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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Ninety-seventh Meeting
Montreal, 1–5 December 2025
Item 9(d) of the provisional agenda¹

PROJECT PROPOSAL: ALBANIA

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

Energy efficiency

- Pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (non-investment activities): Introduction of leakage detection systems in refrigeration and air-conditioning equipment

UNIDO

Individual
consideration

¹ UNEP/OzL.Pro/ExCom/97/1

PROJECT EVALUATION SHEET – NON-MULTI-YEAR PROJECT**Albania****PROJECT TITLE****IMPLEMENTING AGENCY**

Pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (non-investment activities): Introduction of leakage detection systems in refrigeration and air-conditioning equipment	UNIDO
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PROJECT OBJECTIVE

The objective of the pilot project is to strengthen and improve the national system for energy efficiency in the RAC sector, in line with EU MEPS and energy efficiency design, while promoting the adoption of measures and technologies that ensure sustained energy savings and reduced emissions of controlled substances.
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NATIONAL COORDINATING AGENCY	Ministry of Tourism and Environment of Albania
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LATEST ARTICLE 7 DATA (Annex F)	Year: 2024	477.61 mt	883,701 CO ₂ -eq tonnes
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Particular	Non-investment activities
HFC used by the servicing sector (2024 country programme data)	477.61 mt
	883,701 CO ₂ -eq tonnes
Project duration (months):	36
Initial amount requested (US \$):	219,000
Final project costs (US \$):	219,000
Implementing agency support cost (US \$):	19,710
Total cost of project to Multilateral Fund (US \$):	238,710
Energy efficiency savings (US \$/KwH):	n/a
Status of counterpart funding (Y/N):	n/a
Project monitoring milestones included (Y/N):	Y
Minimum energy performance standards available for the relevant sector (Y/N):	Y

SECRETARIAT'S RECOMMENDATION	Individual consideration
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PROJECT DESCRIPTION

Background

1. On behalf of the Government of Albania, UNIDO has submitted, in line with decision 91/65, a request for a pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (non-investment activities), in the amount of US \$219,000, plus agency support costs of US \$19,710, as originally submitted.²

Status of implementation of energy efficiency-related activities funded by the Multilateral Fund

2. At its 93rd meeting, the Executive Committee approved US \$100,000, plus agency support costs, for UNIDO to implement additional activities aimed at introducing alternatives to HCFCs with low- or zero-GWP and maintaining energy efficiency in the refrigeration servicing sector in Albania, in line with decision 89/6.³ The activities approved under that project include updating MEPS, demonstrating R-290 technology in the air-conditioning subsector (installation of 20 pilot units, training technicians in the installation, maintenance, and operation of these units, and recovery of refrigerant from replaced appliances), and promoting green procurement.

Energy efficiency pilot project

3. Albania ratified the Kigali Amendment on 18 January 2019. In 2021, the licensing system was extended to include HFCs, HFC blends, and HFC-based equipment. Stage I of the Kigali HFC implementation plan (KIP) was approved at the 93rd meeting,⁴ and the country has committed to reducing HFC consumption by 10 per cent of the baseline by 2029. At the 93rd meeting, funding was approved for additional activities to maintain energy efficiency in the refrigeration servicing sector under decision 89/6.⁵

Policy, regulatory and institutional framework

4. The Ministry of Infrastructure and Energy (MIE) and the Energy Regulatory Authority (ERE) are the most significant institutions in setting policy and regulations in the energy sector in Albania. The MIE is responsible for developing policies and strategies in the energy sector and for developing and updating minimum energy performance standards (MEPS). The Agency of Energy Efficiency (AEE) was established under the MIE to improve energy efficiency in all sectors. The AEE undertakes a number of activities, including preparing and implementing legislation; developing and monitoring the National Energy Efficiency Action Plan; developing a database to monitor progress being made in improving energy efficiency; developing technical standards and regulations to improve the energy efficiency of products; setting minimum requirements for the energy performance of buildings; organizing professional training on energy efficiency; and issuing certificates to energy auditors and energy managers.

5. In 2019, a revised ODS regulation was approved by the Council of Ministers (decision 10) to be in full alignment with European Union (EU) legislation with respect to regulating the import, use, and trade of ODS, updating ODS reporting requirements, and providing adequate training and certification for end users. It also added legal measures prohibiting the discharge of ODS and improved labelling requirements for ODS imports. In January 2023, the law on fluorinated gases (F-gases) was approved by the Council of Ministers (decision 432).

6. The Government has established MEPS and energy-efficiency labelling for refrigeration and air-conditioning (RAC) appliances. The MEPS and labelling system are mandatory and supported by

² As per the letter of 25 August 2025 from the Ministry of Tourism and Environment of Albania to UNIDO.

³ Decision 93/36

⁴ Decision 93/54

⁵ Decision 93/36

Law No. 124/2015 on Energy Efficiency (amended) and Law No. 116/2016 on the Energy Performance of Buildings. The MEPS and labelling are updated regularly.

HFC consumption and sector background

7. The HFC consumption baseline for Albania has been established at 883,849 CO₂-eq tonnes. The 2020-2024 HFC consumption is shown in table 1.

Table 1. HFC consumption in Albania (2020–2024 Article 7 data)

HFC consumption	2020	2021	2022	2023	2024
Metric tonnes (mt)	322.52	321.31	349.10	815.23	477.61
CO ₂ -eq tonnes	748,541	704,715	816,384	1,904,288	883,701

Project objective

8. The objective of the pilot project is to strengthen and improve the national system for energy efficiency in the RAC sector in line with the MEPS and energy efficiency design of the EU and to promote the adoption of emission reduction measures through the demonstration of technologies to ensure sustained energy savings and reduced emissions of substances with high global warming potential (GWP).

Proposed activities

9. The activities as initially proposed are as follows:

- (a) Strengthening the national framework for energy efficiency in the RAC sector: Establish a working group of key stakeholders; organize six working group meetings to review EU legislation and identify national gaps to align MEPS and energy efficiency policies in the RAC sector; and conduct a cost-benefit assessment on incorporating proposed EU policy measures into Albania's national RAC legislation (US \$17,000);
- (b) Strengthening implementation of MEPS and labelling in the RAC sector (US \$104,000):
 - (i) Public awareness campaign for energy efficiency in RAC: Develop and update list of stakeholders in the RAC sector; create and distribute awareness materials to stakeholders and the public; disseminate informational videos on energy efficiency in RAC via the national ozone unit (NOU) and ministry platforms; conduct three awareness workshops for 90 stakeholders (at least 10 per cent women); and organize a workshop to present the achievements of the energy efficiency project (legislation and MEPS update, training of professionals, awareness activities and energy savings from leakage detection systems (LDSs)) (US \$39,000);
 - (ii) Training of professionals on energy efficiency in RAC: Develop training materials for professionals in RAC and energy efficiency on MEPS and energy efficiency; organize three workshops to train 75 stakeholders (20 per cent women) on legislation, MEPS, and the linkages between refrigerant use, GWP, and energy consumption; and draft a report from lessons learned on how to conduct training on energy efficiency in the RAC sector and how to integrate such training into ongoing and future projects (US \$65,000);
- (c) Pilot demonstration on LDSs (US \$98,000):
 - (i) Market study on the enforcement of the new F-gas regulation: Identify and develop a list of all enterprises with stationary RAC equipment containing HFC refrigerant of 500 CO₂-eq tonnes or more through reviewing databases and conducting a

market survey; identify enterprises eligible for an LDS instalment; and conduct an awareness workshop for the selected enterprises on the legal obligations of participating in the pilot project (US \$22,000); and

- (ii) Implementing the pilot project: Develop technical specifications for LDSs; purchase, deliver, and install 10 sets of LDSs to selected enterprises; distribute 100 sets of portable LDS tools; and train enterprise technicians and staff on LDS use and maintenance (US \$76,000).

Total cost of the pilot project

10. The project is expected to be completed within 36 months of approval, between January 2026 and December 2028, for a total cost of US \$219,000, plus agency support cost, as initially submitted.

SECRETARIAT'S COMMENTS AND RECOMMENDATIONS

COMMENTS

11. The Secretariat has reviewed the project proposal in light of the activities and criteria under decisions 89/6 and 91/65 as well as those to be implemented under stage I of the KIP.

12. In line with decision 91/65, confirmation has been obtained from the Government of Albania through UNIDO that the NOU will coordinate with relevant energy-efficiency authorities (MIE and ERE) and national standards bodies to facilitate the consideration of refrigerant transition when developing energy-efficiency standards in the relevant sectors/applications; that, if Albania has mobilized or were to mobilize funding from sources other than the Multilateral Fund (MLF) for energy-efficiency components when phasing down HFCs, the project will not result in the duplication of activities among those funded by the MLF and those funded from other sources; that information on project progress, results, and key learning will be made available, as appropriate; and that the date of completion of the project will be set as no more than 36 months after the date of approval by the Executive Committee and that a detailed project report will be submitted to the Executive Committee within six months of the date of completion of the project.

Policy, regulatory and institutional framework

13. Regarding the alignment of Albania MEPS with EU MEPS and eco-design requirements, UNIDO explained that Albania has transposed the core elements of EU MEPS and eco-design requirements into its national legislation through Law No. 124/2015 on Energy Efficiency (amended) and Law No. 116/2016 on the Energy Performance of Buildings, supplemented by decisions 434/2019 and 435/2019 of the Council of Ministers. These legal instruments establish the framework for energy labelling, market surveillance, and the enforcement of MEPS for energy-related products, including RAC equipment.

Technical and cost-related issues

14. While MEPS in the RAC sector have been formally adopted, their full enforcement needs to be further strengthened through improved technical capacity and administrative procedures, as well as overcoming coordination challenges among institutions. The proposed demonstration project, through awareness-raising of key stakeholders, development of enforcement capacity, and demonstration of leakage detection technology, is expected to support the enforcement of MEPS and promote the adoption of low-GWP, energy-efficient RAC equipment, resulting in the reduction of energy consumption and greenhouse gas emissions.

15. UNIDO confirmed that there are currently no projects addressing energy efficiency in the context of HFC phase-down funded by non-MLF sources, and that any future projects will take into account the requirements of decision 91/65.

16. The Secretariat noted that although both the project approved under decision 89/6 and the present project target the servicing sector and aim to maintain or improve energy efficiency in the RAC servicing sector, there are no duplications in the planned activities of the two projects. Project monitoring will be conducted by the project implementation and monitoring unit and incorporated into the KIP.

Agreed cost of the pilot project

17. The activities and cost of the project were agreed as originally submitted to implement the pilot project to promote the adoption of energy-efficient technologies in Albania.

Sustainability of the pilot project and assessment of risks

18. Albania has established mandatory MEPS with regulatory support. The proposed pilot project includes a component to support the sustainable enforcement of the MEPS. Implementation of the MEPS will enhance the energy efficiency of RAC equipment and reduce refrigerant emissions through leakage reduction, resulting in environmental benefits. Raising key stakeholders' awareness will foster collaboration, promote joint action for the implementation of the MEPS, and mobilize the public to support the adoption of energy-efficient RAC equipment. The introduction of LDSs in stationary RAC equipment is expected to facilitate refrigerant leakage detection and ensure continuous performance monitoring and improvement of energy performance of RAC equipment, resulting in a sustainable improvement in energy efficiency.

19. The risk to sustainability lies in the limited technical capacity to install, operate, calibrate and maintain LDSs, and delays in the full enforcement of MEPS, energy labelling provisions, or LDS requirements under the national F-gas legislation could slow project implementation; and high initial costs of low-GWP, energy-efficient RAC equipment and LDSs may limit their uptake by end users. These can be mitigated through targeted training and technical support, close coordination with key stakeholders to align project timelines, showcasing the operational and energy savings benefits through demonstration activities, promoting green public procurement, and engaging with suppliers and distributors to facilitate access to cost-competitive technologies.

RECOMMENDATION

20. The Executive Committee may wish to consider approving the pilot project to maintain and/or enhance the energy efficiency of replacement technologies and equipment in the context of HFC phase-down (non-investment activities) for Albania, in the amount of US \$219,000, plus agency support costs of US \$19,710, for UNIDO, noting:

- (a) That the Government of Albania has committed to the conditions referred to in decision 91/65(b)(iv)b. to (b)(iv)d.; and
- (b) That the project would be operationally completed no later than 31 December 2028, and a detailed project report would be submitted to the Executive Committee within six months of the date of completion of the project.