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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-third Meeting
Montreal, 27– 31 May 2019

PROJECT PROPOSAL: KUWAIT

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

Phase-out

- HCFC phase-out management plan (stage I, third tranche) UNEP and UNIDO

PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS

Kuwait

(I) PROJECT TITLE	AGENCY	MEETING APPROVED	CONTROL MEASURE
HCFC phase out plan (Stage I)	UNEP (lead), UNIDO	66 th	39.2% by 2018

(II) LATEST ARTICLE 7 DATA (Annex C Group I)	Year: 2017	295.94 (ODP tonnes)
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(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)								Year: 2017	
Chemical	Aerosol	Foam	Fire fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-123									
HCFC-141b		58.3				0.9			59.2
HCFC-141b in Imported Pre-blended Polyol		85.4							85.4
HCFC-142b		63.5							63.5
HCFC-22		35.8		9.9	127.6				173.3

(IV) CONSUMPTION DATA (ODP tonnes)			
2009 - 2010 baseline:	418.6	Starting point for sustained aggregate reductions:	429.24
CONSUMPTION ELIGIBLE FOR FUNDING (ODP tonnes)			
Already approved:	239.15	Remaining:	190.09

(V) BUSINESS PLAN		2019	2020	Total
UNEP	ODS phase-out (ODP tonnes)	8.02	2.34	10.36
	Funding (US \$)	371,703	108,600	480,303
UNIDO	ODS phase-out (ODP tonnes)	25.47	22.21	47.68
	Funding (US \$)	1,128,684	984,400	2,113,084

(VI) PROJECT DATA			2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Montreal Protocol consumption limits			n/a	418.6	418.6	376.7	376.7	376.7	376.7	376.7	272.1	n/a
Maximum allowable consumption (ODP tonnes)			n/a	415.6	336.8	339.0	297.9	296.2	254.5	254.5	254.5	n/a
Agreed funding (US\$)	UNEP	Project costs	277,000	0	0	337,000	0	0	0	0	429,000	1,043,000
		Support costs	33,126	0	0	40,301	0	0	0	0	51,303	124,730
	UNIDO	Project costs	3,537,450	0	0	3,349,382	0	0	0	1,054,845	920,000	8,861,677
		Support costs	265,309	0	0	234,457	0	0	0	73,839	64,400	638,005
Funds approved by ExCom (US\$)	Project costs	3,814,450	0	0	3,686,382	0	0	0	0	0	7,500,832	
	Support costs	298,435	0	0	274,758	0	0	0	0	0	573,193	
Total funds requested for approval at this meeting (US\$)	Project costs	0	0	0	0	0	0	0	1,054,845	0	0	
	Support costs	0	0	0	0	0	0	0	73,839	0	0	

Note: Revised agreement to be considered at the 83rd meeting.

Secretariat's recommendation:	Individual consideration
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PROJECT DESCRIPTION

1. On behalf of the Government of Kuwait, UNEP as the lead implementing agency, has submitted a request for funding for the third tranche of stage I of the HCFC phase-out management plan (HPMP), at the amount of US \$1,054,845, plus agency support costs of US \$73,839 for UNIDO only.¹ The submission includes a progress report on the implementation of the second tranche, the verification report on HCFC consumption for 2015 to 2018, and the tranche implementation plan for 2019 and 2020. The submission also includes a request for extending the Agreement for stage I of the HPMP with a revision in the funding schedule.

Report on HCFC consumption

2. The Government of Kuwait reported a consumption of 295.94 ODP tonnes of HCFC in 2017 and estimated consumption of 254.18 ODP tonnes in 2018, which is 39.3 per cent below the HCFC baseline for compliance. The 2014-2018 HCFC consumption is shown in Table 1.

Table 1. HCFC consumption in Kuwait (2014-2018 Article 7 data)

HCFC	2014	2015	2016	2017	2018*	Baseline
Metric tonnes						
HCFC-22	3,373.63	3,653.25	3,157.50	3,150.00	2,725.33	4,735.50
HCFC-123	2.72	0.00	0.00	0.00	0.00	14.00
HCFC-141b	728.56	605.00	560.00	538.00	500.00	683.50
HCFC-142b	1,083.51	1,100.00	963.00	977.00	758.24	1,272.00
Sub-total (mt)	5,188.42	5,358.25	4,680.50	4,665.00	3,983.57	6,705.00
HCFC-141b in imported pre-blended polyols	533.64	560.00	850.00	790.00	***	96.73**
Total (mt)	5,722.06	5,918.25	5,530.50	5,455.00	3,983.57	6,801.73
ODP tonnes						
HCFC-22	185.55	200.93	173.66	173.25	149.89	260.45
HCFC-123	0.05	0.00	0.00	0.00	0.00	0.28
HCFC-141b	80.14	66.55	61.60	59.18	55.00	75.19
HCFC-142b	70.43	71.50	62.60	63.51	49.29	82.68
Sub-total (ODP tonnes)	336.17	338.98	297.86	295.94	254.18	418.60
HCFC-141b in imported pre-blended polyols	58.70	61.60	93.50	86.90	***	10.64**
Total (ODP tonnes)	394.87	400.58	391.36	382.84	254.18	429.24

*Data from the verification report on HCFC consumption.

** Starting point established in the Agreement with the Executive Committee.

*** Not reported yet for 2018.

3. The demand for HCFC-based air-conditioning equipment is still strong as penetration of HCFC-free alternatives (e.g., R-410A, R-407C, HFC-32) is low. Kuwait market is mainly comprised of HCFC-22-based package units, whose capacity is significantly higher than the mini-split air-conditioners that are predominantly used in other markets. The overall decrease in population of equipment coupled with national HCFC-22 consumption quota and implementation of activities associated with the HPMP have contributed to the decreasing trend in consumption over the last five years.

4. The decrease in consumption of HCFC-141b in bulk is mainly on account of regulatory controls. Kuwait also has a significant consumption of imported pre-blended polyol using HCFC-141b (about 40 per cent used in spray foam sector and 60 per cent to produce sandwich-panels).

¹ As per the letter of 20 March 2019 from the Environment Public Authority of Kuwait to the Secretariat.

5. HCFC-142b, along with HCFC-22 consumption in extruded polystyrene (XPS) applications is still continuing, as project implementation is still in progress. The consumption decrease is mainly on account of HCFC-142b quotas on imports.

Country programme (CP) implementation report

6. The Government of Kuwait reported HCFC sector consumption data under the 2017 CP implementation report which is consistent with the data reported under Article 7 of the Montreal Protocol. As of April 2019, the 2018 CP report has not been received.

Verification report

7. The verification report confirmed that the Government is implementing a licensing and quota system for HCFC imports and exports and that the total consumption of HCFCs for 2018 was 254.18 ODP tonnes. The verification concluded that Kuwait is in compliance with the targets of the Montreal Protocol and under the Agreement; and the country has a strong import-export monitoring system for HCFCs that enables them to achieve their compliance targets.

8. Since 2016, an electronic system for monitoring HCFC trade is under implementation and this helps control, monitor and reporting HCFC consumption and trade of HCFC using products. The verification report recommends automatic report generation of Article 7 and CP data from the system and issuance of warning if the import request is not cleared within the specific period of time.

Progress report on the implementation of the second tranche of the HPMP

Legal framework

9. Environmental Law 42 was enacted in October 2014 introducing an updated HCFC quota system starting from January 2015. The Environment Public Authority of Kuwait (EPA), *inter alia*, is controlling imports of HCFCs through the quota system which became operational since 2000. The operational bylaws issued in 2015 cover, *inter alia*, controls on import, export and re-export of ODSs, controls on import and manufacture of ODS-based equipment and products, addition of new controlled substances, and procedures for disposal of ODS and containers. These bylaws are expected to help the country implement ODS import controls and facilitate recovery and reclamation of HCFCs.

10. The implementation of the quota system is done in close collaboration with the Custom authorities which allows import or export of ODSs only if the appropriate EPA/national ozone unit (NOU) approval is provided and with proper documentation. Since 2016, an electronic service system is introduced by the EPA for managing and monitoring import/export of ODS and ODS-using equipment.

XPS foam sector (UNIDO)

11. Table 2 presents information on the status of implementation of HCFC-22/HCFC-142b phase-out in the three XPS foam enterprises.

Table 2. Status of implementation of investment projects in the XPS foam sector

Enterprises	HCFC-22	HCFC-142b	Funds approved (US \$)	Status
	(ODP tonnes)			
Gulf Insulating Materials Manufacturing & Trading (Gulf Insulation)	17.78	31.51	3,468,875	Equipment is expected to arrive at the facility by September 2019 and commissioned by December 2019
Al-Masaha Company (Al Masaha)	4.49	7.96	888,920	

Enterprises	HCFC-22	HCFC-142b	Funds approved (US \$)	Status
	(ODP tonnes)			
Isofoam Insulating Materials Plants (ISO foam)	24.34	43.15	3,535,580	Equipment is expected to arrive at the facility by June 2019 and commissioned by September 2019
Total	46.61	82.62	7,893,375	

12. The estimated consumption of HCFC-22 and HCFC-142b in of these enterprises in 2019, keeping in view the project implementation schedule given in Table 2 above, is 401 mt (22.06 ODP tonnes) and 603 mt (39.20 ODP tonnes), respectively.

Polyurethane (PU) foam sector (UNIDO)

13. Table 3 presents information on the status of implementation of HCFC-141b phase-out in the two PU foam enterprises.

Table 3. Status of implementation of investment projects in the PU foam sector

Enterprises	HCFC-141b (ODP tonnes)	Funds approved (US \$)	Status
Kuwait Polyurethane Industry Co. (Kuwait PU)	8.32	359,114	Equipment is expected to arrive at the facility by July 2019 and commissioned by November 2019
Kirby Building Systems (Kirby)	7.29	254,268	
Total	15.61	613,382	

14. The estimated consumption of HCFC-141b of these enterprises in 2019 keeping in view the project implementation schedule given in Table 3 above, is about 210 mt (23.10 ODP tonnes).

Technical assistance in spray foam (UNIDO)

15. Technical assistance activities for the phase-out of HCFC-141b used in spray foam applications would be addressed during the implementation of the third tranche of the HPMP; UNIDO would work with the systems house in Kuwait in promoting low-global-warming potential (GWP) technologies based on experiences in demonstration projects relating to low- and zero-GWP foam blowing agents. Product standards for spray foam and associated regulations would be revised accordingly.

Refrigeration servicing sector

16. Of the 53 ODS identifiers that were planned to be procured, only 15 identifiers were supplied as of the end of 2013 and reported under the progress report of the first tranche. The remaining 38 identifiers that would have more advanced refrigerant identification features, are proposed to be purchased as follows: 20 identifiers by September 2019, after which training for customs would be undertaken, and 18 identifiers with funding from the third tranche.

17. In September 2016, a memorandum of understanding (MOU) was signed between the EPA and the Customs authority for training programme on monitoring trade of ODSs, sustained coordination mechanism for training and incorporation of ODS in ongoing Customs training programmes. A train-the-trainer workshop for building capacity of 20 master trainers including four women trainers was completed in October 2018. Training programme for 500 customs, trade and environment authorities was postponed to the second half of 2019 until receipt of new ODS identifiers.

18. E-licensing system was developed and is operational since 2016. This system includes the process of registration of importers/exporters, license and quota management, including recording of ODS/ODS-using equipment and products shipments and clearances, and management of records and

support documents for the transactions. This system is also proposed to be re-evaluated and upgraded at the end of 2019.

19. EPA has signed an MOU with the General Authority of Industry for the development of codes that will cover sound management of refrigerants in different types of installations, use of, as feasible, international design/safety standards for using lower-GWP refrigerants in refrigeration and air-conditioning (RAC) applications, and use of international or relevant standards of refrigerant containers and recovery and reclamation equipment. Consultations and public hearing sessions are scheduled for the next two years in order to finalise the codes and standards by the end of December 2020, which is critical for implementation of certification system for refrigeration technicians.

20. The implementation of certification programme for RAC professionals in Kuwait Occupational Standards, Assessment and Certification (KOSAC) work plan has been delayed due to the fact that the national certification portfolio for vocational professional was transferred to the Ministry of Labor. It was therefore agreed that UNEP develops an environmental certification within the legal power of EPA and Environmental Law on controlling emissions and regulating respective sectors. In February 2018, UNEP has contracted an international institute (Italian Association of Refrigeration Technicians, ATF) in designing a local environmental certification programme for refrigerant management similar to F-Gas certification in the European Union but tailored to local conditions. Twenty master trainers were certified in accordance with the F-Gas certification programme in October 2018; an MOU has been signed with the Public Authority for Applied Education for their training centre to administer certification under this certification programme. The number of centres would increase to three in three years. EPA with the assistance from UNEP are finalising the legal documentation to enact the certification programme in line with the mandate of EPA. Training programmes are expected to start in 2019 thus linking the training programmes with the certification programme.

21. A study on technical and economical feasibility of the reclamation scheme in Kuwait is under preparation. The stakeholder workshop is planned during the third quarter of 2019 for reviewing the draft and finalisation of modality of operations of the reclamation scheme by the end of 2019.

Project implementation and monitoring unit (PMU)

22. The EPA formed a special project management team of four technical and two support staff to undertake the responsibility for the implementation of the HPMP and coordinate with implementing agencies as well as local stakeholders involved in the implementation of HPMP.

Level of fund disbursement

23. As of April 2019, of the US \$7,500,832 approved so far, US \$4,247,962 had been disbursed (US \$144,182 for UNEP and US \$4,103,780 for UNIDO) as shown in Table 4. The balance of US \$3,252,870 will be disbursed in 2019 and 2020.

Table 4. Financial report of stage I of the HPMP for Kuwait (US \$)

Agency	First tranche		Second tranche		Total approved	
	Approved	Disbursed	Approved	Disbursed	Approved	Disbursed
UNEP	277,000	41,682	337,000	102,500	614,000	144,182
UNIDO	3,537,450	3,093,721	3,349,382	1,010,059	6,886,832	4,103,780
Total	3,814,450	3,135,403	3,686,382	1,112,559	7,500,832	4,247,962
Disbursement rate (%)	82.2		30.2		56.6	

Note: In addition, US \$248,000 (US \$220,000 for UNEP and US \$28,000 for UNIDO) was transferred from the terminal phase-out management plan to the HPMP; of this US \$186,243 (US\$ 158,243 for UNEP and US \$28,000 for UNIDO) was disbursed.

Revision to the HPMP Agreement

24. The Government of Kuwait is requesting the Executive Committee to consider an extension of stage I of the HPMP to enable the country to complete the pending projects and activities with the following changes in the Agreement:

- (a) Extending the Agreement for two more years with targets for 2019 and 2020 proposed at 254.51 ODP tonnes (same as 2018);
- (b) Changing the funding schedule for the third (2016) and fourth (2018) tranches for UNIDO to 2019 and 2020, respectively; and
- (c) Merging the third (2016) and fourth (2018) tranches for UNEP to be requested in 2020.

25. The original and proposed revised targets and funds distribution for the third and fourth tranches are shown in Table 5.

Table 5. Original and proposed revised consumption targets and funding schedule for stage I of the HPMP for Kuwait (US \$)

Particulars	2016	2017	2018	2019	2020
ORIGINAL					
Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	376.74	376.74	376.74		
Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	297.87	296.17	254.51		
Lead IA (UNEP) agreed funding (US \$)	332,000	0	97,000		
Support costs for Lead IA (US \$)	39,703	0	11,600		
Cooperating IA (UNIDO) agreed funding (US \$)	1,054,845	0	920,000		
Support costs for Cooperating IA (US \$)	73,839	0	64,400		
Total agreed funding (US \$)	1,386,845	0	1,017,000		
Total support costs (US \$)	113,542	0	76,000		
Total agreed costs (US \$)	1,500,387	0	1,093,000		
REVISED					
Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	376.74	376.74	376.74	376.74	272.09
Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	297.87	296.17	254.51	254.51	254.51
Lead IA (UNEP) agreed funding (US \$)	0	0	0	0	429,000
Support costs for Lead IA (US \$)	0	0	0	0	51,303
Cooperating IA (UNIDO) agreed funding (US \$)	0	0	0	1,054,845	920,000
Support costs for Cooperating IA (US \$)	0	0	0	73,839	64,400
Total agreed funding (US \$)	0	0	0	1,054,845	1,349,000
Total support costs (US \$)	0	0	0	73,839	115,703
Total agreed costs (US \$)	0	0	0	1,128,684	1,464,703

Implementation plan for the third tranche of the HPMP

26. The following activities will be implemented between June 2019 and December 2020:

- (a) Completion of conversion projects in Gulf Insulation and ISO foam including training of operators, and initiation of conversion at Al Masaha that would be completed by 2020 (US \$756,845);
- (b) Completion of conversion of Kuwait PU and Kirby (balances from previous tranches);
- (c) Technical assistance for small and medium foam enterprises manufacturing discontinuous panels for conversion to low-GWP alternatives (e.g., HFO, methyl formate) including technical workshops, demonstration of alternate technologies based on industry experts (US \$50,000);
- (d) Technical assistance for spray foam users for conversion to low-GWP alternatives (e.g., HFOs, methyl formate) including technical information dissemination workshops, consultations on technology, and programmes for disseminating results of demonstration projects in spray foam applications (US \$30,000); and
- (e) Procurement and installation of equipment for recovery and reclamation and training of servicing technicians and operating personnel on recovery and reclamation programme (US \$218,000).

27. The remaining funds available with UNEP of US \$469,818 from the first and second tranches would be used for the establishment of a certification system including equipment support to training centres, training of service technicians, and procurement of equipment to Customs and enforcement officers for monitoring trade of HCFCs.

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

Revision to the HPMP Agreement

28. The Secretariat noted that the significant delay in the implementation of stage I activities in Kuwait has resulted in the need for a revision of the Agreement between the Government and the Executive Committee. UNEP explained that the delays were due to technical and logistical reasons, such as finalisation of terms of reference/specifications for equipment, verification of equipment's readiness for shipment, complex civil works needed for commissioning large capacity facility for XPS conversion project, negotiation on additional costs to be covered by local industry. All these issues have been satisfactorily resolved and the different activities are on track for completion by 2020. Given that the current Agreement is ending in 2019, the Government of Kuwait has requested for an extension.

29. The Secretariat requested clarification on the methodology used for estimation of consumption targets for 2019 and 2020 and revision of funding distribution in the revised Agreement. UNEP mentioned that the target of HCFC consumption for 2019 was estimated mainly based on the expected project completion timeframe for XPS foam and PU foam sector projects; expected consumption of HCFC-141b used for exports of pre-blended polyol from Kuwait;² and estimated consumption levels in the servicing sector. Given the difficulty in accurately assessing the timeframe for completion of the investment projects and the market acceptance of the products, the Government of Kuwait is unable to make a commitment for reducing HCFC consumption in 2020 compared to 2019 targets. Therefore, the country would like to retain

² Paragraph (c) of decision 66/47 states that the Government of Kuwait had committed to limiting the amount of imports of HCFC-141b to the current level of HCFC-141b exported in pre-blended polyols of 32.49 ODP tonnes once the conversion in the PU foam sector and the implementation of the activities for the servicing sector for stage I had been completed.

the target for 2020 at the proposed 2019 level at 254.51 ODP tonnes. Table 6 presents the estimated consumption of HCFCs in 2019.

Table 6. Estimated consumption of HCFCs in Kuwait for 2019

HCFC	Consumption		Uses
	mt	ODP tonnes	
HCFC-22	3,021	166.16	Air-conditioning equipment manufacturing, XPS foam, servicing
HCFC-141b	445	48.95	PU foam, spray foam, exports of HCFC-141b in pre-blended polyols and solvent
HCFC-142b	603	39.20	XPS foam
Total	4,069	254.31	

30. Based on the request by the Government of Kuwait, paragraph 16 and Appendix 2-A of the Agreement between the Government and the Executive Committee have been updated, as shown in Annex I to this document. The full revised Agreement will be appended to the final report of the 83rd meeting.

Progress report on the implementation of the second tranche of the HPMP

Legal framework

31. UNEP informed that the Government of Kuwait issues quotas based on maximum consumption applicable for the year under consideration; based on actual imports and emerging needs, makes necessary modifications relating to the quota for the year. The quotas for 2019 and 2020 would be 254.51 ODP tonnes, for each year.

32. Upon request for clarification on the regulatory framework post-implementation of stage I, UNEP informed that the Government has regulations allowing EPA to include prohibition of use of specific ODS; as of date, with the completion of XPS foam phase-out projects, the Government is expecting to ban the use of HCFC-142b by December 2020. In the case of HCFC-141b and HCFC-22, additional time would be required to make an assessment on the proper time to issue bans on sales, use and production of products/equipment using these chemicals. Accordingly, specific regulations would be introduced while implementing stage II.

Technical assistance for PU foam and spray foam sectors

33. Upon a request for a clarification on possible alternative technologies that would be considered for other PU foam users who are currently using HCFC-141b, UNIDO explained that it is investigating all possible options, including a review of the results of the demonstration projects for low-GWP foam blowing agents and will encourage industry to adopt these alternatives. The Secretariat notes that technical information outreach on demonstration of technologies using low-GWP foam blowing agents is essential for sustainable transition in these foam applications.

Refrigeration servicing sector

34. The Secretariat requested clarifications on recovery and reclamation project to be implemented including the regulatory framework that will facilitate HCFC-22 recovery and reclamation in the country. UNIDO informed that equipment including reclamation unit, portable recovery units, high flow recovery unit, recovery cylinders and storage tanks, evacuation and cleaning/drying station for the cylinders, refrigerant identifier and gas chromatograph (GC) are proposed to be procured for the reclamation centre. The results of the recovery and reclamation feasibility study would be used to finalise the specifications of equipment and operational processes for the reclamation centre. Further, regulatory measures such as ban on non-refillable cylinders, ban on venting refrigerants to atmosphere and mandatory recovery practice

through individuals and companies, establish local code with mandatory labeling and record keeping for charging, recovery, reclamation and decommissioning practices, empowering local independent testing lab to assure the quality of reclaimed refrigerants and establish market acceptance, updating local tendering law to include mandatory recovery/reclamation practices in all governmental servicing contracts, would facilitate maximising reclamation of HCFCs; these measures would be implemented in the next few years. A comprehensive implementation of certification system for service technicians, that would ensure good servicing practices and safe adoption of alternatives; the implementation of a recovery and reclamation programme, which would minimise emission of HCFCs and reduce consumption of virgin HCFCs; and an effective regulatory system for controlling and monitoring HCFCs, would ensure sustainable phase-out of HCFCs in service sector.

Conclusion

35. The Secretariat noted that HCFC consumption in Kuwait has been decreasing reaching a level of 29.3 per cent below the baseline in 2017, and the verified 2018 level of consumption is lower than the level allowed under the Agreement with the Executive Committee for that year. Kuwait has an operational import licensing and quota system that will enable HCFC consumption reductions in line with the Montreal Protocol's phase-out schedule. Though the Government had faced challenges in expeditious implementation of conversion projects and other phase-out activities, the issues have been addressed; the project activities relating to XPS foam conversion and PU foam conversion are progressing satisfactorily and are expected to be completed by the end of 2019. Upon completion of XPS foam phase-out, the Government proposes to issue a ban on import and use of HCFC-142b. The Government is also expeditiously implementing the servicing sector certification programme and customs capacity building programme; recovery and reclamation project is expected to be implemented starting mid-2020. As a result of the delays in implementing the project during the period 2015 to 2018, the Government requires additional time to complete the remaining activities under stage I, and requested extension of stage I to 2020 without any additional funding request. This will help the Government in completing stage I of HPMP and ensure sustainable reduction of HCFC consumption.

RECOMMENDATION

36. The Executive Committee may wish to consider:

- (a) Noting the progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) in Kuwait;
- (b) Approving the extension of the duration of stage I of the HPMP from 2018 to 2020;
- (c) Noting that the Secretariat had updated the Agreement between the Government of Kuwait and the Executive Committee, contained in Annex I to the present document, specifically Appendix 2-A to reflect the revised funding schedule and the extension of the duration of stage I, and paragraph 16 to indicate that the revised updated Agreement superseded that reached at the 74th meeting;
- (d) Noting the commitment of the Government of Kuwait to ban import and use of HCFC-142b in the extruded polystyrene (XPS) foam sector by the end of December 2020, coinciding with the completion of HCFC phase-out in XPS foam applications; and
- (e) Approving the third tranche of stage I of the HPMP for Kuwait, and the corresponding 2019-2020 tranche implementation plan, at the amount of US \$1,054,845, plus agency support costs of US \$73,839 for UNIDO.

Annex I

TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF KUWAIT AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS

(Relevant changes are in bold font for ease of reference)

16. This revised updated Agreement supersedes the Agreement reached between the Government of Kuwait and the Executive Committee at the 74th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	418.60	418.60	376.74	376.74	376.74	376.74	376.74	272.09	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	415.60	336.81	338.98	297.87	296.17	254.51	254.51	254.51	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	277,000	0	337,000	0	0	0	0	0	429,000	1,043,000
2.2	Support costs for Lead IA (US \$)	33,126	0	40,301	0	0	0	0	0	51,303	124,730
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	3,537,450	0	3,349,382	0	0	0	0	1,054,845	920,000	8,861,677
2.4	Support costs for Cooperating IA (US \$)	265,309	0	234,457	0	0	0	0	73,839	64,400	638,005
3.1	Total agreed funding (US \$)	3,814,450	0	3,686,382	0	0	0	0	1,054,845	1,349,000	9,904,677
3.2	Total support costs (US \$)	298,435	0	274,758	0	0	0	0	73,839	115,703	762,735
3.3	Total agreed costs (US \$)	4,112,885	0	3,961,140	0	0	0	0	1,128,684	1,464,703	10,667,412
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										81.25
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0.00
4.1.3	Remaining eligible consumption for HCFC-22(ODP tonnes)										179.25
4.2.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)										0.00
4.2.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)										0.00
4.2.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)										0.30
4.3.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)										75.20
4.3.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)										0.00
4.3.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)										0.00
4.4.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)										82.70
4.4.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)										0.00
4.4.3	Remaining eligible consumption for HCFC142b (ODP tonnes)										0.00
4.5.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)										0.00
4.5.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)										0.00
4.5.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)										10.64