of local temporary staff to assist in the meetings and workshops, transport organization for meeting and workshop participants, amongst others.

2024-2026 draft business plan of the Multilateral Fund

33. UNEP and UNIDO are requesting US $418,000, plus agency support costs, for the implementation of stage II of the HPMP for Burundi. The total requested value of US $239,564, including agency support costs for the period of 2024–2026, is US $85,653 above the amount in the business plan.

Draft Agreement

34. A draft Agreement between the Government of Burundi and the Executive Committee for stage II of the HPMP is contained in annex I to the present document.

RECOMMENDATION

35. The Executive Committee may wish to consider:

(a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Burundi for the period from 2024 to 2030 for the complete phase-out of HCFC consumption, in the amount of US $466,740, consisting of US $278,000, plus agency support costs of US $36,140, for UNEP and US $140,000, plus agency support costs of US $12,600, for UNIDO, on the understanding that no more funding from the Multilateral Fund will be provided for the phase-out of HCFCs;

(b) Noting the commitment of the Government of Burundi:

(i) To completely phase out HCFCs by 1 January 2030, to ban the import of HCFCs by that date, and to ban the import of HCFC-based equipment by 1 January 2027;

(ii) To establish regulatory measures to control intended emission of refrigerants during installation, servicing and decommissioning of refrigerant and air conditioning equipment, within stage II of the HPMP;

(c) Deducting 2.10 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;

(d) That, to allow for consideration of the final tranche of its HPMP, the Government of Burundi should submit:

(i) A detailed description of the regulatory and policy framework in place to implement measures to ensure that HCFC consumption was in compliance with paragraph 8 ter(e)(i) of Article 5 of the Montreal Protocol for the period 2030-2040;

(ii) The expected annual HCFC consumption in Burundi for the period 2030-2040;

(e) Approving:

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

(ii) The first tranche of stage II of the HPMP for Burundi, and the corresponding tranche implementation plan, in the amount of US $239,564, consisting of US $114,000, plus agency support costs of US $14,820 for UNEP, and US $101,600, plus agency support costs of US $9,144 for UNIDO.

Annex I

DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF BURUNDI 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

Purpose

1. This Agreement represents the understanding of the Government of Burundi (the "Country") and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A ("The Substances") to a sustained level of zero ODP tonnes by 1 January 2030 in compliance with Montreal Protocol schedule.

2. The Country agrees to meet the annual consumption limits of the 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 all 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 the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3.

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 II of the HCFC phase-out management plan approved ("the Plan"). In accordance with subparagraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as 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 eight 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 the form of 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 the form of Appendix 4-A covering each calendar year until and including the year for which the funding 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 of the approved funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

(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 eight 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 which would modify any clause of this Agreement;

(iii) Changes in the annual levels of funding allocated to 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 to the climate, and any differences in ODP tonnes to be phased out if applicable, as well as confirm that the Country agrees that potential savings related to the change of technology would decrease the overall funding level under this Agreement accordingly;

(b) Reallocations not categorized as major changes may be incorporated in 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.

Considerations for the refrigeration servicing sector

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector included in the Plan, in particular:

(a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and

(b) The Country and relevant bilateral and/or implementing agencies would take into consideration relevant decisions on the refrigeration servicing sector during the implementation of the Plan.

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 monitoring and evaluation work programmes 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 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 2A.

Non-compliance with the Agreement

11. Should the Country, for any reason, not meet the Targets for the elimination of the 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 of 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 ODP 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), 1(d), and 1(e) 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 of the 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 between the Government of the Country and the Executive Committee of the Multilateral Fund.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	2.10

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2024	2025-2026	2027	2028	2029	2030	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	4.65	2.32	2.32	2.32	2.32	0.00	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	0.70	0.68	0.68	0.68	0.68	0.00	n/a
2.1	Lead IA (UNEP) agreed funding (US $)	114,000	0	130,000	0	0	34,000	278,000
2.2	Support costs for Lead IA (US $)	14,820	0	16,900	0	0	4,420	36,140
2.3	Cooperating IA (UNIDO) agreed funding (US $)	101,600	0	25,000	0	0	13,400	140,000
2.4	Support costs for Cooperating IA (US $)	9,144	0	2,250	0	0	1,206	12,600
3.1	Total agreed funding (US $)	215,600	0	155,000	0	0	47,400	418,000
3.2	Total support costs (US $)	23,964	0	19,150	0	0	5,626	48,740
3.3	Total agreed costs (US $)	239,564	0	174,150	0	0	53,026	466,740
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)							1.37
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)							0.73
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)							0

* Date of completion of stage I as per decision 93/36 and annex XIV to document UNEP/OzL.Pro/ExCom/93/105: 31 December 2024

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 TRANCHE IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Tranche Implementation Report and Plans for each tranche request will consist of five 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 out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include the amount of ODS phased out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight 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, uses of the flexibility for 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 of the Plan results and the consumption of the Substances, as per subparagraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in subparagraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

(c) A written description of the activities to be undertaken during the period covered by the requested tranche, 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 also 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 (b) above;

(d) A set of quantitative information for all Tranche Implementation Reports and Plans, submitted through an online database; and

(e) An Executive Summary of about five paragraphs, summarizing the information of the above subparagraphs 1(a) to 1(d).

2. In the event that in a particular year two stages of the Plan are being implemented in parallel, the following considerations should be taken in preparing the Tranche Implementation Reports and Plans:

(a) The Tranche Implementation Reports and Plans referred to as part of this Agreement, will exclusively refer to activities and funds covered by this Agreement; and

(b) If the stages under implementation have different HCFC consumption targets under Appendix 2-A of each Agreement in a particular year, the lower HCFC consumption target will be used as reference for compliance with these Agreements and will be the basis for the independent verification.

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Overall monitoring will be provided by the Government, through the National Ozone Unit (NOU), with the assistance of the Lead IA. The NOU will provide annual progress reports on the status of the Plan implementation to the Lead IA.

2. Consumption will be monitored and determined on the basis of official import and export data for substances as registered by the relevant Government departments. The NOU will compile and report the following data and information annually within the relevant timeframes:

(a) Reports on consumption of substances to be submitted to the Ozone Secretariat in accordance with Article 7 of the Montreal Protocol; and

(b) Country programme data reports to be submitted to the Multilateral Fund Secretariat.

3. Monitoring the development of the Plan and verifying the achievement of performance targets will be entrusted to an independent local contractor or one or more independent local consultants by the Lead IA. The company or consultant(s) responsible for the verification will have full access to relevant technical and financial information related to the implementation of the Plan.

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 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 is reflected in updates of the overall plan and in future Tranche Implementation Plans consistent with subparagraphs 1(c) and 1(d) of Appendix 4-A;

(e) Fulfilling the reporting requirements for the Tranche Implementation Reports and Plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee, and should include 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 HCFC consumption targets had been met;

(g) Ensuring that appropriate independent technical experts carry out the technical reviews;

(h) Carrying out required supervision missions;

(i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;

(j) Coordinating the activities of the Cooperating IA, and ensuring 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 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 the consumption of the 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 refer to the Lead IA to ensure a coordinated sequence in the 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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US $180 per ODP kg 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.

2. In the event that the penalty needs to be applied for a year in which there are two Agreements in force (two stages of the Plan being implemented in parallel) with different penalty levels, the application of the penalty will be determined on a case-by-case basis taking into consideration the specific sectors that lead to the non-compliance. If it is not possible to determine a sector, or both stages are addressing the same sector, the penalty level to be applied would be the largest.