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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Ninety-third Meeting  
Montreal, 15-19 December 2023  
Item 9(d) of the provisional agenda<sup>1</sup>

**PROJECT PROPOSAL: GUINEA**

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

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<sup>1</sup> UNEP/OzL.Pro/ExCom/93/1

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS**

**Guinea**

<b>(I) PROJECT TITLE</b>	<b>AGENCY</b>
HCFC phase-out plan (stage II)	UNEP (lead), UNIDO

<b>(II) LATEST ARTICLE 7 DATA (Annex C Group I)</b>	Year: 2022	1.21 ODP tonnes
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<b>(III) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP tonnes)</b>								<b>Year: 2022</b>	
Chemical	Aerosol	Foam	Fire-fighting	Refrigeration		Solvent	Process agent	Lab use	Total sector consumption
				Manufacturing	Servicing				
HCFC-22					1.21				1.21

<b>(IV) CONSUMPTION DATA (ODP tonnes)</b>			
2009-2010 baseline:	22.61	Starting point for sustained aggregate reductions:	7.51
<b>CONSUMPTION ELIGIBLE FOR FUNDING</b>			
Already approved:	2.63	Remaining:	4.87

<b>(V) ENDORSED BUSINESS PLAN</b>		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
UNEP	ODS phase-out (ODP tonnes)	0.87	0.0	0.0	0.87
	Funding (US \$)	75,600	0	0	75,600
UNIDO	ODS phase-out (ODP tonnes)	0.65	0.0	0.0	0.65
	Funding (US \$)	59,920	0	0	59,920

<b>(VI) PROJECT DATA</b>		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027-2029</b>	<b>2030</b>	<b>Total</b>	
Consumption (ODP tonnes)	Montreal Protocol limits	14.70	14.70	7.35	7.35	7.35	0	n/a	
	Maximum allowable	1.20	1.20	0.80	0.80	0.80	0	n/a	
Amounts requested in principle (US \$)	UNEP	Project costs	81,000	0	0	119,000	0	57,000	257,000
		Support costs	10,530	0	0	15,470	0	7,410	33,410
	UNIDO	Project costs	60,000	0	0	103,000	0	0	163,000
		Support costs	5,400	0	0	9,270	0	0	14,670
Amounts recommended in principle (US \$)	Total project costs	141,000	0	0	222,000	0	57,000	420,000	
	Total support costs	15,930	0	0	24,740	0	7,410	48,080	
	Total funds	156,930	0	0	246,740	0	64,410	468,080	

<b>(VII) Request for approval of funding for the first tranche (2023)</b>		
<b>Implementing agency</b>	<b>Funds recommended (US \$)</b>	<b>Support costs (US \$)</b>
UNEP	81,000	10,530
UNIDO	60,000	5,400
<b>Total</b>	<b>141,000</b>	<b>15,930</b>

<b>Secretariat's recommendation:</b>	Individual consideration – all technical and cost issues resolved
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## PROJECT DESCRIPTION

### Background

1. On behalf of the Government of Guinea, 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 \$468,080, consisting of US \$257,000, plus agency support costs of US \$33,410, for UNEP and US \$163,000, plus agency support costs of US \$14,670, for UNIDO, as originally submitted.<sup>2</sup> The implementation of stage II will phase out the remaining consumption of HCFCs by 2030.

2. The first tranche of stage II of the HPMP requested at this meeting, as originally submitted, amounts to US \$226,520, consisting of US \$104,000, plus agency support costs of US \$13,520, for UNEP and US \$100,000, plus agency support costs of US \$9,000, for UNIDO.

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

3. Stage I of the HPMP for Guinea was originally approved at the 66<sup>th</sup> meeting<sup>3</sup> to phase out a total of 22.6 ODP tonnes of HCFC used in the refrigeration and air-conditioning (RAC) servicing sector, starting in 2012, and to meet the 35 per cent reduction from the baseline by 2020, at a total cost of US \$647,000, plus agency support costs. With the approval of stage I, the Government of Guinea was requested to prioritize the implementation of a code of good servicing practices and to strengthen the technical capacity of refrigeration servicing technicians in order to reduce high leakage rates of HCFC refrigerants during servicing.

4. At the 85<sup>th</sup> meeting, the Agreement between the Government of Guinea and the Executive Committee for stage I of the HPMP was updated<sup>4</sup> to reflect the revision of the starting point for sustained aggregate reductions in HCFC consumption from 22.61 to 7.51 ODP tonnes. The funding level for stage I of the HPMP was revised to US \$332,500, plus agency support costs, in accordance with decision 60/44(f)(xii). A deduction of US \$117,000 was applied to reflect the cancellation of the fourth and fifth tranches of stage I, noting that a deduction of US \$197,500 would be applied when stage II of the HPMP for Guinea was approved. Stage I of the HPMP was completed in February 2022, in advance of the 31 July 2022 deadline stipulated in decision 85/34(b)(i). The project completion report was submitted to the Secretariat in April 2023.

### Report on HCFC consumption

5. The Government of Guinea reported a consumption of 1.21 ODP tonnes of HCFC-22 in 2022, which is 95 per cent below the HCFC baseline for compliance and 75 per cent below the maximum allowable consumption of 4.87 ODP tonnes. The 2018-2022 consumption is shown in table 1.

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

HCFC-22	2018	2019	2020	2021	2022	Baseline
Metric tonnes (mt)	40.00	35.00	30.00	25.00	22.00	411.09
ODP tonnes	2.20	1.93	1.65	1.38	1.21	22.61

6. The steady reduction in the consumption of HCFCs is the result of the implementation of the licensing and quota system, training of technicians in good servicing practices, and the introduction of non-HCFC alternative technologies in RAC applications. The greater fall in HCFC consumption since 2019

<sup>2</sup> As per the letter of 18 August 2023 from the Ministry of the Environment and Sustainable Development of Guinea to the Secretariat.

<sup>3</sup> Decision 66/44, document UNEP/OzL.Pro/ExCom/66/37

<sup>4</sup> Decision 85/34, document UNEP/OzL.Pro/ExCom/85/67

attributable in part to the COVID-19 pandemic, as HCFC trade was disrupted and the tourism and industrial sectors using HCFCs were either fully or partially shut down.

#### *Country programme implementation report*

7. The Government of Guinea 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.

#### Status of progress and disbursement

##### *Legal framework*

8. The country's licencing and quota system for HCFCs has been operational since 2013, including a register of importers, an annual call for expression of interest to import HCFCs based on the country's quota, quota assignment per importer valid for the calendar year, regularly cross-checking data between the national ozone unit (NOU) and the Customs, and annual declarations of importers on imported volumes. The import of HCFC-based equipment requires prior authorization by the National Ozone Committee to ensure compliance with the regional legislation established under the West African Economic and Monetary Union. In 2022, the Government of Guinea put in place an online tool to allow the NOU and the Customs to communicate data on import permits for HCFCs and HCFC-based equipment. The country ratified the Kigali Amendment on 5 December 2019.

9. In response to the recommendations of the verification report submitted to the 85<sup>th</sup> meeting, regulations and enforcement measures on ozone-depleting substances (ODSs) have been enhanced through Customs' training; regular meetings between the NOU and the Customs to share information; and awareness-raising among importers. A total of 415 customs officers were trained on the identification and control of HCFCs and HCFC-based equipment and on controlling and monitoring HCFC imports; an associated training manual and simplified booklet to facilitate customs clearance were developed; and 20 refrigerant identifiers were provided to the customs and enforcement officers (15), the RAC association (two), importers (one), and the NOU (two) for training purposes.

##### *Refrigeration servicing sector*

10. In collaboration with technical universities, vocational training centres, and the RAC association, the NOU has developed a code of good practices to avoid refrigerant venting during the servicing and maintenance of RAC equipment. The code has been promulgated through RAC training workshops and is currently being used by RAC technicians, including those from the informal sector.

11. Five vocational training centres, one centre of excellence, and one refrigerant recovery and reuse centre were strengthened with equipment and tools<sup>5</sup> to provide services to RAC technicians and for training purposes, with 36 technicians trained on the equipment provided at the training centres. The RAC training curriculum was updated to include ozone-related issues, and by the end of stage I of the HPMP, 15 RAC trainers from training centres and 477 RAC technicians had been trained on good servicing practices, including reducing leakage rates during servicing, refrigerant recovery and reuse, the safe handling of hydrocarbons (HCs), and alternatives to HCFCs.

##### *Project coordination and monitoring*

12. Project coordination is undertaken by the NOU with support from consultants. Expenditures for stage I were US \$45,000 (i.e., US \$24,000 for consultant expenses, and US \$21,000 for monitoring travel).

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<sup>5</sup> Including 12 refrigerant recovery units, 12 pliers, 12 electronic scales, 12 leak detectors, 12 refrigerant cylinders, and 12 oil-testing kits.

Level of fund disbursement

13. As of February 2022, the total sum of US \$530,000 approved for the implementation of stage I (US \$245,000 for UNEP and US \$285,000 for UNIDO) had been disbursed.

**Stage II of the HCFC phase-out management plan**Remaining consumption eligible for funding

14. After deducting 2.63 ODP tonnes of HCFCs associated with stage I of the HPMP, the remaining consumption eligible for funding in stage II amounts to 4.87 ODP tonnes of HCFC-22.

Sector distribution of HCFCs

15. There are an estimated 2,464 RAC technicians (about 12 per cent are women), including an estimated 740 informal technicians, in the servicing sector. Out of the 616 servicing workshops in the country, 436 are in the formal sector and 180 in the informal sector. HCFC-22 represents 6 per cent of total refrigerant consumption in the servicing sector; other refrigerants used include HFCs and their blends (69 per cent) and HCs (26 per cent).

16. A field survey of HCFC consumption and HCFC-based equipment in the country was carried out from May to October 2021 as part of the preparation of stage II of the HPMP, facing some challenges due to the COVID-19 pandemic.<sup>6</sup> Table 2 presents refrigerant consumption by RAC subsector for the year 2020.

**Table 2. Estimation of demand for HCFCs in the RAC servicing sector in Guinea (2020)**

RAC servicing subsector	Number of equipment units based on HCFC-22	HCFC-22 consumption (ODP tonnes)
Residential air-conditioning (AC)	31,340	9.48
Commercial and industrial	12,750	17.3
Transport	3,600	3.22
<b>Total</b>	<b>47,690</b>	<b>30</b>

Phase-out strategy

17. Stage II will focus on the continued development of the legal and regulatory framework to support the transition to alternative technologies, including training for customs and law enforcement officers to strengthen import controls; strengthening the capacity of the RAC servicing sector, including the establishment of a certification scheme for RAC technicians, the development of standards and protocols for the safe handling of natural refrigerants, and awareness-building activities and campaigns to encourage women to enter the RAC sector; and strengthening the centres of excellence and the refrigerant recovery and reuse infrastructure.

*Proposed activities*

18. Stage II proposes the following activities:

- (a) *Updating ODS-related legislation and strengthening the enforcement of regulations:* Updating the current ODS-related regulations, including a ban on the import of new and used HCFC-based equipment imposed by 1 January 2027; reinforcement of the online tool for sharing information between the NOU and the Customs on import permits for

<sup>6</sup> Including the replacement of face-to-face meetings by online meetings or phone calls, and a reduction in the number of participants in the validation meeting.

controlled substances; updating the Customs' training manual to include the 2022 harmonized system (HS) customs codes; training for a total of 600 customs and enforcement officers on the control and identification of HCFCs and HCFC-based equipment, related laws and regulations, and use of refrigerant identifiers; translation of laws and regulations into local languages; and organization of 10 workshops and information campaigns for importers and distributors on the licensing and quota procedures and the safe handling and storing of flammable refrigerants (UNEP) (US \$98,000);

- (b) *Capacity building for RAC technicians:* Establishment and implementation of a national certification scheme for technicians in the RAC sector; training and certification of at least 900 RAC technicians in good servicing practices, including refrigerant recovery, reuse, and the safe handling of refrigerants and equipment; development of standards and protocols for flammable refrigerants by the Standards Bureau, covering the complete chain of refrigerant handling (i.e., transport, storage, servicing, installation, leakage control, and equipment decommissioning); and carrying out information campaigns to promote technician certification, refrigerant recovery and reuse, and the pursuit of technical studies and careers by women in RAC (UNEP) (US \$129,000); and
- (c) *Technical assistance to strengthen the centres of excellence, refrigerant recovery and reuse infrastructure, and control measures:* Provision of training, tools, equipment, and spare parts to two centres of excellence<sup>7</sup> and one existing refrigerant recovery and reuse centre; technical assistance to carry out a study exploring barriers to the recovery and reuse of refrigerants in the country; establishment of two new refrigerant recovery and reuse centres, including provision of tools and equipment;<sup>8</sup> procurement of 15 refrigerant identifiers<sup>9</sup> and spare parts; and intensive training on HCs provided to five trainers (UNIDO) (US \$163,000).

#### *Project coordination and monitoring*

19. 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 \$30,000 and includes project staff and consultants (US \$15,000), and domestic travel (US \$15,000).

#### *Gender policy implementation*

20. In line with decisions 84/92(d), 90/48(c) and 92/40(b), the Government of Guinea and UNEP remain committed to the Multilateral Fund's gender mainstreaming policy and will incorporate gender perspective in the implementation and management of activities under stage II of the HPMP, with the goal of achieving gender balance across all implemented activities.

21. Gender-disaggregated data collected over 2017-2021 indicate that the field is now attracting women, who at present make up 15 per cent of students (173 out of 1,174) of the country's main RAC training centres. Women accounted for 23 per cent of customs officers (58 out of 250), and 8 per cent of RAC technicians (23 out of 300) trained during the third tranche of stage I. Gender was taken into

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<sup>7</sup> Equipment and tools to be provided for each centre include a flushing machine, brazing kit, an AC unit based on low-GWP refrigerant for training purposes, manifold gauge; ATEX-certified pump, HCFC recovery machine, and air blower; charging stations for HCs, scales, two leak detectors, contamination test kits, five recovery cylinders, lockrings, and RAC servicing tools.

<sup>8</sup> A refrigerant recovery machine with oil separator for the recovery of HCFCs and HFCs; one four-way valve manifold gauge set for HFC-134a/R-404A/R-410A/R-407C and one for HCs; two recovery cylinders; scales; and spare filters for recovery units.

<sup>9</sup> To be provided to the Customs for border post controls.

consideration in the preparation and data collection process of the survey conducted in 2021, including the recruitment of survey facilitators and personnel, consultations, and soliciting input on the involvement of women through the questionnaire.

22. Awareness-raising activities initiated under stage I of the HPMP will continue during stage II, including targeted campaigns at schools and universities to encourage women to enroll in RAC training institutes and enter the RAC profession, as well as the introduction of a 50 per cent quota for female students at RAC servicing vocational schools and university training institutes. The NOU will continue to advocate for the employment of trained female RAC technicians at mining and brewery enterprises.

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

23. The total cost of stage II of the HPMP for Guinea has been estimated at US \$420,000 (plus agency support costs), as originally submitted, for achieving a 67.5 per cent reduction from its HCFC baseline consumption by 2025 and total phase-out by 2030. The proposed activities and their cost breakdown are summarized in paragraphs 18 and 19 above.

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

24. The first funding tranche of stage II of the HPMP was originally requested at the total amount of US \$204,000 for the implementation of the following activities between January 2024 and December 2025

- (a) *Updating ODS-related legislation and strengthening the enforcement of regulations:* Updating the current ODS-regulated regulations, including drafting the ban on the import of new and used HCFC-based equipment by 1 January 2027; reinforcement of the online tool for sharing information between the NOU and the Customs on import permits for all controlled substances; updating the Customs' training manual to include the 2022 HS customs codes; training of at least 160 customs and enforcement officers on the control and identification of HCFCs and HCFC-based equipment, related laws and regulations, and use of refrigerant identifiers; translation of regulations on the importation of HCFCs and HCFC-based equipment into local languages; and organization of at least five workshops and information campaigns for importers and distributors on the licensing and quota procedures and the safe handling and storing of flammable refrigerants (UNEP) (US \$37,000);
- (b) *Capacity building for RAC technicians:* Training of about 240 RAC technicians on good servicing practices, including techniques for refrigerant recovery and reuse and the safe handling of refrigerants and equipment; development of standards and protocols on the use of flammable refrigerants for the complete chain of refrigerant handling; and carrying out information campaigns to promote technician certification, refrigerant recovery and reuse, and the pursuit of technical studies and careers by women in RAC (UNEP) (US \$57,000);
- (c) *Technical assistance to strengthen the centres of excellence, refrigerant recovery and reuse infrastructure, and control measures:* Provision of training, tools, equipment, and spare parts to two centres of excellence and one existing refrigerant recovery and reuse centre; technical assistance to carry out a study exploring barriers to the recovery and reuse of refrigerants in the country; procurement of five refrigerant identifiers and spare parts; and intensive training on HCs provided to three trainers (UNIDO) (US \$100,000); and
- (d) *Project coordination and monitoring:* Staff and consultants (US \$5,000), and travel (US \$5,000) (UNEP) (for a total of US \$10,000).

## SECRETARIAT'S COMMENTS AND RECOMMENDATION

### COMMENTS

25. The Secretariat reviewed stage II of the HPMP for Guinea 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 (decision 74/50), and the 2023-2025 business plan of the Multilateral Fund.

#### Overarching strategy

26. The Secretariat discussed with UNEP the country's phase-out targets for 2023 to 2030, keeping in mind the declining trend in HCFC-22 consumption reported from 2018 to 2022 and the 2023 import quotas issued at 1.1 ODP tonnes (equal to a 95.1 per cent reduction from the baseline). Subsequently, UNEP indicated that the Government of Guinea agreed to revise its HCFC phase-out schedule, adopting accelerated reduction steps of 94.7 per cent in 2024, 96.5 per cent in 2025-2029, and 100 per cent in 2030.

27. UNEP informed the Secretariat that, excepting unforeseen circumstances, the Government was committed to achieving the total phase-out of HCFCs by 2030, and that the country might not require any HCFCs for its servicing needs afterwards.

#### Legal framework

28. Noting that many RAC appliances being repaired in workshops were five to 10 years old, the Secretariat encouraged UNEP and the Government of Guinea to consider issuing a ban on HCFC-based equipment imports by 2025, in order to avoid an increased demand for servicing in the coming years. UNEP explained that, due to national circumstances, the ban could only be considered from 1 January 2027.

29. Regarding other regulations, UNEP reported that the Government would adopt the following: a revised code of good practices for RAC technicians by 1 January 2027; mandatory recovery of HCFCs during RAC equipment servicing by 1 January 2028; a mandatory certification scheme for RAC technicians by 1 January 2028; and mandatory leakage checks for larger RAC equipment in the commercial and industrial sectors by 2028.

#### Technical and cost-related issues

30. Noting the increase in HFC consumption, the Secretariat discussed with UNEP the barriers to adopting alternatives with zero or low global-warming potential (GWP) faced by the country. UNEP advised that, while the prices of zero- or low-GWP alternatives were currently much higher than the price of HCFC-22, the main barriers to their broader adoption were technical and safety-related, and that this issue would be addressed by the development of safety standards and technician training proposed under stage II of the HPMP.

31. The Secretariat and UNEP further discussed the planned operationalization and sustainability of the technician certification scheme. UNEP explained that the certification procedure would become mandatory by 1 January 2028, with the Ministry of the Environment and the Ministry of Employment and Vocational Training acting as the issuing authorities, with support from the Refrigeration Association and the centres of excellence. The scheme is planned to target both the informal and formal RAC technicians. Although certification would come at a cost, technicians would be incentivized as contracts for RAC servicing with Government institutions and larger enterprises could only be carried out by certified providers. The sustainability of the scheme will be supported through the Government's commitment to ensure the certification of trainers and to strengthen the capacity of vocational training centres. UNEP confirmed that the Refrigerant Driving License, a global qualification programme for RAC technicians



developed by UNEP’s OzonAction, could be an option considered for streamlining the development of the certification scheme.

32. In response to the Secretariat’s enquiry on the sustainability of the refrigerant recovery and reuse scheme, UNEP acknowledged the need to suitably equip the country for its successful operation, and confirmed that the Government of Guinea was committed to making refrigerant recovery mandatory. UNEP further reported that some workshops had started related operations with equipment installed under stage I; however, no data on the volumes of recovered and recycled refrigerants were available. UNEP added that under stage II, equipment recipients would be required to report the amounts of refrigerants recovered as part of a signed agreement. Potential business profit would drive the success of this component. In this regard, UNIDO will propose that the centres keep logbooks to record the refrigerants and to account for expenditures and profits, as they would be covering the operational costs of the scheme.

33. As part of the first tranche of stage II, a small technical-assistance component is envisioned in the form of a study to explore the barriers faced by the country in the process of refrigerant recovery and reuse; based on its results, re-programming of funds may be suggested under the second tranche. Accordingly, UNEP and UNIDO have agreed to provide, when requesting the second tranche, an update on the refrigerant recovery and reuse infrastructure in the country, including the amounts and types of refrigerants recovered, any feedback or comments from the private sector on whether or not the scheme was commercially viable, and a justification for their assessment.

Total project cost

34. In line with the cost guidelines established for stage II of HPMPs (decision 74/50(c)(xii)), the maximum eligible funding to achieve the complete phase-out of HCFCs of Guinea is US \$950,000, noting that US \$530,000 had already been approved for stage I of the HPMP. Accordingly, the total cost of stage II of the HPMP amounts to US \$420,000.

35. To ensure a balanced distribution according to the needs of the country to sustain activities while allocating the last tranche in 2030 in line with decision 62/17, UNEP and the Secretariat agreed on a revised tranche distribution, as shown in table 3. It was also agreed that the second and third tranche requests would be submitted to the first Executive Committee meetings in 2026 and 2030, respectively.

**Table 3. Funding tranche distribution for stage II of the HPMP as submitted and as agreed (US \$)**

	2023	2024-2025	2026	2027-2028	2029	2030	Total
<b>As submitted</b>							
Lead IA (UNEP)	104,000	0	91,000	0	62,000	0	257,000
Cooperating IA (UNIDO)	100,000	0	0	0	63,000	0	163,000
<b>Total as submitted</b>	<b>204,000</b>	<b>0</b>	<b>91,000</b>	<b>0</b>	<b>125,000</b>	<b>0</b>	<b>420,000</b>
<b>As agreed</b>							
Lead IA (UNEP)	81,000	0	119,000	0	0	57,000	257,000
Cooperating IA (UNIDO)	60,000	0	103,000	0	0	0	163,000
<b>Total as agreed</b>	<b>141,000</b>	<b>0</b>	<b>222,000</b>	<b>0</b>	<b>0</b>	<b>57,000</b>	<b>420,000</b>

Activities planned for the first tranche

36. Given the changes in tranche distribution, funding amounts for the first tranche of stage II and associated activities were revised as follows:

- (a) *Updating ODS-related legislation and strengthening the enforcement of regulations: As initially submitted, with funding reduced from US \$37,000 to US \$35,000 (UNEP);*

- (b) *Capacity building for RAC technicians:* The number of technicians to be certified has been reduced from about 240 to 120; other activities as initially submitted; with funding reduced from US \$57,000 to US \$36,000 (UNEP);
- (c) *Technical assistance to strengthen the centres of excellence, refrigerant recovery and reuse infrastructure, and control measures:* The costs of training, tools, equipment, and spare parts to be provided two centres of excellence were adjusted in line with the revised tranche budget;<sup>10</sup> the number of refrigerant identifiers to be provided to the Customs has been reduced from five to two; technical assistance to carry out a study on barriers to refrigerant recovery and reuse in the country and intensive training on HCs for three trainers as initially submitted, with funding reduced from US \$100,000 to US \$60,000 (UNIDO); and
- (d) *Project coordination and monitoring:* As submitted (US \$10,000) (UNEP).

#### Impact on the climate

37. The activities proposed in the servicing sector, which include better containment of refrigerants through training and provision of equipment, will reduce the amount of HCFC-22 used for RAC servicing in the country. Each kilogram of HCFC-22 not emitted due to better refrigeration practices results in the savings of approximately 1.8 CO<sub>2</sub>-equivalent tonnes. Although a calculation of the impact on the climate was not included in the HPMP, the activities planned by the Government of Guinea, including efforts to promote low-GWP alternatives, indicate that the implementation of the HPMP will reduce the emissions of refrigerant into the atmosphere, resulting in climate benefits.

#### Sustainability of the HCFC phase-out and assessment of risks

38. The Secretariat discussed with UNEP the risks to a successful implementation of the project and the sustainability of the HPMP achievements. The primary risks identified from that analysis were the unavailability of technologies being promoted and factors external to the project, such as the COVID-19 pandemic, political situation, or illegal trade through porous borders. These risks would be mitigated by awareness raising, information dissemination, and capacity building related to the availability of technology; lessons learned both from the Ebola virus outbreak and the COVID-19 pandemic will ensure that project implementation can continue despite such challenges; and an enforceable licensing system, customs training, and border dialogues under the OzonAction programme will address the potential illegal trade. Furthermore, UNEP will monitor the implementation of the project through reports and visits to detect any unforeseen difficulty or conflict that may prevent the success of the HPMP.

39. Guinea continues to be in compliance with the Montreal Protocol and the Agreement between the Government and the Executive Committee. The sustainability of the results achieved under stage I of the HPMP has been taken into account, and stage II will strengthen sustainable HCFC phase-out and adoption of low-GWP alternatives. Customs training will continue to cover the country's compliance obligations; more technicians will be trained and certified. The general legal framework for managing toxic and flammable refrigerants will be reinforced through regulatory standards to promote the safe use of alternative, low-GWP refrigerants. The centres of excellence will receive further tools and equipment that will allow them to continue to train technicians and provide consultative services. The recovery and reuse mechanism will be expanded to encourage technicians to recover refrigerants during servicing and avoid the release of refrigerants into the atmosphere. All these activities in stage II will continue to contribute to the sustainable phase-out of HCFCs.

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<sup>10</sup> The set of tools will be reduced due to budget limitations, and the ATEX-certified recovery unit will be removed from the first tranche.

Co-financing

40. The Government of Guinea proposes to provide in-kind contribution of US \$102,000 through the provision of personnel, office space and logistical support through the NOU to fund the implementation of stage II of the HPMP.

2023-2025 draft business plan of the Multilateral Fund

41. UNEP and UNIDO are requesting US \$420,000, plus agency support costs, for the implementation of stage II of the HPMP for Guinea. The total requested value of US \$156,930, including agency support costs, for the period of 2023–2025, is US \$21,410 above the amount in the business plan.

Draft Agreement

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

**RECOMMENDATION**

43. The Executive Committee may wish to consider:

- (a) Approving, in principle, stage II of the HCFC phase-out management plan (HPMP) for Guinea for the period from 2023 to 2030 for the complete phase-out of HCFC consumption, in the amount of US \$468,080, consisting of US \$257,000, plus agency support costs of US \$33,410, for UNEP and US \$163,000, plus agency support costs of US \$14,670, 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 Guinea:
  - (i) To reduce HCFC consumption by 94.7 per cent of the country's baseline by 2024, 96.5 per cent by 2025, and to completely phase out HCFCs by 1 January 2030, and that HCFCs will not be imported after that date, except for those allowed for a servicing tail between 2030 and 2040, where required, consistent with the provisions of the Montreal Protocol;
  - (ii) To ban the import of equipment containing HCFCs by 1 January 2027;
- (c) Deducting 4.87 ODP tonnes of HCFCs from the remaining HCFC consumption eligible for funding;
- (d) Approving the draft Agreement between the Government of Guinea 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;
- (e) That, to allow for consideration of the final tranche of its HPMP, the Government of Guinea 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 Guinea 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; and
- (f) Approving the first tranche of stage II of the HPMP for Guinea, and the corresponding tranche implementation plan, in the amount of US \$156,930, consisting of US \$81,000, plus agency support costs of US \$10,530, for UNEP and US \$60,000, plus agency support costs of US \$5,400, for UNIDO, on the understanding that UNEP and UNIDO will include in the progress report associated with the implementation of the first tranche of stage II of the HPMP, an update on the refrigerant recovery and reuse infrastructure in the country.

## Annex I

### **DRAFT AGREEMENT BETWEEN THE GOVERNMENT OF GUINEA 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 Guinea (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 (remaining consumption eligible for funding).
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 the 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 2-A.

### **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	7.51
Total	C	I	7.51

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2023	2024	2025	2026	2027-2029	2030	Total	
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	14.70	14.70	7.35	7.35	7.35	0	n/a	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	1.20	1.20	0.80	0.80	0.80	0	n/a	
2.1	Lead IA (UNEP) agreed funding (US \$)	81,000	0	0	119,000	0	57,000	257,000	
2.2	Support costs for Lead IA (US \$)	10,530	0	0	15,470	0	7,410	33,410	
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	60,000	0	0	103,000	0	0	163,000	
2.4	Support costs for Cooperating IA (US \$)	5,400	0	0	9,270	0	0	14,670	
3.1	Total agreed funding (US \$)	141,000	0	0	222,000	0	57,000	420,000	
3.2	Total support costs (US \$)	15,930	0	0	24,740	0	7,410	48,080	
3.3	Total agreed costs (US \$)	156,930	0	0	246,740	0	64,410	468,080	
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)								4.87
4.1.2	Phase-out of HCFC-22 to be achieved in the previous stage (ODP tonnes)								2.63
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								0.0

Date of completion of stage I as per decision 85/34(b)(i): 31/07/2023



### **APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval at the first 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 assistance from the Lead IA. The NOU will submit annual progress reports to the Lead IA on the status of the Plan implementation.
2. Consumption of substances will be monitored and determined based on official import and export data registered by relevant Government departments. The NOU will compile and report the following data and information each year, on or before the relevant deadlines:
  - (a) Reports on the consumption of the substances to be submitted to the Ozone Secretariat in line with Article 7 of the Montreal Protocol; and
  - (b) Reports on country programme data to be submitted to the Secretariat of the Multilateral Fund.
3. Monitoring of the development of the Plan and verification of the achievement of performance targets will be assigned by Lead IA to an independent local enterprise or consultant(s). The enterprise or consultant(s) responsible for 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 the 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 the 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 AGENCY**

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.

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