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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Ninety-third Meeting

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Item 9(c) of the provisional agenda¹

PROJECT PROPOSAL: SEYCHELLES

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

Technical assistance

- Additional activities to maintain energy efficiency in the servicing sector under decision 89/6(b) Germany

¹ UNEP/OzL.Pro/ExCom/93/1

PROJECT DESCRIPTION

Background

1. The HCFC phase-out management plan (HPMP) for Seychelles was originally approved at the 63rd meeting,² and later revised at the 70th meeting,³ at a total cost of US \$600,000, plus agency support costs, on the understanding that there would be no more funding eligibility for HCFC phase-out in the country after 2025. The third tranche of the HPMP was approved at the 75th meeting, and the Government of Germany will submit the fourth and final tranche to the last meeting of 2025.

2. On behalf of the Government of Seychelles, the Government of Germany as the designated implementing agency, has submitted a request for funding additional activities to strengthen energy efficiency in refrigeration and air-conditioning (RAC) servicing and to promote the use of energy-efficient refrigerants with low global-warming potential (GWP) in line with decisions 89/6 and 92/22, in the amount of US \$100,000, plus agency support costs of US \$13,000. The submission consists of a description of specific activities, targets, performance indicators, and an implementation plan for 2024-2025.

Report on HCFC consumption

3. The Government of Seychelles reported a consumption of -0.01 ODP tonnes of HCFCs in 2022, due to an illegal trade attempt that was then re-shipped back to the country of origin. The 2018 to 2022 HCFC consumption is shown in table 1.

Table 1. HCFC consumption in Seychelles (2018-2022 Article 7 data)

HCFC-22	2018	2019	2020	2021	2022*	Baseline
Metric tonnes (mt)	1.27	0	0	0	-0.01	24.7
ODP tonnes	0.07	0	0	0	-0.01	1.4

*The negative value indicates that quantities destroyed or exported in that year exceeded the imports, implying use from stockpiles.

4. The Government of Seychelles has met its commitment under the Agreement with the Executive Committee for an accelerated phase-out of HCFCs from 2017 to 2024 to the level of 0.30 ODP tonnes.

Country programme implementation report

5. The Government of Seychelles reported HCFC sector consumption data under the 2022 CP implementation report that is consistent with the data reported under Article 7 of the Montreal Protocol.

Project description

6. The Government of Seychelles is implementing its HPMP and making efforts to enhance energy efficiency while sustaining the phase-out of HCFCs and preparing for the phase-down of HFCs.

7. The present proposal builds upon the success of the HPMP and the initiative of the Southern African Development Community (SADC) for developing regional minimum energy performance standards (MEPS). Since RAC equipment is not manufactured in Seychelles, the country has expressed the need to adjust the SADC MEPS⁴ to national circumstances.

² UNEP/OzL.Pro/ExCom/63/51 and Annex XXX of document UNEP/OzL.Pro/ExCom/63/60.

³ Annex XXIII of document UNEP/OzL.Pro/ExCom/70/59.

⁴ Currently, the SADC MEPS only cover air-conditioning units with capacity under 16kW, while the country is willing to also include in their scope other types of equipment, such as multi-split units.

8. The Energy Commission and the Bureau of Standards are integral to the process of adapting the SADC MEPS to national circumstances. The national ozone unit (NOU) will work closely with the Bureau of Standards to establish a national technical committee, which will be responsible for assessing the SADC MEPS and their applicability. The NOU will join the technical committee in providing specific guidance to the Energy Commission and the Bureau of Standards on the country’s commitments under the Montreal Protocol.

9. Under Energy Act 2017, the Energy Commission, which is the body responsible for issuing the necessary permits for importing MEPS-compliant equipment and maintaining the relevant equipment registry, will develop the corresponding regulations to include MEPS as a mandatory requirement for importing RAC equipment into the country.

10. This project proposal is being submitted for activities listed in subparagraphs (iii) and (v) of decision 89/6(b). The project is designed to sustain the HCFC phase-out, promote energy-efficient and low-GWP alternatives in RAC equipment, and build the capacity of relevant officers to adopt and implement MEPS. These activities will help the country to move towards the efficient and timely implementation of the Kigali Amendment.

11. The activities to maintain energy efficiency in the servicing sector comprise two components:

- (a) Improving the coordination and collaboration between stakeholders, the relevant energy authorities, and the NOU and creating a regulatory framework for issuing the MEPS mandatory requirements for importing RAC equipment into the country, including the design of a monitoring, reporting, and verification (MRV) system; and
- (b) Conducting awareness and outreach programmes to promote the introduction of MEPS and labelling systems.

12. The funding requested for the activities listed above is presented in table 2.

Table 2. Funding requested for activities to maintain energy efficiency in the servicing sector

Activity	Sub-activity description	Budget (US \$)
Drafting the regulatory framework, including an MRV system	Performing a survey of RAC imports (hiring a national expert)	5,000
	Assessing and adjusting the regionally developed MEPS	15,000
	Conducting technical consultation workshops and small working groups for relevant stakeholders, including the private sector	20,000
	Training on the development and updates of MEPS	10,000
	Drafting of regulations for mandating MEPS	15,000
	Development of an MRV system	10,000
	Provision of technical support and guidance on MEPS and related regulations by an international expert	15,000
	<i>Subtotal</i>	<i>90,000</i>
Awareness raising and outreach	Creating awareness and advertising to promote the MEPS and labelling systems	10,000
	<i>Subtotal</i>	<i>10,000</i>
	TOTAL	100,000

Implementation plan

13. The project is expected to be completed within 18 months of approval, with the following activities to be implemented between January 2024 and June 2025:

- (a) A survey of the types of RAC equipment entering the country and their energy efficiency rating to be carried out by a local consultant hired to review customs data; and visits to large importers of RAC equipment (US \$5,000);
- (b) Assessment and adjustment of the regionally developed SADC MEPS by the Seychelles Bureau of Standards in coordination with the Energy Commission (US \$15,000);
- (c) Organization of at least three consultation workshops and several meetings for relevant stakeholders⁵ to discuss MEPS, associated labelling, and modalities for their implementation (US \$20,000);
- (d) A two-day training held for 15 officers from the Bureau of Standards and the Energy Commission to build capacity in effectively updating and managing MEPS rates based on market data analysis (US \$10,000);
- (e) Drafting of regulations for mandating MEPS and the associated labelling system for the formal approval of the Cabinet (US \$15,000);
- (f) Development of an MRV system by integrating the MEPS requirements into the imports single-window system used by the Customs, and enabling relevant authorities to access the data on the intended equipment imports (US \$10,000);
- (g) Provision of technical support and guidance by an international MEPS expert to national consultants on designing the data collection survey and on developing, drafting and finalising the MEPS regulations, including procedures for their application and monitoring based on the best regional and international practices (US \$15,000); and
- (h) Building awareness and advertising through three news publications on the adoption of MEPS; and conducting one outreach seminar for end users and consumers on MEPS provisions and the benefits of energy-efficient RAC equipment (US \$10,000).

SECRETARIAT'S COMMENTS AND RECOMMENDATION

COMMENTS

14. The Secretariat sought additional information from the Government of Germany on the overall benefits of the project for the country in the long term, how the proposed activities would contribute to the adoption of low-GWP alternatives, and on the measures in place to ensure the sustained implementation of the labelling system as a mandatory programme. The Secretariat also asked for an explanation of the links between activities identified in the proposal and those implemented as part of the enabling activities for the HFC phase-down, in order to ensure that there was no overlap or repetition.

15. The Government of Germany confirmed that the present project would build upon the HPMP activities, and that the country aimed to facilitate change in the market demand for energy efficient equipment using low-GWP refrigerants, noting that Seychelles only imports RAC equipment and is dependent on accessible and available technologies. Increasing collaboration between the Energy Commission and the NOU will ensure that the labelling programme considers both the energy-efficiency parameters and the type of refrigerant to avoid unintended growth in the use of HFC-based RAC equipment. The proposed outreach and awareness-building activities will support the application of MEPS and

⁵ Government authorities (from the departments of energy, environment, customs, and trade), industry and importer representatives, academic and research institutions, NGOs.

labelling, and the RAC market study will provide data and information to support the periodic revisions of the MEPS in the future.

Gender policy implementation

16. In accordance with decisions 84/92(d) and 90/48(c) and with assistance from the Government of Germany, the Government of Seychelles will incorporate gender mainstreaming into the implementation of project activities and report on specific indicators developed for the project.

Updated Agreement

17. In view of the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector and the accordingly revised funding schedule, the Agreement between the Government of Seychelles and the Executive Committee for the HPMP has been updated. Specifically, Appendix 2-A has been revised and paragraph 16 has been modified to indicate that the updated Agreement supersedes that reached at the 70th meeting, as contained in annex I to the present document. The full updated Agreement will be appended to the final report of the 93rd meeting.

Conclusion

18. The project was submitted in line with decisions 89/6 and 92/22 and will build upon a previous regional MEPS development project, with complementary activities to make MEPS mandatory for importing RAC equipment into Seychelles and to establish a suitable monitoring system for tracking and verifying compliance with the MEPS. It will also build the framework for considering actions related to energy efficiency in the Kigali HFC implementation plan currently under preparation, and support activities relating to the uptake of low-GWP, energy-efficient technologies.

RECOMMENDATION

19. The Fund Secretariat recommends blanket approval of the project for additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector in Seychelles, and the corresponding 2024-2025 implementation plan, at the funding level shown in the table below, on the understanding that the Fund Secretariat has updated the Agreement between the Government of Seychelles and the Executive Committee for the HCFC phase-out management plan (HPMP), as contained in annex I to the present document, specifically: Appendix 2-A, based on the inclusion of funding for additional activities to maintain energy efficiency in the refrigeration servicing sector, and paragraph 16 that has been modified to indicate that the updated Agreement supersedes that reached at the 70th meeting.

	Project title	Project funding (US \$)	Support costs (US \$)	Implementing agency
(a)	Additional activities for the introduction of alternatives to HCFCs with low or zero global-warming potential and for maintaining energy efficiency in the refrigeration servicing sector	100,000	13,000	Germany

Annex I

**TEXT TO BE INCLUDED IN THE UPDATED AGREEMENT BETWEEN
THE GOVERNMENT OF SEYCHELLES AND THE EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF
HYDROCHLOROFLUOROCARBONS IN ACCORDANCE WITH
THE HCFC PHASE-OUT MANAGEMENT PLAN**

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

16. This updated Agreement supersedes the Agreement reached between the Government of Seychelles and the Executive Committee at the 70th meeting of the Executive Committee.

APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2011	2012	2013	2014	2015	2017-2020	2021-2022	2023	2024	2025	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	1.4	1.4	1.26	1.26	0.91	0.91	0.91	0.46	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.25	1.25	0.94	0.70	0.53	0.30	0.30	0.30	0.30	0	n/a
2.1	Lead IA (Germany) agreed funding (US \$)	200,000	0	160,000	0	180,000			100,000		60,000	700,000
2.2	Support costs for Lead IA (US \$)	25,333	0	20,267	0	22,800			11,625		6,975	87,000
3.1	Total agreed funding (US \$)	200,000	0	160,000	0	180,000			100,000		60,000	700,000
3.2	Total support costs (US \$)	25,333	0	20,267	0	22,800			11,625		6,975	87,000
3.3	Total agreed costs (US \$)	225,333	0	180,267	0	202,800			111,625		66,975	787,000
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)											1.38
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)											0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)											0